

"An Act relating to exemptions from municipal property tax; effective date."

COMMITTEE REPORT

4/12/76

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HB 277

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

| | | |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

"An Act relating to exemptions from municipal property tax; and providing for an effective date."

3/10/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speaker:

Date 4/9/76

The Committee on STATE AFFAIRS has had HB 277

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR HB 277 (same title) AND THAT CS FOR HB 277 DO PASS

() "and" recommends it BE REFERRED TO THE _____ COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

Joe McKinnon
Jim Salter Bob Seime
Helen D. Bouslog Bin Paulson
Helen Fischer W. Miller

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Joe McKinnon Chairman

Original sponsor: State Affairs Committee

Offered: 4/12/76
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 277

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to exemptions from municipal property
7 tax; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 29.53.020(a)(1) is amended to read:

10 (1) municipal, state or federally owned property, except that
11 private leaseholds, contracts or other interests in the property shall
12 be taxable to the extent of those interests and that of state owned
13 property set out in sec. 21 of this chapter shall be taxable in the man-
14 ner there provided;

15 * Sec. 2. AS 29.53 is amended by adding a new section to read:

16 Sec. 29.53.021. TAXABLE PROPERTY. (a) The property described in
17 (b) of this section is taxable in the same manner as other property
18 taxed under this chapter. The rate of tax on the property is the same
19 as would be levied on the property if it was privately owned and sub-
20 ject to taxation. The assessed value of this property shall be the
21 full and true value of the property, which shall be determined in the
22 manner provided for privately owned property.

23 (b) The property referred to in (a) of this section consists of
24 improvements and the land supporting or adjacent to the improvements
25 which are necessary to convenient use of the improvements, owned by the
26 state, the Alaska State Housing Authority or the University of Alaska.

27 (c) Municipalities may by ordinance annually elect to collect the
28 tax under this section or to accept state aid to districts affected by
29 state activities under AS 14.17.215 as if the property taxable under that

1 section was not subject to tax. If the municipality elects to accept
2 aid under AS 14.17.215, receipt of payment of that aid is in lieu of
3 payment of tax which would have otherwise been due on property described
4 in this section.

5 * Sec. 3. This Act takes effect January 1, 1977.
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

252
Hain

Introduced: 3/10/75
Referred: State Affairs
and Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 HOUSE BILL NO. 277
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 NINTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act relating to exemptions from municipal property
7 tax; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 29.53.020(a)(1) is amended to read:
10 (1) municipal, state or federally owned property, except that
11 private leaseholds, contracts or other interests in the property shall
12 be taxable to the extent of those interests and those classes of state
13 owned property set out in sec. 21 of this chapter shall be taxable in
14 the manner there provided;

15 * Sec. 2. AS 29.53 is amended by adding a new section to read:
16 Sec. 29.53.021. TAXABLE PROPERTY. (a) The property described
17 in (b) of this section is taxable in the same manner as other property
18 taxed under this chapter. The rate of tax on the property shall be the
19 same as would be levied on the property if it was privately owned and
20 subject to taxation, except that during calendar years 1976 - 1980 the
21 rate of tax shall be 10 per cent of the tax which would otherwise be
22 levied. The assessed value of this property shall be the full and true
23 value of the property, which shall be determined by the Department of
24 Community and Regional Affairs in the manner provided in AS 14.17.140.
25 (b) The property referred to in (a) of this section consists of
26 real property and the lands upon which they are situated, owned by
27 either the state, the Alaska State Housing Authority or the University
28 of Alaska and used principally for one or more of the following
29 purposes:

- 1 (1) to provide office space for state employees;
- 2 (2) to provide space for the performance of state judicial,
- 3 legislative or administrative functions;
- 4 (3) to provide education by the state including plants in
- 5 support of, or to furnish services for, property used for state educa-
- 6 tional purposes;
- 7 (4) Alaska National Guard indoor training and administration;
- 8 (5) to provide indoor space for the performance of state
- 9 highway maintenance and functions including the repair and storage of
- 10 equipment;
- 11 (6) to provide indoor space for fish hatcheries and labora-
- 12 tories.

13 * Sec. 3. This Act takes effect January 1, 1976.

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

March 26, 1976

The Honorable Mike Miller
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Representative Miller:

You have requested a fiscal note and an amendment to CS for House Bill No. 277, which will assign state responsibilities associated with administration of the act to the appropriate department.

Enclosed for your consideration is the requested fiscal note and recommended amendments to the bill. In review of the committee's substitute language, a local option is provided to each taxing jurisdiction in which state property lies, to either assess the property and collect the tax or accept state aid under the Mini-874 Program (AS 14.17.215). Administration of the state aid option is the responsibility of the Department of Education. The question is which department should be responsible for administration of the property tax option. In view of the responsibilities outlined below, it appears that the Department of Community & Regional Affairs could provide proper administrative control.

The responsibilities of the selected department will, in our opinion, include the following:

In cooperation with other department divisions, the department shall:

1. Develop administrative code regulations which allocate municipal and state responsibilities and alert each municipality as to these responsibilities.
2. Require each municipality involved to timely inform the department of its elected option. This is necessary for purposes of estimating the annual Legislative BRU appropriation.

March 26, 1976

3. Assist local assessors in compiling all available building plans, plats, survey maps, original construction costs and reports necessary to locate all taxable property and determine the amount of state land required for each improvement which is reasonably necessary for its convenient use.
4. Receive and review notices of assessment to assure that only taxable property is assessed and that assessed values are uniformly determined in conformity with other taxable property within the municipality.
5. Request, complete and submit appeal forms as required to protect the state's interest, should excessive or erroneous assessed values be evident.
6. Provide expert testimony as required before local Boards of Equalization proceedings.
8. Receive and audit tax statements and timely request payment vouchers to avoid penalty and accrued interest charges.

Very truly yours,

Lee McAnerney
Commissioner

By: _____

S. RobertyDozier
State Assessor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. CS for HB No. 277

Title: An Act relating to exemptions from municipal property tax

Requested by: Representative Mike Miller Date: 3/24/76

Return Date Requested: 3/26/76

Agency: Dept. Community & Regional Affairs Program: Local Government Assistance

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

| OBJECT | FY 76 | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 |
|--------------------------|-------|-------|--------|--------|-------|-------|
| 100 PERSONAL SERVICES | | 51.6 | 56.8 | 62.4 | | |
| 200 TRAVEL | | 4.5 | 5.0 | 5.5 | | |
| 300 CONTRACTUAL | | 4.8 | 5.3 | 5.8 | | |
| 400 COMMODITIES | | 2.3 | 2.5 | 2.8 | | |
| 500 EQUIPMENT | | 2.6 | 2.9 | 3.2 | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | 6369.0 | 7101.4 | | |
| TOTAL | | 65.8 | 6442.0 | 7181.1 | | |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|--|------|--------|--------|--|--|
| GENERAL FUND | | 65.8 | 6442.0 | 7181.1 | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |

C. POSITIONS:

| | | | | | | |
|---------------------|---|-----|-----|-----|---|---|
| PERMANENT/TEMPORARY | / | 2/ | 2/ | 2/ | / | / |
| MAN MONTHS (P./T.) | / | 24/ | 24/ | 24/ | / | / |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assumptions

- Buildings values reflect 1975 replacement cost figures as computed for insurance purposes. (763 buildings = 441,246,059)
- Land values reflect the estimated 1975 market value determined by adding appreciated value of 10% per year to the original price paid or estimated acquisition value. (130 parcels, 50,704 acres = 51,864,125)
- The projected tax yield for each municipality (Table I) reflects the dollar amount of the tax with respect to location, valuation and the effective 1975 mill rate. (Average mill rate .012915 = \$6,368,953)
- Assessment date, January 1, 1977.

IV. ATTACHMENTS

Analysis continued

1975 property values and tax (Table I)

V. DATE: 3/26/76

PREPARED BY: _____

S. Robert Dozier, State Assessor

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Committee substitute for House Bill No. 277 provides a local option to each municipal taxing jurisdiction in which state property lies to either assess the property and collect the tax or accept state aid under the Mini-874 Program, AS 14.17.215.

Administration of the program will be the responsibility of the Department of Community and Regional Affairs. The pilot program will require the development of administrative code regulations outlining both municipal and state responsibilities. Each municipality will be required to timely inform the department of its elected option. The department will assist each municipality in compiling building plans, plats, original construction cost data and reports necessary to locate all taxable property and determine the amount of state land required for convenient use of the improvements; receive and review notices of assessment; request and file appeal forms as required should excessive or erroneous assessed values be evident; provide expert testimony as required at local Board of Equalization hearings; receive and audit tax statements and timely request payment vouchers to avoid penalty and interest charges.

Under direction of the State Assessor, the Program Supervisor Appraiser, will develop regulations, forms and procedures; and assume program responsibilities.

The administrative costs are estimated as follows:

100 Personal Services

| | | |
|--------------------------------|--------|--------|
| Program Supervisor (Appraiser) | | |
| Range 21, Step B | 29,332 | |
| Clerk IV, Range 9, Step B | 12,612 | |
| Total Salary | 41,944 | |
| Fringe Benefits @ 23% | 9,647 | |
| Total Personal Services | | 51,591 |

Travel and Per Diem

| | | |
|-----------------|-------|-------|
| State Assessor | 1,000 | |
| Staff Appraiser | 3,500 | |
| Total | | 4,500 |

Contractual Services

| | | |
|---------------------------------|------|------|
| Telephone and Long Distance | 500 | |
| Postage | 100 | |
| Printing, Forms, Misc. | 100 | |
| Data Processing and Programming | 2500 | |
| Machine Rental and Xeroxing | 300 | |
| Office Rent, 200 sq. ft. @ 55¢ | 1320 | |
| Total | | 4820 |

Commodities

| | | |
|---------------------------|------|------|
| Reference Material & Maps | 2000 | |
| Office Supplies | 300 | 2300 |

Equipment

| | | |
|-------------------------|-----|------|
| Executive Desk @ 315 | 315 | |
| Executive Chair @ 130 | 130 | |
| Secretarial Desk @ 370 | 370 | |
| Secretarial Chair @ 115 | 115 | |
| Calculator @ 440 | 440 | |
| Typewriter @ 800 | 800 | |
| Filing Cabinets @ 220 | 220 | |
| Table @ 105 | 105 | |
| Book Case @ 105 | 105 | |
| Total Equipment | | 2600 |

| | | |
|--|--|--------|
| Total FY Budget Request for operation of HB No. 277 | | 65,811 |
|--|--|--------|

Suggested Amendments for CS HB No. 277

"An act relating to exemptions from Municipal Property Tax; and providing for an effective date"

*Section 1. No change.

*Section 2. AS 29.53 is amended by adding a new section to read:

Sec. 29.53.021 TAXABLE PROPERTY

Page 1 Line 16 (a) no change

Page 1 Line 25 Amended language as follows:

(b) The property referred to in (a) of this section consists of [IMPROVEMENTS AND THE LAND SUPPORTING OR ADJACENT TO THE IMPROVEMENTS WHICH ARE NECESSARY TO CONVENIENT USE OF THE IMPROVEMENTS,] Real property defined in AS 14.17.215 (b) owned by the state, the Alaska State Housing Authority or the University of Alaska, except that land which is not necessary to convenient use of an improvement is exempt from taxation.

Page 1 Line 27 Amended language as follows:

(c) Municipalities may [BY ORDINANCE] annually elect to (1) collect the tax under this section or (2) accept state aid to districts affected by state activities under AS 14.17.215 as if the property taxable under that section was not subject to tax. If the municipality elects to accept aid under AS 14.17.215, receipt of payment of that aid is in lieu of

payment of tax which would have otherwise been due on property described in this section.

Page 2 Add subsections (d) and (e) as follows:

(d) On or before January 15 of each assessment year the taxing jurisdiction must inform the Department of Community & Regional Affairs which method the municipality has elected to use under subsection (c).

(e) Subject to appeal under section 130-140 of 'his chapter and subject to legislative appropriation for the purpose, the state shall pay to a municipality as appropriate, the tax as levied under this section.

Page 2 Line 5 Amended language as follows:

Sec. 3 This act takes effect immediately in accordance with AS 01.10...

ALASKA STATE LEGISLATURE

NINTH Legislature FIRST Session

HOUSE BILL NO. 277...

By STATE AFFAIRS COMMITTEE...

"An Act relating to exemptions from municipal property tax; and providing for an effective date."

Property tax exemptions

Introduced in the House 3/10, 1975

HISTORY IN THE HOUSE

1975

Mar. 10

Read first time and referred to Committee on State Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reconsideration

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reported correctly engrossed
Signed by Speaker -
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reconsideration

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.

Original sponsor: State Affairs Committee

Offered: 4/12/76
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 277

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to exemptions from municipal property
7 tax; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 29.53.020(a)(1) is amended to read:

10 (1) municipal, state or federally owned property, except that
11 private leaseholds, contracts or other interests in the property shall
12 be taxable to the extent of those interests and that of state owned
13 property set out in sec. 21 of this chapter shall be taxable in the man-
14 ner there provided;

15 * Sec. 2. AS 29.53 is amended by adding a new section to read:

16 Sec. 29.53.021. TAXABLE PROPERTY. (a) The property described in
17 (b) of this section is taxable in the same manner as other property
18 taxed under this chapter. The rate of tax on the property is the same
19 as would be levied on the property if it was privately owned and sub-
20 ject to taxation. The assessed value of this property shall be the
21 full and true value of the property, which shall be determined in the
22 manner provided for privately owned property.

23 (b) The property referred to in (a) of this section consists of
24 improvements and the land supporting or adjacent to the improvements
25 which are necessary to convenient use of the improvements, owned by the
26 state, the Alaska State Housing Authority or the University of Alaska.

27 (c) Municipalities may by ordinance annually elect to collect the
28 tax under this section or to accept state aid to districts affected by
29 state activities under AS 14.17.215 as if the property taxable under that

1 section was not subject to tax. If the municipality elects to accept
2 aid under AS 14.17.215, receipt of payment of that aid is in lieu of
3 payment of tax which would have otherwise been due on property described
4 in this section.

5 * Sec. 3. This Act takes effect January 1, 1977.
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Introduced: 3/10/75
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE BILL NO. 277

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to exemptions from municipal property
7 tax; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 29.53.020(a)(1) is amended to read:

10 (1) municipal, state or federally owned property, except that
11 private leaseholds, contracts or other interests in the property shall
12 be taxable to the extent of those interests and those classes of state
13 owned property set out in sec. 21 of this chapter shall be taxable in
14 the manner there provided;

15 * Sec. 2. AS 29.53 is amended by adding a new section to read:

16 Sec. 29.53.021. TAXABLE PROPERTY. (a) The property described
17 in (b) of this section is taxable in the same manner as other property
18 taxed under this chapter. The rate of tax on the property shall be the
19 same as would be levied on the property if it was privately owned and
20 subject to taxation, except that during calendar years 1976 - 1980 the
21 rate of tax shall be 10 per cent of the tax which would otherwise be
22 levied. The assessed value of this property shall be the full and true
23 value of the property, which shall be determined by the Department of
24 Community and Regional Affairs in the manner provided in AS 14.17.140.

25 (b) The property referred to in (a) of this section consists of
26 real property and the lands upon which they are situated, owned by
27 either the state, the Alaska State Housing Authority or the University
28 of Alaska and used principally for one or more of the following
29 purposes:

1 (1) to provide office space for state employees;

2 (2) to provide space for the performance of state judicial,
3 legislative or administrative functions;

4 (3) to provide education by the state including plants in
5 support of, or to furnish services for, property used for state educa-
6 tional purposes;

7 (4) Alaska National Guard indoor training and administration;

8 (5) to provide indoor space for the performance of state
9 highway maintenance and functions including the repair and storage of
10 equipment;

11 (6) to provide indoor space for fish hatcheries and labora-
12 tories.

13 * Sec. 3. This Act takes effect January 1, 1976.
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. CS for HB No. 277

Title: An Act relating to exemptions from municipal property tax

Requested by: Representative Mike Miller Date: 3/24/76

Return Date Requested: 3/26/76

Agency: Dept. Community & Regional Affairs Program: Local Government Assistance

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

| OBJECT | FY 76 | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 |
|--------------------------|-------|-------|--------|--------|-------|-------|
| 100 PERSONAL SERVICES | | 51.6 | 56.8 | 62.4 | | |
| 200 TRAVEL | | 4.5 | 5.0 | 5.5 | | |
| 300 CONTRACTUAL | | 4.8 | 5.3 | 5.8 | | |
| 400 COMMODITIES | | 2.3 | 2.5 | 2.8 | | |
| 500 EQUIPMENT | | 2.6 | 2.9 | 3.2 | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | 6369.0 | 7101.4 | | |
| TOTAL | | 65.8 | 6442.0 | 7181.1 | | |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|--|------|--------|--------|--|--|
| GENERAL FUND | | 65.8 | 6442.0 | 7181.1 | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |

C. POSITIONS:

| | | | | | | |
|---------------------|---|-----|-----|-----|---|---|
| PERMANENT/TEMPORARY | / | 2/ | 2/ | 2/ | / | / |
| MAN MONTHS (P./T.) | / | 24/ | 24/ | 24/ | / | / |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assumptions

- Buildings values reflect 1975 replacement cost figures as computed for insurance purposes. (763 buildings = 441,246,059)
- Land values reflect the estimated 1975 market value determined by adding appreciated value of 10% per year to the original price paid or estimated acquisition value. (130 parcels, 50,704 acres = 51,864,125)
- The projected tax yield for each municipality (Table I) reflects the dollar amount of the tax with respect to location, valuation and the effective 1975 mill rate. (Average mill rate .012915 = \$6,368,953)
- Assessment date, January 1, 1977.

IV. ATTACHMENTS

Analysis continued

1975 property values and tax (Table I)

V. DATE: 3/26/76 PREPARED BY: S. Robert Dozier

S. Robert Dozier, State Assessor

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Committee substitute for House Bill No. 277 provides a local option to each municipal taxing jurisdiction in which state property lies to either assess the property and collect the tax or accept state aid under the Mini-874 Program, AS 14.17.215.

Administration of the program will be the responsibility of the Department of Community and Regional Affairs. The pilot program will require the development of administrative code regulations outlining both municipal and state responsibilities. Each municipality will be required to timely inform the department of its elected option. The department will assist each municipality in compiling building plans, plats, original construction cost data and reports necessary to locate all taxable property and determine the amount of state land required for convenient use of the improvements; receive and review notices of assessment; request and file appeal forms as required should excessive or erroneous assessed values be evident; provide expert testimony as required at local Board of Equalization hearings; receive and audit tax statements and timely request payment vouchers to avoid penalty and interest charges.

Under direction of the State Assessor, the Program Supervisor Appraiser, will develop regulations, forms and procedures; and assume program responsibilities.

The administrative costs are estimated as follows:

100 Personal Services

| | | |
|--------------------------------|--------|--------|
| Program Supervisor (Appraiser) | | |
| Range 21, Step B | 29,332 | |
| Clerk IV, Range 9, Step B | 12,612 | |
| Total Salary | 41,944 | |
| Fringe Benefits @ 23% | 9,647 | |
| Total Personal Services | | 51,591 |

Travel and Per Diem

| | | |
|-----------------|-------|-------|
| State Assessor | 1,000 | |
| Staff Appraiser | 3,500 | |
| Total | | 4,500 |

Contractual Services

| | | |
|---------------------------------|------|------|
| Telephone and Long Distance | 500 | |
| Postage | 100 | |
| Printing, Forms, Misc. | 100 | |
| Data Processing and Programming | 2500 | |
| Machine Rental and Xeroxing | 300 | |
| Office Rent, 200 sq. ft. @ 55¢ | 1320 | |
| Total | | 4820 |

Commodities

| | | |
|---------------------------|------|------|
| Reference Material & Maps | 2000 | |
| Office Supplies | 300 | 2300 |

Equipment

| | | |
|-------------------------|-----|------|
| Executive Desk @ 315 | 315 | |
| Executive Chair @ 130 | 130 | |
| Secretarial Desk @ 370 | 370 | |
| Secretarial Chair @ 115 | 115 | |
| Calculator @ 440 | 440 | |
| Typewriter @ 800 | 800 | |
| Filing Cabinets @ 220 | 220 | |
| Table @ 105 | 105 | |
| Book Case @ 105 | 105 | |
| Total Equipment | | 2600 |

| | | |
|--|--|--------|
| Total FY Budget Request for operation of HB No. 277 | | 65,811 |
|--|--|--------|

Suggested Amendments for CS HB No. 277

"An act relating to exemptions from Municipal
Property Tax; and providing for an effective date"

*Section 1. No change.

*Section 2. AS 29.53 is amended by adding a new section to read:

Sec. 29.53.021 TAXABLE PROPERTY

Page 1 Line 16 (a) no change

Page 1 Line 25 Amended language as follows:

(b) The property referred to in (a) of this section consists of
[IMPROVEMENTS AND THE LAND SUPPORTING OR ADJACENT TO THE
IMPROVEMENTS WHICH ARE NECESSARY TO CONVENIENT USE OF THE
IMPROVEMENTS,] Real property defined in AS 14.17.215 (b)
owned by the state, the Alaska State Housing Authority or the
University of Alaska, except that land which is not necessary
to convenient use of an improvement is exempt from taxation.

Page 1 Line 27 Amended language as follows:

(c) Municipalities may [BY ORDINANCE] annually elect to
(1) collect the tax under this section or (2) accept state aid
to districts affected by state activities under AS 14.17.215
as if the property taxable under that section was not subject
to tax. If the municipality elects to accept aid under
AS 14.17.215, receipt of payment of that aid is in lieu of

payment of tax which would have otherwise been due on property described in this section.

Page 2 Add subsections (d) and (e) as follows:

(d) On or before January 15 of each assessment year the taxing jurisdiction must inform the Department of Community & Regional Affairs which method the municipality has elected to use under subsection (c).

(e) Subject to appeal under section 130-140 of this chapter and subject to legislative appropriation for the purpose, the state shall pay to a municipality as appropriate, the tax as levied under this section.

Page 2 Line 5 Amended language as follows:

Sec. 3 This act takes effect immediately in accordance with AS 01.10...

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. CS for HB No. 277
 Title: An Act relating to exemptions from municipal property tax
 Requested by: Representative Mike Miller Date: 3/24/76
 Return Date Requested: 3/26/76
 Agency: Dept. Community & Regional Affairs Program: Local Government Assistance

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

| OBJECT | FY 76 | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 |
|--------------------------|-------|-------|--------|--------|-------|-------|
| 100 PERSONAL SERVICES | | 51.6 | 56.8 | 62.4 | | |
| 200 TRAVEL | | 4.5 | 5.0 | 5.5 | | |
| 300 CONTRACTUAL | | 4.8 | 5.3 | 5.8 | | |
| 400 COMMODITIES | | 2.3 | 2.5 | 2.8 | | |
| 500 EQUIPMENT | | 2.6 | 2.9 | 3.2 | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | 6369.0 | 7101.4 | | |
| TOTAL | | 65.8 | 6442.0 | 7181.1 | | |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|--|------|--------|--------|--|--|
| GENERAL FUND | | 65.8 | 6442.0 | 7181.1 | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |

C. POSITIONS:

| | | | | | | |
|---------------------|---|-----|-----|-----|---|---|
| PERMANENT/TEMPORARY | / | 2/ | 2/ | 2/ | / | / |
| MAN MONTHS (P./T.) | / | 24/ | 24/ | 24/ | / | / |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assumptions

- Buildings values reflect 1975 replacement cost figures as computed for insurance purposes. (763 buildings = 441,246,059)
- Land values reflect the estimated 1975 market value determined by adding appreciated value of 10% per year to the original price paid or estimated acquisition value. (130 parcels, 50,704 acres = 51,864,125)
- The projected tax yield for each municipality (Table I) reflects the dollar amount of the tax with respect to location, valuation and the effective 1975 mill rate. (Average mill rate .012915 = \$6,368,953)
- Assessment date, January 1, 1977.

IV. ATTACHMENTS

Analysis continued

1975 property values and tax (Table I)

V. DATE: 3/26/76 PREPARED BY: Robert Dozier

S. Robert Dozier, State Assessor

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Committee substitute for House Bill No. 277 provides a local option to each municipal taxing jurisdiction in which state property lies to either assess the property and collect the tax or accept state aid under the Mini-874 Program, AS 14.17.215.

Administration of the program will be the responsibility of the Department of Community and Regional Affairs. The pilot program will require the development of administrative code regulations outlining both municipal and state responsibilities. Each municipality will be required to timely inform the department of its elected option. The department will assist each municipality in compiling building plans, plats, original construction cost data and reports necessary to locate all taxable property and determine the amount of state aid required for convenient use of the improvements; receive and review notices of assessment; request and file appeal forms as required should excessive or erroneous assessed values be evident; provide expert testimony as required at local Board of Equalization hearings; receive and audit tax statements and timely request payment vouchers to avoid penalty and interest charges.

Under direction of the State Assessor, the Program Supervisor Appraiser, will develop regulations, forms and procedures; and assume program responsibilities.

The administrative costs are estimated as follows:

100 Personal Services

| | | |
|--------------------------------|--------|--------|
| Program Supervisor (Appraiser) | | |
| Range 21, Step B | 29,332 | |
| Clerk IV, Range 9, Step B | 12,612 | |
| Total Salary | 41,944 | |
| Fringe Benefits @ 23% | 9,647 | |
| Total Personal Services | | 51,591 |

Travel and Per Diem

| | | |
|-----------------|-------|-------|
| State Assessor | 1,000 | |
| Staff Appraiser | 3,500 | |
| Total | | 4,500 |

Contractual Services

| | | |
|---------------------------------|------|------|
| Telephone and Long Distance | 500 | |
| Postage | 100 | |
| Printing, Forms, Misc. | 100 | |
| Data Processing and Programming | 2500 | |
| Machine Rental and Xeroxing | 300 | |
| Office Rent, 200 sq. ft. @ 55¢ | 1320 | |
| Total | | 4820 |

Commodities

| | | |
|---------------------------|------|------|
| Reference Material & Maps | 2000 | |
| Office Supplies | 300 | 2300 |

Equipment

| | | |
|-------------------------|-----|------|
| Executive Desk @ 315 | 315 | |
| Executive Chair @ 130 | 130 | |
| Secretarial Desk @ 370 | 370 | |
| Secretarial Chair @ 115 | 115 | |
| Calculator @ 440 | 440 | |
| Typewriter @ 800 | 800 | |
| Filing Cabinets @ 220 | 220 | |
| Table @ 105 | 105 | |
| Book Case @ 105 | 105 | |
| Total Equipment | | 2600 |

| | | |
|--|--|--------|
| Total FY Budget Request for operation of HB No. 277 | | 65,811 |
|--|--|--------|

Suggested Amendments for CS HB No. 277

"An act relating to exemptions from Municipal
Property Tax; and providing for an effective date"

*Section 1. No change.

*Section 2. AS 29.53 is amended by adding a new section to read:

Sec. 29.53.021 TAXABLE PROPERTY

Page 1 Line 16 (a) no change

Page 1 Line 25 Amended language as follows:

(b) The property referred to in (a) of this section consists of
[IMPROVEMENTS AND THE LAND SUPPORTING OR ADJACENT TO THE
IMPROVEMENTS WHICH ARE NECESSARY TO CONVENIENT USE OF THE
IMPROVEMENTS,] Real property defined in AS 14.17.215 (b)
owned by the state, the Alaska State Housing Authority or the
University of Alaska, except that land which is not necessary
to convenient use of an improvement is exempt from taxation.

Page 1 Line 27 Amended language as follows:

(c) Municipalities may [BY ORDINANCE] annually elect to
(1) collect the tax under this section or (2) accept state aid
to districts affected by state activities under AS 14.17.215
as if the property taxable under that section was not subject
to tax. If the municipality elects to accept aid under
AS 14.17.215, receipt of payment of that aid is in lieu of

payment of tax which would have otherwise been due on property described in this section.

Page 2 Add subsections (d) and (e) as follows:

(d) On or before January 15 of each assessment year the taxing jurisdiction must inform the Department of Community & Regional Affairs which method the municipality has elected to use under subsection (c).

(e) Subject to appeal under section 130-140 of this chapter and subject to legislative appropriation for the purpose, the state shall pay to a municipality as appropriate, the tax as levied under this section.

Page 2 Line 5 Amended language as follows:

Sec. 3 This act takes effect immediately in accordance with AS 01.10...

March 26, 1976

The Honorable Mike Miller
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Representative Miller:

You have requested a fiscal note and an amendment to CS for House Bill No. 277, which will assign state responsibilities associated with administration of the act to the appropriate department.

Enclosed for your consideration is the requested fiscal note and recommended amendments to the bill. In review of the committee's substitute language, a local option is provided to each taxing jurisdiction in which state property lies, to either assess the property and collect the tax or accept state aid under the Mini-874 Program (AS 14.17.215). Administration of the state aid option is the responsibility of the Department of Education. The question is which department should be responsible for administration of the property tax option. In view of the responsibilities outlined below, it appears that the Department of Community & Regional Affairs could provide proper administrative control.

The responsibilities of the selected department will, in our opinion, include the following:

In cooperation with other department divisions, the department shall:

1. Develop administrative code regulations which allocate municipal and state responsibilities and alert each municipality as to these responsibilities.
2. Require each municipality involved to timely inform the department of its elected option. This is necessary for purposes of estimating the annual Legislative BRU appropriation.

March 26, 1976

3. Assist local assessors in compiling all available building plans, plats, survey maps, original construction costs and reports necessary to locate all taxable property and determine the amount of state land required for each improvement which is reasonably necessary for its convenient use.
4. Receive and review notices of assessment to assure that only taxable property is assessed and that assessed values are uniformly determined in conformity with other taxable property within the municipality.
5. Request, complete and submit appeal forms as required to protect the state's interest, should excessive or erroneous assessed values be evident.
6. Provide expert testimony as required before local Boards of Equalization proceedings.
7. Receive and audit tax statements and timely request payment vouchers to avoid penalty and accrued interest charges.

Very truly yours,

Lee McAnerney
Commissioner

By: _____

S. Roberty Dozier
State Assessor