

COMMITTEE REPORT

4/18/75

SENATE

*1-
June*

Mr. President:

Date April 6 1976

The Committee on C&R A has had CS SS HB 65 amended relating to assessment of real property for local taxation 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 ^SCS FOR CSSSHB 65 am AND THAT

(same title)

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE

Finance

COMMITTEE

reports it back WITHOUT RECOMMENDATION

~~as follows~~ "other"

Members signing the Majority report:

PATRICK RODEY _____

Clem Tillion _____

Members NOT concurring in the Majority report:

Joseph J. O'Connell recommends: do not pass unless amended

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Patrick Rodey Chairman

COMMITTEE REPORT

4/7/76

SENATE

Mr. President:

Date _____

The Committee on Finance has had CSSSHB 65 am assessment of real property for local taxation 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

Offered: 4/7/76
Referred: Finance

Original Sponsors: Bowman Bradner and Kelley

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IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

SENATE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 65

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to assessment of real property for local taxation."

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

* Section 1. AS 29.53 is amended by adding a new section to read:

Sec. 29.53.038. DIFFERENTIAL ASSESSMENT OF UNDEVELOPED LAND. (a)

A person owning a single parcel or tract of undeveloped land exceeding three acres but not exceeding 160 acres, upon which the owner has maintained his permanent abode for a period of 10 years, qualifies for assessment under this section.

(b) Application for and approval of an assessment under this section constitutes an agreement between the owner and the municipality that the owner waives his right to subdivide, develop, or convert to a use inconsistent with the provisions of this section the property that is the subject of the assessment. The owner shall immediately notify the municipality of any change in the character or use of the property.

(c) Land qualifying for assessment under this section shall be assessed only upon the full and true value of those remaining rights and interests to which the owner has title after waiver of his right to subdivide or develop the land. The local assessor shall maintain separate assessment records valuing the land at its full and true value and at its value without development or subdivision rights.

(d) To secure the assessment under this section, an owner of undeveloped land must make application to the local assessor before February 1 of each year in which the assessment is desired. The

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1 application shall be made on forms prepared and supplied to the municipi-
2 pality by the state assessor and shall include information which may
3 reasonably be required to determine the entitlement of the applicant.
4 Failure to make timely application forfeits the assessment.

5 (e) Land qualifying for assessment under this section may be sold
6 or alienated without penalty if the successor in interest is a person
7 who owns or occupies the property as his permanent abode and if his use
8 of the land complies with the provisions of this section. The grantor
9 shall immediately notify the municipality of any change in the title to
10 the property.

11 (f) Should land which is the subject of the assessment provided in
12 this section be developed, subdivided, or converted to a use inconsistent
13 with the provisions of this section, the owner of the property having
14 the benefit of the assessment shall be liable for an amount equivalent to
15 the total amount of taxes which would be due on the land if calculated at
16 the highest rate of levy during the period the property was assessed
17 under this section, to a maximum of 10 years, plus annual interest at
18 the current rate of interest for small business loans authorized by AS
19 45.95.

20 (g) Subject to legislative appropriation for the purpose, the
21 Department of Community and Regional Affairs shall reimburse a municipi-
22 pality for the real property tax revenues which it would receive but for
23 the operation of this section. If amounts appropriated in a given fiscal
24 year are insufficient to reimburse the municipality for the full amount
25 authorized to it under this subsection for that year, such amount as is
26 appropriated shall be distributed pro rata among the eligible municipi-
27 palities.

28 (h) At the time of reimbursement by the state as provided in this
29 section, there shall be recorded against the property a lien in favor of

1 the state. The lien is prior to other liens except for general taxes
2 and other special assessments and shall be effective as to other liens
3 when recorded in the recording office of the district within which the
4 property lies. The lien shall be for the amount of deferred property
5 taxes and shall provide that interest at the current rate of interest
6 for small business loans authorized under AS 45.95 shall be added to
7 the deferred taxes. The lien shall be payable by the owner of record
8 at the time the land is developed, subdivided or converted to use incon-
9 sistent with the provisions of this section. Payment shall be made to
10 the state to the extent of its reimbursement to the municipality and
11 to the extent of the share of the interest payable that is proportional
12 to the reimbursement by the state to the municipality of the total
13 amount of deferred taxes. The balance of the payment shall be made to
14 the municipality as appropriate.

15 (1) A municipality may exempt itself from the provisions of this
16 section if a majority of the voters voting on the question at a regular
17 election vote to exempt the municipality from the requirements of this
18 section. The question of exemption may be submitted by the governing
19 body of the municipality by ordinance. Subsequent voter ratification
20 of an ordinance exempting a municipality from the provisions of this
21 section does not relieve the owner of the property having the benefit of
22 the assessment from the provisions of (h) of this section.

23 (j) In this section

24 (1) "deferred taxes" means the difference between the taxes
25 paid for the full and true value of the land as assessed under this
26 section and those that would have been paid if the land had been assessed
27 at its full and true market value under sec. 60(a) of this chapter;

28 (2) "person" means a natural person, but includes a husband
29 and wife owning as joint tenants;

1 (3) "undeveloped land" means land which has remained substan-
2 tially unchanged in character from its natural state as evidenced by a
3 lack of commercial or economic use, construction, development or other
4 utilization; however, each of the following is not considered develop-
5 ment for purposes of this section:

6 (A) use of the land for not more than one single family
7 residence;

8 (B) inconsequential personal uses incidental to the
9 ownership of the land;

10 (C) use of the land for farm or agricultural purposes
11 as defined in AS 29.53.035(c).

12 * Sec. 2. AS 29.53.060(a) is amended to read:

13 (a) The assessor shall assess property at its full and true value
14 as of January 1 of the assessment year, except as provided in this sec-
15 tion and secs. 30, 35, 38, and 160 of this chapter. The full and true
16 value is the estimated price which the property would bring in an open
17 market and under the then prevailing market conditions in a sale between
18 a willing seller and a willing buyer both conversant with the property
19 and with prevailing general price levels.
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Original sponsor: Bowman, Bradner
and Kelley

Offered: 4/11/75
Referred: Rules

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 65 am

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 assessment of real property for
7 local taxation."

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

9 * Section 1. AS 29.53 is amended by adding a new section to read:

10 Sec. 29.53.038. FARM USE AND UNDEVELOPED LAND. (a) A person
11 owning a parcel or tract of undeveloped land exceeding two acres but not
12 exceeding 160 acres in total area, upon which the owner has maintained
13 a permanent place of abode for at least seven years, and continues to
14 maintain a permanent place of abode, qualifies for assessment under this
15 section. This assessment may not apply to more than 10 acres.

16 (b) Undeveloped land shall be assessed on the basis of its full
17 and true value as undeveloped land at the same rate as farm land, and
18 shall not be assessed as if subdivided or used for some other purpose.
19 The assessor shall maintain separate assessment records evaluating
20 undeveloped land for other purposes. When the land is sold, alienated,
21 or developed, the owner at the time it is sold, alienated, or developed
22 is liable to pay to the municipality the deferred taxes, plus five per
23 cent interest for the preceding 10 years or for the period of time it
24 was assessed as undeveloped land, whichever period of time is less.

25 (c) To secure the assessment under this section, an owner of
26 undeveloped land must make application to the assessor before February 1
27 of each year in which the assessment is desired. The application shall
28 be made upon forms prepared and supplied by the assessor and shall
29 include information which may reasonably be required to determine the

COMMITTEE COPY

1 entitlement of the applicant.

2 (d) In this section

3 (1) "deferred taxes" means the difference between the taxes
4 paid for the full and true assessed value of the undeveloped land and
5 those that would have been paid if the land had been assessed at its
6 full and true market value under sec. 60(a) of this chapter;

7 (2) "undeveloped land" means land which has remained sub-
8 stantially unchanged in character from its natural state as evidenced by
9 a lack of industrial or economic use, construction, or other utiliza-
10 tion; however, inconsequential personal uses incidental to the ownership
11 of the land are not considered land development under this section; use
12 of the land for not more than one single-family residence shall not be
13 considered development for the purposes of this section.

14 * Sec. 2. AS 29.53.060(a) is amended to read:

15 (a) The assessor shall assess property at its full and true value
16 as of January 1, of the assessment year, except as provided in this
17 section and secs. 30, 35, 38 and 160 of this chapter. The full and true
18 value is the estimated price which the property would bring in an open
19 market and under the then prevailing market conditions in a sale between
20 a willing seller and a willing buyer both conversant with the property
21 and with prevailing general price levels.

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Done

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* Sec. 2 AS 29.53.060(a) is
amended to read as follows:

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ALASKA STATE LEGISLATURE

NINTH Legislature .. FIRST Session

SPONSOR SUBSTITUTE HOUSE ... BILL ... NO. ... 65 ..
By BOWMAN, BRADNER, AND KELLEY

"An Act relating to assessment of real property for local taxation."

Assess prop./local tax.

Introduced in the House ... 2/24/.., 19..75

HISTORY IN THE HOUSE

19 75	Read first time and referred to Committee on
Feb 24	Community & Regional Affairs
apr 11	Reported back with recommendation that <i>CRPA report of CS 240 pass do not pass, 3 no rec to Rules</i>
apr 16	Read second time and <i>CS adopted, amended 1 add</i>
apr 16	Read third time and
apr 17	<i>Reconsideration to house</i>
apr 16	PASS ² Yeas 22 Nays 17 Absent Excused 1
apr 16	Reconsideration
apr 17	PASS ² Yeas 24 Nays 14 Absent Excused 2
Apr 17	Reported correctly engrossed
" 17	Signed by Speaker
" 17	Sent to Senate
	<i>Gene Raskin</i> CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 75	Read first time and referred to Committee on
4/18	<i>CVLA</i>
4/17	Reported back with recommendation that <i>CRPA 2 do pass with SES-1 do not pass - Lushin to Finance</i>
	Read second time and
	Read third time and
	PASS Yeas Nays Absent Excused
	Reconsideration
	PASS Yeas Nays Absent 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.

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate CS, CS, SS, HB No. 65
 Title: Assessment of Property for Local Taxation
 Requested by: Senate Finance Committee Date: 4-8-76
 Return Date Requested: 4-9-76
 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				
200 TRAVEL		4.0				
300 CONTRACTUAL		6.2				
400 COMMODITIES		1.3				
500 EQUIPMENT		2.6				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		935.6				
TOTAL		1001.3				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1001.3				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Assumptions:

1. Assessment date January 1, 1977; Tax Statements mailed July 1, 1977.
2. Projected tax base assumptions are based on known January 1, 1975 valuations. Based on the attached summary there are 3% or 4665 parcels effected, discounted 50% for development rights with appreciation of 10% per year to January 1, 1977.
 (64,974,120 = 2333 parcels x 27,856 average value x 20% appreciation)
3. Projected tax revenue is based on a statewide average rate of 12 mills.
 (935,627 = 64,974,120 tax base x 12 mills)

IV. ATTACHMENTS

V. DATE: 4-9-76

PREPARED BY: _____

S. Robert Doyne
 State Assessor

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

Fiscal Note: SCS,CS,SS HBN065

Assumptions Continued

Home Rule and First Class Municipalities

Real Property Assessed Value 1/1/75			4,331,686,418
Number of Parcels			155,500
Valuation Per Parcel			27,856
Population			338,123
Population Per Parcel			2.174

Residential Property	83,970	54%	2,339,068,320
Single Family Parcels	62,200	40%	1,732,643,200
3 to 160 Acre Parcels	23,325	15%	649,741,200
Ten Year Resident Parcels	4,665	3%	129,948,240
Development Rights Discount		50%	64,974,120
Appreciation 1/4/75 - 1/1/77		20%	77,968,944
Tax Revenue @ 12 mills average			\$935,627

The bill provides for partial deferrment of taxes on certain real property subject to restrictions as specified by the act in an agreement between the owner and the municipality. Deferred taxes paid by the state to the municipality for the applicant creates a lien on the property in favor of the state in an amount equal to the deferred taxes plus interest which becomes due and payable at the time the land is converted to a use inconsistent with the provisions of the agreement. A municipality is bound by the provisions of this act unless excluded by referendum.

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, forms and procedures for both municipal and state responsibilities. The Department will assist each municipality in the development of a uniform formula for the valuation of development rights; receive and audit applications; reimburse each municipality as appropriate for lost revenue; develop lien procedures and annually file in the district court in which the property lies, a lien on each property in favor of the state; keep accurate records on each property including accrued interest at the current rate of business loans as authorized under AS 45.95; enforce tax liens as appropriate; and estimate within reasonable limits the subsequent years program FY BRU grant.

Under direction of the State Assessor, the Program Supervisor will develop regulations, procedures and forms and assume major program responsibilities. The statistical clerk position will provide the back-up for the program supervisor and assist with all related office duties.

The Administrative costs are estimated as follows:

100 Personal Services

Program Supervisor		
Range 21, Step B	29,332	
Statistical Clerk II Step B, Range 9	12,612	
Total Salary	41,944	
Fringe Benefits @ 23%	9,647	
Total Personal Services		51,591

Travel & Per Diem

State Assessor	1,000	
Program Supervisor	3,000	
Total		4,000

Contractual Services

Telephone and Long Distance	500	
Postage	100	
Printing Forms, Misc.	1,500	
Data Processing	2,500	
Machine Rental & Xeroxing	300	
Office Rent-200 sq. ft. @ 55¢	1,320	
Total		6,220

Commodities

Reference Materials and Maps	1,000	
Office Supplies	300	
Total		1,300

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			2,600

Total FY 77 Budget Request for operation of Senate CS for HB 65		65,711
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THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

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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				
200 TRAVEL		1.0				
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700 GRANTS, CLAIMS, ETC.		935.6				
TOTAL		1001.3				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1001.3				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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MAN MONTHS (P./T.)	/	24 /	/	/	/	/

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Assumptions:

- Assessment date January 1, 1977; Tax Statements mailed July 1, 1977.
- Projected tax base assumptions are based on known January 1, 1975 valuations. Based on the attached summary there are 3% or 4665 parcels effected, discounted 50% for development rights with appreciation of 10% per year to January 1, 1977.
(64,974,120 = 2333 parcels x 27,856 average value x 20% appreciation)
- Projected tax revenue is based on a statewide average rate of 12 mills
(935,627 = 64,974,120 tax base x 12 mills)

IV. ATTACHMENTS

V. DATE: 4-9-76

PREPARED BY: _____

S. Robert Doyen
State Assessor

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

Fiscal Note: SCS,CS,SS HBN065

Assumptions Continued

Home Rule and First Class Municipalities

Real Property Assessed Value 1/1/75 4,331,686,418

Number of Parcels 155,500

Valuation Per Parcel 27,856

Population 338,123

Population Per Parcel 2.174

Residential Property 83,970 54% 2,339,068,320

Single Family Parcels 62,200 40% 1,732,643,200

3 to 160 Acre Parcels 23,325 15% 649,741,200

Ten Year Resident Parcels 4,665 3% 129,948,240

Development Rights Discount 50% 64,974,120

Appreciation 1/4/75 - 1/1/77 20% 77,968,944

Tax Revenue @ 12 mills average \$935,627

The bill provides for partial deferrment of taxes on certain real property subject to restrictions as specified by the act in an agreement between the owner and the municipality. Deferred taxes paid by the state to the municipality for the applicant creates a lien on the property in favor of the state in an amount equal to the deferred taxes plus interest which becomes due and payable at the time the land is converted to a use inconsistant with the provisions of the agreement. A municipality is bound by the provisions of this act unless excluded by referendum.

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, forms and procedures for both municipal and state responsibilities. The Department will assist each municipality in the development of a uniform formula for the valuation of development rights; receive and audit applications; reimburse each municipaltiy as appropriate for lost revenue; develop lien procedures and annually file in the district court in which the property lies, a lien on each property in favor of the state; keep accurate records on each property including accrued interest at the current rate of business loans as authorized under AS 45.95; enforce tax liens as appropriate; and estimate within reasonable limi's the subsequent years program FY BRU grant.

Under direction of the State Assessor, the Program Supervisor will develop regulations, procedures and forms and assume major program responsibilities. The statistical clerk position will provide the back-up for the program supervisor and assist with all related office duties.

The Administrative costs are estimated as follows:

100 Personal Services

Program Supervisor		
Range 21, Step B	29,332	
Statistical Clerk II Step B, Range 9	12,612	
Total Salary	41,944	
Fringe Benefits @ 23%	9,647	
Total Personal Services		51,591

Travel & Per Diem

State Assessor	1,000	
Program Supervisor	3,000	
Total		4,000

Contractual Services

Telephone and Long Distance	500	
Postage	100	
Printing Forms, Misc.	1,500	
Data Processing	2,500	
Machine Rental & Xeroxing	300	
Office Rent-200 sq. ft. @ 55¢	1,320	
Total		6,220

Commodities

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Office Supplies	300	
Total		1,300

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Total FY 77 Budget Request for operation of Senate CS for HB 65		65,711
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Tax Revenue @ 12 mills average			\$935,627

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Total Equipment			2,600

Total FY 77 Budget Request for operation of Senate.CS for HB 65			65,711
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Offered: 4/7/76
Referred: Finance

Original Sponsors: Bowman, Bradner and Kelley

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 65

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 assessment of real property for
7 local taxation."

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

9 * Section 1. AS 29.53 is amended by adding a new section to read:

10 Sec. 29.53.038. DIFFERENTIAL ASSESSMENT OF UNDEVELOPED LAND. (a)

11 A person owning a single parcel or tract of undeveloped land exceeding
12 three acres but not exceeding 160 acres, upon which the owner has main-
13 tained his permanent abode for a period of 10 years, qualifies for assess-
14 ment under this section.

15 (b) Application for and approval of an assessment under this section
16 constitutes an agreement between the owner and the municipality that the
17 owner waives his right to subdivide, develop, or convert to a use incon-
18 sistent with the provisions of this section the property that is the
19 subject of the assessment. The owner shall immediately notify the munic-
20 ipality of any change in the character or use of the property.

21 (c) Land qualifying for assessment under this section shall be
22 assessed only upon the full and true value of those remaining rights and
23 interests to which the owner has title after waiver of his right to sub-
24 divide or develop the land. The local assessor shall maintain separate
25 assessment records valuing the land at its full and true value and at its
26 value without development or subdivision rights.

27 (d) To secure the assessment under this section, an owner of unde-
28 veloped land must make application to the local assessor before
29 February 1 of each year in which the assessment is desired. The

1 application shall be made on forms prepared and supplied to the municipi-
2 pality by the state assessor and shall include information which may
3 reasonably be required to determine the entitlement of the applicant.
4 Failure to make timely application forfeits the assessment.

5 (e) Land qualifying for assessment under this section may be sold
6 or alienated without penalty if the successor in interest is a person
7 who owns or occupies the property as his permanent abode and if his use
8 of the land complies with the provisions of this section. The grantor
9 shall immediately notify the municipality of any change in the title to
10 the property.

11 (f) Should land which is the subject of the assessment provided in
12 this section be developed, subdivided, or converted to a use inconsistent
13 with the provisions of this section, the owner of the property having
14 the benefit of the assessment shall be liable for an amount equivalent to
15 the total amount of taxes which would be due on the land if calculated at
16 the highest rate of levy during the period the property was assessed
17 under this section, to a maximum of 10 years, plus annual interest at
18 the current rate of interest for small business loans authorized by AS
19 45.95.

20 (g) Subject to legislative appropriation for the purpose, the
21 Department of Community and Regional Affairs shall reimburse a municipi-
22 pality for the real property tax revenues which it would receive but for
23 the operation of this section. If amounts appropriated in a given fiscal
24 year are insufficient to reimburse the municipality for the full amount
25 authorized to it under this subsection for that year, such amount as is
26 appropriated shall be distributed pro rata among the eligible municipi-
27 palities.

28 (h) At the time of reimbursement by the state as provided in this
29 section, there shall be recorded against the property a lien in favor of

1 the state. The lien is prior to other liens except for general taxes
2 and other special assessments and shall be effective as to other liens
3 when recorded in the recording office of the district within which the
4 property lies. The lien shall be for the amount of deferred property
5 taxes and shall provide that interest at the current rate of interest
6 for small business loans authorized under AS 45.95 shall be added to
7 the deferred taxes. The lien shall be payable by the owner of record
8 at the time the land is developed, subdivided or converted to use incon-
9 sistent with the provisions of this section. Payment shall be made to
10 the state to the extent of its reimbursement to the municipality and
11 to the extent of the share of the interest payable that is proportional
12 to the reimbursement by the state to the municipality of the total
13 amount of deferred taxes. The balance of the payment shall be made to
14 the municipality as appropriate.

15 (i) A municipality may exempt itself from the provisions of this
16 section if a majority of the voters voting on the question at a regular
17 election vote to exempt the municipality from the requirements of this
18 section. The question of exemption may be submitted by the governing
19 body of the municipality by ordinance. Subsequent voter ratification
20 of an ordinance exempting a municipality from the provisions of this
21 section does not relieve the owner of the property having the benefit of
22 the assessment from the provisions of (h) of this section.

23 (j) In this section

24 (1) "deferred taxes" means the difference between the taxes
25 paid for the full and true value of the land as assessed under this
26 section and those that would have been paid if the land had been assessed
27 at its full and true market value under sec. 60(a) of this chapter;

28 (2) "person" means a natural person, but includes a husband
29 and wife owning as joint tenants;

1 (3) "undeveloped land" means land which has remained substan-
2 tially unchanged in character from its natural state as evidenced by a
3 lack of commercial or economic use, construction, development or other
4 utilization; however, each of the following is not considered develop-
5 ment for purposes of this section:

6 (A) use of the land for not more than one single family
7 residence;

8 (B) inconsequential personal uses incidental to the
9 ownership of the land;

10 (C) use of the land for farm or agricultural purposes
11 as defined in AS 29.53.035(c).

12 * Sec. 2. AS 29.53.060(a) is amended to read:

13 (a) The assessor shall assess property at its full and true value
14 as of January 1 of the assessment year, except as provided in this sec-
15 tion and secs. 30, 35, 38, and 160 of this chapter. The full and true
16 value is the estimated price which the property would bring in an open
17 market and under the then prevailing market conditions in a sale between
18 a willing seller and a willing buyer both conversant with the property
19 and with prevailing general price levels.
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Offered: 4/7/76
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Original Sponsors: Bowman, Bradner and Kelley

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12 three acres but not exceeding 160 acres, upon which the owner has main-
13 tained his permanent abode for a period of 10 years, qualifies for assess-
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15 (b) Application for and approval of an assessment under this section
16 constitutes an agreement between the owner and the municipality that the
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21 (c) Land qualifying for assessment under this section shall be
22 assessed only upon the full and true value of those remaining rights and
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25 assessment records valuing the land at its full and true value and at its
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15 the total amount of taxes which would be due on the land if calculated at
16 the highest rate of levy during the period the property was assessed
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18 the current rate of interest for small business loans authorized by AS
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24 year are insufficient to reimburse the municipality for the full amount
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26 appropriated shall be distributed pro rata among the eligible municipi-
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28 (h) At the time of reimbursement by the state as provided in this
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Offered: 4/7/76
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Original sponsor: Bowman, Bradner
and Kelley

Offered: 4/11/75
Referred: Rules

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

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4 NINTH LEGISLATURE - FIRST SESSION

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10 Sec. 29.53.038. FARM USE AND UNDEVELOPED LAND. (a) A person
11 owning a parcel or tract of undeveloped land exceeding two acres but not
12 exceeding 160 acres in total area, upon which the owner has maintained
13 a permanent place of abode for at least seven years, and continues to
14 maintain a permanent place of abode, qualifies for assessment under this
15 section. This assessment may not apply to more than 10 acres.

16 (b) Undeveloped land shall be assessed on the basis of its full
17 and true value as undeveloped land at the same rate as farm land, and
18 shall not be assessed as if subdivided or used for some other purpose.
19 The assessor shall maintain separate assessment records evaluating
20 undeveloped land for other purposes. When the land is sold, alienated,
21 or developed, the owner at the time it is sold, alienated, or developed
22 is liable to pay to the municipality the deferred taxes, plus five per
23 cent interest for the preceding 10 years or for the period of time it
24 was assessed as undeveloped land, whichever period of time is less.

25 (c) To secure the assessment under this section, an owner of
26 undeveloped land must make application to the assessor before February 1
27 of each year in which the assessment is desired. The application shall
28 be made upon forms prepared and supplied by the assessor and shall
29 include information which may reasonably be required to determine the

1 entitlement of the applicant.

2 (d) In this section

3 (1) "deferred taxes" means the difference between the taxes
4 paid for the full and true assessed value of the undeveloped land and
5 those that would have been paid if the land had been assessed at its
6 full and true market value under sec. 60(a) of this chapter;

7 (2) "undeveloped land" means land which has remained sub-
8 stantially unchanged in character from its natural state as evidenced by
9 a lack of industrial or economic use, construction, or other utiliza-
10 tion; however, inconsequential personal uses incidental to the ownership
11 of the land are not considered land development under this section; use
12 of the land for not more than one single-family residence shall not be
13 considered development for the purposes of this section.

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21 or developed, the owner at the time it is sold, alienated, or developed
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24 was assessed as undeveloped land, whichever period of time is less.

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26 undeveloped land must make application to the assessor before February 1
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28 be made upon forms prepared and supplied by the assessor and shall
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Introduced: 2/24/75
Referred: Community &
Regional Affairs

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10 Sec. 29.53.035. FARM USE AND UNDEVELOPED LAND. (a) A person
11 owning farm use land, or a parcel or tract of undeveloped land exceed-
12 ing two and one-half acres in total area, may apply for assessment
13 under this section.

14 (b) Farm use lands shall be assessed on the basis of full and true
15 value for farm use, and shall not be assessed as if subdivided or used
16 for some other nonfarm purpose. The assessor shall maintain separate
17 assessment records evaluating the farm use land for other than farm use
18 purposes, where applicable. If the farm use land is sold, leased, or
19 otherwise disposed of, for other than farm use purposes, the owner is
20 liable to pay the additional tax for the preceding 10 years or for the
21 period of time it was assessed as farm use land, if less than 10 years,
22 plus five per cent interest, and the applicable portion of the current
23 tax year, as though the land had not been assessed for farm use purposes.

24 (c) Undeveloped land shall be assessed on the basis of its full
25 and true value as undeveloped land or for the purpose for which it is
26 actually being used, and shall not be assessed as if subdivided or used
27 for some other purpose. The assessor shall maintain separate assessment
28 records evaluating undeveloped land for other purposes, if applicable.
29 When the land is developed, the owner at the time it is developed is

1 liable to pay the additional tax for the preceding 10 years or for the
2 period of time it was assessed as farm use land, if less than 10 years,
3 plus interest, and the applicable portion of the current year, as though
4 the land had not been assessed under this section.

5 (d) To secure the assessment under this section, an owner of farm
6 use or undeveloped land must make application to the assessor before
7 February 1 of each year in which the assessment is desired. The appli-
8 cation shall be made upon forms prepared and supplied by the assessor
9 and shall include information which may reasonably be required to deter-
10 mine the entitlement of the applicant.

11 (e) In this section

12 (1) "farm use" means the use of land for raising and har-
13 vesting crops or for the feeding, breeding and management of livestock
14 or for dairying or another agricultural use or any combination of these
15 uses and includes the preparation of the products raised on the farm use
16 land and disposal by marketing or otherwise; and includes the construc-
17 tion and use of dwellings and other buildings customarily provided in
18 conjunction with the farm use; to be farm use land, the owner must be
19 actively engaged in farming the land;

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13 under this section.

14 (b) Farm use lands shall be assessed on the basis of full and true
15 value for farm use, and shall not be assessed as if subdivided or used
16 for some other nonfarm purpose. The assessor shall maintain separate
17 assessment records evaluating the farm use land for other than farm use
18 purposes, where applicable. If the farm use land is sold, leased, or
19 otherwise disposed of, for other than farm use purposes, the owner is
20 liable to pay the additional tax for the preceding 10 years or for the
21 period of time it was assessed as farm use land, if less than 10 years,
22 plus five per cent interest, and the applicable portion of the current
23 tax year, as though the land had not been assessed for farm use purposes.

24 (c) Undeveloped land shall be assessed on the basis of its full
25 and true value as undeveloped land or for the purpose for which it is
26 actually being used, and shall not be assessed as if subdivided or used
27 for some other purpose. The assessor shall maintain separate assessment
28 records evaluating undeveloped land for other purposes, if applicable.
29 When the land is developed, the owner at the time it is developed is

1 liable to pay the additional tax for the preceding 10 years or for the
2 period of time it was assessed as farm use land, if less than 10 years,
3 plus interest, and the applicable portion of the current year, as though
4 the land had not been assessed under this section.

5 (d) To secure the assessment under this section, an owner of farm
6 use or undeveloped land must make application to the assessor before
7 February 1 of each year in which the assessment is desired. The appli-
8 cation shall be made upon forms prepared and supplied by the assessor
9 and shall include information which may reasonably be required to deter-
10 mine the entitlement of the applicant.

11 (e) In this section

12 (1) "farm use" means the use of land for raising and har-
13 vesting crops or for the feeding, breeding and management of livestock
14 or for dairying or another agricultural use or any combination of these
15 uses and includes the preparation of the products raised on the farm use
16 land and disposal by marketing or otherwise; and includes the construc-
17 tion and use of dwellings and other buildings customarily provided in
18 conjunction with the farm use; to be farm use land, the owner must be
19 actively engaged in farming the land;

20 (2) "undeveloped land" means land which has remained sub-
21 stantially unchanged in character from its natural state as evidenced by
22 a lack of industrial or economic use, construction, or other utiliza-
23 tion; however, inconsequential personal uses incidental to the ownership
24 of the land are not considered land development under this section; use
25 of the land for not more than one single-family residence shall not be
26 considered development for the purposes of this section.
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Introduced: 1/24/75
Referred: Community & Regional
Affairs

1 IN THE HOUSE

BY BOWMAN AND BRADNER

2

HOUSE BILL NO. 65

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 assessment of real property for
local taxation; and providing for an effective date."

7

8

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

9

* Section 1. AS 29.53.060 is amended by adding a new subsection to read:

10

(d) The assessed value of real property owned and occupied as a

11

permanent place of abode, not to exceed 160 acres, and which has not

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been sold, traded or exchanged within the preceding 10 years may not be

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increased by more than 50 per cent in one assessment year, except to the

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extent of improvements to the property.

15

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-

16

07(c).

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