

A/B - 168



JUNEAU ALASKA

Alaska State Legislature
House

HB 168

HESS COMMITTEE MEETING

April 21, 1975

Members Present:

Chairman Sullivan called the meeting to order at 3:00 pm.

HB 433

Dr. Scholz, Sheldon Jackson College
Spoke in favor of the bill.

Beirne I move and ask unanimous consent that we pass this bill out of committee with a 'do pass' recommendation.

Ostrosky SEconded

Chairman hearing no objection, so ordered.

HB 404

Representative Urion gave briefing of the bill.

Swanson Move for the adoption of an amendment, 'Delete Sec. 1'

Ostrosky Second the motion

Chairman Hearing no objection, motion carries.

Swanson Move and ask unanimous consent to move HB 404 out of Committee as amended.

Ostrosky Second

Chairman Hearing no objection, so ordered.

(a Committee Substitute was drawn up with the approved amendment)

HB 168 Urion spoke in favor of the bill as opposed to HB 272.

Cosgrove Office of the Aging
Spoke in favor of the concept.

Dozier Dept. of C&RA
Spoke to the difference of the two bills.

The Bill was held over until a later date.

FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 168 SB 218

Title: Property tax reimbursement payments to a Senior Citizen who rents

Requested by: House HESS/Senate C&RA Date: February 12, 1975

Return Date Requested: _____

Agency: Community & Regional Affairs Program: Social Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Senior Citizens Property Tax Exemptions

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		37.7	39.6			
200 TRAVEL		6.0	6.3			
300 CONTRACTUAL		5.0	4.8			
400 COMMODITIES		3	3			
500 EQUIPMENT		2.1				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			620.4			
TOTAL		51.1	671.4			

B. FUNDING: (Thousands of dollars)

GENERAL FUND		51.1	671.4			
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

ASSUMPTIONS

- 1.) Statewide population in 1976 will approximate 365,000.
- 2.) The increase in property values or average tax per application of 11% will continue for the next few years.
- 3.) Residential property owned by the Senior Citizen is generally of a higher quality than can be afforded by a tenant. To reflect this difference, a 25% discount in average tax per application is used for tenant occupied housing.

IV. ATTACHMENTS

ANALYSIS

V. DATE: February 19, 1975

PREPARED BY: Robert Dozier

Robert Dozier, State Assessor
Local Government Assistance Division

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

The 1970 census indicated that 1.3% of the State population are Senior Citizen "Heads of Households". By deducting the projected number of Senior Citizen property owner in 1976, leaves a balance of 1,995 Senior Citizens to whom the benefits of this program would be extended under this bill. The projected average reimbursement per participant in 1976, discounted by 25% (assumption #3) equals \$311.

$$1,995 \times \$311 = \$620,445$$

The bill places the responsibility for administering this portion of the Tax Exemption program on the Department which includes verifying applications and determining the tax attributable to exemption for a Senior Citizen living in a multi-purpose building, condominium, duplex or apartment. This will require the services of an appraiser who will also develop regulations, prepare the necessary application forms, and instruction manual. The incumbent will travel to municipalities where Senior Citizens apply for rental exemption for the purposes of examining the tax roles and actual field appraisals. An existing research assistant position would be up-graded to a research analyst to take on the additional responsibilities of the initial screening process of applications, review of rental receipts upon submission and program follow-up through correspondence with landlords and tenant Senior Citizens. A Clerk Typist II position would provide clerical support.

The administrative costs are estimated at \$51,106 and are detailed as follows:

Personal Services

Appraiser III (Range 19)	\$20,136	
Clerk Typist II (Range 7)	9,192	
Up-grade Research Assistant to Research Analyst (Range 10 to 13)	2,652	
Benefits @ 18%	<u>5,756</u>	\$37,736

Travel

Review of assessment roles and field inspection of multi-purpose and multi-resident buildings		\$ 6,000
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Contractual

Telephone and long distance	\$ 1,600	
Postage	500	
Printing and advertising - hearing notices, application forms and manual	1,500	
Office Rent - 150 sq.ft. @ .50/sq./ft.	900	
Machine Rental and Xerox	<u>500</u>	\$ 5,000

Commodities

Reference materials and office supplies		\$ 300
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Equipment

Executive desk	\$ 270	
Secretarial desk	300	
Two chairs	190	
Typewriter	570	
Calculator	600	
Filing Cabinet	<u>140</u>	
		<u>\$ 2,070</u>
Total Administrative		<u>\$51,106</u>

The State Assessor is available to provide any additional information or discuss alternative proposals.

I. REQUEST

Bill No. CS Sponsor Substitute for HB No. 272
 Title: Tenant Senior Citizen Reimbursement Payment Program.
 Requested by: House Finance Date: April 15, 1975
 Return Date Requested: _____
 Agency: C & RA Program: Social Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Senior Citizen

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		45.5				
200 TRAVEL		6.0				
300 CONTRACTUAL		9.8				
400 COMMODITIES		.6				
500 EQUIPMENT		2.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		620.4				
TOTAL		684.8				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		684.8				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	2/1	/	/	/	/
MAN MONTHS (P./T.)	/	24/6	/	/	/	/

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

Assumptions

- 1.) Statewide population in 1975 will approximate 365,000.
- 2.) The increase in property values or average tax per application of 1.1 will continue for the next few years.
- 3.) Residential property owned by the Senior Citizen is generally of a higher quality than can be afforded by a tenant. To reflect this difference, a 25% discount in average tax per application is used for tenant occupied housing.
- 4.) Section 1 (c) means payments would be made for this period
Jan. 1--Dec. 31, 1975.

IV. ATTACHMENTS

V. DATE: April 15, 1975 PREPARED BY: S. Robert Dozier

S. Robert Dozier, State Assessor
 Local Government Assistance Div.

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

The 1970 census indicated that 1.3% of the State population are Senior Citizen "Heads of Households". By deducting the projected number of Senior Citizen property owners in 1976, leaves a balance of 1,995 Senior Citizens to whom the benefits of this program would be extended under this bill. The projected average reimbursement per participant in 1976, discounted by 25% (assumption #3) equals \$311.

$$1,995 \times \$311 = \$620,445$$

The bill places the responsibility for administering this portion of the Tax Exemption program on the Department which includes verifying applications and determining the tax attributable to exemption for a Senior Citizen living in a multipurpose building, condominium, duplex or apartment. This will require the services of an Assistant State Assessor who will also develop regulations, prepare the necessary application forms, instruction manual and will conduct on-site surveys of residential property within the 72 differential tax code areas to establish tax equivalent percentage ratios. These ratios will be applied to actual rent receipts. An existing research assistant position would be up-graded to a research analyst to take on the additional responsibilities of the initial screening process of applications, review of rental receipts upon submission, analysis, tabulation, and audit of claims and program follow-up through correspondence with landlords and tenant Senior Citizens. Under direction of the Research Analyst, a Clerk Typist III position and one-half Clerk Typist II position will assume the clerical backup for providing general information about the program and answering individual questions. They will also handle the multitudinous follow-up detail for ambiguous and incomplete information supplied on application forms. These positions will also provide clerical support for the Assistant State Assessor.

The administrative costs are estimated as follows:

100 Personal Services

Assistant State Assessor Range 19	\$21,960	
Clerk Typist II Range 7 (Part time)	5,040	
Clerk Typist III Range 8	10,332	
Upgrade Research Assistant to Range 13	1,296	
Total Salary	38,628	
Fringe Benefits 18%	6,953	
Total Personal Services		\$45,581

Travel & Per Diem

Assistant State Assessor on-site survey of residential property	\$6,000
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Contractual Services

Telephone and long distance	2,900	
Postage	1,600	
Printing and advertising - hearing notices, application forms and manual	4,000	
Office Rent - 150 sq. ft. @ .50/sq. ft.	900	
Machine Rental and Xerox	400	
		\$ 9,800

Commodities

Reference Materials	300	
Office Supplies	<u>300</u>	\$ 600

Equipment

Executive Desk @ 270	270	
Secretarial Desk @ 300	300	
2 Typewriters @ 570	1,140	
1 Calculator @ 600	600	
1 Filing Cabinet @ 125	<u>125</u>	
		\$2,435

Total FY 76 Budget Request
for Operation of SS HB No. 272

\$64,416