

SB

47

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 47

Croft
Prime Sponsor

Resolution No. _____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

At the present time, if a person makes improvements (painting, landscaping, fencing, etc., on their home the value goes up and they pay more taxes. This discourages some people from improving their property. The bill would impose a moratorium on such increases and encourage people to beautify their property.

2. Are there any other viable ways of accomplishing this same goal?

A system of grants or loans might be utilized, but this seems more cumbersome and probably more expensive.

3. Persons or groups you know of who are supporting the legislation.

I know of no organized support for the bill.

4. Persons or groups you know of who are opposing the legislation.

Municipalities have traditionally opposed this type of legislation but I do not know of any specific opposition to this bill.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

If not properly implemented by the Municipality, there might be problems.

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

I would appreciate the Committee considering the bill the week of February 28.

Haines Borough

P.O. Box 234
Haines, Alaska 99827

February 16, 1977

Senator Joe Orsini
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

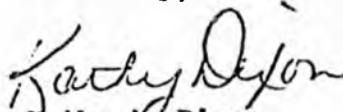
The Haines Borough Assembly wishes to thank you for your letters and copies of proposed bills which may have an effect on our municipality.

Please accept this letter in support of Senate Bill No. 47 - "An Act allowing municipal property tax exemptions for certain improvements to real property." This bill was discussed at great length and the Assembly feels that if passed, this would be of a great advantage to the taxpayers in our area. We are constantly receiving comments concerning the increase of taxes due to improvements on their homes. Many of the residents of Haines feel that they should be given "a break" for trying to keep their homes nice looking which, when completed, would enhance the exterior appearance or quality of the land or structure.

Also, for your information, I am sending to you a copy of the minutes for a meeting held concerning the recent attorney general's opinion concerning third class borough powers and a copy of the newspaper article that was published by our local paper, the Chilkat Valley News. We would be interested in any comments you may have concerning our problem here in Haines.

Thank you for your time and concern.

Sincerely,


Kathy A. Dixon
Secretary

Enclosures

P. O. Box 223
Douglas, Alaska . 99824

February 10, 1977

The Honorable Joseph Orsini, Chmn.
Senate Community & Regional Affairs Committee
Alaska State Legislature
Juneau, Alaska 99811

Re: SB No. 47

Dear Senator Orsini:

I am writing you as a citizen of Douglas for the past 25 years, a property owner and as a member of the Project Pride Committee of the Juneau Borough.

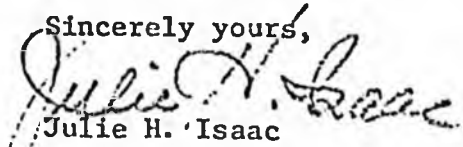
For years, I have felt that the home-owner who takes pride in keeping his property in good repair and making exterior improvements that would enhance the appearance of the property is penalized by having to pay a greater tax assessment than the slob down the street who has a comparable piece of property but does nothing in the way of maintenance or beautification, and the home is usually surrounded by junk cars, abandoned trailers, etc.

Maybe I am wrong, but I have felt that perhaps the fear of having to pay increased taxes was the primary reason for the slob's life-style. With this bill and given wide publicity once it becomes law, I would hope all of Alaska will embark on a giant-size cleanup campaign with empassis on paint-up, fix-up.

My membership on the Project Pride Committee has been mainly directed toward pursuing the possibilities of a tax credit or rebate when the property owner makes exterior improvements, but without this type of enabling legislation; my efforts have been in vain.

With the passage of this bill, not only will the property owner benefit, but the neighborhood, the community, city and state as well. I urge your support of the bill---it has been long over due.

Sincerely yours,


Julie H. Isaac

PS Please advise me when this will be taken up
by your committee. My phone is 364-2431.
Thank you.



THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 16, 1977

FILE NO. Legislature-1977

SUBJECT: Senate Bill 47

The Honorable Joseph L. Orsini
Chairman
Senate Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The City and Borough of Juneau supports the concept expressed in Senate Bill 47 but suggests that certain changes might make the bill more workable.

As we understand it, the intent of the bill is to allow the municipality to exempt from taxation that portion of an increase in assessed valuation which can be attributed to new maintenance, repair or renovation of an existing structure where such work enhances the exterior appearance. The first sentence of the exemption reads, however, that the exemption goes to "the assessed value of improvements to real property." As the "improvements to real property" include the entire existing structure, it appears that the bill would authorize the municipality to exempt the entire assessed value of the structure if recent maintenance, repair or renovation has caused the assessed value to increase. If it is the intent of the Legislature to exempt only the increase, and not the value of the entire structure, I would suggest that the first sentence be changed to read as follows:

(F) Municipalities may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if such increase in assessed value is directly attributable to alteration of the natural features of the land or new maintenance, repair or renovation of an existing structure and if the alteration, maintenance, repair or renovation, when completed, enhances the exterior appearance or esthetic quality of the land or structure.

The Honorable Joseph L. Orsini
March 16, 1977
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The approach taken in the above suggested language involves three changes from the original. First, it would authorize the municipality to allow an exemption of part of the increase attributable to new maintenance, etc. rather than requiring that the municipality allow a full exemption or no exemption. The amount of the partial exemption would have to be set forth in the ordinance. The second change makes clear the fact that the exemption could not exceed the amount of the increase in assessed valuation which is directly attributable to the new maintenance, etc. The third change involves the implication in the existing language that an exemption may be given prior to the actual accomplishment of the alteration or maintenance. The proposed language indicates that an enhancement must have occurred before the exemption can be given.

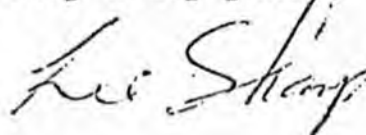
The exceptions to the exemption which appear in the second sentence of the section are well thought out and should be retained.

We would suggest that municipalities be given a little more flexibility than is currently provided in the last sentence of the proposed section. As presently written, the section would require the municipality to give the exemption for a period of four years. We would suggest that rather than this all or nothing approach the municipalities be authorized to grant the exemptions for a period not exceeding four years. Also, requiring that the period run from the date the improvement is completed or the date of approval of an application, whichever is later, creates the problem whereby a property owner may come in three or four years after the improvement has been completed to make application. At this point it may be extremely difficult to determine the increase caused by the improvement. I would suggest that this part be deleted so that the municipalities may deal with that problem in the ordinance which authorizes the exemptions. Therefore, I suggest that the last sentence of the bill be changed to read as follows:

An exemption provided under this subsection may continue for a period not to exceed four years from the day the improvement is completed.

If you have any questions, I would be happy to discuss them with you. I can be reached at 586-3300.

Very truly yours,



Gerald L. Sharp
City/Borough Attorney

cc: Senators Croft, Rodey, Willis,
Ferguson, Hackney, Sumner
Don Berry, Executive Director,
Alaska Municipal League