

SB

6

586+86

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B - JUNEAU 99811

February 7, 1977

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

Dear Senator Orsini:

Re: Senior Citizen Property Tax Exemption.

In view of recent erroneous Associated Press releases, the following data is provided for your information.

Currently all senior citizens are eligible for 1977 property tax exemption up to an assessed value of \$40,000 on their home under the formula limitation criteria.

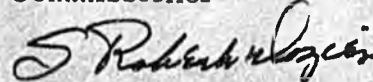
Statutes now in effect provide total exemption to 75% of Alaska's senior citizen homeowners. It is estimated that less than 2 1/2% of those who applied will receive a tax bill of \$500 or more in 1977.

Enclosed is a packet of data prepared by the Department of Community and Regional Affairs relative to current proposals affecting the program. You may be especially interested in the analysis of senior citizen properties valued at more than \$40,000, this data was prepared as 'back up' material for the 'circuit breaker' proposal. Also, the analysis of senior citizen properties valued at over \$100,000 may be valuable; this tabulation was provided with the fiscal note for SB 86.

Thank you for your attention.

Sincerely,

Lee McAnerney
Commissioner



By: S. Robert Dozier
State Assessor

LMcA:SRD:il

Enclosures

cc: Milt Barker

Dan Plotnick

Jesse Dodson

APPENDIX B

SENIOR CITIZEN
PROPERTY TAX EXEMPTION

AS 29.53.020(e)-(i)

APPENDIX B

SENIOR CITIZEN PROPERTY TAX EXEMPTION
AS 29.53.020(e)-(i)

Effective January 1, 1973, the first Senior Citizen Property Tax Exemption Program was enacted. (ch 118 SLA 1972) Effective January 1, 1974, the \$10,000 gross annual income limitation as a prerequisite to eligibility was deleted. (Sec. 1 ch 60 SLA 1974) Effective January 1, 1975, an extension of the filing date deadline for good cause shown was authorized. (Sec. 1 ch 65 SLA 1975) Effective January 1, 1977, a formula was adopted for determining an assessed value exemption limit each year. (Sec. 1 ch 217 SLA 1976)

AS 29.53.020(e): "... the assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous year assessed values in the state..."

The property tax exemption limit for the 1977 tax year has been determined to be the assessed value of the real property up to and including 40,000 in assessed value. The frequency distribution of assessed values approved for exemption in the 1976 program is illustrated in Table B-2.

In response to objections to the assessed value limit, a "circuit breaker" assistance amendment is proposed. The amendment is a favorable and acceptable measure intended to relieve disproportionate impact to senior citizen income affected by tax values over the exemption limit.

The property tax exemption application form 21-400 has been expanded to allow senior citizen homeowners to renew special assessment deferments, AS 29.63.065, on the same form; in order to avoid duplicate verification of qualifying criteria each year. (See Appendix C, Senior Citizen Special Assessment Exemption)

A breakdown of the 1976 program impact listed by participating municipalities, is illustrated in Table B-1.

A four-year performance summary of the property tax exemption program is outlined below:

Tax Year	Number of Applications Approved	Assessed Value Exempt	Total Revenue Reimbursement	Average Value Per Application	Average Tax Per Application
1973	911	12,960,993	\$ 197,050	14,227	\$216
¹ 1974	1,887	40,842,657	631,891	21,644	335
² 1975	2,426	59,918,061	930,915	24,698	384
1976	2,608	76,737,060	1,171,227	29,424	449

¹\$10,000 income limit deleted

²Extended filing deadline

TABLE B-1
 SENIOR CITIZEN PROPERTY TAX EXEMPTION, AS 29.53.020(e)
 1976 PROGRAM SUMMARY

<u>BOROUGHS</u>	NUMBER OF APPLICATIONS APPROVED	ASSESSED VALUE EXEMPT	TAX EXEMPT	AVERAGE VALUATION PER APPLICATION	AVERAGE TAX PER APPLICATION
Anchorage, Municipality	886	29,560,962	\$ 552,525.42	33,365	\$624
Bristol Bay	7	83,925	1,173.55	11,975	168
Fairbanks North Star	334	9,954,475	130,318.05	29,804	390
Haines	23	434,086	4,780.11	18,873	208
Juneau, City & Borough	254	10,052,250	149,737.84	39,576	590
Kenai Peninsula	247	5,135,050	74,140.10	20,790	300
Ketchikan Gateway	208	5,367,165	91,003.58	25,804	438
Kodiak Island	68	1,522,622	22,659.52	22,392	333
Matanuska-Susitna	212	5,453,020	50,316.29	25,722	237
North Slope	19	305,410	3,145.73	16,074	166
Sitka, City & Borough	95	3,598,790	17,993.95	37,882	189
TOTAL BOROUGHES	<u>2,353</u>	<u>71,467,655</u>	<u>\$1,097,749.14</u>	<u>30,373</u>	<u>\$467</u>
<u>CITIES</u>					
Cordova	33	670,380	\$ 12,402.07	20,315	\$376
Craig	8	96,010	1,056.11	12,001	132
Dillingham	16	423,702	7,838.60	26,481	490
Nenana	1	3,700	37.00	3,700	37
Nome	49	390,960	6,992.11	7,979	143
Pelican	3	16,941	237.16	5,647	79
Petersburg	59	1,611,790	19,341.50	27,318	328
Skagway	19	467,467	8,414.40	24,604	443
Unalaska	3	72,100	1,261.76	24,033	421
Valdez	10	337,640	3,374.89	33,764	357
Wrangell	54	1,178,715	12,477.49	21,828	231
TOTAL CITIES	<u>255</u>	<u>5,269,405</u>	<u>\$ 73,433.09</u>	<u>20,664</u>	<u>\$288</u>
BOROUGHS	2,353	71,467,655	\$1,097,749.14	30,373	\$467
CITIES	255	5,269,405	73,433.09	20,664	288
STATEWIDE TOTAL	<u>2,608</u>	<u>76,737,060</u>	<u>\$1,171,227.23</u>	<u>29,424</u>	<u>\$449</u>

TABLE B-2
SENIOR CITIZEN PROPERTY TAX EXEMPTION
1976 TAX YEAR PROGRAM

FREQUENCY DISTRIBUTION: INTERVALS IDENTIFIED BY LOWER LIMITS

BOROUGH	Range		Frequencies of Assessed Value (in thousands) in Intervals of 5,000																							
	Low	High	0	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95+	Total			
Anchorage	0.4	230	63	38	27	88	98 ¹	102	131 ²	89	64 ³	53	39	26	17	14	7	3	4	4	4	15				
Bristol Bay*	11.9	26			2 ¹	1	2 ²	1 ³	1																	
Fairbanks	0.3	109	7	28	44	32 ¹	50	41 ²	24	20	19 ³	19	15	9	7	9	1	3	2	1	1	2				
Haines	2.3	49	5	1	2 ¹	6 ²	4	1 ³		2	1	1														
Juneau	1.0	142	6	8	13	17	22 ¹	20	21	32 ²	28	24	12 ³	18	7	9	3	2	1	3	2	6				
Kenai	2.5	70	13	48	37 ¹	41 ²	33	19 ³	18	16	10	6	1	1	1	1	2									
Ketchikan	2.0	93	8	16	21	38 ¹	30 ²	26	26 ³	22	6	4	1	3		1	2	1		2	1					
Kodiak	0.6	48	7	14 ¹	4	4	8 ²	11	6 ³	7	6	1														
Matanuska-Susitna	0.5	88	19	14	25 ¹	19	30 ²	29	27 ³	16	10	10	3	4	1	2	1		1	1						
North Slope*	10.5	51			4	1 ¹	1	7 ²	4 ³			1	1													
Sitka	1.0	122	4	7	5	8 ¹	10	12	7 ²	7	7	2	4 ³	5	2	3	2	2	1	1		6				
TOTAL	0.4	230	132	174	184	255 ¹	288	269 ²	265	211 ³	151	121	76	66	35	39	18	11	9	12	8	29				
CITIES																										
Cordova			5	6	8	1	2	5		1	1	2	1	1												
Craig			1	2	1		1																			
Dillingham					2	2	3	3	2	3		1														
Kenai			1																							
Nome			21	15	5	3	2	3																		
Pelican			1	2																						
Petersburg			1	1	5	13	12	5	5	6	3	3	3	1	1											
Skagway				2	2	3	3	3	3	1	2															
Unalaska			1	1																			1			
Valdez			1		1			2		1	1	3	1													
Wrangell			4	9	7	8	7	5	5	3	2	2														
TOTAL	0.5	68	36	38 ¹	34	30 ²	30	26 ³	15	14	9	10	6	2	5											
STATEWIDE TOTAL	0.4	230	168	212	218	285 ¹	318	295 ²	280	225 ³	160	131	82	68	40	39	18	11	9	12	8	29	2			
						(15,945)		(26,745)		(39,020)																

¹ First Quartile ² Median ³ Third Quartile

* Includes 10,000 Value Municipal Residential Property Exemption, AS 29.53.026(a)

ALASKA ADMINISTRATIVE CODE TITLE 19
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

CHAPTER 40
SENIOR CITIZEN PROPERTY TAX EXEMPTION

19 AAC 40.010. METHOD OF APPLICATION. Applications for the senior citizen property tax exemption shall be on forms provided by the Department of Community and Regional Affairs. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.020. FORMS. Form 21-400 is hereby adopted by the department for use in the application for senior citizen property tax exemptions. (Eff. 1/28/73, Reg. 45; am 1/27/74, Reg. 48)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.030. OBTAINING FORMS. Application forms are available only from the office of the clerk or assessor of the municipality. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.040. SUBMISSION OF APPLICATION. Exemption applications filed after January 15 in accordance with AS 29.53.020 must be accompanied by written notice from the governing body of the municipality granting waiver of filing date for good cause shown. (Eff. 1/28/73, Reg. 45; am 3/31/76, Reg. 57; Eff. / / , Reg.)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.050. SUBMISSION OF AMENDED APPLICATION. Repealed.
(Eff. 1/27/74, Reg. 48)

19 AAC 40.060. SUPPLEMENTARY INFORMATION. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 40.070. CONFIDENTIALITY. Repealed (Eff. 1/27/74, Reg. 48)

19 AAC 40.080. APPLICABILITY OF INCOME CRITERIA. (a) Repealed. (Eff. 1/27/74, Reg. 48)

(b) When an eligible person and his or her spouse occupy the same permanent place of abode, the exemption applies to the entire value of their property, regardless of whether the property is held in the name of the husband, wife, or both.

(c) When the standard of eligibility is met, the exemption is that portion of the tax equal to the percent of ownership of the eligible owner or owners. (Eff. 1/28/73, Reg. 45; am 1/27/74, Reg. 48)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.090. APPLICABILITY OF LIENS. Notwithstanding qualification for exemption under AS 29.53.020, property remains subject to the lien provisions of AS 29.53.200-29.53.390. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.100. PENALTY. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 40.110. APPEAL. (a) An applicant aggrieved by any determination of the local assessor, except a decision as to the purpose of a transfer, may appeal under AS 29.53.130-29.53.135 to his local board of equalization.

(b) The determination of the Board of Equalization is appealable under AS 44.62.560-44.62.570. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.120. DEFINITIONS. In this chapter:

(1) repealed (Eff. 1/27/74, Reg. 48);

(2) "exemption year" means the calendar year for which the exemption is sought;

(3) "real property" includes, but is not limited to, mobile homes, whether classified as real or personal property for municipal tax purposes;

(4) "permanent place of abode" means a dwelling, or a dwelling unit in a multiple dwelling, including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit;

(5) "resident" includes applicants who have a fixed habitation in the State of Alaska, and, when absent, intend to return to the State of Alaska;

(6) "ownership" means that an applicant is possessed of an interest, other than a leasehold, in real property, including a mobile home, which interest is recorded in the office of the district recorder, or, if unrecorded, is attested by a contract, bill of sale, deed of trust, or other proof in a form satisfactory to the local assessor;

(7) "department" means the Department of Community and Regional Affairs;

(8) "senior citizen" means an applicant who is 65 years of age or older on January 1 of the exemption year. (Eff. 1/28/73, Reg. 45; am 4/18/73, Reg. 45; am 1/27/74, Reg. 48, am 3/31/76, Reg. 57)

Authority: AS 29.53.020(f)
AS 44.47.160

SENIOR CITIZEN APPLICATION FOR PROPERTY TAX EXEMPTION

AS 29.53.020(e)

Application must be filed on or before January 15 of each assessment year

MUNICIPALITY _____ ACCOUNT NUMBER _____
 NAME OF APPLICANT _____ NAME OF SPOUSE _____
 SOCIAL SECURITY NUMBER _____ SOCIAL SECURITY NUMBER _____
 MAILING ADDRESS _____ STREET ADDRESS _____
 CITY _____ STATE _____ ZIP CODE _____ TELEPHONE: HOME _____ OFFICE _____

PROPERTY DESCRIPTION, TYPE AND LOCATION

City or Service Area _____ Single Family Apartment Subdivision _____
 Parcel Number _____ Condominium Duplex Block _____ Lot _____ Survey _____
 Recording District _____ Date _____ Mobile Home Farm Section _____ Township _____ Range _____
 Instrument _____ Vol. _____ Page _____ Name of Trailer Park _____ Space Number _____

RESIDENCE AND OWNERSHIP:

Verified By: _____
 Assessor or Clerk

AGE:

Verified By: _____
 Assessor or Clerk

- Owner or Purchaser of Record Life Estate
 Part Owner of Record: $\frac{1}{2}$ _____ of Ownership
 Is your home on land your own? Yes No

I will be _____ years of age prior to January 1
 Proof filed with prior years application or, the following is submitted as proof of my date of birth:

DATE OF BIRTH: Month _____ Day _____ Year _____

- I hereby apply for the Senior Citizen Property Tax Exemption on my property as provided in AS 29.53.020(e) for the 19____ assessment year. The above described property is my permanent residence and I am residing thereon.

I the undersigned certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.30.270.

DATE _____ SIGNATURE OF APPLICANT _____

Renewal must be verified annually SPECIAL ASSESSMENT DEFERMENT RENEWAL AS 29.63.065

- I hereby apply for renewal of the Senior Citizen Special Assessment Deferment on my property as provided in AS 29.63.065.
 Original Applicant Spouse of Original Applicant Minor Heir of Original Applicant (to age 25)

I the undersigned certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.30.270.

DATE _____ SIGNATURE OF APPLICANT _____

REC'D

DATE

BY:

PROPERTY TAX EXEMPTION

LATE FILING

New Filing Filed Last Year Approved Denied: _____

	LAND	BUILDING	TOTAL
TOTAL PROPERTY VALUE	_____	_____	_____
MUNICIPALLY MANDATED EXEMPTION, AS 29.53.025(a)	Less _____	_____	_____
ADJ. FOR DWELLING UNIT:	_____	_____	_____
DWELLING UNIT VALUE	_____	_____	_____
ADJ. FOR PART OWNER:	Less _____	_____	_____
TOTAL TAXABLE VALUE	_____	_____	_____
TOTAL EXEMPT (Total adjusted value or limit)	_____	_____	_____
TAX CODE AREA _____ HILL RATE _____	_____	TOTAL TAX EXEMPT \$ _____	_____

Approved Certification or Minutes Attached

Denied

SPECIAL ASSESSMENT DEFERMENT RENEWAL

No more than one sewer connection

No more than one water connection

Municipal Verification (Form attached)

Approved Denied: _____

\$ _____

TOTAL DEFERRED

Local Assessor's copy - white
Form 21-400

Department of Community & Regional Affairs' copy - yellow

Taxpayer's copy - pink

PUBLIC WORKS VERIFICATION FORM
SENIOR CITIZEN SPECIAL ASSESSMENT DEFERMENT
AS 29.63.065.

Name of Applicant _____ Parcel Number _____

Local Improvement District Number _____ City or Service Area _____

- Spouse or original applicant Minor heir of original applicant
- No more than one sewer connection

Prepared by: _____ Date: _____

Service Area or Public Works
Department Personnel

PROPOSED LEGISLATION

AN ACT

Relative to providing property tax relief in addition to exemption provided for senior citizens under AS 29.53.020(e)-(i).

Be it enacted by the legislature of the State of Alaska:

AS 29.73 is amended to read:

AS 29.73.070: Senior Citizen Property Tax Circuit Breaker Assistance.

(a) The owner of a dwelling unit that is exempt from payment of property taxes upon their dwelling unit for the assessment year under AS 29.53.020(e)-(i) and whose annual income from all sources does not exceed \$20,000 may be entitled to a grant payment from the State through the Department of Community and Regional Affairs for a portion of property taxes paid by the applicant upon that dwelling unit which exceeds the exemption allowed by AS 29.53.020(e)-(i) as evidenced by a tax payment receipt in accordance with the following schedule:

<u>Annual Modified Adjusted Gross Income</u>	<u>Percent of Nonexempt Property Tax Eligible for Assistance</u>
Not over	
8,000	90%
9,500	80%
11,000	70%
12,500	60%
14,000	50%
15,500	40%
17,000	30%
18,500	20%
20,000	10%
over 20,000	-0-

(b) No exemption may be granted except upon written application for the grant payment on a form prescribed by the Department of Community and Regional Affairs. Application must be filed with the Department prior to the July 1 immediately following the assessment year for which the grant payment is sought. A separate application must be filed annually for each assessment year in which the grant payment is sought.

(c) "Modified Adjusted Gross Income of applicant and spouse" means the sum of "adjusted gross income" as defined in Section 62 of the Internal Revenue Code (26 U.S.C.62), alimony, support money, public assistance, and relief (not including relief granted under this section), cost of living allowance paid to federal employees, allowances received by dependents of servicemen, the gross amount of any pension or annuity (including railroad retirement benefits, all payments received under the Federal Social Security Act, the Alaska Longevity Bonus, and all benefits under the Veterans's Acts), nontaxable interest received from the state or federal government or any of its instrumentalities, workmen's compensation, the gross amount of "loss of time" insurance, and the amount of capital gains excluded from adjusted gross income. It does not include gifts from nongovernmental sources, or surplus food or other relief in-kind supplied by a governmental agency (property tax exemption under AS 29.53.020(e)-(i) is considered in-kind relief for purposes of this section).

SENIOR CITIZEN PROPERTY TAX EXEMPTION
 FISCAL YEAR 1977 PROGRAM

TABLE I

	Number of Applicants			Property Tax Levy		
	Total	Value to 40,000	% of Total	on Total Value	on Value to 40,000	% of Total
Anchorage, Municipality	886	637	72	\$ 552,525	\$ 465,784	84
Fairbanks North Star	334	247	74	130,318	114,271	88
Juneau, City & Borough	254	141	56	149,738	119,916	80
Kenai Peninsula	247	225	91	74,140	71,590	97
Ketchikan Gateway	208	187	90	91,004	85,547	94
Kodiak Island	68	61	90	22,660	22,277	98
Matanuska-Susitna	212	179	84	50,316	46,583	93
Sitka, City & Borough	95	60	63	17,994	13,491	75
Other	304	269	88	82,532	72,140	95
TOTAL	2,608	2,006	77	\$1,171,227	\$1,017,598	87
		(@ 8% increase)		(@ 27% increase)		
PROJECTED TOTALS FOR FY 1978 PROGRAM	2,817	2,166		\$1,467,458	\$1,292,349	

TABLE III
 TAX LEVY ON VALUE OVER 40,000

	under \$100	Number of Properties				Total
		\$500	\$1,000	\$2,000	to \$4,500	
Anchorage, Municipality	65	139	27	13	5	249
Fairbanks North Star	38	47	2			87
Juneau, City & Borough	36	63	9	5		113
Kenai Peninsula	13	8	1			22
Ketchikan Gateway	6	13	1	1		21
Kodiak Island	6	1				7
Matanuska-Susitna	19	14				33
Sitka, City & Borough	18	17				35
*Other	19	15	1			35
TOTAL	220	317	41	19	5	602

TABLE II
 PROPERTIES VALUED AT OVER 40,000

	Number of Applicants	Property Tax Levy			Range of Individual Levy on Value to 40,000
		on Total Value	on Value to 40,000	over 40,000 value	
Anchorage, Municipality	249	269,490	182,749	86,741	506.60 to 817.60
Fairbanks North Star	87	61,691	45,644	16,047	252.00 to 652.00
Juneau, City & Borough	113	97,034	67,212	29,822	563.20 to 614.40
Kenai Peninsula	22	15,294	12,744	2,549	202.00 to 760.00
Ketchikan Gateway	21	17,816	12,361	5,457	384.00 to 856.00
Kodiak Island	7	4,435	4,052	383	392.80 to 653.20
Matanuska-Susitna	33	15,990	12,257	3,733	307.00 to 520.00
Sitka, City & Borough	35	11,504	7,000	4,504	200.00 to 200.00
Other	25	22,526	18,134	4,392	304.00 to 740.00
TOTAL	602	515,782	362,153	153,629	200.00 856.00
% of Total			70	30	
		(@ 8% increase)		(@ 27% increase)	
PROJECTED TOTALS FOR FY 1978 PROGRAM	650			195,109	

TABLE IV
 TAX LEVY ON VALUE OVER 40,000

	under \$100	Tax Revenue by Tax Category				Total
		\$500	\$1,000	\$2,000	to \$4,500	
Anchorage, Municipality	2,975	34,277	17,620	16,862	15,007	86,741
Fairbanks North Star	2,055	12,465	1,497			16,047
Juneau, City & Borough	1,907	15,243	6,287	6,395		29,822
Kenai Peninsula	573	1,402	575			2,549
Ketchikan Gateway	224	3,493	596	1,144		5,457
Kodiak Island	255	128				383
Matanuska-Susitna	742	2,991				3,733
Sitka, City & Borough	800	3,703				4,504
*Other	909	2,956	527			4,392
TOTAL	10,470	76,658	27,102	24,391	15,007	153,629
AVERAGE PER PROPERTY	\$48	\$242	\$651	\$1,264	\$3,001	

*The Bristol Bay, Haines and North Slope Boroughs plus all participating cities.

Funding Required for Administration of the Senior Citizen Circuit Breaker:

100 Personal Services

Clerk Typist III, 8-A, \$957	\$11,484	
21% benefits	<u>2,412</u>	
		13,896

Contractual

Postage	150	
Printing	1,150	
Advertising	500	
Data Processing	500	
Telephone	<u>204</u>	
		2,504

Equipment

Calculator @ 440	440	
Desk	360	
Chair	195	
Lamp	60	
Typewriter	<u>795</u>	
		<u>1,850</u>
		<u>18,250</u>

Department of Community & Regional Affairs
Division of Local Government Assistance
Office of the State Assessor
January 26, 1977

February 2, 1977

Senior Citizen Property Tax Exemption

SB 86, 100,000 Assessed Value Limit

The attached analysis was prepared to illustrate the citizen impact of SB 86 which proposes raising the current formula limitation to a 100,000 assessed value limit.

Table I

Illustrates a comparison of alternative program totals:

The total reimbursement for the FY 77 unlimited program is approximately \$1,171,227 for 2,608 applicants, stipulating an 8% increase in applicants and a 27% increase in total property tax, a FY 78 unlimited reimbursement would be about \$1,487,458 for 2,817 applicants.

From Table II, the 100,000 limit would reduce an unlimited program by about \$25,000, for a total reimbursement of \$1,462,950 in FY 78.

The formula assessed value limit has been established to be 40,000 in FY 78 and it is estimated to require a \$1,292,349 reimbursement, therefore, raising the assessed value limit from 40,000 to 100,000 will require about \$170,500 in additional funds.

The FY 78 BRU grant for the formula limitation program is \$1,375,000, SB 86 would increase the total grant requirement to \$1,545,500.

Table II

Table II is a list of the 26, FY 77 applications showing a value over 100,000 and the corresponding total tax levy on those properties of \$56,532.81. Also, a list of 22 applications showing a FY 77 value of over 85,000 has been compiled with a total tax levy on those properties of \$28,355.09. These 22 properties are projected to reach or exceed 100,000 in FY 78. Stipulation of a 27% increase in total tax levy projects a total FY 78 tax of \$107,807.63 on the 48 properties listed. At an average rate of 17 mills, \$83,300 of the total value would be exempt under SB 86. This leaves approximately \$25,000 that would not be eligible for reimbursement.

SENATORIAL PROPOSED TAX EXEMPTION
SB 86; 100,000 ASSESSED VALUE LIMIT

TABLE I
TOTAL PROGRAM SUMMARY

	Number of Applications	Assessed Value	Tax Levy
Total Senior Citizens Property			
FY 77	2608	76,737,060	\$1,171,227
Projected Increase	[0 8%]	[0 27%]	[0 27%]
FY 78 projected	2817	97,456,066	1,487,458
Per 100,000 values analysis below		<u>(1,946,234)</u>	<u>(24,508)</u>
100,000 Value Limit Program Total	2817	95,509,832	\$1,462,950
*Formula limit program	2817		<u>(1,292,349)</u>
FY 78 Additional Grant Required for SB 86			\$ 170,601
<hr/>			
* FY 78 BRU Grant		\$1,375,000	
SB 86		<u>170,500</u>	
Total FY 78 Grant Requirement - SB 86		\$1,545,500	

TABLE II
ANALYSIS OF SENIOR CITIZEN PROPERTIES VALUED AT OVER 100,000

	Number of Applications	FY 77 Values Over 100,000	FY 77 Tax	Number of Applications	Values Projected To Exceed 100,000 in FY 78	FY 77 Tax
Juneau, City & Borough of		127,000	\$ 1,950.72		94,200	\$ 1,446.91
		142,400	2,004.99		86,900	1,334.78
		137,300	1,933.18		86,400	1,327.10
		115,500	1,675.91		92,400	1,300.99
		110,700	1,722.34		87,600	1,283.34
					<u>97,700</u>	<u>1,500.67</u>
FY 77	5	640,900	\$ 9,287.14	6	545,200	\$ 8,193.79
Anchorage, Municipality of		234,500	\$ 4,793.18		84,925	\$ 1,735.66
		106,325	2,173.28		92,900	1,898.88
		105,040	2,147.02		86,200	1,227.48
		144,225	2,933.54		93,975	1,920.84
		113,725	2,324.54		85,000	1,737.40
		105,250	2,151.30		93,000	1,900.92
		141,550	2,893.28		89,625	1,851.94
		136,025	2,780.34		93,300	1,479.74
		262,300	5,361.40		85,150	1,740.46
		152,150	3,109.94			
		107,075	1,524.74			
		111,400	2,277.02			
		105,300	2,152.31			
		139,348	2,848.27			
		109,350	1,557.14			
		110,800	1,577.78			
		<u>112,675</u>	<u>2,303.08</u>			
FY 77	17	2,297,038	\$ 44,908.16	9	804,075	\$15,473.52
Sitka, City & Borough of		122,030	\$ 610.15		90,700	\$ 493.50
		101,790	508.95		98,080	490.40
		106,310	531.55		86,080	430.40
					<u>99,260</u>	<u>496.30</u>
FY 77	3	330,130	\$ 1,650.65	4	302,120	\$ 1,910.60
Fairbanks North Star Borough		109,025	\$ 686.86		99,900	\$ 1,620.37
					94,700	596.61
					<u>87,650</u>	<u>552.20</u>
FY 77	1	109,025	\$ 686.86	3	282,250	\$ 2,777.18
Total FY 77	26	3,377,093	\$ 56,532.01	22	2,013,645	\$28,355.09
Projected Increase		[0 27%]	[0 27%]		[0 27%]	[0 27%]
FY 78 projected	26	4,288,908	71,796.67		2,557,329	36,010.96
	<u>22</u>	<u>2,557,329</u>	<u>36,010.96</u>			
Total FY 78	48	6,046,234	\$107,807.63			
Average Mill Rate .017						
49 applications @100,000 each		4,900,000	\$ 83,300			
Not reimbursed per SB 86		1,946,234	\$ 24,507.63			

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB No. 5 - SB No. 6
 Title An act relating to exemption from real property taxes for senior citizens
 Requested by House & Senate C&RA Committees Date 1/24/77

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Social Services
 Budget Request Unit(s) Affected State Assessor 21 22-3-08-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			247.8	314.7	399.7	
TOTAL			247.8	314.7	399.7	

FUNDING (Thousands of Dollars)

GENERAL FUND			247.8	314.7	399.7	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Governors Request FY 78 (AS 29.53.029(e)) - \$1,375.0 - (est. FY 79 - \$1,746.2)

Number of applicants 2817 = 8% increase over FY 77 - 2608.

75% of applicants 2167 have assessed property values 40,000 and less and pay no taxes.

23% of applicants 650 have assessed property values above 40,000 and pay taxes ranging from \$5.00 to \$4000 totaling \$195.1, with arbitrary 5 acre land limitation.

HB #5 - SB #6 - Amends AS 29.53.020(e), and provides full exemption FY 79.

Assumption: The 5 acre land limitation remains in effect.

Number of applicants 3042 = Average tax per applicant \$655.5

Increased FY 79 grant for full funding \$247.8 = Total FY 79 Grant \$1,994.0

DATE 2-2-77

PREPARED BY *S. Robert Dyer*, State Assessor
 AGENCY Community & Regional Affairs
 PHONE 465-4730

Legislative Finance
 Budget and Management

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB No. 5
 Title An act relating to exemption from real property taxes for senior citizens
 Requested by House & Senate C&RA Committees Date 1/24/77

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Social Services
 Budget Request Unit(s) Affected State Assessor 21 22-3-08-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		195.1	247.8	314.7	399.7	
TOTAL		195.1	247.8	314.7	399.7	

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND		195.1	247.8	314.7	399.7	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

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

Governors Request FY 78 (AS 29.53.029(e)) - \$1,375.0 - (40,000 assessed value limitation.)
 Number of applicants 2817 = 8% increase over FY 77 - 2608.
 77% of applicants 2167 have assessed property values 40,000 and less and pay no taxes.
 23% of applicants 650 have assessed property values above 40,000 and pay taxes ranging from \$5.00 to \$4000 totaling \$195.1, with arbitrary 5 acre land limitation.

CS HB #5 - Amends AS 29.53.020(e) by providing full exemption FY 78 -
 Assumption: The 5 acre land limitation remains in effect.
 Number of applicants 2817 = Average tax per applicant \$557.3
 Increased FY 78 grant for full funding \$195.1 = Total FY 78 Grant \$1570.1

Administrative Costs: No additional funds requested FY 78.
 No additional funds requested or provided to implement the limitation formula Sec. 1, ch 217, SLA 1976.

IV. DATE 2-2-77 PREPARED BY *S. Rabenhaupt*
 AGENCY Community & Regional Affairs
 PHONE 465-4730
 Original: Legislative Finance
 Budget and Management
 Prime Sponsor (First Legislator Named)

Department of Community & Regional Affairs
Division of Local Government Assistance
State Assessor Office
January 25, 1977

SENIOR CITIZEN - PROPERTY TAX EXEMPTION - "CIRCUIT BREAKER" ASSISTANCE

The attached analysis of the FY 77 senior citizen property tax reimbursement has been prepared to illustrate the fiscal and citizen impact of the assessed value limit in effect for the FY 78 program and to show the probable scope of proposed 'circuit breaker' assistance legislation.

The 'circuit breaker' offers assistance in addition to the basic 'homestead' exemption. The additional assistance is based on proof of disproportionate property tax levy relative to income and assumes that any homeowner at whatever income level should support his property to the extent of a minimum of 10% above the basic 'homestead' exemption.

Based on Bureau of Labor Statistics, a moderately comfortable annual income for an Alaskan senior citizen household in FY 76 was \$8,800 and a high income was placed at \$12,500. The 'circuit breaker' allows 90% assistance for remaining property tax after the basic 40,000 value to all income levels up to \$8,000. The exemption is reduced by 10% for each additional \$1,500 in annual income. Annual income of over \$20,000 would not be eligible for 'circuit breaker' assistance.

TABLE I:

Is a comparison of the actual reimbursement and the impact of a 40,000 value limit, if such had been in effect.

There were 2,508 senior citizens receiving full forgiveness of property tax in FY 77; had the limit been in effect, 2,006 (77%) would have continued to receive 100% exemption.

Of the \$1,171,227 reimbursed to municipalities in FY 77, \$1,017,598 (87%) would have been reimbursed, notwithstanding the 40,000 value limit.

Projections for the FY 78 program are based on an estimated increase of 8% in the number of applicants and an increase of 27% in total revenue reimbursed.

TABLE II:

Is an analysis of properties that would have been involved in the proposed 'circuit breaker' assistance legislation, had it been in effect.

There were 602 properties valued in excess of 40,000. The total tax on those properties was \$515,782, of which \$362,153 (70%) would have been reimbursed in full.

The tax on the value over 40,000 was \$153,629 which would have been subject to 'circuit breaker' assistance income level criteria.

Individual properties would have had a minimum tax exemption of \$200 in Sitka to a maximum exemption of \$856 in Ketchikan.

TABLE III:

Is a comparison of the number of properties subject to a tax levy above the exempt limit by tax levy categories.

Of the 602 properties subject to additional taxes after the exemption limit, 220 would have been liable for less than \$100 each and 5 for more than \$2,000 each.

TABLE IV:

Is a comparison of the total revenue levied on values over 40,00 by tax levy category.

Approximately 50% (\$76,658) of the total revenue that would effect the proposed 'circuit breaker' relief, involved 317 properties liable for less than \$500 each or an average levy of \$242 above the exempt value tax of between \$200 to \$856 .

Basic Homestead Exemption = 40,000

PROPOSED LEGISLATION - *40,000 limit is in operation now - Last year there was blanket exemption.*

AN ACT

Relative to providing property tax relief in addition to exemption provided for senior citizens under AS 29.53.020(e)-(i).

Be it enacted by the legislature of the State of Alaska:

AS 29.73 is amended to read:

AS 29.73.070: Senior Citizen Property Tax Circuit Breaker Assistance.

(a) The owner of a dwelling unit that is exempt from payment of property taxes upon their dwelling unit for the assessment year under AS 29.53.020(e)-(i) and whose annual income from all sources does not exceed \$20,000 may be entitled to a grant payment from the State through the Department of Community and Regional Affairs for a portion of property taxes paid by the applicant upon that dwelling unit which exceeds the exemption allowed by AS 29.53.020(e)-(i) as evidenced by a tax payment receipt in accordance with the following schedule:

*The 1st 40,000 is exempt
Then this goes into effect.*

<u>Annual Modified Adjusted Gross Income</u>	<u>Percent of Nonexempt Property Tax Eligible for Assistance</u>
Not over 8,000	90%
8,000 - 9,500	80%
9,500 - 11,000	70%
11,000 - 12,500	60%
12,500 - 14,000	50%
14,000 - 15,500	40%
15,500 - 17,000	30%
17,000 - 18,500	20%
18,500 - 20,000	10%
over 20,000	-0-

only applies to those having assessed property over 40,000. So if the property owner paid a tax bill of \$100 + his income was not over 8,000 then the state would pay \$90 + the property owner would pay \$10.

(b) No exemption may be granted except upon written application for the grant payment on a form prescribed by the Department of Community and Regional Affairs. Application must be filed with the Department prior to the July 1 immediately following the assessment year for which the grant payment is sought. A separate application must be filed annually for each assessment year in which the grant payment is sought.

RESOLUTION No. I

WHEREAS the last State Legislature passed an amendment to a bill which placed an assessed property valuation limitation on the tax forgiveness for senior citizens, and,

WHEREAS, this bill containing this amendment was signed into law by the Governor of Alaska, and

WHEREAS, this change in law does serious economic damage to the senior citizens of Alaska making it more difficult for them to maintain their residency in Alaska during their retirement years,

NOW, THEREFORE BE IT RESOLVED that this 60th Convention of the Grand Igloo of the Pioneers of Alaska, assembled here in Ketchikan, Alaska, this 9th day of October, 1976, go on record as requesting the next legislature to rescind that part of the law limiting the tax forgiveness on the homes of Alaska's Senior Citizens, and

That a copy of this resolution be forwarded to the Governor of Alaska and each State Legislator by the Grand Secretary.

Approved: /s/ E. G. BARBER, Chairman, RESOLUTION COMMITTEE
/s/ MAX W. DORMAN
/s/ CLIFFORD SWAP
/s/ MARIE GUNDERSON
/s/ ODDIE JOHANSEN



Matanuska-Susitna Borough, Inc.

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

DEPARTMENT OF ADMINISTRATION

January 27, 1977

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

Dear Senator Orsini:

Subject: Senate Bill 6

As long as municipalities are fully reimbursed all revenues lost due to property tax exemptions, we do not object to such exemptions.

However, some means should be in effect to limit property tax exemptions. For example, if a senior citizen lives in a \$500,000 residence on 160 acres, does the bill provide that the total value is exempt?

Very truly yours,

Wesley M. Howe
Borough Manager

WMH:er

cc: Senator Jalmar Kerttula

Mr. Donald E. Berry, Alaska Municipal League

SENIOR CITIZEN PROPERTY TAX EXEMPTION
 FISCAL YEAR 1977 PROGRAM

TABLE I

	Number of Applicants			Property Tax Levy		
	Total	Value to 40,000	% of Total	on Total Value	on Value to 40,000	% of Total
Anchorage, Municipality	886	637	72	\$ 552,525	\$ 465,784	84
Fairbanks North Star	334	247	74	130,318	114,271	88
Juneau, City & Borough	254	141	56	149,738	119,916	80
Kenai Peninsula	247	225	91	74,140	71,590	97
Ketchikan Gateway	208	187	90	91,004	85,547	94
Kodiak Island	68	61	90	22,660	22,277	98
Matanuska-Susitna	212	179	84	50,316	46,583	93
Sitka, City & Borough	95	60	63	17,994	13,491	75
*Other	304	269	88	82,532	78,140	95
TOTAL	2,608	2,006	77	\$1,171,227	\$1,017,598	87
PROJECTED TOTALS FOR FY 1978 PROGRAM	(@ 8% increase) 2,817	2,165		(@ 27% increase) \$1,487,458	\$1,252,349	

TABLE II
 PROPERTIES VALUED AT OVER 40,000

	Number of Applicants	Property Tax Levy			Range of Individual Levy on Value to 40,000
		on Total Value	on Value to 40,000	over 40,000 value	
Anchorage, Municipality	249	269,490	182,749	86,741	506.60 to 817.60
Fairbanks North Star	87	61,691	45,644	16,047	252.00 to 652.00
Juneau, City & Borough	113	97,034	67,212	29,822	563.20 to 614.40
Kenai Peninsula	22	15,294	12,744	2,549	268.00 to 760.00
Ketchikan Gateway	21	17,818	12,361	5,457	384.00 to 856.00
Kodiak Island	7	4,435	4,052	383	392.80 to 653.20
Matanuska-Susitna	33	15,590	12,257	3,333	507.00 to 520.00
Sitka, City & Borough	35	11,504	7,000	4,504	200.00 to 200.00
*Other	35	22,526	18,134	4,392	304.00 to 740.00
TOTAL	602	515,782	362,153	153,629	200.00 856.00
% of Total			70	30	
PROJECTED TOTALS FOR FY 1978 PROGRAM	(@ 8% increase) 650			(@ 27% increase) 195,109	

*The Bristol Bay,aines and North Slope Boroughs plus all participating cities.

but it is still exempt

TABLE III
 TAX LEVY ON VALUE OVER 40,000

	Number of Properties					Total
	under \$100	\$500	\$1,000	\$2,000	to \$4,600	
Anchorage, Municipality	65	139	27	13	5	249
Fairbanks North Star	38	47	2			87
Juneau, City & Borough	36	63	9	5		113
Kenai Peninsula	13	8	1			22
Ketchikan Gateway	6	13	1	1		21
Kodiak Island	6	1				7
Matanuska-Susitna	19	14				33
Sitka, City & Borough	18	17				35
*Other	19	15	1			35
TOTAL	220	317	41	19	5	602

65 people in Anch will pay 2,975 in tax

TABLE IV
 TAX LEVY ON VALUE OVER 40,000

	Tax Revenue by Tax Category					Total
	under \$100	\$500	\$1,000	\$2,000	to \$4,600	
Anchorage, Municipality	2,975	34,277	17,620	16,862	15,007	66,741
Fairbanks North Star	2,085	12,165	1,497			16,047
Juneau, City & Borough	1,907	15,243	6,287	6,385		29,822
Kenai Peninsula	573	1,402	575			2,549
Ketchikan Gateway	224	3,493	596	1,144		5,457
Kodiak Island	255	128				383
Matanuska-Susitna	742	2,991				3,733
Sitka, City & Borough	800	3,703				4,504
*Other	909	2,956	527			4,392
TOTAL	10,470	76,658	27,102	24,391	15,007	153,629
AVERAGE PER PROPERTY	\$48	\$242	\$661	\$1,284	\$3,001	

tax bill

people would have to pay, but eligible for e.b.
 values of the property to the 40,000

PROPOSED LEGISLATION

AN ACT

Relative to providing property tax relief in addition to exemption provided for senior citizens under AS 29.53.020(e)-(i).

Be it enacted by the legislature of the State of Alaska:

AS 29.73 is amended to read:

AS 29.73.070: Senior Citizen Property Tax Circuit Breaker Assistance.

(a) The owner of a dwelling unit that is exempt from payment of property taxes upon their dwelling unit for the assessment year under AS 29.53.020(e)-(i) and whose annual income from all sources does not exceed \$20,000 may be entitled to a grant payment from the State through the Department of Community and Regional Affairs for a portion of property taxes paid by the applicant upon that dwelling unit which exceeds the exemption allowed by AS 29.53.020(e)-(i) as evidenced by a tax payment receipt in accordance with the following schedule:

<u>Annual Modified Adjusted Gross Income</u>	<u>Percent of Nonexempt Property Tax Eligible for Assistance</u>	
Not over		100
8,000	90%	90
9,500	80%	10
11,000	70%	
12,500	60%	
14,000	50%	
15,500	40%	
17,000	30%	
18,500	20%	
20,000	10%	
over 20,000	-0-	

(b) No exemption may be granted except upon written application for the grant payment on a form prescribed by the Department of Community and Regional Affairs. Application must be filed with the Department prior to the July 1 immediately following the assessment year for which the grant payment is sought. A separate application must be filed annually for each assessment year in which the grant payment is sought.

SENIOR CITIZEN PROPERTY TAX EXEMPTION
 FISCAL YEAR 1977 PROGRAM

Handwritten: Monist ✓
 IF 40,000 limit would have been in effect
 Still would have impact based on 40,000 was in effect
 reimbursed to amount of 20,000 limit

Handwritten: AFTER THE EXEMPTION ✓

TABLE III
 TAX LEVY ON VALUE OVER 40,000

	Number of Applicants			Property Tax Levy			Number of Properties					
	Total	Value to 40,000	% of Total	on Total Value	on Value to 40,000	% of Total	under \$100	\$500	\$1,000	\$2,000	to \$4,600	Total
Anchorage, Municipality	886	637	72	\$ 552,525	\$ 465,784	84	65	139	27	13	5	249
Fairbanks North Star	334	247	74	130,318	114,271	88	38	47	2			87
Juneau, City & Borough	254	141	56	149,738	119,916	80	36	63	9	5		113
Kenai Peninsula	247	225	91	74,140	71,590	97	13	8	1			22
Ketchikan Gateway	208	187	90	91,004	85,547	94	6	13	1	1		21
Kodiak Island	68	61	90	22,660	22,277	98	6	1				7
Matanuska-Susitna	212	179	84	50,316	46,583	93	19	14				33
Sitka, City & Borough	95	60	63	17,994	13,491	75	18	17				35
Other	304	269	88	82,532	78,140	95	19	15	1			35
TOTAL	2,608	2,006	77	\$1,171,227	\$1,017,598	87	220	317	41	19	5	602
		(@ 8% increase)			(@ 27% increase)							
PROJECTED TOTALS FOR FY 1978 PROGRAM	2,817	2,166		\$1,487,458	\$1,292,349							

TABLE II
 PROPERTIES VALUED AT OVER 40,000

	Number of Applicants	Property Tax Levy			Range of Individual Levy on Value to 40,000
		on Total Value	on Value to 40,000	over 40,000 value	
Anchorage, Municipality	249	269,490	182,749	86,741	506.60 to 817.60
Fairbanks North Star	87	61,691	45,644	16,047	252.00 to 652.00
Juneau, City & Borough	113	97,034	67,212	29,822	563.20 to 614.40
Kenai Peninsula	22	15,294	12,744	2,549	208.00 to 760.00
Ketchikan Gateway	21	17,818	12,361	5,457	384.00 to 856.00
Kodiak Island	7	4,435	4,052	383	392.80 to 653.20
Matanuska-Susitna	33	15,990	12,257	3,733	307.00 to 520.00
Sitka, City & Borough	35	11,504	7,000	4,504	200.00 to 200.00
Other	35	22,526	18,134	4,392	304.00 to 740.00
TOTAL	602	515,782	362,153	153,629	200.00 856.00
% of Total		(@ 8% increase)		(@ 27% increase)	
PROJECTED TOTALS FOR FY 1978 PROGRAM	650			195,109	

TABLE IV
 TAX LEVY ON VALUE OVER 40,000

	Tax Revenue by Tax Category					Total
	under \$100	\$500	\$1,000	\$2,000	to \$4,600	
Anchorage, Municipality	2,975	34,277	17,620	6,862	15,007	86,741
Fairbanks North Star	2,085	12,465	1,497			16,047
Juneau, City & Borough	1,907	15,243	6,287	6,385		29,822
Kenai Peninsula	573	1,402	575			2,549
Ketchikan Gateway	224	3,493	596	1,144		5,457
Kodiak Island	255	128				383
Matanuska-Susitna	742	2,991				3,733
Sitka, City & Borough	800	3,703				4,504
*Other	909	2,956	527			4,392
TOTAL	10,470	76,658	27,102	24,391	15,007	153,629
AVERAGE PER PROPERTY	\$48	\$242	\$661	\$1,284	\$3,001	

*The Bristol Bay, Haines and North Slope Boroughs plus all participating cities.

Handwritten: total amt of exemption 40,000
 70 amount 30
 reimbursed in full

SENIOR CITIZEN PROPERTY TAX EXEMPTION
 FISCAL YEAR 1977 PROGRAM

TABLE I

	Number of Applicants			Property Tax Levy		
	Total	Value to 40,000	% of Total	on Total Value	on Value to 40,000	% of Total
Anchorage, Municipality	886	637	72	\$ 552,525	\$ 465,784	84
Fairbanks North Star	334	247	74	130,318	114,271	88
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Kenai Peninsula	247	225	91	74,140	71,590	97
Ketchikan Gateway	208	187	90	91,004	85,547	94
Kodiak Island	68	61	90	22,660	22,277	98
Matanuska-Susitna	212	179	84	50,316	46,583	93
Sitka, City & Borough	95	60	63	17,994	13,491	75
Other	304	269	68	82,532	72,140	95
TOTAL	2,608	2,006	77	\$1,171,227	\$1,017,598	87
	(@ 8% increase)			(@ 27% increase)		
PROJECTED TOTALS FOR FY 1978 PROGRAM	2,817	2,166		\$1,487,458	\$1,252,349	

TABLE III
 TAX LEVY ON VALUE OVER 40,000

	Number of Properties				
	under \$100	\$500	\$1,000	\$2,000	to \$4,000
Anchorage, Municipality	65	139	27	13	5
Fairbanks North Star	30	47	2		
Juneau, City & Borough	36	63	9	5	
Kenai Peninsula	13	8	1		
Ketchikan Gateway	6	13	1	1	
Kodiak Island	6	1			
Matanuska-Susitna	19	14			
Sitka, City & Borough	18	17			
Other	19	15	1		
TOTAL	220	317	41	19	5

TABLE II
 PROPERTIES VALUED AT OVER 40,000

	Number of Applicants	Property Tax Levy				Range of Individual Levy on Value to 40,000
		on Total Value	on Value to 40,000	over 40,000 value		
Anchorage, Municipality	249	269,490	182,749	86,741	506.60 to 817.60	
Fairbanks North Star	87	61,691	45,644	16,047	252.00 to 652.00	
Juneau, City & Borough	113	97,034	67,212	29,822	563.20 to 614.40	
Kenai Peninsula	22	15,294	12,744	2,549	208.00 to 760.00	
Ketchikan Gateway	21	17,818	12,361	5,457	384.00 to 856.00	
Kodiak Island	7	4,435	4,052	383	392.80 to 653.20	
Matanuska-Susitna	33	15,990	12,257	3,733	307.00 to 520.00	
Sitka, City & Borough	35	11,504	7,000	4,504	200.00 to 200.00	
Other	35	22,526	18,134	4,392	304.00 to 740.00	
TOTAL	602	515,782	362,153	153,629	200.00 856.00	
% of Total			70	30		
		(@ 8% increase)		(@ 27% increase)		
PROJECTED TOTALS FOR FY 1978 PROGRAM		650		155,109		

TABLE IV
 TAX LEVY ON VALUE OVER 40,000

	Tax Revenue by Tax Category					Total
	under \$100	\$500	\$1,000	\$2,000	to \$4,000	
Anchorage, Municipality	2,975	34,277	17,620	16,652	15,007	86,741
Fairbanks North Star	2,085	12,465	1,497			16,047
Juneau, City & Borough	1,907	15,243	6,287	6,355		29,822
Kenai Peninsula	573	1,402	575			2,549
Ketchikan Gateway	224	3,493	596	1,144		5,457
Kodiak Island	255	128				383
Matanuska-Susitna	742	2,991				3,733
Sitka, City & Borough	800	3,703				4,504
Other	909	2,956	527			4,392
TOTAL	10,470	76,658	27,102	24,391	15,007	153,629
AVERAGE PER PROPERTY	\$48	\$242	\$661	\$1,284	\$3,001	

*The Bristol Bay, Haines and North Slope Boroughs plus all participating cities.

Category: DEVELOPMENT

Agency: COMMUNITY AND REGIONAL AFFAIRS

Program: COMMUNITY PLANNING

BRU: MUNICIPAL SERVICES REVENUE SHARING

The Municipal Services Revenue Sharing Program provides grants to communities based on services provided and population. The following table shows the amount granted for each type of service and the amounts disbursed to FY 76 program participants.

CATEGORY OF SERVICE	RATE	ESTIMATED POPULATION	APPROVED ENTITLEMENTS
Police Protection	\$ 12/per capita	236,795	2,841,540
Fire Protection	7.50/per capita	308,118	2,310,882
Air and/or Water Pollution Control	2/per capita	315,559	631,118
Land Use Planning	2/per capita	313,027	626,054
Parks and Recreation	5/per capita	304,386	1,521,929
Transportation	5/per capita	335,886	1,679,430
Road Maintenance	1,500/900 per mile		1,718,376
Health Facilities	1,000/per bed/4,000 per facility		685,000
Hospital Construction			
Matching Funds	2,500/per bed		939,116
Hospitals	1,000 per bed 25,000-75,000 per hospital		1,062,000
Total Entitlements			14,015,445
Cost-of-Living			906,924
Prepayments to municipalities later determined ineligible			(654)
Total Disbursed to Participants			14,921,715

The objectives of this BRU are:

- To allocate State Revenue Sharing Funds to local governments in accordance with the provisions of AS 43.18.010-045
- To provide financial and budgeting assistance to 8 communities to assure that sound and fiscally attainable levels of municipal services can be provided.
- Encourage the organization of 5 volunteer fire departments outside municipalities.

Service Measures	FY 76		FY 77	FY 78	
	Plan	Actual	Plan	Maintenance	Total
<u>Workload Measures</u>					
Number of applications					
a. Distributed	186	189	190	200	200
b. Received	173	179	184	194	194
c. Approved	170	168	180	190	190
Number of applicants individually Assisted	65	65	70	75	75
Number of Program inquires answered	115	120	120	125	125
Number of individual disbursements made, including final disbursements	335	331	350	360	360
<u>Effectiveness Measures</u>					
Fiscal and Budgeting Systems Established or Maintained	6	4	8	10	10
Volunteer Fire Departments organized outside Municipalities	5	5	5	5	5

BUDGET OPERATING EXPENDITURES SUMMARY

BUDGET REQUEST UNIT 21 73-3-02-01-01

AGENCY COMMUNITY REG AFFAIR

CATEGORY DEVELOPMENT	PROGRAM COMMUNITY DEVELOPMNT	SUB-PROGRAM GRANTS TO COMMUNITIS			ELEMENT REVENUE SHARING		SUB-ELEMENT MUNIC SVCS REV SHRNG	
COMPONENT STRUCTURE	COMPONENT DESCRIPTION	FISCAL YEAR 1976		FISCAL YEAR 1977		FISCAL YEAR 1978		
		LEG. APPROP.	FINAL AUTH.	ACTUAL	AUTHORIZED	REVISED	GOV. BUDGET	LFG. ALLOC.
73-3-02-01-01	MUNIC SVCS REV SHRNG	15,177.4	15,192.3	15,178.8	16,673.8	3.5	17,654.7	

Called Palmer + inquired about the funding data per your request. He said the CRA requested the amount of \$19,527,300 as the total amount necessary to operate their program. The Governor (in his budget) pared this amount down to 90% of that figure which amounts to the \$17,574.6 (underlined in red).

TOTAL	MUNIC SVCS REV SHRNG	15,177.4	15,192.3	15,178.8	16,673.8	3.5	17,654.7	
BUDGET PERCENTAGE CHANGE OVER 1977							5.9	
OBJECT EXPENDITURE DESCRIPTION								
PERSONAL SERVICES		34.8	49.7	41.1	31.5	3.5	62.6	
TRAVEL		3.0	3.0	.2	4.4		5.5	
CONTRACTUAL SERVICES		9.0	9.0	7.3	15.7		11.0	
COMMODITIES		.5	.5	.1	.5		.5	
EQUIPMENT					.9		.3	
LANDS, BUILDINGS, IMPROVEMENTS					.2		.2	
GRANTS, CLAIMS, SHARED REVENUE		15,130.1	15,130.1	15,130.1	16,600.4		<u>17,574.6</u>	
MISCELLANEOUS								
FUNDING SOURCE								
FEDERAL RECEIPTS								
EQUIPED GEN. FUND MATCHING								
OTHER GENERAL FUND		15,177.4	15,192.3	15,178.8	16,673.8	3.5	17,654.7	
INTER-AGENCY RECEIPTS								
GEN. FUND PERCNTGE CHANGE OVER 1977							5.9	
POSITIONS								
PERMANENT FULL TIME		2.0	2.0	2.0	2.0		2.0	
PERMANENT PART TIME							1.0	
TEMPORARY (FULL TIME EQUIV.)								
NUMBER OF MAN MONTHS		24.0	24.0	24.0	24.0		30.0	

February 7, 1977

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

Dear Senator Orsini:

Re: Senior Citizen Property Tax Exemption.

In view of recent erroneous Associated Press releases, the following data is provided for your information.

Currently all senior citizens are eligible for 1977 property tax exemption up to an assessed value of \$40,000 on their home under the formula limitation criteria.

Statutes now in effect provide total exemption to 75% of Alaska's senior citizen homeowners. It is estimated that less than 2 1/2% of those who applied will receive a tax bill of \$500 or more in 1977.

Enclosed is a packet of data prepared by the Department of Community and Regional Affairs relative to current proposals affecting the program. You may be especially interested in the analysis of senior citizen properties valued at more than \$40,000, this data was prepared as 'back up' material for the 'circuit breaker' proposal. Also, the analysis of senior citizen properties valued at over \$100,000 may be valuable, this tabulation was provided with the fiscal note for SB 86.

Thank you for your attention.

Sincerely,

Lee McAnerney
Commissioner

By: S. Robert Dozier
State Assessor

LMcA:SRD:il

Enclosures

cc: Milt Barker

Dan Plotnick

Jesse Dodson

APPENDIX B

SENIOR CITIZEN
PROPERTY TAX EXEMPTION

AS 29.53.020(e)-(i)

APPENDIX B

SENIOR CITIZEN PROPERTY TAX EXEMPTION
AS 29.53.020(e)-(i)

Effective January 1, 1973, the first Senior Citizen Property Tax Exemption Program was enacted. (ch 118 SLA 1972) Effective January 1, 1974, the \$10,000 gross annual income limitation as a prerequisite to eligibility was deleted. (Sec. 1 ch 60 SLA 1974) Effective January 1, 1975, an extension of the filing date deadline for good cause shown was authorized. (Sec. 1 ch 65 SLA 1975) Effective January 1, 1977, a formula was adopted for determining an assessed value exemption limit each year. (Sec. 1 ch 217 SLA 1976)

AS 29.53.020(e): "... the assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous year assessed values in the state..."

The property tax exemption limit for the 1977 tax year has been determined to be the assessed value of the real property up to and including 40,000 in assessed value. The frequency distribution of assessed values approved for exemption in the 1976 program is illustrated in Table B-2.

In response to objections to the assessed value limit, a "circuit breaker" assistance amendment is proposed. The amendment is a favorable and acceptable measure intended to relieve disproportionate impact to senior citizen income affected by tax values over the exemption limit.

The property tax exemption application form 21-400 has been expanded to allow senior citizen homeowners to renew special assessment deferments, AS 29.63.065, on the same form; in order to avoid duplicate verification of qualifying criteria each year. (See Appendix C, Senior Citizen Special Assessment Exemption)

A breakdown of the 1976 program impact listed by participating municipalities, is illustrated in Table B-1.

A four-year performance summary of the property tax exemption program is outlined below:

Tax Year	Number of Applications Approved	Assessed Value Exempt	Total Revenue Reimbursement	Average Value Per Application	Average Tax Per Application
1973	911	12,960,993	\$ 197,050	14,227	\$216
¹ 1974	1,887	40,842,657	631,891	21,644	335
² 1975	2,426	59,918,061	930,915	24,698	384
1976	2,608	76,737,060	1,171,227	29,424	449

¹ \$10,000 income limit deleted

² Extended filing deadline

TABLE B-1
 SENIOR CITIZEN PROPERTY TAX EXEMPTION, AS 29.53.020(e)
 1976 PROGRAM SUMMARY

<u>BOROUGHES</u>	NUMBER OF APPLICATIONS APPROVED	ASSESSED VALUE EXEMPT	TAX EXEMPT	AVERAGE VALUATION PER APPLICATION	AVERAGE TAX PER APPLICATION
Anchorage, Municipality	886	29,560,962	\$ 552,525.42	33,365	\$624
Bristol Bay	7	83,825	1,173.55	11,975	168
Fairbanks North Star	334	9,954,475	130,318.05	29,804	390
Haines	23	434,096	4,780.11	18,873	208
Juneau, City & Borough	254	10,052,250	149,737.84	39,576	590
Kenai Peninsula	247	5,135,050	74,140.10	20,790	300
Ketchikan Gateway	205	5,367,165	91,003.58	25,804	438
Kodiak Island	68	1,522,622	22,659.52	22,392	333
Matanuska-Susitna	212	5,453,020	50,316.29	25,722	237
North Slope	19	305,410	3,145.73	16,074	166
Sitka, City & Borough	95	3,598,790	17,993.95	37,882	189
TOTAL BCROUGHS	<u>2,353</u>	<u>71,467,655</u>	<u>\$1,097,749.14</u>	<u>30,373</u>	<u>\$467</u>
 <u>CITIES</u> 					
Cordova	33	670,380	\$ 12,402.07	20,315	\$376
Craig	8	96,010	1,056.11	12,001	132
Dillingham	16	423,702	7,838.60	26,481	490
Nenana	1	3,700	37.00	3,700	37
Nome	49	390,960	6,992.11	7,979	143
Pelican	3	16,941	237.16	5,647	79
Petersburg	59	1,611,790	19,341.50	27,318	328
Skagway	19	467,467	8,414.40	24,604	443
Unalaska	3	72,100	1,261.76	24,033	421
Valdez	10	337,640	3,374.89	33,764	337
Wrangell	54	1,178,715	12,477.49	21,828	231
TOTAL CITIES	<u>255</u>	<u>5,269,405</u>	<u>\$ 73,433.09</u>	<u>20,664</u>	<u>\$288</u>
BOROUGHES	2,353	71,467,655	\$1,097,749.14	30,373	\$467
CITIES	255	5,269,405	73,433.09	20,664	288
STATEWIDE TOTAL	<u>2,608</u>	<u>76,737,060</u>	<u>\$1,171,227.23</u>	<u>29,424</u>	<u>\$449</u>

TABLE B-2
SENIOR CITIZEN PROPERTY TAX EXEMPTION
1976 TAX YEAR PROGRAM

FREQUENCY DISTRIBUTION: INTERVALS IDENTIFIED BY LOWER LIMITS

BOROUGH	Range		Frequencies of Assessed Value (in thousands) in Intervals of 5,000																				
	Low	High	0	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95+	Tot
Anchorage	0.4	230	63	38	27	88	98 ¹	102	131 ²	89	64 ³	53	39	26	17	14	7	3	4	4	4	4	15
Bristol Bay*	11.9	26			2 ¹	1	2 ²	1 ³	1														
Fairbanks	0.3	109	7	28	44	32 ¹	50	41 ²	24	20	19 ³	19	15	9	7	9	1	3	2	1	1	2	
Haines	2.3	49	5	1	2 ¹	6 ²	4	1 ³		2	1	1											
Juneau	1.0	142	6	8	13	17	22 ¹	20	21	32 ²	28	24	12 ³	18	7	9	3	2	1	3	2	6	
Kenai	2.5	70	13	48	37 ¹	41 ²	33	19 ³	18	16	10	6	1	1	1	1	2						
Ketchikan	2.0	93	8	16	21	38 ¹	30 ²	26	26 ³	22	6	4	1	3		1	2	1		2	1		
Kodiak	0.6	48	7	14 ¹	4	4	8 ²	11	6 ³	7	6	1											
Matanuska-Susitna	0.5	83	19	14	25 ¹	19	30 ²	29	27 ³	16	10	10	3	4	1	2	1			1	1		
North Slope*	10.5	51			4	1 ¹	1	7 ²	4 ³			1	1										
Sitka	1.0	122	4	7	5	8 ¹	10	12	7 ²	7	7	2	4 ³	5	2	3	2	2	1	1			
TOTAL	0.4	230	132	174	184	255 ¹	288	263 ²	265	211 ³	151	121	76	66	35	39	18	11	9	12	8	25	
CITIES																							
Cordova			5	6	8	1	2	5		1	1	2	1	1									
Craig			1	2	4		1																
Dillingham					2	2	3	3	2	3		1											
Kenai			1																				
Nome			21	15	5	3	2	3															
Pelican			1	2																			
Petersburg			1	1	5	13	12	5	5	6	3	3	3	1	1								
Skagway				2	2	3	3	3	3	1	2												
Unalaska			1	1																			
Valdez			1		1			2		1	1	3	1										
Wrangell			4	9	7	8	7	5	5	3	2	2											
TOTAL	0.5	68	35	38 ¹	34	30 ²	30	26 ³	15	14	9	10	6	2	5								
STATEWIDE TOTAL	0.4	230	163	212	218	285 ¹	318	295 ²	280	225 ³	160	131	82	68	40	39	18	11	9	12	8	29	2
					(15,945)		(26,745)		(39,020)														

¹ First Quartile ² Median ³ Third Quartile

* Includes 10,000 Value Municipal Residential Property Exemption, AS 29.53.025(a)

ALASKA ADMINISTRATIVE CODE TITLE 19
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

CHAPTER 40
SENIOR CITIZEN PROPERTY TAX EXEMPTION

19 AAC 40.010. METHOD OF APPLICATION. Applications for the senior citizen property tax exemption shall be on forms provided by the Department of Community and Regional Affairs. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.020. FORMS. Form 21-400 is hereby adopted by the department for use in the application for senior citizen property tax exemptions. (Eff. 1/28/73, Reg. 45; am 1/27/74, Reg. 48)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.030. OBTAINING FORMS. Application forms are available only from the office of the clerk or assessor of the municipality. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.040. SUBMISSION OF APPLICATION. Exemption applications filed after January 15 in accordance with AS 29.53.020 must be accompanied by written notice from the governing body of the municipality granting waiver of filing date for good cause shown. (Eff. 1/28/73, Reg. 45; am 3/31/76, Reg. 57; Eff. / / , Reg.)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.050. SUBMISSION OF AMENDED APPLICATION. Repealed.
(Eff. 1/27/74, Reg. 48)

19 AAC 40.060. SUPPLEMENTARY INFORMATION. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 40.070. CONFIDENTIALITY. Repealed (Eff. 1/27/74, Reg. 48)

19 AAC 40.080. APPLICABILITY OF INCOME CRITERIA. (a) Repealed. (Eff. 1/27/74, Reg. 48)

(b) When an eligible person and his or her spouse occupy the same permanent place of abode, the exemption applies to the entire value of their property, regardless of whether the property is held in the name of the husband, wife, or both.

(c) When the standard of eligibility is met, the exemption is that portion of the tax equal to the percent of ownership of the eligible owner or owners. (Eff. 1/23/73, Reg. 45; am 1/27/74, Reg. 48)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.090. APPLICABILITY OF LIENS. Notwithstanding qualification for exemption under AS 29.53.020, property remains subject to the lien provisions of AS 29.53.200-29.53.390. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.100. PENALTY. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 40.110. APPEAL. (a) An applicant aggrieved by any determination of the local assessor, except a decision as to the purpose of a transfer, may appeal under AS 29.53.130-29.53.135 to his local board of equalization.

(b) The determination of the Board of Equalization is appealable under AS 44.62.560-44.62.570. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.120. DEFINITIONS. In this chapter:

- (1) repealed (Eff. 1/27/74, Reg. 48);
- (2) "exemption year" means the calendar year for which the exemption is sought;
- (3) "real property" includes, but is not limited to, mobile homes, whether classified as real or personal property for municipal tax purposes;

(4) "permanent place of abode" means a dwelling, or a dwelling unit in a multiple dwelling, including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit;

(5) "resident" includes applicants who have a fixed habitation in the State of Alaska, and, when absent, intend to return to the State of Alaska;

(6) "ownership" means that an applicant is possessed of an interest, other than a leasehold, in real property, including a mobile home, which interest is recorded in the office of the district recorder, or, if unrecorded, is attested by a contract, bill of sale, deed of trust, or other proof in a form satisfactory to the local assessor;

(7) "department" means the Department of Community and Regional Affairs;

(8) "senior citizen" means an applicant who is 65 years of age or older on January 1 of the exemption year. (Eff. 1/28/73, Reg. 45; am 4/18/73, Reg. 45; am 1/27/74, Reg. 48, am 3/31/76, Reg. 57)

Authority: AS 29.53.020(f)
AS 44.47.160

SENIOR CITIZEN APPLICATION FOR PROPERTY TAX EXEMPTION

AS 29.53.020(e)

Application must be filed on or before January 15 of each assessment year

MUNICIPALITY _____

ACCOUNT NUMBER _____

NAME OF APPLICANT _____

NAME OF SPOUSE _____

SOCIAL SECURITY NUMBER _____

SOCIAL SECURITY NUMBER _____

MAILING ADDRESS _____

STREET ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

TELEPHONE: HOME _____ OFFICE _____

PROPERTY DESCRIPTION, TYPE AND LOCATION

City or Service Area _____ Single Family Apartment Subdivision _____

Parcel Number _____ Condominium Duplex Block _____ Lot _____ Survey _____

Recording District _____ Date _____ Mobile Home Farm Section _____ Township _____ Range _____

Instrument _____ Vol. _____ Page _____ Name of Trailer Park _____ Space Number _____

RESIDENCE AND OWNERSHIP:

Verified By: _____ Assessor or Clerk

AGE:

Verified By: _____ Assessor or Clerk

Owner or Purchaser of Record Life Estate

I will be _____ years of age prior to January 1.

Part Owner of Record: $\frac{\%}{100}$ of Ownership

Proof filed with prior years application or, the following is submitted as proof of my date of birth:

Is your home on land your own? Yes No

DATE OF BIRTH: Month _____ Day _____ Year _____

I hereby apply for the Senior Citizen Property Tax Exemption on my property as provided in AS 29.53.020(e) for the 19____ assessment year. The above described property is my permanent residence and I am residing thereon.

I the undersigned certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.30.270.

DATE _____ SIGNATURE OF APPLICANT _____

Renewal must be verified annually SPECIAL ASSESSMENT DEFERRMENT RENEWAL AS 29.63.065

I hereby apply for renewal of the Senior Citizen Special Assessment Deferral on my property as provided in AS 29.63.065.

Original Applicant Spouse of Original Applicant Minor Heir of Original Applicant (to age 25)

I the undersigned certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.30.270.

DATE _____ SIGNATURE OF APPLICANT _____

PROPERTY TAX EXEMPTION

LATE FILING

New Filing Filed Last Year Approved Denied: _____

Approved Certification or Minutes Attached
 Denied

	LAND	BUILDING	TOTAL
TOTAL PROPERTY VALUE	_____	_____	_____
MUNICIPALLY MANDATED EXEMPTION, AS 29.53.025(a)	Less _____	_____	_____
ADJ. FOR DWELLING UNIT:	_____	_____	_____
DWELLING UNIT VALUE	_____	_____	_____
ADJ. FOR PART OWNER:	Less _____	_____	_____
TOTAL TAXABLE VALUE	_____	_____	_____
TOTAL EXEMPT (Total adjusted value or limit)	_____	_____	_____
TAX CODE AREA _____ MILL RATE _____	_____	_____	TOTAL TAX EXEMPT \$ _____

SPECIAL ASSESSMENT DEFERMENT RENEWAL

No more than one sewer connection
 No more than one water connection
 Municipal Verification (Form attached)

Approved Denied: _____

\$ _____
 TOTAL DEFERRED

Local Assessor's copy - white Department of Community & Regional Affairs' copy - yellow Taxpayer's copy - pink
 Form 21-400

PUBLIC WORKS VERIFICATION FORM
 SENIOR CITIZEN SPECIAL ASSESSMENT DEFERMENT
 AS 29.63.065.

 Name of Applicant

 Parcel Number

 Local Improvement District Number

 City or Service Area

- Spouse or original applicant Minor heir of original applicant
 No more than one sewer connection

Prepared by: _____
 Service Area or Public Works
 Department Personnel

Date: _____

PROPOSED LEGISLATION

AN ACT

Relative to providing property tax relief in addition to exemption provided for senior citizens under AS 29.53.020(e)-(i).

Be it enacted by the legislature of the State of Alaska:

AS 29.73 is amended to read:

AS 29.73.070: Senior Citizen Property Tax Circuit Breaker Assistance.

(a) The owner of a dwelling unit that is exempt from payment of property taxes upon their dwelling unit for the assessment year under AS 29.53.020(e)-(i) and whose annual income from all sources does not exceed \$20,000 may be entitled to a grant payment from the State through the Department of Community and Regional Affairs for a portion of property taxes paid by the applicant upon that dwelling unit which exceeds the exemption allowed by AS 29.53.020(e)-(i) as evidenced by a tax payment receipt in accordance with the following schedule:

<u>Annual Modified Adjusted Gross Income</u>	<u>Percent of Nonexempt Property Tax Eligible for Assistance</u>
Not over	
8,000	90%
9,500	80%
11,000	70%
12,500	60%
14,000	50%
15,500	40%
17,000	30%
18,500	20%
20,000	10%
over 20,000	-0-

(b) No exemption may be granted except upon written application for the grant payment on a form prescribed by the Department of Community and Regional Affairs. Application must be filed with the Department prior to the July 1 immediately following the assessment year for which the grant payment is sought. A separate application must be filed annually for each assessment year in which the grant payment is sought.

(c) "Modified Adjusted Gross Income of applicant and spouse" means the sum of "adjusted gross income" as defined in Section 62 of the Internal Revenue Code (26 U.S.C.62), alimony, support money, public assistance, and relief (not including relief granted under this section), cost of living allowance paid to federal employees, allowances received by dependents of servicemen, the gross amount of any pension or annuity (including railroad retirement benefits, all payments received under the Federal Social Security Act, the Alaska Longevity Bonus, and all benefits under the Veterans's Acts), nontaxable interest received from the state or federal government or any of its instrumentalities, workmen's compensation, the gross amount of "loss of time" insurance, and the amount of capital gains excluded from adjusted gross income. It does not include gifts from nongovernmental sources, or surplus food or other relief in-kind supplied by a governmental agency (property tax exemption under AS 29.53.020(e)-(i) is considered in-kind relief for purposes of this section).

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Proposed Legislation
 Title Senior Citizen Property Tax Circuit Breaker Assistance
 Requested by Sponsor Date 1/26/77

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Local Government Assistance
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		13.9				
200 TRAVEL						
300 CONTRACTUAL		2.5				
400 COMMODITIES						
500 EQUIPMENT		1.9				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		100.0				
TOTAL		118.3				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		12 Mo.				
PART TIME						
TEMPORARY						

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

A final estimate of the grant fund requirement for the operation of the circuit breaker is based on the analysis of the current senior citizen property tax exemption program. To fully fund complete exemption would require \$195,000 in addition to the formula established limitation. By the recommended graduated circuit breaker, approximately 50% of this amount, or \$100,000 grant would fund the additional payments to eligible applicants. Operation of the program will require the addition of a full time clerk typist III position.

Funding Required for Administration of the Senior Citizen Circuit
Breaker:

100 Personal Services

Clerk Typist III, 8-A, \$957	\$11,484	
21% benefits	<u>2,412</u>	
		13,896

Contractual

Postage	150	
Printing	1,150	
Advertising	500	
Data Processing	500	
Telephone	<u>204</u>	
		2,504

Equipment

Calculator @ 440	440	
Desk	360	
Chair	195	
Lamp	60	
Typewriter	<u>795</u>	
		<u>1,850</u>
		<u>18,250</u>

Department of Community & Regional Affairs
Division of Local Government Assistance
Office of the State Assessor
January 26, 1977

Department of Community & Regional Affairs
Division of Local Government Assistance
State Assessor Office
January 25, 1977

SENIOR CITIZEN - PROPERTY TAX EXEMPTION - "CIRCUIT BREAKER" ASSISTANCE

The attached analysis of the FY 77 senior citizen property tax reimbursement has been prepared to illustrate the fiscal and citizen impact of the assessed value limit in effect for the FY 78 program and to show the probable scope of proposed 'circuit breaker' assistance legislation.

The 'circuit breaker' offers assistance in addition to the basic 'homestead' exemption. The additional assistance is based on proof of disproportionate property tax levy relative to income and assumes that any homeowner at whatever income level should support his property to the extent of a minimum of 10% above the basic 'homestead' exemption.

Based on Bureau of Labor Statistics, a moderately comfortable annual income for an Alaskan senior citizen household in FY 76 was \$8,800 and a high income was placed at \$12,500. The 'circuit breaker' allows 90% assistance for remaining property tax after the basic 40,000 value to all income levels up to \$8,000. The exemption is reduced by 10% for each additional \$1,500 in annual income. Annual income of over \$20,000 would not be eligible for 'circuit breaker' assistance.

TABLE I:

Is a comparison of the actual reimbursement and the impact of a 40,000 value limit, if such had been in effect.

There were 2,608 senior citizens receiving full forgiveness of property tax in FY 77; had the limit been in effect, 2,006 (77%) would have continued to receive 100% exemption.

Of the \$1,171,227 reimbursed to municipalities in FY 77, \$1,017,598 (87%) would have been reimbursed, notwithstanding the 40,000 value limit.

Projections for the FY 78 program are based on an estimated increase of 8% in the number of applicants and an increase of 27% in total revenue reimbursed.

TABLE II:

Is an analysis of properties that would have been involved in the proposed 'circuit breaker' assistance legislation, had it been in effect.

There were 602 properties valued in excess of 40,000. The total tax on those properties was \$515,782, of which \$362,153 (70%) would have been reimbursed in full.

The tax on the value over 40,000 was \$153,629 which would have been subject to 'circuit breaker' assistance income level criteria.

Individual properties would have had a minimum tax exemption of \$200 in Sitka to a maximum exemption of \$856 in Ketchikan.

TABLE III:

Is a comparison of the number of properties subject to a tax levy above the exempt limit by tax levy categories.

Of the 602 properties subject to additional taxes after the exemption limit, 220 would have been liable for less than \$100 each and 5 for more than \$2,000 each.

TABLE IV:

Is a comparison of the total revenue levied on values over 40,00 by tax levy category.

Approximately 50% (\$76,658) of the total revenue that would effect the proposed 'circuit breaker' relief, involved 317 properties liable for less than \$500 each or an average levy of \$242 above the exempt value tax of between \$.00 to \$856 .

SENIOR CITIZEN PROPERTY TAX EXEMPTION
 FISCAL YEAR 1977 PROGRAM

TABLE I

	Number of Applicants			Property Tax Levy		
	Total	Value to 40,000	% of Total	on Total Value	on Value to 40,000	% of Total
Anchorage, Municipality	886	637	72	\$ 552,525	\$ 465,784	84
Fairbanks North Star	334	247	74	130,318	114,271	88
Juneau, City & Borough	254	141	56	149,738	119,916	80
Kenai Peninsula	247	225	91	74,140	71,590	97
Ketchikan Gateway	208	187	90	91,004	85,547	94
Kodiak Island	68	61	90	22,660	22,277	98
Matanuska-Susitna	212	179	84	50,316	46,583	93
Sitka, City & Borough	95	60	63	17,994	13,491	75
Other	304	269	88	82,532	72,140	95
TOTAL	2,608	2,006	77	\$1,171,227	\$1,017,598	87
		(@ 8% increase)		(@ 27% increase)		
PROJECTED TOTALS FOR FY 1978 PROGRAM	2,817	2,166		\$1,467,458	\$1,292,349	

blended

TABLE III
 TAX LEVY ON VALUE OVER 40,000

	under \$100	Number of Properties				Total
		\$500	\$1,000	\$2,000	to \$4,000	
Anchorage, Municipality	65	139	27	13	5	249
Fairbanks North Star	38	47	2			87
Juneau, City & Borough	36	63	9	5		113
Kenai Peninsula	13	8	1			22
Ketchikan Gateway	6	13	1	1		21
Kodiak Island	6	1				7
Matanuska-Susitna	19	14				33
Sitka, City & Borough	18	17				35
*Other	19	15	1			35
TOTAL	220	317	41	19	5	602

TABLE II

PROPERTIES VALUED AT OVER 40,000

	Number of Applicants	Property Tax Levy			Range of Individual Levy on Value to 40,000
		on Total Value	on Value to 40,000	over 40,000 value	
Anchorage, Municipality	249	269,490	182,749	86,741	506.60 to 817.60
Fairbanks North Star	87	61,691	45,644	16,047	252.00 to 652.00
Juneau, City & Borough	113	97,034	67,212	29,822	563.20 to 614.40
Kenai Peninsula	22	15,294	12,744	2,549	203.00 to 760.00
Ketchikan Gateway	21	17,818	12,361	5,457	384.00 to 856.00
Kodiak Island	7	4,435	4,052	383	392.80 to 653.20
Matanuska-Susitna	33	15,990	12,257	3,733	307.00 to 520.00
Sitka, City & Borough	35	11,504	7,000	4,504	200.00 to 200.00
Other	35	22,526	18,134	4,392	304.00 to 740.00
TOTAL	602	515,782	362,153	153,629	200.00 856.00
% of Total			70	30	
		(@ 8% increase)		(@ 27% increase)	
PROJECTED TOTALS FOR FY 1978 PROGRAM	650			195,109	

TABLE IV

TAX LEVY ON VALUE OVER 40,000

	under \$100	Tax Revenue by Tax Category				Total
		\$500	\$1,000	\$2,000	to \$4,000	
Anchorage, Municipality	2,975	34,277	17,620	16,862	15,007	86,741
Fairbanks North Star	2,085	12,465	1,497			16,047
Juneau, City & Borough	1,907	15,243	6,287	6,385		29,822
Kenai Peninsula	573	1,402	575			2,549
Ketchikan Gateway	224	3,493	596	1,144		5,457
Kodiak Island	255	128				383
Matanuska-Susitna	742	2,991				3,733
Sitka, City & Borough	800	3,703				4,504
*Other	909	2,956	527			4,392
TOTAL	10,470	76,658	27,102	24,391	15,007	153,629
AVERAGE PER PROPERTY	\$48	\$242	\$661	\$1,284	\$3,001	

*The Bristol Bay, Haines and North Slope Boroughs plus all participating cities.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB No. 86

Title An act relating to real property tax exemptions for senior citizens

Requested by Senate C&RA

Date 1/24/77

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Social Services

Budget Request Unit(s) Affected State Assessor 21 22-3-08-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			216.8	275.3	349.6	
TOTAL			216.8	275.3	349.6	

FUNDING (Thousands of Dollars)

GENERAL FUND			216.8	275.3	349.6	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Grant General Fund

Number of applicants FY 78 - 2817

= 8% increase over FY 77 - 2608

Exemption: FY 78 Grant 1,570.1

= 0 senior citizens required to pay 0.0

10,000 limitation: FY 78 Grant 1,546.5

= 48 senior citizens required to pay 23.5

20,000 limitation: FY 78 Grant 1,375.0

= 650 senior citizens required to pay 195.1

SB No. 86 additional FY 79 Grant 216.8

= Total funding FY 79 1964.0

Administrative Costs

No additional funding required.

Full Analysis attached: The figures used above reflect a 5% BRU Grant increase over the historic trend factor used in the attached analysis.

DATE 2/2/77

PREPARED BY S. Robert Longier, State Assessor

AGENCY Community & Regional Affairs

PHONE 465-4730

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

February 2, 1977

Senior Citizen Property Tax Exemption

SB 86, 100,000 Assessed Value Limit

The attached analysis was prepared to illustrate the citizen impact of SB 86 which proposes raising the current formula limitation to a 100,000 assessed value limit.

Table I

Illustrates a comparison of alternative program totals:

The total reimbursement for the FY 77 unlimited program is approximately \$1,171,227 for 2,608 applicants, stipulating an 8% increase in applicants and a 27% increase in total property tax, a FY 78 unlimited reimbursement would be about \$1,487,458 for 2,817 applicants.

From Table II, the 100,000 limit would reduce an unlimited program by about \$25,000, for a total reimbursement of \$1,462,950 in FY 78.

The formula assessed value limit has been established to be 40,000 in FY 78 and it is estimated to require a \$1,292,349 reimbursement, therefore, raising the assessed value limit from 40,000 to 100,000 will require about \$170,500 in additional funds.

The FY 78 BRU grant for the formula limitation program is \$1,375,000, SB 86 would increase the total grant requirement to \$1,545,500.

Table II

Table II is a list of the 26, FY 77 applications showing a value over 100,000 and the corresponding total tax levy on those properties of \$56,532.81. Also a list of 22 applications showing a FY 77 value of over 85,000 has been compiled with a total tax levy on those properties of \$28,355.09. These 22 properties are projected to reach or exceed 100,000 in FY 78. Stipulation of a 27% increase in total tax levy projects a total FY 78 tax of \$107,807.63 on the 48 properties listed. At an average rate of 17 mills, \$83,300 of the total value would be exempt under SB 86. This leaves approximately \$25,000 that would not be eligible for reimbursement.

SENIOR CITIZEN PROPERTY TAX EXEMPTION
SB 86; 100,000 ASSESSED VALUE LIMIT

TABLE I
TOTAL PROGRAM SUMMARY

	Number of Applications	Assessed Value	Tax Levy
Total Senior Citizens Property			
FY 77	2608	76,737,060	\$1,171,227
Projected increase	[@ 8%]	[@ 27%]	[@ 27%]
FY 78 projected	2817	97,456,066	1,487,458
Per 100,000 values analysis below		<u>(1,946,234)</u>	<u>(24,508)</u>
100,000 Value Limit Program Total	2817	95,509,832	\$1,462,950
*Formula limit program	2817		<u>(1,292,349)</u>
FY 78 Additional Grant Required for SB 86			\$ 170,601

*FY 78 SRJ Grant	\$1,375,000
SB 86	<u>170,500</u>
Total FY 78 Grant Requirement - SB 86	\$1,545,500

TABLE II
ANALYSIS OF SENIOR CITIZEN PROPERTIES VALUED AT OVER 100,000

	Number of Applications	FY 77 Values Over 100,000	FY 77 Tax	Number of Applications	Values Projected To Exceed 100,000 in FY 78	FY 77 Tax
Juneau, City & Borough of		127,000	\$ 1,950.72		94,200	\$ 1,446.91
		142,400	2,004.99		86,900	1,324.78
		137,300	1,933.18		86,400	1,327.10
		115,500	1,675.91		92,400	1,300.99
		118,700	1,722.34		87,600	1,283.34
					<u>97,700</u>	<u>1,500.67</u>
FY 77	5	640,900	\$ 9,287.14	6	545,200	\$ 8,193.79
Anchorage, Municipality of		234,500	\$ 4,793.18		84,925	\$ 1,735.86
		106,325	2,173.28		92,900	1,898.88
		105,040	2,147.02		86,200	1,227.48
		144,225	2,933.54		95,975	1,920.84
		113,725	2,324.54		85,000	1,737.40
		105,250	2,151.30		93,000	1,900.92
		141,550	2,893.28		89,625	1,851.94
		136,025	2,780.34		93,300	1,479.74
		262,300	5,361.40		85,150	1,740.46
		152,150	3,109.94			
		107,075	1,524.74			
		111,400	2,277.02			
		105,300	2,152.31			
		139,348	2,848.27			
		109,350	1,557.14			
		110,800	1,577.78			
		112,675	2,303.08			
FY 77	17	2,297,038	\$ 44,908.16	9	804,075	\$15,473.52
Sitka, City & Borough of		122,030	\$ 610.15		98,700	\$ 493.50
		101,790	508.95		98,080	490.40
		106,310	531.55		86,020	430.40
					<u>99,260</u>	<u>496.30</u>
FY 77	3	330,130	\$ 1,650.65	4	382,120	\$ 1,910.60
Fairbanks North Star Borough		109,025	\$ 686.86		99,900	\$ 1,628.37
					94,700	596.61
					<u>87,650</u>	<u>552.20</u>
FY 77	1	109,025	\$ 686.86	3	282,250	\$ 2,777.18
Total FY 77	26	3,377,093	\$ 56,532.81	22	2,013,645	\$28,355.09
Projected increase		[@ 27%]	[@ 27%]		[@ 27%]	[@ 27%]
FY 78 projected	26	4,288,908	71,796.67		2,557,329	36,010.96
Total FY 78	22	<u>2,557,329</u>	<u>36,010.96</u>			
Average Mill Rate .017	48	6,846,234	\$107,807.63			
49 applications @100,000 each		4,900,000	\$ 83,300			
Not reimbursed per SB 86		1,946,234	\$ 24,507.63			

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS HB No. 5
 Title An act relating to exemption from real property taxes for senior citizens
 Requested by House & Senate C&RA Committees Date 1/24/77

II. FISCAL DETAIL
 Agency Affected Community & Regional Affairs
 Program Category Affected Social Services
 Budget Request Unit(s) Affected State Assessor 21 22-3-08-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		195.1	247.8	314.7	399.7	
TOTAL		195.1	247.8	314.7	399.7	

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND		195.1	247.8	314.7	399.7	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

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

Governors Request FY 78 (AS 29.53.029(e)) - \$1,375.0 - (40,000 assessed value limitation.)
 Number of applicants 2817 = 8% increase over FY 77 - 2603.
 77% of applicants 2167 have assessed property values 40,000 and less and pay no taxes.
 23% of applicants 650 have assessed property values above 40,000 and pay taxes ranging from \$5.00 to \$4000 totaling \$195.1, with arbitrary 5 acre land limitation.

CS HB #5 - Amends AS 29.53.020(e) by providing full exemption FY 78 -
 Assumption: The 5 acre land limitation remains in effect.
 Number of applicants 2817 - Average tax per applicant \$557.3
 Increased FY 78 grant for full funding \$195.1 = Total FY 78 Grant \$1570.1

Administrative Costs: No additional funds requested FY 78.
 No additional funds requested or provided to implement the limitation formula Sec. 1, ch 217, SLA 1976.

IV. DATE 2-2-77 PREPARED BY *S. Radtke Jones*
 AGENCY Community & Regional Affairs
 PHONE 465-4730
 Original: Legislative Finance
 Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB No. 5 - SB No. 6
 Title An act relating to exemption from real property taxes for senior citizens
 Requested by House & Senate C&RA Committees Date 1/24/77

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Social Services
 Budget Request Unit(s) Affected State Assessor 21 22-3-03-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			247.8	314.7	399.7	
TOTAL			247.8	314.7	399.7	

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND			247.8	314.7	399.7	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

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

Governors Request FY 78 (AS 29.53.029(e)) - \$1,375.0 - (est. FY 79 - \$1,746.2)
 Number of applicants 2817 = 8% increase over FY 77 - 2608.
 70% of applicants 2167 have assessed property values 40,000 and less and pay no taxes.
 23% of applicants 650 have assessed property values above 40,000 and pay taxes ranging from \$5.00 to \$4000 totaling \$195.1, with arbitrary 5 acre land limitation.

HB #5 - SB #6 - Amends AS 29.53.020(e) and provides full exemption FY 79.
 Assumption: The 5 acre land limitation remains in effect.
 Number of applicants 3042 = Average tax per applicant \$655.5
 Increased FY 79 grant for full funding \$247.8 = Total FY 79 Grant \$1,994.0

DATE 2-2-77

PREPARED BY *S. Robert Doyier*, State Assessor
 AGENCY Community & Regional Affairs
 PHONE 465-4730

Legislative Finance
 Budget and Management