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MAYOR'S OFFICE
EXT. 211

ADMINISTRATION AND FINANCE
EXT. 210

PUBLIC WORKS DEPARTMENT
EXT. 249

PLANNING DEPARTMENT
EXT. 245

ACCOUNTING
EXT. 239

NORTH SLOPE BOROUGH

P. O. BOX 69
BARROW, ALASKA 99723
(907) 852-2611

ASSESSING
EXT. 263

TREASURY
EXT. 237

HOUSING AGENCY
EXT. 243

HEALTH AGENCY
EXT. 255

February 8, 1977

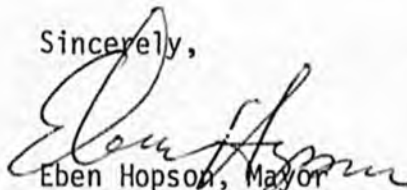
Hon. Joe Orsini, Chairman
Community & Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 9981.

Dear Senator Orsini:

I have just examined Senate Bill 86 which changes the senior citizen real property tax exemption to a flat \$100,000.00.

I understand from the borough's Assessing Department that the predicted senior citizens' exemption limit for this year will be between \$40,000.00 and \$45,000.00. Thus, Senate Bill 86, if passed, would go far to ease the tax burden of many of our senior citizen taxpayers. You are no doubt aware that the cost of living in Alaska, and especially the Arctic, is extremely high. Senior citizens who have spent many years here building a family and home retire and must then live on relatively low fixed incomes. The net result is that in order to make ends meet many are forced to sell their homes in which they have invested so much of their lives. It is toward the prevention of such a dilemma that the senior citizen tax exemption is directed. I support the increase of the exemption as provided for in Senate Bill 86 and urge its passage in your committee and the full Senate.

Sincerely,


Eben Hopson, Mayor
NORTH SLOPE BOROUGH

cc: Hon. Lisa Rudd, Chairman
House Community & Regional Affairs Committee

STATE OF ALASKA
Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100
DEPARTMENT Legislature
ATTENTION Paul Conyers

- | | |
|--|--|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

ORSINI

FROM:
MAIL STATION NUMBER 3100
DEPARTMENT C&RA
BY TCH DATE 2-3-77

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

Full Exemption: FY 78 Grant 1,570.1 = 0 senior citizens required to pay 0.0

100,000 limitation: FY 78 Grant 1,546.5 = 48 senior citizens required to pay 23.5

40,000 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.

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

IV. DATE 2/2/77

PREPARED BY *S. Robert Lopez*, State Assessor

AGENCY Community & Regional Affairs

PHONE 465-4730

Original: Legislative Finance

cc: 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		(1,946,234)	(24,568)
100,000 Value Limit Program Total	2817	95,509,832	\$1,462,950
*Formula limit program	2817		(1,292,349)
FY 78 Additional Grant Required for SB 86			\$ 170,601

* FY 78 PRU Grant	\$1,375,000
SB 86	170,500
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
		118,700	1,722.34		87,600	1,283.34
					97,700	1,500.67
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		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			
		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		86,080	430.40
					99,260	496.30
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
					87,650	552.20
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
	22	2,557,329	36,010.96			
Total FY 78	48	6,846,234	\$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			