

HB

103

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

January 31, 1979

Date: ~~1/31/79~~ ~~1/31/79~~ ~~7/7/79~~

Mr. Speaker:

The Committee on C&RA has had HB103

"An Act increasing the optional resident's real property tax exemption; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Patrick J. O'Connell - Do Pass

Robert J. Carner - No Rec

Bill Pata - Do Pass

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Donna W. Brown - Do Not Pass

Charles J. Pugh - Do Not Pass

Frank J. ... - No Rec

Ray J. ... - Do Not Pass

Bill Pata
CHAIRMAN



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 3/15/79

BILL NUMBER AND TITLE: HB 103 Increasing the optional residential real property tax exemption

ORIGINAL SPONSOR : Randolph & Malone

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT:

MEMBERS ABSENT:

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Members passed out HB103 with the following recommendations:

DO PASS

Carney- No Recommendation

Branson-Do NOT Pass

O'Connell

Parr- Do Not Pass

Parker

Zharoff-No recommendation

Metcalfe-Do Not Pass

COMMITTEE ACTION: See above

TAPE # 4 SIDE 1

Sections 1102-1120

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill #103

Title An Act increasing the optional Residential Real Property Tax Exemption

Requested by Representatives Randolph and Malone Date 2-23-79

II. FISCAL DETAIL

Agency Affected General Fund

Program Category Affected All

Budget Request Unit(s) Affected All

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	N/A					
200 TRAVEL	N/A					
300 CONTRACTUAL	N/A					
400 COMMODITIES	N/A					
500 EQUIPMENT	N/A					
600 LAND & STRUCTURES	N/A					
700 GRANTS, CLAIMS, ETC.	N/A					



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 2/19/79

BILL NUMBER AND TITLE: HB 103 Increasing the optional residential real property tax exemption; and providing for an effective date

ORIGINAL SPONSOR : Randolph & Malone

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: finance

MEMBERS PRESENT:

MEMBERS ABSENT: Carney
Metcalfe

Parker Parr
Zharoff Branson

O'Connell
INDIVIDUALS CONTACTED:

Rep. Malone

WITNESSES TESTIFYING:

Rep. Malone-- Raising the limit to \$50,000 increases the value of the bill to those communities which can use it. (Initiative in Kenai enables residents to take advantage of exemption) Lines 13-15 were added in 1973. The entire Section (a) was originally added to give local governments increased flexibility re taxing.

Concerns were expressed related to what the net effect of this change would be fiscally. Fiscal note was requested of Palmer McCarter representing the Dept. of Community and Regional Affairs. Parr pointed out that the main concern was the effect it could have on pipeline related monies.

"Alaska Taxable" was consulted. It was determined that presently North Slope, Valdez, Fairbanks North Star Borough (and Kenai by Initiative) are presently used AS29.53.025 (a)

COMMITTEE ACTION: Held pending receipt of Fiscal Note from CRA

TAPE # 2 SIDE 1 Sections 2165- to end



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

DATE: 2/28/79

BILL NUMBER AND TITLE: HB 103 Increasing the optional residential real property tax exemption

ORIGINAL SPONSOR : Randolph & Malone

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Finance

MEMBERS PRESENT: Parker
Metcalfe
Zharoff
Parr

Branson
Carney

MEMBERS ABSENT: O'Connell

INDIVIDUALS CONTACTED:

Malone 3799
Randolph 4955

Dept. of C&RA
Lee Sharp

Marilyn Miller

WITNESSES TESTIFYING:

Randolph -- Sees bill as self explanatory.

Terry Earley, State Assessor, Dept. of C&RA Fiscal not for \$850,000 includes North Pole, North Slope and Valdez.

Rep. Parr questions re letter from Kenai Borough and non-inclusion of Kenai in fiscal note.

COMMITTEE ACTION: No action (pending written copy of fiscal note)

TAPE # 2 SIDE 2

Sections 958-1083

BILL WORK SHEET

COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Referred to
Received from Finance

BILL NO. HB 103 re National residential real property tax exemption

Original Sponsor Malone & Randolph

Fiscal Note Requested of CIRA \$50,000 -

Contacts:

LAA Legal Research contact: _____

- ✓ Malone 3799
 - ✓ Randolph 4955
 - ✓ CIRA
 - ✓ Dr. Sharp
 - ✓ M. Miller
- } Notified on 2/28
hearing



KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

February 22, 1979

DON GILMAN
MAYOR

HB 103
cc. CARRA

The Honorable Hugh Malone
House of Representatives
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Representative Malone:

This letter is written to provide you with an analysis of the fiscal implications to the Borough of a \$50,000 real property exemption. Representative Branson and I have talked about this concept via telephone, and at her suggestion the following information is provided:

1. Currently there are approximately 5,000 owner occupied residences within this Borough. The Assembly has declared that trailer units, multi-family dwelling units, living areas attached to or included in a business, are considered to be residential for the purposes of exemption as long as the owner resides at that address. There are about 4,500 hundred single family residences occupied by the owner.
2. The average assessment on land and improvements is well over \$50,000, therefore we must assume that nearly all of the 4,500 residences would qualify.
3. $4,500 \times \$50,000 = \$225,000,000$ reduction of current assessed value - (\$1,800,000,000 approximately).
4. With current mill rate (4.5) a loss of revenue of \$1,012,500.
5. A mill rate increase of .64 mill would need to be levied on remaining assessed value (\$1,575,000,000) to make up lost revenue, or 5.14 mill equivalent.
6. Oil and gas properties subject to 20 mill gas tax equals \$450,000,000. With .64 mill rate increase the State would receive \$288,000 less than at current rate.

The Honorable Hugh Malone
February 22, 1979
Page 2

In fairness it must be pointed out that businesses, vacant land, and those portions of multi-family dwellings over and above the \$50,000 exemption would be having an increase in taxes both from increased assessments and increase in rates.

If I can be of further assistance please contact my office.

Sincerely,

Donald E. Gi'man, Mayor
Kenai Peninsula Borough

DEG:mw

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

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400 COMMODITIES	N/A					
500 EQUIPMENT	N/A					
600 LAND & STRUCTURES	N/A					
700 GRANTS, CLAIMS, ETC.	N/A					
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	N/A					
FEDERAL FUNDS	N/A					
OTHER (Specify)	N/A					
	N/A					
	N/A					

POSITIONS

FULL TIME	N/A					
PART TIME						
TEMPORARY						

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

Based on the assumption that those units that grant the optional \$10,000 exemption would also grant the \$50,000 authorized in this bill. The State would lose approximately \$850,000 in revenue. Currently three of the taxing jurisdictions that grant the \$10,000 current exemptions have their taxing ability limited by AS 29.53.045 & 50 and also AS 43.56.010. Therefore, any additional exemptions would decrease locally generated revenue but be offset by Oil and Gas Tax revenues. This increase in oil and gas tax revenues would be a direct dollar for dollar reduction in State General Fund.

IV. DATE 2-23-79 PREPARED BY Terry L. Earley State Assessor
 AGENCY Department of Community and Regional Affairs
 PHONE 465-4730
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

HB 103 TITLE & SPONSOR SUMMARY

14:01 3/20/79 PAGE 1 OF 2

AMENDED TITLE:

AN ACT INCREASING THE OPTIONAL RESIDENTIAL REAL PROPERTY

TAX EXEMPTION;

AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSORS: RANDOLPH.

CO-SPONSORS: MALONE.

CURRENT STATUS: 3/15/79 IN (H) FINANCE

HB 103 HOUSE ACTION

14:02 3/20/79 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/31/79	01	0106	FIRST READING -- COMMITTEE REPORTS
03/15/79	02	0593	CRA -- DP02, DNF03, NR02
			FINANCE
			RULES
****	**	**	*** ** *