

HB

609

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H. B. 609
 Title Amending the Formula for Property Tax Equivalency Payment; for Senior Citizens
 Requested by Rules Committee (Interim Committee on Services to the Elderly) Date 1-25-80

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs
 Program Category Affected Social Services
 Budget Request Unit(s) Affected Senior Citizen Property Tax Exemption

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			158,000	177,000	198,000	212,000
TOTAL		0	158,000	177,000	198,000	212,000

FUNDING (Thousands of Dollars)

GENERAL FUND		0	158,000	177,000	198,000	212,000
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assume 12% increase in program through FY 83 and 7% increase thereafter.

The bill effectively doubles payment to program beneficiaries and removes the \$375 limit on each payment. Assume that grant requirement will double. No fiscal impact to administration.

In line 14, mil should be spelled mill.

IV. DATE 1-25-80 PREPARED BY LaDonna Brown
 AGENCY Local Government Assistance
 PHONE 465-4739
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE OF ALASKA
Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT Alaska State Legislature

ATTENTION Representative Trilma Buckholdt

- | | |
|----------------------------------------|----------------------------------------------|
| <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:

FROM:
MAIL STATION NUMBER 2100

DEPARTMENT Community & Regional Affairs

BY Lee M. Amundson DATE 3-28-80

02-002 (REV.10/73)

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B—JUNEAU 99801

March 28, 1980

The Honorable Thelma Buchholdt, Chairman
Health, Education, & Social Services Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative *Rama* Buchholdt:

RE: COMPANION BILLS SB 324 and HB 609 AMENDING
THE FORMULA FOR THE SENIOR CITIZEN RENTER'S
PROPERTY TAX EQUIVALENCY PAYMENT

The Department supports the conceptual formula which increases payment to Senior Citizen renters, as the increased payment will be more equitable with exemptions currently received by Senior Citizen homeowners.

However, as you consider this legislation, there are areas of concern we would like to bring to your attention. It is felt that, with your guidance, these concerns will not be compounded by the passage of this legislation.

The Department's concerns which we ask to be addressed are as follows:

A. ASHA & HUD Owned Housing: These housing projects are exempt from property taxes and consequently when rents are fixed, there is not a component included for property taxes. There are projects, however, which do make a payment in-lieu of property tax, but this payment is not an ongoing item. A large percentage of applicants in the program, as currently administered, reside in this type of housing.

B. Other Exempt Housing: State or municipal owned and operated facilities are also exempt from property tax. The rental fees for this type of housing, such as the Pioneer Homes, do not include a component for taxes.

Is it the intent of the legislature that Senior Citizens which reside in these types of facilities be eligible for reimbursement?

In addition to the types of facilities which should be included, there is also concern regarding the definition of "rent".

The Honorable Thelma Buchholdt
March 28, 1980
Page 2

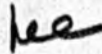
The term "rent" includes many items which may or may not be within the scope of intent of the legislature. A few of the items which some landlords include in rent are; utilities, trash collection, and an isolated case of dog-walking.

While a few items encountered in this program border on the absurd, there are some which appear to be unfair. A case in point is a rental fee for a Senior Citizen which includes utilities versus the Senior who pays utilities as a separate item.

Guidance from the legislature would alleviate the concerns and help promote a more equitable and useful program.

Thank you in advance for your prompt attention to this matter.

Sincerely,



Lee McAnerney
Commissioner