

HB

615

Senior Citizen Motor Vehicle Registration Tax
FY 79 Program

Municipality	No. of Affidavits	\$ MVRT	Total		% of Total	
			No. of Affidavits	\$ MVRT	No. of Affidavits	\$ MVRT
<u>Exempt Seniors</u>						
Anchorage, Municipality of	1,256	\$25,344				
Ketchikan Gateway Borough	231	4,716				
Petersburg, City of	6	140	1,493	\$30,200	49.1%	52.9%
<u>No Tax on Vehicles</u>						
Fairbanks North Star Borough	362	\$ 5,683				
Juneau, City & Borough of	196	3,885				
Cordova, City of	37	.830				
Craig, City of	1	5				
Eagle, City of	2	80				
Pelican, City of	0	0				
Valdez, City of	7	135				
Wrangell, City of	26	300				
Yakutat, City of	1	10	632	\$10,928	20.8%	19.1%
<u>Seniors not Exempt</u>						
Bristol Bay Borough	0	\$ 0				
Haines Borough	54	970				
Kenai Peninsula Borough	298	5,131				
Kodiak Island Borough	30	785				
Matanuska-Susitna Borough	312	5,338				
North Slope Borough	0	0				
Sitka, City & Borough of	66	1,335				
Dillingham, City of	8	295				
King Cove, City of	0	0				
Nenana, City of	0	0				
Nome, City of	20	255				
Skagway, City of	14	165				
Unalaska, City of	0	0	802	\$14,274	26.4%	25.0%
<u>Non-Reimbursable (Outside Taxing Jurisdictions)</u>						
	115	\$ 1,681	115	\$ 1,681	3.7%	3.0%
TOTAL			3,042	\$57,083		

-102-

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Marie Pignalberi
Deputy Commissioner

DATE: April 9, 1980

THRU: Terry L. Earley *TLE*
State Assessor

FILE NO:

TELEPHONE NO:

FROM: LaDonna Brown *LB*
Project Assistant

SUBJECT: HB 615 Senior Citizen
Motor Vehicle Property
Tax Exemption

The following comments have been prepared in response to the request for information concerning the senior citizen motor vehicle exemption. These comments also address HB 615 which is intended to correct problems within that program.

There are three major problems with the program as it is currently written. The following explain these problems and the solutions advanced by HB 615.

1. The property tax exemption should not be located in Title 28. It is important that all property tax exemptions be located together in Title 29.

Section 3 of HB 615 annuls the unsatisfactory section in Title 28 and places the statute with other mandatory exemptions in Title 29.

2. The current law does not provide for exemption of local property tax levies on vehicles. The exemption is solely for those municipalities that have chosen the option to have their vehicle tax collected by the state. To date, this includes Anchorage, Ketchikan, Matanuska-Susitna, and Petersburg.

Paragraph (j) of HB 615 exempts seniors from property tax on vehicles statewide.

3. There are three kinds of municipalities currently being paid for senior citizen vehicles within their jurisdiction. They are:

A. Those four previously mentioned that are actually exempting senior citizens through the state collection option.

These municipalities are reimbursed for revenue loss under the present law and will also be paid under HB 615.

Marie Pignalberi
April 9, 1980
Page Two

B. Municipalities that must, under current law, collect property tax from seniors locally. Under the current law the state is paying the municipality for the vehicle and then the senior citizen also must pay the tax.

HB 615 will allow this exemption and reimburse the municipality for revenue loss.

C. Several municipalities do not levy a tax on motor vehicles. Current law pays these municipalities in the absence of revenue loss.

HB 615 allows municipal reimbursement only for revenue loss, so municipalities that do not tax vehicles would not be paid.

HB 615 is currently in the House HESS Committee. The companion bill, SB 319, is in Senate Finance.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H. B. 615
 Title An Act Relating to Exemption from Municipal Property Taxation
 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 (grant) Development (Administration)
 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.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Reduces grant requirement for FY 81 from \$150,000 to \$120,000. There is no impact to administration.

Present law does not exempt seniors from ad valorem tax on their vehicles, just from state collected registration tax. This bill corrects the present law to exempt seniors from property tax on vehicles, statewide.

Present law pays municipalities that do not tax vehicles. This bill corrects law to only reimburse municipalities for revenue lost. This accounts for the reduced need for revenue to fund the program.

IV. DATE January 25, 1980 PREPARED BY LaDonna Brown
 AGENCY Local Government Assistance
 PHONE 465-4739
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Attached is proposed legislation for the motor vehicle exemption which the department feels is unacceptable in its present form for the following reasons:

1. The exemption should be located in Title 29 along with other prescribed property tax exemptions. Therefore, Section 3 of the proposed bill annuls the unsatisfactory section in Title 28.
2. The current law does not provide for exemption of local property tax levies on vehicles, only those levied through the state collection option are presently exempted.

Paragraph (j) of the proposed legislation provides exemption regardless of the collection procedure.

3. Three kinds of municipalities are currently being reimbursed:
 1. Those actually exempting seniors through the state collection option;
 2. Those that must, under the current law, collect ad valorem property tax from seniors locally; and
 3. Those that do not tax vehicles at all.

Paragraph (k) of the proposed bill allows reimbursement to municipalities only for revenue lost due to actual exemptions granted.

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB314/ HB 415
 Title Motor Vehicle Property Tax Exemption
 Requested by Patrick Rodey Date 12/7/79

II. FISCAL DETAIL
 Agency Affected Community & Regional Affairs
 Program Category Affected Social & Economic Assistance to the Aged
 Budget Request Unit(s) Affected Senior Citizen Tax Relief.

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			0			
700 GRANTS, CLAIMS, ETC.			0			
TOTAL						

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND			0			
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME			0			
PART TIME			0			
TEMPORARY			0			

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

The proposal can be expected to reduce the present grant requirement about 20%. There is little or no impact to administration.

IV. DATE 12/7/79 PREPARED BY LaDonna Brown
 AGENCY State Assessor
 PHONE 465-4739
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

POSITION PAPER
Senate Bill No. 319

"An Act relating to an exemption from municipal property taxation; and providing for an effective date."

The Department of Health and Social Services supports the intent of SB 319. The bill in its current form, however, seems to need clarification on two areas:

- 1) What happens in the case of a married couple? If both are 65 years of age or older, will they be entitled to exemptions on two vehicles?
- 2) What constitutes residency for purposes of this bill?

This bill will not impact on the Department of Health and Social Services but will impact on the Department of Community and Regional Affairs.

The Department of Health and Social Services recommends that Senate Bill 319 not be passed without revisions to address the above-stated concerns.

Recommended by: *M. D. Plotnick for*
M. D. Plotnick, Coordinator

Date: 1/25/80

Approved by: *[Signature]*
Commissioner
Department of Health and
Social Services

Date: 1/25/80

FISCAL NOTE

REQUEST
 Bill/Resolution No. SENATE BILL NO. 319
 Title "An Act relating to an exemption from municipal property taxation;..."
 Requested by Rules Committee Date 1/15/80

II. FISCAL DETAIL
 Agency Affected No impact on Department of Health and Social Services
 Program Category Affected _____
 Budget Request Unit(s) Affected _____

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.						
TOTAL	0	0	0	0	0	0

For Department of Health and Social Services

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No impact on Department of Health and Social Services.

IV. DATE 1/25/80 PREPARED BY *Clas M. Rount* Mr. M. D. Plotnick
 AGENCY Department of Health and Social Services
 PHONE 465-4903
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) *Renewed by Michael Oulene*
Director of Mgt & Budget
DHSS 1/25/80

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

Lynn Wegener, Director
Administrative Services Division

June 20, 1979

Thru: Palmer McCarter, Director

LaDonna Brown *LB*
Project Assistant
Office of State Assessor

FY 81 Grant Programs
Senior Citizen Property
Tax Exemption

The following estimates of grant requirements for FY 81 were requested by Rebecca Birch, Budget and Management for her use on June 21.

I would appreciate your approval and/or suggestions.

		Appropriations				
Senior Citizen Homeowner		FY 79	FY 80			
Summary of Program Impact		2,196,700	2,535,000			
FY	Number of Applicants	% of Increase	Average Exempt Tax	% of Increase	Total Tax Exempt	% of Increase
73	911		216		\$197,050	
74	1,887	107	335	55	631,891	221
75	2,426	29	384	15	930,915	47
77	2,603	7	449	17	1,171,227	26
78	2,909	12	520	16	1,512,983	29
179 approx.	3,109	7	572	10	1,778,242	18
280 estimates	3,512	13	616	8	2,164,194	22
381 projected	3,969	13	702	14	2,786,238	29
Rounded, projected general fund grant required for FY 81 100% funding:					\$2,787,000	

- 1 Program is at least 99% complete
- 2 95% from municipal estimates less than 5% projected.
- 3 Rate of increase projected

		Appropriations				
Senior Citizen Renter		FY 79	FY 80			
Summary of Program Impact		\$314,200	\$200,000			
FY	Number of Applicants	% of Increase	Average Payment Per Applicant	% of Increase	Total Payments	% of Increase
77 Actual	324		55		\$17,867.97	
77 Projected Full Year	324		192		62,283.78	
78	538		181		97,142.28	
79	533		178		94,823.55	
*80 Projected	602	13	203	14	122,206	29
*81 Projected	680	13	231	14	157,080	29
Rounded, projected general fund grant required for FY 81 100% funding:					\$158,000	

*Projected rate of increase from Homeowner Program

	Appropriations
Senior Citizen	FY 79 201,600
Sewer & Water	FY 80 256,500
<hr/>	
Summary of Program Impact	

FY	Number of Applicants	Average Deferred Assessment Per Applicant	Deferred Assessment
77	124	867	107,546.50
78	17	909	15,447.72
179 approx.	20	1,658	33,157.81
280 estimates	65 +	2,187	142,165 +
381 estimates	23 +	1,609	37,000 +

It is the opinion of this office that the general fund grant required for FY 81 100% funding is: \$150,000

- 1 Program appears to be complete for the year
- 2 From municipal estimates, City of Seward also has project of undetermined scope.
- 3 Most municipalities did not respond to request for estimate this far in the future.

	Appropriations
Senior Citizen	FY 79 \$150,000
Motor Vehicle Registration Tax	FY 80 \$150,000
	<hr/>
	Number of Affidavits
	\$ NVRT

Payable Affidavits Received January 1 Through June 8, 1979:	2,619	\$49,527
23 Weeks + 52 = 44.23%		
\$49,527 + 44.23% = Grant required for FY 80		\$111,976
Inflation and new program growth increase		50%
Projected general fund grant required for FY 81 100% funding:		\$167,964
Rounded		\$168,000

LDB:jh

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H. B. 615
 Title An Act Relating to Exemption from Municipal Property Taxation
 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 (grant) Development (Administration)
 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.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME						
TEMPORARY						

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

Reduces grant requirement for FY 81 from \$150,000 to \$120,000. There is no impact to administration.

Present law does not exempt seniors from ad valorem tax on their vehicles, just from state collected registration tax. This bill corrects the present law to exempt seniors from property tax on vehicles, statewide.

Present law pays municipalities that do not tax vehicles. This bill corrects law to only reimburse municipalities for revenue lost. This accounts for the reduced need for revenue to fund the program.

IV. DATE January 25, 1980 PREPARED BY LaDonna Brown
 AGENCY Local Government Assistance
 PHONE 465-4739
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)