

SR Citizen

property

TAX DEDUC



# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

4/18/80

Official Business

Pouch V  
State Capitol  
Juneau, Alaska 99811

To; Myrt Charney, Executive Director  
Legislative Affairs Agency

From: Senator Arliss Sturgulewski, Chairman *al*  
Senate Community & Regional Affairs  
Rep. Bill Parker, Chairman  
House Community & Regional Affairs

RE: Joint Local Government Interim RSA  
from DPDP, Office of Coastal Zone  
Management

-----

Myrt,

It appears that there is a question related to the disposition of \$12,000 which remained in the Senate Community and Regional Affairs Interim budget and which had been allocated for use of the Joint House and Senate Community and Regional Affairs Committee Local Government Study conducted during 1979. It was our intent and direction that these funds be returned to the Division of Policy Development and Planning, Office of Coastal Management.

The history of the Reimbursable Services Agreement between OCM and Legislative Affairs Agency for \$25,000 can be reconstructed as follows. The documenting memos are attached.

1. A Reimbursable Services Agreement was approved on Sept. 14, 1979 between the Division of Policy Development & Planning, Office of Coastal Management and the Legislative Affairs Agency for services to be performed. Specifically, the RSA specified that public hearings would be conducted and staff services provided for the local government study. The amount of the RSA was \$25,000.
2. On September 26, 1979 a memo was sent to the Division of Administrative Services by staff of the Joint Committee indicating the intent of the Chairmen that funds appropriated by

the Legislative Council for the Interim Local Government Study be expended BEFORE the \$25,000 from the Office of Coastal Zone Management was to be expended.

3. Prior to the Second Session of the Eleventh Legislature, on January 11, 1980, the Division of Administrative Services was directed to encumber the \$25,000 to cover expenses incurred by the Joint Committee during the Interim for which billings had not been received by Administrative Services.
4. In early March the House and Senate C&RA Committees were advised that approximately \$12,000 remained in the Interim budget and that that amount could not be transferred back to the Office of Coastal Management as it did not specifically state on the RSA that any of the \$25,000 not expended by the Committee would be returned. Apparently, the bookkeeping procedure used in this instance was an increase in the appropriation granted to the Joint Committee instead of a reduction in the expenditures.

The Chairmen of the Committee would appreciate a resolution of the problem with the \$12,000 returned to the Office of Coastal Management.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM  
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ORIGINAL.

The Div. of Policy Development & Planning, hereby request the following

Office of Coastal Management

services to be performed by the Legislative Affairs Agency

PROJECT OR PROGRAM TITLE: Alaska Coastal Management Program implementation

DESCRIPTION AND TERMS OF REIMBURSEMENT: to conduct public hearings and provide staff services for the local government study.

(Attach additional information as required)

DATE COMPLETION REQUIRED: June 30, 1980

ACCOUNT CODE TO BE CHARGED: 01-43-6-019 CONTINUING FUNDS  Yes  No

ESTIMATED COST OF PROJECT OR SERVICES REQUESTED

	<u>ESTIMATE</u>	<u>ACTUAL</u>
Planning, engineering, and supervision	\$ _____	\$ _____
Land acquisition and equipment	\$ _____	\$ _____
Construction	\$ _____	\$ _____
Other (itemize)	\$ _____	\$ _____
100 Personnel	\$ 5,000.00	\$ _____
200 Travel	\$ 20,000.00	\$ _____
	\$ _____	\$ _____
	\$ _____	\$ _____
<b>TOTAL</b>	<b>\$ 25,000.00</b>	\$ _____

NOTE: Requesting agency must submit an encumbrance document with this agreement.

I certify, based on the above estimate, that sufficient funds are available to pay this obligation and that the appropriation code to be charged has a sufficient balance to cover this obligation.

APPROVED: [Signature]  
REQUESTING AGENCY

APPROVED: [Signature]  
SERVICING AGENCY

DATE: Sept. 13 1979

DATE: 9/14/79

APPROVED: [Signature]  
DEPARTMENT OF ADMINISTRATION



THE PRECEDING DOCUMENT(S) MAY NOT FILM  
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ORIGINAL.

# Alaska State Legislature

JOINT SENATE AND HOUSE  
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE  
LOCAL GOVERNMENT STUDY

Co-Chairmen  
Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:  
LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811



Official Business

TO: Pat Costello  
FROM: Marjorie Gorsuch *Marjorie Gorsuch*  
DATE: 9/26/79  
RE: Budget for Local Government Study

Pat,

Rep. Parker and Senator Sturgulewski have concurred in the decision that the House and Senate funds for the Local Government Study should be merged into one account. The combined House and Senate C&RA funding should be expended BEFORE the \$25,000 received from the Office of Coastal Zone Management is dispersed. Please continue to give us the monthly status of the Committee account.



Official Business

# Alaska State Legislature

JOINT SENATE AND HOUSE  
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE  
LOCAL GOVERNMENT STUDY

Co-Chairmen  
Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:  
LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

TO: Sharron Sturrock  
FROM: Marjorie Gorsuch  
DATE: 1/11/80  
RE: Budget

Sharon,

Please encumber the Senate C&RA Committee Budget with the \$25,000  
RSA received from the Office of Coastal Zone Management and currently  
shown in the Senate Budget as not being encumbered.

Bradley

5/14/10  
5/13/10

SB 138 - Exempts from assessment <sup>/10r</sup> certain [redacted] residential property to existing structure which is used as taxpayers personal residence while owned and used by him as principal place of abode, for purposes of levy and collection of property taxes. Amendment to AS 29.53.100 (a) (2) adds assessed value of all taxable property, separately stating the value of improvements to the property which are exempt from assessment under ..

Assessments

SB 296 - (Stinson's) [redacted] deduction off total assessment given anyone of any age, who own and occupy real property being assessed. State would reimburse municipality.

Kerttula -

SB 299 - Reduces maximum levy rate on taxes by municipalities from 3% to 9/10's of 1%.

Colletta -  
Had  
old - Mar 10

SB 370 (HB 648 Identical) - re fire prevention - the assessor may not include the value of a fire protection system in the assessment of the full/true building value. The Commissioner shall make small business loans to acquire, finance, or refinance or equip businesses, including fire protection equipment not exceeding \$500,000. Preference for these loans will be given to purchase and install fire protection equipment.

comment:  
Clarissa  
Quillen

Rules (key word)

5/14/10  
5/13/10

SB 431 - exempting from assessment and tax levy the value of [redacted] to real property that reduce energy consumption. Section applies to mobile homes. Sec. 3- 29.53.100 (a) (2) Assessed value on all property taxed stating value of improvements to property, which are exempt from assessment.

Sr. Cit. Tax Exemptions ✓

Ferguson

SB 427 - adds the real property exempt from taxation under this subsection continues to be exempt if owned and occupied as a permanent place of abode by the [redacted] resident, if the surviving spouse is 55 years or older and has a gross annual income of less than [redacted]

Bradley

SB 389 - exemption is limited to the assessed value of a parcel or tract of property [redacted].

NOTE [redacted] - exemption on same as SB 389 - but difference is regardless of size.

Stinson & Bradley

SB 456 - exempts "personal" property owned by Sr. Cit. from municipal taxes

Ferguson, Colletta,  
Kirkpatrick, Sumner

SB 465 - provides partial exemption from assessment for levy and collection of property taxes on residential property if resident owns and occupies as a permanent abode - not exceeding [redacted] value. *changed wording. see if municipal note needed*

Disabled Veterans ✓

Sumner

SB 360 - exempts disabled veteran from levy and collection of real property taxes if property owned and occupied as permanent place of abode and municipality reimbursed by State. Veteran must have been disabled in service - and percentage of the assess value of the real property, is the same as his disability percentage as established by his service rating.

Bradley

SB 154 - exempts from payment of real property taxes disabled veterans, without regard to age, whose disability has been rated 50% or more.

A.M.L.

SRatzen

Final note  
Dent rec.

2-26-80

Tues 4/19

Gen Kelly →

Arc. Fbx. = Tele: on Kauai?  
Goldstone

1) John Jones → Fbx.

2) North Star Encl on Agg - Jennie  
Reisinger  
457-1735 - Fbx

3) Arc Norma Sandy Munnings <sup>Sr. Col</sup>  
" " <sup>Agg</sup>  
276-3700  
Also his contact

4) Mabel T. Coverly Encl  
Florence Ave. - 274-4527

5) Salvation <sup>Agency</sup> Ave. 277-9022  
Bill O'Connor

6) Olds Pero Acton Sit.

7) Hotnick - HESS 4902

8) Kauai - Ruby Coyle (Waldo - hsbnd)

Called Sue in Places & Lotts.  
Teleconference - Axc. - Fdx. Kenai - Ketch. - Sittka  
Ch of Jim Kelly

Notice [Ginny - what ex she do]

Sponsors

Depts. & Fiscal Notes

FB 390  
file  
attached

cel Bradley  
APUC Scheduled  
March 11  
Tues.

# Alaska State Legislature



Senate

SENATOR  
ARLISS STURGULEWSKI

COMMITTEES  
CHAIRMAN  
Community & Regional Affairs

VICE-CHAIRMAN  
Commerce

Health & Social Services

2957 SHELDON JACKSON  
ANCHORAGE, ALASKA 99504  
DISTRICT 10-E

While in Juneau  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 485-3712

March 25, 1980

Mr. Dave Walsh, President  
Alaska Municipal League  
c/o Pouch 6-650  
Anchorage, Alaska 99502

Dear Dave:

The ability for municipalities to have a fair and equitable tax base is absolutely critical to healthy local government. I would like to urge the Alaska Municipal League, possibly in conjunction with the Alaska Native Foundation, RuralCap and others, to undertake, prior to next session, a major review of the kind and amount of taxes that the various classes of municipalities can levy and collect. The current Legislature is addressing House Bill 192, dealing with municipal revenue sharing, and Senate Bill 199, dealing with the school foundation program. These two areas provide major cornerstones for municipal school revenues. A third cornerstone, real and personal property tax, is currently faced with possible erosion and decreased credibility.

The Senate Community and Regional Affairs Committee has some twelve bills pending which impact the municipal property tax by allowing certain classes of exemptions, imposing restrictions, etc. Some, but not all, of these bills allow the municipalities to be reimbursed for the changes in their ability to levy and collect real and personal property taxes. Certainly the bills carry a major fiscal impact. I am enclosing a summary of the bills currently before my Committee. Many other tax bills affecting municipalities are before the Legislature, such as changes in the amount of sales tax which can be levied in certain municipalities and elimination of the business inventory tax.

Relating specifically to real and property taxes, it seems to me that policies must be established regarding possible exemption. If such policies are not developed, we will create a hodgepodge of a program that will serve no one well. For example, should we consider exemptions on a need basis rather than exemptions for special groups of people? Should there be equality for a whole group, rather than special interest exemptions within a group? What kind of things would be better left to grant and aid programs as opposed to exemptions in the property tax approach?

The Department of Community and Regional Affairs recently completed a study of the exemption problem. Their study gives a synopsis of information developed that deals with major exemption problems, and in some cases, suggests several options that might be taken. Their broad policy statement favors few, if any, additional exemptions, and they feel that any exemption program should meet the following criteria: "any exemption granted should be either for public property or for sufficient public good to justify a transfer of burden to the balance of the community." They recognize that the credibility of property tax has been questioned continually and with increasing intensity these past few years, and that many taxpayers feel that they are paying more than their fair share.

The state has recognized certain senior citizens' exemptions, as a matter of public policy. These exemptions support a policy of encouraging age diversity in Alaskan society, show esteem for and gratitude to the pioneers of the state and give a method of helping many to afford to stay in our state, rather than have to leave family, and friends to begin a life in another state, where it might be cheaper to live. The senior citizens who are on a fixed income and cannot absorb property taxes increased by inflation certainly are in need of assistance. However, some bills are now reaching into special groups within the senior citizens; for example, allowing for surviving spouses 55 and older of those senior citizens who qualified for real property exemption to continue to benefit from the exemption. But, what about other senior citizens within that same age group who might have just as much, or a greater need for exemptions? Disabled veterans are another group being suggested for special exemptions, but what about the equity question of all other disabled people in our State? Other questions of equity need to be considered.

Each piece of proposed legislation offers a shift in public policy -- new groups which deserve special treatment, new funding approaches, and so forth. However, sound public policy decisions can be made only within the context of effects or impacts on local governments and the general public. How can we create a new special exemption, for example, unless we are certain of municipalities fiscal needs, alternative revenue sources and the impact of using those other sources?

Again, I would urge the Alaska Municipal League to take a leadership position in review of the municipal property tax, as well as the broader impact of local municipalities being able to raise adequate revenues to fund needed municipal services. I would be most pleased to have your response as to whether you feel the Alaska Municipal League finds merit

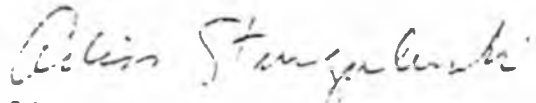
Mr. Dave Walsh

-3-

March 25, 1980

in this proposal, and if so, I sincerely hope the league will analyze the kind and amount of taxes that the various classes of municipalities can and should levy and collect.

Sincerely yours,



Arliss Sturgulewski  
Senator, District 10-H

Enclosures

cc: Alaska Federation of Natives  
RuralCap  
Governor's Advisory Committee on  
Aging  
Ms. Dove Kull  
Commissioner Lee McAnerney  
Mayor George Sullivan  
Mr. Phil Younker  
Senator John Sackett  
Senator Bill Ray  
Representative Russ Meekins  
Sponsors: SB 138, 154, 296, 299, 360, 370, 427, 431, 456, 465 & 510

Taxes  
(home improvement exemption)

SENATE BILL NO. 138, by Senators Bradley and Stimson. Relates to establishment of tax exemption for home improvements. Amends AS 29.53 by adding section which provides that the "value of an alteration, repair, renovation, addition to, or improvement of an existing structure which is used by a taxpayer as his personal residence is exempt from assessment for purposes of levy and collection of property taxes under this chapter....." Repeals AS 29.53.025(f) & (g) relating to current exemptions for improvements. Provides Act effective January 1, 1979.

Introduced February 13 and referred to Community & Regional Affairs, then to Finance.

Veterans  
(disabled)  
(property tax exemption)

SENATE BILL NO. 154, by Senator Bradley. Amends AS 29.53.020(e) to include disabled veterans of any age to section which exempts persons 65 or over from payment of property tax. Applies to resident veterans, honorably separated from service whose service-related disability has been rated at 50% or more. Provides Act effective January 1, 1980.

Introduced February 13 and referred to Community & Regional Affairs, then to Finance.

Residential  
Property Tax  
(partial exemption)

SENATE BILL NO. 296, by Senator Stimson. Adds to list of exemptions from municipal property tax in AS 29.53.020(a) "the real property owned and occupied as a permanent place of abode by a resident, not exceeding \$25,000 in value." Provides state shall reimburse a borough or city for revenues lost. Repeals AS 29.53.025(a) which allows municipalities to exclude or exempt or partially exempt residential property from taxation by ordinance ratified by voters, the exemption not to exceed \$10,000 per residence. Provides Act effective January 1, 1981.

Introduced January 14 and referred to Community and Regional Affairs and then to Finance.

Property Tax  
(municipal)  
reduction of)

SENATE BILL NO. 299, by Senator Kerttula. Amends AS 29.53.050(a) (Tax Limitation on Municipalities) to read: "A (NO) municipality may not levy and tax for any purpose in excess of nine-tenths of one (THREE) percent of the assessed valuation of property within the municipality in any one year." Provides Act effective 1/1/81.

Introduced January 14 and referred to Community and Regional Affairs.

Property  
Tax  
(disabled  
Vets exempt)

SENATE BILL NO. 360, by Senators Sumner and Hackney, by request. Exempts from municipal property tax the real property owned and occupied as a permanent place of abode by a disabled veteran. Provides exemption is allowed to veteran "for a percentage of the assessed value of the real property which is the same as his percentage of disability as established by his service disability rating." Provides Act effective January 1, 1981.

Introduced January 24 and referred to Community and Regional Affairs and Finance.

Fire Preven-  
tion

SENATE BILL NO. 370, by Senators Colletta and Bradley. Adds to AS 29.53.020 (Municipal Property Tax - Required Exemptions) "Two

percent of the assessed value of a structure is exempt from taxation if the structure contains fire protection systems in operating condition incorporated as a fixture or part of the structure. The exemption is limited to 1) an amount equal to two percent of the value of the structure based on the assessment for 1981, if fire protection systems are a fixture of the real property on January 1, 1981; or an amount equal to two percent of the value of the structure as of January 1 following the installation of the fire protection systems as fixtures of the structure after January 1, 1981.

Introduced January 31 and referred to Community & Regional Affairs.

Sr. Citizens  
Tax Exemp.  
(surviving  
spouse)

SENATE BILL NO. 427, by Senators Ferguson, Ray, Sackett, Meland, Colletta, Sumner, Kerttula, Hohman, Mulcahy and Bradley. Amends AS 29.53.020(e) relating to municipal property tax exemption for senior citizens by adding: "The real property exempt from taxation under this subsection continues to be exempt if owned and occupied as a permanent place of abode by the surviving spouse of the resident, if the surviving spouse is 55 years or older and has a gross annual income of less than \$20,000." Does not provide for effective date.

Introduced February 12 and referred to Community and Regional Affairs, then to Finance.

Property Tax  
Exemptions  
(for energy)

SENATE BILL NO. 431, by the Rules Committee by request of the Legislative Council by request. Adds new section to AS 29.53 (Municipal Assessment & Taxation) which exempts from municipal property tax "The value of an alternation or improvement of an existing structure that reduces energy consumption in the structure." Section applies to mobile homes also. Provides Act effective January 1, 1981.

Introduced February 12 and referred to Community and Regional Affairs, then to Finance.

Municipal Pro-  
perty Taxes  
(exemp. sr.  
citizens--  
personal  
property)

SENATE BILL NO. 456, by Senators Stimson and Bradley. Amends Municipal Assessment and Taxation (AS 29.53), required exemptions (020) by stating that the property of certain residents of the state is exempt and further states that "(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over, and the personal property owned by a resident 65 years of age or over, is exempt from taxation of the assessed value of the (REAL) property." Deletes reference to "real" property throughout and repeals AS 29.53.020(i) which defines "real property" as property including, but not limited to mobile homes whether classified as real or personal property for municipal tax purposes. Provides Act takes effect January 1, 1981.

Introduced February 18 and referred to Community & Regional Affairs, then to Finance.

Property Tax  
(residential-  
partial exem.  
from assess)

SENATE BILL NO. 465, by Senators Ferguson, Colletta, Fahrenkamp and Sumner. Exempts from general taxation (Municipal Assessment and Taxation, required exemptions--AS 29.53.020(a)) "(7) the real property owned and occupied as a permanent place of abode by a resident, not exceeding \$85,000 in value." Exempts real property owned and occupied by a resident 65 years of age or over from

taxation of the assessed value of property which exceeds \$85,000 in value. Repeals AS 29.53.025(a) (Municipal Assessment and Taxation. Optional Exemptions and exclusions. Section (a) states: "Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election."), and amends AS 29.53.020(g) (relating to reimbursement of borough or city for revenue lost by exemption) by deletion of language stating that upon proper application an individual would have been granted an exemption. Provides Act takes effect January 1, 1981.

Introduced February 18 and referred to Community and Regional Affairs, then to Finance.

Municipal Pro-  
erty Tax  
(exempting  
business  
inventory)

SENATE BILL NO. 510, by the Rules Committee by Request (for the Interim Tax Policy Committee). Exempts business inventory from municipal property tax levy and provides for reimbursement to municipalities of tax revenues lost by operation of the exemption. Reimbursement made on the basis of the application of the tax rate of the borough or city to the value of business inventory reported to the state by businesses for the purpose of taxation under the Alaska Net Income Tax Act, and subject to legislative appropriation to the Department of Community and Regional Affairs for the purpose. State Departments may adopt regulations to carry out the provisions of chapter. Repeals sections of Municipal Assessment and Taxation (AS 29.53) relating to assessment of business inventory and reassessment in the case of cessation of business during the tax year. Provides Act takes effect January 1, 1980.

Introduced March 5 and referred to Community and Regional Affairs, then to Finance.

SENATOR  
ARLISS STURGULEWSKI

COMMITTEES  
CHAIRMAN  
Community & Regional Affairs

VICE-CHAIRMAN  
Commerce

Health & Social Services



Senate

2257 SHELDON JACKSON  
ANCHORAGE, ALASKA 99504  
DISTRICT 10-H

While in Juneau  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-5712

April 2, 1980

Jay S. Hammond, Governor  
State of Alaska  
Pouch A  
Juneau, Alaska 99811

Dear Jay:

Re: Senior Citizens Tax Exemption from Municipal Property Tax

The legislature has under consideration, SB 328, which would establish an Older Alaskans Commission. In the event this legislation is adopted, I would like to bring to them, through you, a matter for their review and, hopefully, recommendations to the next session of the legislature. I am bringing this matter to the attention of your Advisory Committee on Aging.

The Senate Regional and Community Affairs Committee has had over twelve bills pending which impact the municipal property tax by allowing certain classes of exemptions, imposing restrictions, etc. Some, but not all, of these bills allow the municipalities to be reimbursed for the changes in their ability to levy and collect real and personal property taxes. Since real and property taxes create such a major corner stone of tax revenue source for municipalities, I have asked the Alaska Municipal League to look into the matter of establishing policies regarding possible exemptions. We will create a hodgepodge of a program in the absence of such policy. Dave Walsh, Chairman of the Alaska Municipal League, has indicated to me that the League will undertake such a study. However, I feel it would be important that a commission, dealing particularly with older Alaskans' needs, undertake a study of that part of the real and personal property tax which deals with older Alaskans.

The state has recognized certain senior citizens' exemptions as a matter of public policy. These exemptions support a policy of encouraging age diversity in Alaskan society, they show esteem for and gratitude to the pioneers of the state, and give a method of helping many to afford to stay in the state, rather than to leave family and friends to begin a life in another state where it might be cheaper to live. The senior citizens who are on a fixed income and cannot absorb property taxes increased by inflation certainly are in need of assistance. However, some bills are now reaching into special groups within the senior citizens: for example, allowing for surviving spouses 55 and older of those citizens who qualified for real property exemption to continue to benefit from the exemption. But, what about other senior citizens with the

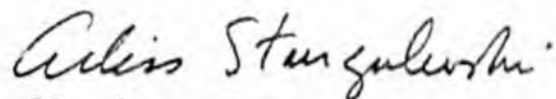
same age group who might have just as much, or a greater need for exemptions?

Disabled veterans are another group being suggested for special exemptions, but what about the equity question of all other disabled people in our state? Other questions of equity need to be considered. Each piece of proposed legislation that we have considered offers a shift in public policy. New groups which deserve special treatment, new funding approaches, etc. However, sound public policy decisions can be made only within the context of effects or impacts on the general public, and certainly on local governments.

The Department of Community and Regional Affairs recently completed a study of the exemption problem. Their study gives a synopsis of information developed that deals with major exemption problems, and in some cases, suggests several options that might be taken. Their broad policy statement favors few, if any, additional exemptions, and they feel that any exemption program should meet the following criteria: "any exemption granted should be either for public property or for sufficient public good to justify a transfer of burden to the balance of the community." They recognize that the credibility of property tax has been questioned continually and with increasing intensity these past few years, and that many taxpayers feel that they are paying more than their fair share.

Again, I think the matter of senior citizens exemptions merits consideration by the Older Alaskans Commission. If such a commission is established by the legislature I would appreciate it if you would approach them on this subject.

Sincerely,



Arliss Sturgulewski  
Senator, District 10-H

Alaska State Legislature

SENATOR  
ARLISS STURGULEWSKI

COMMITTEES  
CHAIRMAN  
Community & Regional Affairs

VICE-CHAIRMAN  
Commerce

Health & Social Services



Senate

2957 SHELDON JACKSON  
ANCHORAGE, ALASKA 99504  
DISTRICT 10-H

While in Juneau  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3712

April 3, 1980

Betty Warren, Chairman  
Governor's Committee on Aging  
Box 116  
Kenai, Alaska 99611

Dear Betty:

Enclosed are copies of letters I recently sent to Dave Walsh, President of the Alaska Municipal League, and to Governor Jay Hammond regarding tax exemptions from the municipal property tax. It seems to me that your Committee on Aging would have interest in taking a good look at the issue raised in my letters, particularly as they relate to older Alaskans.

With the pending change before the legislature, regarding the continuation of your Committee on Aging and the possible Older Alaskans Commission, I wanted to be sure to touch all bases. If you feel the issues raised have merit for consideration by your committee, I would be very delighted to have whatever follow-up information you might develop. You might wish to contact Dave Walsh to give input to the work that the Municipal League will be doing over the next year.

Thank you for your consideration of this material, and I do look forward to hearing from you.

Kindest personal regards,

A handwritten signature in cursive script that reads "Arliss Sturgulewski".

Arliss Sturgulewski  
Senator, District 10-H

Enclosure

# MEMORANDUM

# State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Palmer McCarter  
Director

DATE: February 28, 1980

THRU: Terry Earley *TE*  
State Assessor

FILE NO:

TELEPHONE NO:

FROM: Steve Van Sant *SVS*  
Assistant State Assessor

SUBJECT: Request from  
Senator Sturgulewski

As per the request from Senator Sturgulewski, attached you will find the alternate proposed regulations from Donald Gilman regarding the Senior Citizen Property Tax Exemption and the correspondence from the Ombudsman pertaining to the same subject.

Also in question was the total number of senior citizens in the state. After researching this item with various state agencies, we have concluded that a reasonable estimate is 9,500 for 1980.

I believe this complies with the request received by the Department regarding senior citizens.

Attachments



# KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669  
PHONE 262-4441

DON GILMAN  
MAYOR

December 3, 1979

State of Alaska  
Dept. of Community & Regional Affairs  
Pouch B  
Juneau, Alaska 99811

Attn: Lee McAnerney  
Commissioner

Re: Proposed Revision of Chapter 35,  
PART 3, Title 19 AAC; Senior Citizen  
Property Tax Exemption

Dear Ms. McAnerney:

Mayor Donald Gilman testified at the recent hearings of November 29, 1979, held in the Borough, and as a follow up of his presentation and further to his remarks to the hearing officer, I enclose Mayor Gilman's proposed regulations for your consideration in lieu of the regulations proposed and submitted for the hearing. I enclose a copy of these proposed regulations in pertinent part as submitted by your department staff, along with a copy of the Mayor's alternate proposal.

Yours very truly,

*Andrew R. Sarisky*

Andrew R. Sarisky  
Borough Attorney

ARS/tb  
Enc.

RECEIVED

DEC 7 1979

DEPT. OF COMMUNITY  
AND REGIONAL AFFAIRS

PART 3.

DIVISION OF LOCAL  
GOVERNMENT ASSISTANCE

Chapter

- 35. Senior Citizen Property Tax Exemption
- 36. Senior Citizen Property Tax Equivalency Payment
- 37. Senior Citizen Special Sewer and Water Assessment  
Deferment
- 38. Farm and Agricultural Lands
- 40. Legal Assistance Grant Program

Chapter 35

SENIOR CITIZEN  
PROPERTY TAX EXEMPTION

19 AAC 35.120. DEFINITIONS IN THIS CHAPTER

(4) "permanent place of abode" means the real property including a dwelling, and the outbuildings, which are necessary to convenient use of the dwelling, owned and occupied by a resident who is 65 years of age or over.

Real property as used in this definition means the real property as recorded in the office of the district recorder by subdivision plat or by deed of conveyance of undivided real property.

(6) "ownership" means that an applicant is possessed of the ownership interest on January 1 of the year for which

exemption is requested, in the real property, defined as the "permanent place of abode", which interest is recorded in the office of the district recorder, including ownership of a mobile home as attested by a contract, bill of sale, or other proof in a form satisfactory to the local assessor;

(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 1/27/75, Reg. 48; am 3/31/76, Reg. 57; am / / , Reg. )

Authority: AS 29.53.020(f)

AS 44.47.160



# Ombudsman

Frank Flavin

State of Alaska

Reply to:

- 840 K Street, Room 203  
Anchorage, Alaska 99501  
(907) 276-4011
- Pouch W0  
Juneau, Alaska 99811  
(907) 465-4970
- P.O. Box 74358  
Fairbanks, Alaska 99707  
(907) 452-4001

October 26, 1979

Palmer McCarter  
Director  
Division of Local Government Assistance  
Department of Community and Regional Affairs  
Pouch B  
Juneau, Alaska 99811

Re: Ombudsman Complaint A79-0788  
(Pending)

Dear Mr. McCarter:

On July 24, 1979, this office received a complaint alleging that the State Assessor has arbitrarily limited the senior citizens property tax exemption to one acre in urban areas and five acres in rural areas. According to the complainant, the State Assessor does not have statutory authority under AS 29.53.020 (e) to impose such a limitation on the property tax exemption granted to senior citizens.

Please take notice that this complaint has been fully investigated by the Office of the Ombudsman, and has been found to be Justified.

In our investigation of this complaint, we found that the property tax exemption in question is based on AS 29.53.020 (e) which states:

The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570. (emphasis added)

When this law was originally enacted in 1972, it contained a provision to limit the exemption to those individuals with an annual income of less than \$10,000.00. That provision was repealed in 1973. In 1976 the legislature passed an amendment to limit the exemption to the upper third quartile of assessed values in the state during the previous year. However, this provision was repealed during the 1977 Legislative Session, retroactive to January 1, 1977. Thus the quartile system was never

Page two

placed in effect.

The only limitation stated in the present statute on the amount of land to be included in the exemption is the phrase "real property owned and occupied as a permanent place of abode." The last two sentences of subsection (e) are clearly intended to prohibit the fraudulent transfer of real property to senior citizens for the purpose of avoiding taxes. As currently written, AS 29.53.020 (e) contains no mention of, or reference to, any specific acreage limitation on the amount of "real property owned and occupied as a permanent place of abode."

Shortly after this statute was first enacted, the State Assessor began utilizing administrative guidelines to impose an acreage limitation on the amount of land that senior citizens claimed as their permanent place of abode. These guidelines were based on the argument that the amount of land in the exemption must be strictly construed pursuant to 19 AAC 35.120 (4) of the Alaska Administrative Code. Subsection (4) of that Regulation, adopted in 1973, defines "permanent place of abode" as "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." Since the Regulation does not contain mention of any specific acreage limitation, administrative guidelines were used to limit the exemption to one acre in urban areas and five acres in rural areas.

Over the years, at least three municipalities attempted to give full exemptions to senior citizens living on parcels larger than the one-acre and five-acre limitations. These municipalities took the position that the State did not have the statutory authority to limit the exemption to a specific number of acres. The State Assessor dissuaded the Municipality of Anchorage and the Matanuska-Susitna Borough from exempting large parcels by threatening to reject their reimbursement requests. In 1977, however, the State reimbursed the Kenai Borough on the basis of the full amount of the property claimed by senior citizens rather than the one-acre and five-acre formula. Due to the controversy surrounding the use of administrative guidelines to justify an acreage limit, the State Assessor drafted an amendment to 19 AAC 35.120 (4) which would have further defined "permanent place of abode" as "limited to not more than one acre if urban nor more than five acres if rural."

This proposed change in the Regulations met with strong opposition and in early 1978 the Legislature's Administrative Regulation Review Committee held hearings on the proposed amendment. After an exhaustive search, the Legislative Counsel could find no evidence to support the contention that the Legislature had ever intended a specific acreage limitation on the senior citizens exemption. In a written opinion, the Legislative Counsel concluded:

there appears to be no basis in law by which the state assessor may direct or authorize local assessors to give approval to less than the entire parcel shown by an otherwise qualified applicant to be his or her permanent place of abode.

After the March 1978 hearings, members of the Administrative Regulation Review Committee were divided on the issue of whether there should be an acreage limitation. The only point agreed upon by the Committee was that if such an acreage limitation is to be instituted it must be written into the statute, not adopted by regulation or administrative guideline. Therefore, the Committee recommended that the matter be referred to the Legislature for consideration as an amendment to the statute. A bill to amend the statute was introduced in the 1978 session, but no final action was taken on it. So the State Assessor continued to administer the one-acre and five-acre limitations through the use of administrative guidelines. This resulted in the filing of a complaint with the Ombudsman and initiation of the present investigation.

In responding to our original inquiry regarding this complaint, the State Assessor asserted that the one acre and five acre limitation was mandated by the municipalities. Several municipal tax assessors assert, on the other hand, that the State Assessor forced this formula on the municipalities. The Department of Community and Regional Affairs requested an opinion from the Attorney General's Office on the agency's authority to impose a specific acreage limitation.

In an opinion dated August 17, 1979, Assistant Attorney General Rodger W. Pegues wrote that the State Assessor's one-acre and five-acre limitation "comports" with the purpose expressed in the phrase "owned and occupied" in the statute. Mr. Pegues justified his assertion not on the basis of specific reference to evidence of legislative intent but rather on the supposition that "we do not believe that a windfall for holders of vast tracts of land was intended or that the exemption was designed to encourage speculation in realty and the withdrawal of large tracts from the market." Mr. Pegues concluded that if the State Assessor's language of limitation were incorporated into the agency's regulations "as an interpretation of AS 29.53.020 (e), it would survive judicial scrutiny. However, until it is adopted as a regulation under the Administrative Procedure Act, it can have no legal force or effect on a person claiming the exemption." The Attorney General's opinion also suggested that if the Assessor has consistently interpreted AS 29.53.020 (e) as incorporating the one-acre and five-acre limitation, "the interpretive regulation can be given retroactive effect when it is adopted."

On the basis of the above-cited opinion, the Department of Community and Regional Affairs recently announced that it will hold public hearings for the purpose of amending the definition of "permanent place of abode" (19 AAC 35.120 (4) ) to include the one and five acre limitations. That is precisely what the agency attempted unsuccessfully to do in early 1978. The agency's present course of action runs contrary to the recommendation made to the agency by the Legislature's Administrative Regulation Review Committee in 1978.

**FINDING:** We find the complaint to be Justified. We find the phrase "real property owned and occupied as a permanent place of abode" in AS 29.53.020 (e) to be clear on its face. We found no evidence of legislative intent and no persuasive interpretive rules to indicate that the legislature meant the phrase to authorize a specific acreage limitation.

The present statute should be applied as written: without an acreage limitation.

We also find that the definition of "permanent place of abode" in the Regulations (19 AAC 35.120 (4) ) is in conflict with the language of the statute since "necessary to convenient use" implies a limitation of the exemption. In a similar manner, the State Assessor's "administrative guidelines," which have been used in the past to justify the one-acre and five-acre limitation, are also in conflict with the language and intent of the statute.

We find that the agency, by administratively imposing a limitation on a general tax exemption granted to a specific group of citizens, has infringed upon the functions of the Legislature. Tax relief is a question for legislators to decide, not a policy matter that should be decided by administrative officials. The State Tax Assessor and the Department of Community and Regional Affairs have assumed a taxing role by implementing specific acreage limitations on the Senior Citizens Property Tax Exemption. For this reason we find the agency's actions to be arbitrary and an abuse of administrative powers.

RECOMMENDATIONS:

1. We recommend that the Department of Community and Regional Affairs desist from enforcing the one-acre and five-acre "administrative guidelines" which are counter to the language of the statute.
2. We recommend that the agency not adopt the proposed change in 19 AAC 35.120 (4) which would further define "permanent place of abode" as "limited to not more than one acre if urban, nor more than five acres if rural."
3. We recommend that the agency amend 19 AAC 35.120 (4) to eliminate the phrase "which are necessary to convenient use of the dwelling unit" from the definition of "Permanent place of abode."
4. We recommend that if the agency believes there should be an acreage limitation on the Senior Citizens Property Tax Exemption, then the agency should address the issue by asking the Governor to introduce a bill to amend AS 29.53.020 (e) in the forthcoming session.

Since this report of our findings contains formal recommendations made by this office, may we have a response from you within thirty days, pursuant to AS 24.55.190 (b) and AS 24.55.200. Should you wish to discuss any part of this report, please feel free to call me at 276-4011.

Sincerely,

  
Frank Flavin

Ombudsman

FF/RB/jm

cc: Terry Earley, State Assessor  
Don Gilman, Mayor, Kenai Peninsula Borough  
Pat McKee, Assessor, Municipality of Anchorage

November 23, 1979

CERTIFIED/RETURN RECEIPT REQUESTED

Mr. Frank Flavin  
Ombudsman  
340 K Street, Room 203  
Anchorage, Alaska 99501

Dear Mr. Flavin:

RE: OMBUDSMAN COMPLAINT A79-0788 (Pending)

In response to your report dated October 26, 1979, concerning the Senior Citizen Homeowners Tax Exemption program, there are several questionable statements that seem to indicate that the material has not been thoroughly researched.

We have consulted with members of the Attorney General's staff and they do not agree with your recommendations.

In your report you listed four specific recommendations; our response is as follows:

1. You recommend that the Department of Community & Regional Affairs desist from enforcing the one-acre and five-acre "administrative guidelines". The program was budgeted based on those guidelines; a substantial number of municipalities have already been reimbursed under those guidelines for this year; and all current applicants were instructed to file under those guidelines.

Therefore, any changes initiated would have to be implemented for program year 1981 (assessments as of January 1, 1980).

2. You recommend that the agency not adopt the proposed regulations. We intend to go ahead with the public hearings but not file any new regulations until the legislature has had a chance to review the situation in the next session.

3. You recommend the agency amend existing regulations to eliminate the phrase "which are necessary to the convenient use of the dwelling unit".

That regulation has been in effect since January 1973 and was reviewed by the Administrative Regulation Review Committee of the Legislature in 1977 and was not annulled. The Department feels the action taken by the Administrative Regulation Review Committee in 1977 indicated that this regulation does comply with legislative intent.

Mr. Frank Flavin  
November 23, 1979  
Page 2

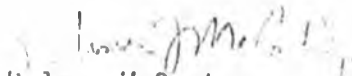
4. You recommend that if the agency believes there should be an acreage limitation on the Senior Citizen Property Tax Program, that it should recommend the Governor introduce legislation to that effect.

At the request of Representative William Parker, Chairman of the House Community and Regional Affairs Committee, the Department will present to that committee a study that addresses exemptions in general and includes proposals covering all of the Senior Citizen Exemption Programs.

I trust this response meets with your approval. If I can be of further assistance please contact me.

Sincerely,

Lee McInerney, Commissioner

  
by: Palmer McCarter  
Director

Pfc:TE:jh

cc: Rod Pegues, Assistant Attorney General  
Jessie Dodson, Special Assistant to the Governor

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

**DIVISION OF LOCAL GOVERNMENT ASSISTANCE**

POUCH B

JUNEAU, ALASKA 99811

December 11, 1979

Mr. Frank Flavin  
Ombudsman  
840 K Street, Room 203  
Anchorage, Alaska 99501

Dear Mr. Flavin:

RE: OMBUDSMAN COMPLAINT #A79-0788

The staff of the Division of Local Government Assistance has always attempted to cooperate with your investigators. In the investigation of the Senior Citizen Homeowners Exemption program, we attempted to do the same. To the best of my knowledge the only contact between this Division and your office was a 5 minute phone call to the State Assessor, Terry Earley. Neither myself, as Division Director, nor LaDonna Brown, the program manager, was contacted. We are disappointed in the fact that the investigation was not more complete.

The statement in the news release that, "The office of the Ombudsman did not receive a written reply from the Department of Community & Regional Affairs within the requested thirty day time period.", while true, is misleading. On November 23, 1979, I spoke to Rolfe Buzzell of your office and promised him the response would be in the mail (by certified mail return receipt requested) that day. Our response was mailed November 23, 1979 three days prior to the deadline you imposed. We are disappointed at your failure to at least indicate that the Department's response had been prepared and was on the way. If the need to release your findings was so great that it could not wait an extra day on slow mail, we would have been willing to telex our response to you or provide a copy to your Juneau office.

The entire press release, including the timing of its release, appears to be more of an attempt at sensationalism than objective reporting of the facts.

In the Department's response to your October 26 letter I indicated that there are several questionable statements. I will now attempt to outline some of those statements along with some others that were included in your press release of November 26, 1979.

Mr. Frank Flavin, Ombudsman  
December 11, 1979  
Page 2

In your letter of October 26 you state: "In 1977, however, the State reimbursed the Kenai Borough on the basis of the full amount of the property claimed by Senior Citizens rather than the one-acre and five-acre formula." The State did "over"-reimburse the Kenai Peninsula Borough slightly in 1977, based on its billings to us for re-imbursements. However, it was not the full amount and we did, in fact, reduce the subsequent year's reimbursement to compensate for the 1977 overpayment.

In the next paragraph your letter states: "This proposed change in the regulations met with strong opposition and in early 1978 the Legislature's Administrative Regulation Review Committee held hearings on the proposed amendment." Although some draft work was done by the State Assessor's office on a proposed amendment to further limit the amount of exempt acreage to 1 and 5 acres, what the Legislature's Administrative Regulation Review Committee actually examined was the existing regulation 19 AAC 35.120(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." After lengthy discussion, the Committee did not annul this regulation which indicates the Committee members were not as opposed to limiting the acreage of the exemption as your letter and press release would indicate.

The purpose of the new amendment of 1 and 5 acres is an attempt, on our part, to further define the existing language of "including lots . . . or an appropriate portion thereof." At the end of that paragraph you refer to an opinion written by Legislative Council and at least infer that opinion was a result of the Legislature's Administrative Regulation Review Committee hearing when, in fact, that opinion was written prior to the hearing. That opinion, in no way, is reflective of the results of that hearing.

In your news release of November 27 you refer to an "investigation of the State Tax Assessor's policy." While that title does lend itself to sensationalism, there is no such position or person. The position is technically entitled "State Assessor" which has nothing to do with state taxing policy.

In the second paragraph, the news release states "This action has adversely impacted hundreds of senior citizens in Alaska." We estimate there are less than 100 senior citizens affected by the 1 and 5 acre limit. Again, our concern about your over dramatizing or sensationalizing the situation.

The news release also states "in the last month the State Assessor's office has distributed the 1980 applications for Senior Citizens Property Tax Exemption to the boroughs and the Municipality of Anchorage". In the context of the news release this sounds like the Department is going ahead with no regard for your report or the public hearings. Proper investigation and objective reporting would have indicated that those forms were printed in June and distributed in September and simply contained a statement that reflected administrative practice that the Division consistently used in reimbursing municipalities under this program.

•Mr. Frank Flavin, Ombudsman  
December 11, 1979  
Page 3

I would again like to express my disappointment at the lack of objectivity and thoroughness in your office's investigation and report on the proposed regulations for the senior citizens homeowners exemption program.

I look forward to better communication between our offices in the future.

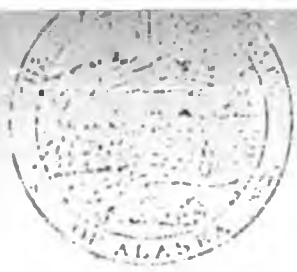
Sincerely,

Lee McAnerney  
Commissioner

  
by: Palmer McCarter  
Director

cc: Jessie Dodson, Special Assistant  
Office of the Governor

THE FOLLOWING DOCUMENT(S) MAY NOT FILM  
LEGIBLY BECAUSE OF POOR QUALITY OF THE  
ORIGINAL.



# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99801

Official Business

May 1, 1979

Lee McAnaney  
Commissioner  
Community & Regional Affairs  
Pouch 6  
Juneau, Alaska 99811

Dear Lee,

I was pleased to learn that the Department of Community and Regional Affairs, through the Office of the State Assessor, is preparing to do a study of a more equitable approach to providing residents of Alaska with property tax relief, particularly those in need of relief as a result of limited income.

I concur that this study would indeed be a worthwhile endeavor and that the current "piece-meal" approach of providing property tax relief to certain groups of taxpayers needs revision.

As this study will presumably result in legislation which would be reviewed by the Community and Regional Affairs Committee, I would appreciate being informed of its progress. Please send any pertinent information to the following addresses.

Rep. Bill Parker  
200 Denali  
Anchorage, Ak. 99501

Marjorie Gorsuch  
411 Colman  
Juneau, Ak. 99801

Yours truly,

Bill Parker  
Chairman

THE PRECEDING DOCUMENT(S) MAY NOT FILM  
LEGIBLY BECAUSE OF POOR QUALITY OF THE  
ORIGINAL.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S B 431

Title Exempts value of improvements which reduce energy consumption

Requested by Rules Committee

Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected Local Government Assistance

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.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME						
TEMPORARY						

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

No fiscal impact for administration of this bill.

If passed, this bill would have an impact on the local municipality.

IV. DATE \_\_\_\_\_

PREPARED BY Steve Van Sant

AGENCY Community & Regional Affairs

PHONE 465-4787

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. B 296

Title Relating to Partial Exemption of Property Tax

Requested by Senator Stimson

Date 1-21-80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected State Assessors Office, LGAD Grants

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		100.0	106.0	116.6	125.9	136.0
200 TRAVEL		0	0	0	0	0
300 CONTRACTUAL		25.0	27.0	29.2	31.5	34.0
400 COMMODITIES		0	0	0	0	0
500 EQUIPMENT		7.5	0	0	0	0
600 LAND & STRUCTURES		0	0	0	0	0
700 GRANTS, CLAIMS, ETC.		34,687.4	36,421.8	38,242.9	40,155.0	42,162.8
<b>TOTAL</b>	<b>0</b>	<b>34,819.9</b>	<b>36,556.8</b>	<b>38,388.7</b>	<b>40,312.4</b>	<b>42,332.8</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	0	34,819.9	36,556.8	38,388.7	40,312.4	42,332.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	5	5	5	5	5
PART TIME						
TEMPORARY						

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

S b 296 exempts \$25,000 in value from residential property. Revenue lost to the municipality by implementation of this bill shall be reimbursed by the State. This will necessitate an audit procedure of applications for each municipality. The number of applications to be audited is estimated to be approximately 125,000 in 1981 and an expected growth rate of new applications at 5% each year following.

It is anticipated that computerization of this program will help deter some personal services expenditures, however, it will be necessary to employ 5 clerical positions for the auditing procedures.

The estimated total revenue lost by the municipalities is \$37,355,700 for 1981. This was computed as follows:

IV. DATE 1-21-80

PREPARED BY Steve Van Sant

AGENCY Community & Regional Affairs

PHONE 465-4787

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. S.B. 299  
 Title Relating to Maximum Mill Levy for Property Taxes  
 Requested by Senator Kerttula Date 1-21-80

II. FISCAL DETAIL  
 Agency Affected N/A  
 Program Category Affected N/A  
 BRU, Program, or Subprogram(s) Affected N/A  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>0</b>					

FUNDING (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0					
PART TIME						
TEMPORARY						

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

This bill limits the mill levy for all municipalities to 9 mills.

The fiscal impact of this bill would result in a loss of revenue for the local municipalities of an estimated 44.3 million dollars from local property taxes. (see attachment for breakdown)

The State General Fund would realize an estimated 18 million dollar increase due to the limiting of local mill levy on State Assessed Oil & Gas Properties. The major impact of this would occur in the North Slope Borough.

IV. DATE 1-21-80 PREPARED BY Steve VanSant  
 AGENCY Community & Regional Affairs  
 PHONE 465-4737  
 Original: Legislative Finance  
 cc: Bud. and Management  
 Prime Sponsor (First Legislator Named)

<u>Municipality</u>	<u>*Assessed Value(Real &amp; Personal)</u>	<u>Average Mill Rate</u>	<u>Revenue</u>	<u>Revenue @ 9 Mills</u>	<u>Revenue Loss</u>
Anchorage	5,555,057,231	13.79	76,604,239.2	49,995,515	26,608,724
Bristol Bay	40,352,496	10.50	423,701	363,172	60,529
Fairbanks	1,158,310,325	15.68	18,162,314	10,424,797	7,737,517
Haines	41,583,539	8.20			None
Juneau	528,050,825	12.38	6,537,269	4,752,457	1,784,812
Kenai	1,398,092,424	11.9	16,637,300	12,582,832	4,054,468
Ketchikan	306,473,045	16.00	4,903,569	2,758,257	2,145,312
Kodiak	279,254,343	12.18	3,401,324	2,513,294	888,030
Matanuska/Susitna	813,520,720	9.4	7,647,095	7,321,686	325,409
North Slope	** 214,020,190	7.66			
Sitka	273,382,270	3.50			

No	loss	in	Revenue
No	loss	in	Revenue

TOTAL

43,604,801

\*Does not include state oil and gas assessment.

\*\*North Slope Borough would lose approximately 18 million dollars revenue from assessed value of State oil and gas, but none from locally assessed property.

<u>Municipality</u>	<u>Assessed Value (real &amp; Personal)</u>	<u>Actual Average Mill Rate</u>	<u>Present Revenue</u>	<u>Revenue @ 9 Mills</u>	<u>Revenue Lost</u>
Cordova	33,722,709	15	505,840	303,504	202,336
Craig	5,419,031	12	65,028	48,771	16,257
Illingham	32,439,747	10	324,397	291,957	32,440
King Cove	4,732,096	12	56,785	42,589	14,196
Kenana	5,595,199	10	55,952	50,357	5,595
Nome	39,141,586	15	587,124	352,274	234,850
Petersburg	56,018,199	14	784,255	504,164	280,091
Palaska	32,493,060	14	454,903	292,437	162,466
Prangell (2 III)	42,391,156	11.92)	568,465	381,520	186,945
(2 IV)		14.9 )			
Prudhoe	6,142,959	13.7	84,158	55,287	28,871

TOTAL

1,164,047  
43,604,801  
44,768,848

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S B 427  
 Title Relating to the Senior Citizens Tax Exemption  
 Requested by Senator Ferguson, et al Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs  
 Program Category Affected Social Services  
 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			2.0			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	0	120.0	136.0	150.0	168.0
TOTAL			122.0	136.0	150.0	168.0

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND			122.0	136.0	150.0	168.0
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)

The major impact to administration will fall in the first year when regulations, forms and procedure must be adjusted. Printing and advertising = \$2.0.

According to the latest data available there were 3,108 households eligible for senior citizen property tax exemption in FY 79. Of these households, 1,928 included a spouse. No data is available on the age or income level of the spouses.

Assuming each eligible surviving spouse received an average exemption in FY 80 (estimated to be about \$616 per exemption in FY 80), \$60,000 would be required if 5% of the total spouses become eligible. \$120,000 if 10% become eligible, \$240,000 if 20% become eligible, etc.

For purposes of this fiscal note we have used the 10% figure.

The regular program grant requirement is expected to increase at the rate of 12% per year which produces the figures above.

IV. DATE 2-15-80 PREPARED BY LaDonna Brown  
 AGENCY Local Government Assistance Division  
 PHONE 465-4739

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

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 389

Title Relating to Senior Citizen Tax Exemption

Requested by Bradley

Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Social Services

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						
700 GRANTS, CLAIMS, ETC.		67.0	75.0	84.0	94.0	105.0
TOTAL		67.0	75.0	84.0	94.0	105.0

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		67.0	75.0	84.0	94.0	105.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

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

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

No fiscal impact for administration of this program. Grant increase is based on information received from local municipalities. Yearly increase is estimated at 12% per year. This assumption is based on historic information on valuation increases.

IV. DATE \_\_\_\_\_

PREPARED BY Steve Van Sant SIS

AGENCY Local Government Assistance Division

PHONE 465-4787

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. S B 456  
 Title Exempting Senior Citizens from Personal Property Taxation  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Community & Regional Affairs  
 Program Category Affected Social Services  
 BRU, Program, or Subprogram(s) Affected Senior Citizens Tax Relief  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
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			246,600	266,300	287,600	310,600
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND			246,600	266,300	287,600	310,600
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

It is estimated that the statewide ratio of personal property to real property, 14%, would be a reliable estimate for that of Senior Citizens. Therefore, a valuation of \$1,761,539 (1979 value) at 14% results in a impact of \$246,600. It is also estimated that this amount will increase at 8% per year.

IV. DATE \_\_\_\_\_ PREPARED BY Steve Van Sant  
 AGENCY Community & Regional Affairs  
 PHONE 465-4787  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

The estimated revenue lost by the municipalities for 1981 is \$55,240,200. This was computed as follows:

RECAP FOR FISCAL ANALYSIS SB 465

<u>Municipality</u>	<u>Estimated Value of Residences</u>	<u>Revenues Generated by Actual Millage</u>	<u>Percentage of Residences over 85,000</u>	<u>Reimbursabl by State</u>
Anchorage	3,348,683,403	44,883,400	25%	33,662,500
Bristol Bay	4,586,350	42,800	-0-	42,800
Fairbanks	877,674,140	10,668,300	15%	9,068,000
Haines	16,278,311	83,100	-0-	83,100
Juneau	274,135,000	3,305,200	40%	1,983,100
Kenai	709,052,919	5,213,210	30%	3,649,200
Ketchikan	125,170,667	1,819,000	10%	1,637,100
Kodiak	91,088,026	1,017,300	15%	864,700
Matanuska/Susitna	209,330,395	1,822,800	10%	1,640,500
North Slope	45,741,948	350,400	-0-	350,400
Sitka	166,964,850	584,400	5%	555,200
				53,536,600
TOTAL CITIES	169,193,454	1,892,900	10%	1,703,600

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S B 465

Title Relating to Partial Exemption of Property Tax

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Community Development

Budget Request Unit(s) Affected State Assessors Office, LGAD Grants

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			100.0	108.0	116.6	125.9
200 TRAVEL			0	0	0	0
300 CONTRACTUAL			25.0	27.0	29.0	31.5
400 COMMODITIES			0	0	0	0
500 EQUIPMENT			7.5	0	0	0
600 LAND & STRUCTURES			0	0	0	0
700 GRANTS, CLAIMS, ETC.			55,240.2	58,002.2	50,902.3	63,947.4
TOTAL			55,372.7	58,137.2	61,048.1	64,104.8

FUNDING (Thousands of Dollars)

GENERAL FUND			55,372.7	58,137.2	61,048.1	64,104.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	0	0	5	0	0	0
PART TIME						
TEMPORARY						

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

SB 465 exempts up to \$85,000 in value from residential property in regards to property tax. Revenue lost in the municipality by implementation of this bill shall be reimbursed by the State. This will necessitate an audit procedure of applications for each municipality. The total number of applications to be audited is estimated to be 160,000 in 1981 and an expected growth rate of new applications at 5% each year following.

Computerization of this program will help deter some personal services expenditures, however, it will be necessary to employ 5 clerical positions for the auditing procedures. Computer costs are estimated at \$25,000 per year.

Continued

IV. DATE \_\_\_\_\_

PREPARED BY Steve Van Sant

AGENCY Local Government Assistance Division

PHONE 465-4787

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S. B. 360

Title Exemption of a Disabled Veteran from Levy and Collection of Real Property Tax

Requested by \_\_\_\_\_ Date 1/25/80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Social Services (grants) Community Development (Administrative)

Budget Request Unit(s) Affected Local Government Assistance/State Assessor (administrative)  
Senior Citizen Property Tax Exemption (grant)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		0	1.0	1.0	1.0	1.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			423.7	483.0	550.6	627.7
TOTAL		0	424.7	484.0	551.6	628.7

FUNDING (Thousands of Dollars)

GENERAL FUND		0	424.7	484.0	551.6	628.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assume grant requirement will increase 14% per year due to increased property values, mill rates and number of applicants. See attached sheet for tabulation of calculations used to arrive at the estimated fiscal impact above.

IV. DATE 1-29-80

PREPARED BY LaDonna Brown

AGENCY Local Government Assistance

PHONE 465-4739

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

ment  
 360 Fiscal Note  
 3/80

Disability Rating	1/ Number of Veterans	2/ @ 75% Homeowners	FY 80 3/ Average Senior Citizen Exemption	@ Disability Rate	4/ Total Exemption Amount
10%	1,113	835	\$616	61.60	51,436
20%	580	435	"	123.20	53,592
30%	439	329	"	184.80	60,799
40%	235	176	"	246.40	43,366
50%	180	135	"	308.00	41,580
60%	154	116	"	369.60	42,874
70%	64	48	"	431.20	20,698
80%	41	31	"	492.80	15,277
90%	11	8	"	554.40	4,435
100%	<u>81</u>	<u>61</u>		616.00	<u>37,576</u>
	2,898	2,174			\$371,633

1/ Number of veterans in each disability rating was received by telephone from Mr. Waldron of the Veteran's Administration.

2/ Assume that 25% of the veteran's rent their home or have some arrangement other than homeownership.

3/ Assume that veteran's will average similar tax bills to those in the senior citizen property tax exemption program.

4/ A number of veterans may already be receiving property tax exemption because they are age 65 or over, this factor cannot be readily calculated so due to this and other factors the fiscal impact may be somewhat lower than that estimated.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 154  
 Title Provides For Exemption From Property Tax For Disabled Veterans  
 Requested by Senator Bradley Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs  
 Program Category Affected Grants  
 Budget Request Unit(s) Affected Senior Citizen Homeowners & Renters Equivalency - State Assessor

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		206.2				
<b>TOTAL</b>		<b>207.2</b>				

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		207.2				
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)

According to the Federal Veterans Administration, there are 468 veterans with over 50% disability. Assuming that 25% of those are 117 renters and another 29 are 65 and already exempt, the following computations are derived:

331 (Homeowners) times \$558 (average senior citizen savings) =	184,698
117 (Renters) times \$184 (average senior citizen renter reimbursement) =	21,528
<b>448</b>	<b>TOTAL \$206,226</b>

IV. DATE

3/6/79

PREPARED BY

*Terry L. Earley*

Terry L. Earley, State Assessor

AGENCY

Department of Community & Regional Affairs

PHONE

465-4730

Original

Legislative Finance

cc.

Budget and Management

Prime Sponsor of this Legislation

33-001

(Rev. 10/78)

Revised 3-6-79

FISCAL NOTE

REQUEST

Bill/Resolution No. Senate Bill 154

Title Provides for exemption from property tax for disabled Veterans

Requested by: Senator Bradley

Date \_\_\_\_\_

I. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Grants

Budget Request Unit(s) Affected Senior Citizens Homeowner and Renter Equivalency -

STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>93.9</b>				

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		93.9				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

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

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

The only information available from the Federal Veterans Administration was that there are approximately 200 veterans disabled 40% or more within the State. We have estimated based on total 200 being over 50% and that 3/4 of those are homeowners and 1/4 are renters.

150 homeowners @ \$553 (average senior citizen homeowner savings) = \$83,700

50 renters @ \$184 (average senior citizen renters reimbursement) = 9,200

Total \$92,900

Additional cost is for forms printing, processing and refunds processing.

IV. DATE 2-28-79

PREPARED BY Terry L. Earley, State Assessor

AGENCY Department of Community and Regional Affairs

Original: Legislative Finance  
cc. Budget and Management

PHONE 465-4730

Prime Sponsor (First Legislator Named)

AMC  
3/10/80  
C/RA

Bliss  
Implic.

Introduced: 1/14/80  
Referred: Community and  
Regional Affairs and  
Finance

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IN THE SENATE

BY STIMSON  
3760

SENATE BILL NO. 296

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

\* Section 1. AS 29.53.020(a) is amended by adding a new paragraph to read:

(7) the real property owned and occupied as a permanent place of abode by a resident, not exceeding \$25,000 in value. - Low income group.

\* Sec. 2. AS 29.53.020(e) is amended to read:

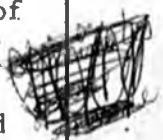
(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property, which exceeds the exemption granted by (a)(7) of this section. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570.

\* Sec. 3. AS 29.53.020(g) is amended to read:

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of

Agenda  
Real  
Current  
Low

All Ages



1        (a)(7) and (e) of this section. However, reimbursement will be made to  
2        a borough or city for revenue lost to it only to the extent that the  
3        loss exceeds an exemption which was granted by the borough or city [, OR  
4        WHICH UPON PROPER APPLICATION BY AN INDIVIDUAL WOULD HAVE BEEN GRANTED  
5        BY THE BOROUGH OR CITY, UNDER AS 29.53.020(a)].

6        \* Sec. 4. AS 29.53.025(a) is repealed.

7        \* Sec. 5. This Act takes effect January 1, 1981.

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10        *Flack from Renters want's same. Ad*

OPPOSE

no sig affected!

Reduce 30 to 9 mills.

\$45 mil loss in local prop. taxes to Munic. w/ no members out

All Munic be reduced

Introduced: 1/14/80  
Referred: Community and Regional Affairs

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IN THE SENATE

BY KERTTULA

SENATE BILL NO. 299

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act reducing the maximum rate of levy for property taxes by municipalities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

\* Section 1. AS 29.53.050(a) is amended to read:

(a) A [NO] municipality may not levy and tax for any purpose in excess of nine-tenths of one [THREE] per cent of the assessed valuation of property within the municipality in any one year.

\* Sec. 2. This Act takes effect January 1, 1981.

Oil Commerce

more marketable? no assessment - per use only.  
owner  
Who decides what improvements reduce energy - i.e. fire place?  
determination. 1st class etc.  
Why not income tax deduction? as of  
How Administered?

Introduced: 2/12/80  
Referred: Community & Regional  
Affairs and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE LEGISLATIVE  
COUNCIL BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 431

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting from assessment and tax levy the  
7 value of improvements to real property that reduce  
8 energy consumption; and providing for an effective  
9 date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. AS 29.53 is amended by adding a new section to read:

12 Sec. 29.53.033. EXEMPTION FROM ASSESSMENT OF CERTAIN IMPROVEMENTS  
13 TO RESIDENTIAL PROPERTY. The value of an alteration or improvement of  
14 an existing structure that reduces energy consumption in the structure  
15 is exempt from assessment for purposes of levy and collection of  
16 property taxes under this chapter. This section applies to mobile  
17 homes, whether classified as real or personal property for municipal tax  
18 purposes.

19 \* Sec. 2. AS 29.53.060(a) is amended to read:

20 (a) The assessor shall assess property at its full and true value  
21 as of January 1 of the assessment year, except as provided in this  
22 section and AS 29.53.030 - 29.53.035 [AS 29.53.030, 29.53.035] and  
23 AS 29.53.160. The full and true value is the estimated price which the  
24 property would bring in an open market and under the then prevailing  
25 market conditions in a sale between a willing seller and a willing buyer  
26 both conversant with the property and with prevailing general price  
27 levels.

28 \* Sec. 3. AS 29.53.100(a)(2) is amended to read:

29 (2) the assessed value of all taxable property, separately

1 stating the value of improvements to the property which are exempt from  
2 assessment under AS 29.53.033;

3 \* Sec. 4. This Act takes effect January 1, 1981.  
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Introduced: 2/12/80  
Referred: Community & Regional  
Affairs and Finance

BY FERGUSON, RAY SACKETT, MELAND,  
COLLETTA, SUMNER, KERTTULA, HOHMAN,  
MULCAHY AND BRADLEY

1 IN THE SENATE

2 SENATE BILL NO. 427

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the senior citizens tax exemption."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 \* Section 1. AS 29.53.020(e) is amended to read:

9 (e) The real property owned and occupied as a permanent place of  
10 abode by a resident 65 years of age or over is exempt from taxation of  
11 the assessed value of the real property. Only one exemption may be  
12 granted with respect to the same property and, if two or more persons  
13 are eligible for an exemption with respect to the same property, the  
14 parties shall decide between or among themselves which shall receive the  
15 benefit of the exemption. The real property exempt from taxation under  
16 this subsection continues to be exempt if owned and occupied as a per-  
17 manent place of abode by the surviving spouse of the resident, if the  
18 surviving spouse is 55 years or older and has a gross annual income of  
19 less than \$20,000. No real property may be exempted under this sub-  
20 section which the assessor determines, after notice and hearing to the  
21 parties concerned, has been conveyed to the applicant primarily for the  
22 purpose of obtaining the exemption. The determination of the assessor  
23 is appealable under AS 44.62.560 - 44.62.570.

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25 *length of*  
26 *time*  
27 *Remaining*  
28 *Rehabilitation*  
29 *help program*  
*Widow 40 w/4 children*  
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*Sec 500*  
*St. does seem*  
*manip for # jobs?*

*Ad. Publics also by limited Reim.*  
*5 acres in herd*  
*1 " in city*  
*effects*  
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Introduced: 2/5/80  
Referred: Community & Regional  
Affairs and Finance

BY BRADLEY, KERTTULA, HACKNEY,  
COLLETTA, DANKWORTH, RODEY,  
FAHRENKAMP AND BENNETT

1 IN THE SENATE

2 SENATE BILL NO. 389

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the senior citizen property tax  
7 exemption; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 29.53.020(e) is amended to read:

10 (e) The real property owned and occupied as a permanent place of  
11 abode by a resident 65 years of age or over is exempt from taxation of  
12 the assessed value of the real property. An exemption under this sub-  
13 section is limited to the assessed value of a parcel or tract of property  
14 of 160 acres or less. Only one exemption may be granted with respect to  
15 the same property and, if two or more persons are eligible for an exemp-  
16 tion with respect to the same property, the parties shall decide between  
17 or among themselves which shall receive the benefit of the exemption.  
18 No real property may be exempted under this subsection which the assessor  
19 determines, after notice and hearing to the parties concerned, has been  
20 conveyed to the applicant primarily for the purpose of obtaining the  
21 exemption. The determination of the assessor is appealable under AS  
22 44.62.560 - 44.62.570.

23 \* Sec. 2. AS 29.53.020(i) is repealed and re-enacted to read:

24 (i) In (e) - (i) of this section

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

28 (2) "resident" means a person who has claimed Alaska as his  
29 place of residence for at least 25 consecutive years preceding applica-

1        tion for the exemption provided in (e) and (f) of this section; a break  
2        in residency of more than 30 days in a calendar year operates to defeat  
3        the applicant's claim of residency for that year.

4        \* Sec. 3. This Act takes effect January 1, 1981.

*connected to vehicle registration*

*See Al. TAXABLE  
Page 32*

*P. For new  
Alc does not  
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Introduced: 2/18/80  
Referred: Community & Regional  
Affairs and Finance

IN THE SENATE

BY STIMSON AND BRADLEY

SENATE BILL NO. 456

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

\* Section 1. AS 29.53.020(a)(6) is amended to read:

(6) the [REAL] property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section.

\* Sec. 2. AS 29.53.020(e) is amended to read:

(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over, and the personal property owned by a resident 65 years of age or over, is exempt from taxation of the assessed value of the [REAL] property. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No [REAL] property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570.

*Cons? not included*

\* Sec. 3. AS 29.53.020(g) is amended to read:

(g) The state shall reimburse a borough or city, as appropriate,

1 for the [REAL] property tax revenues lost to it by the operation of (e)  
2 of this section. However, reimbursement will be made to a borough or  
3 city for revenue lost to it only to the extent that the loss exceeds an  
4 exemption which was granted by the borough or city, or which upon proper  
5 application by an individual would have been granted by the borough or  
6 city, under AS 29.53.025(a) and (b)(2)(A).

7 \* Sec. 4. AS 29.53.020(i) is repealed.

8 \* Sec. 5. This Act takes effect January 1, 1981.



1 (e) of this section. However, reimbursement will be made to a borough  
2 or city for revenue lost to it only to the extent that the loss exceeds  
3 an exemption which was granted by the borough or city [, OR WHICH UPON  
4 PROPER APPLICATION BY AN INDIVIDUAL WOULD HAVE BEEN GRANTED BY THE  
5 BOROUGH OR CITY, UNDER AS 29.53.025(a)].

6 \* Sec. 4. AS 29.53.025(a) is repealed.

7 \* Sec. 5. This Act takes effect January 1, 1981.  
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Introduced: 1/24/80  
Referred: Community and  
Regional Affairs and Finance

*1/24/80  
349-3180-7400*

1 IN THE SENATE

BY SUMNER AND HACKNEY  
BY REQUEST

*President  
HB 223-  
no income  
limit*

2 SENATE BILL NO. 360

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for exemption of the residence of a  
7 disabled veteran from levy and collection of real  
8 property taxes and authorizing reimbursement to municipi-  
9 palities for revenues lost by operation of the exemp-  
10 tion; and providing for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 \* Section 1. AS 29.53.020(e) is repealed and re-enacted to read:

13 (e) The real property owned and occupied as a permanent place of  
14 abode of a person described in this subsection is exempt from taxation  
15 of the assessed value of the real property as indicated in this sub-  
16 section. Only one exemption may be granted for the same property, and,  
17 if two or more persons are eligible for an exemption for the same  
18 property, the parties shall decide between or among themselves which  
19 shall receive the benefit of the exemption. Real property may not be  
20 exempted under this subsection if the assessor determines, after notice  
21 and hearing to the parties concerned, that the property was conveyed to  
22 the applicant primarily for the purpose of obtaining the exemption. The  
23 determination of the assessor may be appealed under AS 44.62.560 -  
24 44.62.570. An exemption under this subsection shall be allowed

25 (1) to a resident of the state 65 years of age or older for  
26 the entire assessed value of the real property; or

27 (2) to a disabled veteran for a percentage of the assessed  
28 value of the real property which is the same as his percentage of dis-  
29 ability as established by his service disability rating.

1 \* Sec. 2. AS 29.53.020(f) is amended to read:

2 (f) No exemption may be granted except upon written application  
3 for the exemption on a form prescribed by the state assessor for use by  
4 local assessors. The claimant must file the application no later than  
5 January 15 of the assessment year for which the exemption is sought, but  
6 during the same year the governing body of the municipality for good  
7 cause shown may waive the claimant's failure to make timely application  
8 for the exemption for that year and authorize the assessor to accept the  
9 application as if timely filed. The claimant must file a separate  
10 application for each assessment year in which the exemption is sought.  
11 If an application is filed within the required time and is approved by  
12 the assessor, he shall allow an exemption in accordance with the pro-  
13 visions of this section. If a claimant whose failure to file by  
14 January 15 of the assessment year has been waived as provided in this  
15 subsection and the application for exemption is approved, the amount of  
16 tax which the claimant may have already paid for the assessment year  
17 with respect to the property exempted shall be refunded to him. The  
18 assessor may at any time require proof in the form he considers neces-  
19 sary of the right to and amount of an exemption claimed under this  
20 section, and may require a disabled veteran claiming an exemption under  
21 (e) of this section to provide evidence of his disability rating.

22 \* Sec. 3. AS 29.53.020(i) is repealed and re-enacted to read:

23 (i) In (e) - (i) of this section,

24 (1) "disabled veteran" means a person honorably separated  
25 from the military service of the United States who is a resident of the  
26 state, whose disability was incurred or aggravated in the line of duty  
27 in the military service of the United States, and whose disability has  
28 been rated by the branch of service in which he served or by the  
29 Veterans Administration;

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

\* Sec. 4. This Act takes effect January 1, 1981.