

HB

66

CSHB 66  
By Finance Committee  
Dissension <sup>Chattin</sup>  
Maloney Phillips

"An Act to ~~provide~~ <sup>provide</sup> and 19-80  
~~information for~~ <sup>information for</sup> ~~citizens~~  
from payment for ~~land~~  
lease from the state"

Introduced 2-26-79

Logged - 3-7-79

Referrals Rules

Comm. Meeting 3-28-79

" action passed taken Senate May 3-28-79  
on floor of Senate 4-23-79 - has finance amendment"

F/N Lucien is 0  
orig of name notified  
Dobbe Kull  
Vern Perry - Dir of New Hampshire



Official Business

# Alaska State Legislature

## Senate

### Committee on

### Health, Education & Social Services

Pouch V  
State Capitol  
Juneau, Alaska 99811

March 28, 1979

HB 66

Rep. Chatterton. I'm here to testify in favor of CSHB 66. You have been furnished with things that will lead to this. As you see from the title, this is going to exempt senior citizens from payment of annual rental costs if their place of abode is on state land.

You have in your packet a copy of the chapter 97, session laws 1977 which in effect (1) exempts senior citizens from payment of real property tax (2) a copy of chapter 73, specifically title 29.73.060 which also provides senior citizens over 65 a property tax equivalence payment which in effect could lead to the payment of up to \$375 per year to a person who does not own real property but is renting his place of abode.

It seems to me, having taken care of those two situations, we only had one situation left. And to bring parity to people over 65 regardless of where they live either on real property owned by themselves or on property they are renting from someone else or possibly having their home on land that is leased from the state, we should give them their annual rental costs. That is, in essence, what CSHB 66 accomplishes.

It technically carries a zero fiscal note and the reason for that is that it becomes a negative income to the state. It doesn't cost the state anything, but you lose revenue.

We did have testimony in the House HESS Committee given by Director Ted Smith of the Division of Lands and they have no actual real estimate, but probably this bill will affect all of something less than two dozen or a dozen and one half people in the entire State of Alaska at the present time.

Sen. Hackney. If I'm 65 and am sitting on an oil well, is that exempted?

Rep. Chatterton. I know that your question is facetious, because you do know that on State property all of the mineral rights beneath the surface of the land belong to all of the people.

Sen. Sturgulewski. Would we tend to find in leased land more commercial value that might we find more similar situations to that where there are extraordinarily pieces of property. Are there many chances for abuse of people coming in.



Official Business

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Health, Education & Social Services

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page 2

Rep. Chatterton. That was one of the amendments that was made in the House. Let me call you attention to lines 17 and 18. "No exemption may be granted for any portion of the lease which is used by the leaseholder for any purpose other than his permanent place of abode."

Pat Conheady. The department has no objections to the bill.

Sen. Sturgulewski. I move that we pass out CSHB 66 with individual recommendations

So ordered

MEMO

3/27/79

TO: SEN HACKNEY

FROM: PAUL

Rundown on tomorrow's bills:

HB 22 - Provides for exception to Age of Majority statute (18 years old) allowing a person 17 years old to donate blood.

D-H/SS is taking a neutral position on this bill on the ground that there has not been a demonstrated/compelling need to lower the age limit; however, they state that a 17 year old can safely donate blood.

Dr. Beirne, sponsor of the bill, says by enacting this bill it will substantially expand the number of young, healthy donors available for blood donations. Dr. Beirne also hastens to add that an identical bill was approved by this committee last year.

CSHB 66 - Bill designed to exempt residents 65 years and over whose homes are situated on state leased land from the annual lease rent payment as prescribed in AS 38.05.085 which states "(1) for the initial 25 year period of the lease, the lessee shall pay the state a fixed base annual rent to be agreed upon by the parties in compliance with the provisions of this chapter. (2) the fixed based annual rent to be paid by the lessee shall be readjusted when the initial 25 year period of the lease has expired and thereafter, every 10 years; and....." CSHB 66 would remove this fixed based annual rent payment for those 65 years and over

The fiscal note on this bill is zero. The reason is because DNR says they do not maintain the type of information necessary to ascertain the number of individuals that would be eligible for this exemption. Rep. Chatterton says there is only a handful of people out there that would be affected, approximately six or so. UP TO D02.02 TW0002.

NOTE: property owners 65 and over are exempt from property taxes (AS 29.53.020(e)) and those 65 years and over who rent a permanent place of abode are eligible for the tax equivalency payments from the state. Property Tax Equivalency Payments are good for up to \$375 per year for persons 65 and over who rent. (AS 29.73.060)

HB 98 - Bill designed to prohibit schools from administering any questionnaires which inquire into private family affairs of the student without written permission of the parent.

CSHB 108 - See attached transmittal letter for synopsis of bill. Also fiscal notes are attached. Difference between Dept. of Ed's fiscal note and House Finances fiscal note is the impact on the general fund. House Finance places zero impact on the general fund and places the cost on the Feds (100% 1st year) with interagency receipts/program receipts picking up a portion of the tab in the next two FYs. In contrast, Dept of Ed's fiscal note has

H.B. 66



LAWS OF ALASKA

1977

Source

CSHB 5

Chapter No.

97

AN ACT

Relating to exemption from real property taxes for senior citizens; and providing for an effective date.

*Provides for exemption from property tax over 65 for residents*

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

\* Section 1. 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. 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. 2. This Act is retroactive to January 1, 1977.

\* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

Permitted to become law without signature  
Actual Effective Date: June 18, 1977, retroactive to January 1, 1977

right to vote in charter commission election. — Where the Eagle River-Chugiak Borough was officially incorporated on September 12, 1974, but the act authorizing the residents of that area to vote on the question of whether or not to form a second class borough was held unconstitutional in *Abrams v. State*, Sup. Ct. Op. No. 1142 (File Nos. 2407, 2418), 534 P.2d 91 (1975) on April 15, 1975, and the Eagle River-Chugiak area was automatically reincorporated into the Greater Anchorage Area Borough, the Eagle River-Chugiak area residents were not unconstitutionally denied the right to vote in a February 11, 1975 election held in the Greater Anchorage Area Borough in which the creation of a charter commission was approved, and its members elected. *Jordan v. Reed*, Sup. Ct. Op. No. 1217 (File No. 2586), 544 P.2d 75 (1975).

Denying residents of the Eagle River-Chugiak area the right to vote on the question of who sits on the charter commission in the Greater Anchorage Area Borough was not a denial of fundamental fairness since the realignment of political

boundaries which occurred as a result of the *Abrams v. State*, Sup. Ct. Op. No. 1142 (File Nos. 2407, 2418), 534 P.2d 91 (1975) decision is functionally equivalent to an annexation, and the general rule regarding annexation is that when territory has been lawfully and finally annexed, the new area becomes, ipso facto, a part of the municipality subject to municipal jurisdiction and it may be governed as the original municipal territory was governed prior to the change. *Jordan v. Reed*, Sup. Ct. Op. No. 1217 (File No. 2586), 544 P.2d 75 (1975).

And composition of commission need not reflect them. — Where the area encompassed within the former Eagle River-Chugiak Borough had a separate status under the de facto municipal incorporation doctrine, the composition of the charter commission need not reflect a group of citizens not part of the Greater Anchorage Area Borough at the time the charter commission was formed. *Jordan v. Reed*, Sup. Ct. Op. No. 1217 (File No. 2586), 544 P.2d 75 (1975).

Chapter 73. Miscellaneous Provisions.

Section  
60. Property tax equivalency payments

*Provides for property tax equivalency payments up to \$375<sup>00</sup> per year for persons over 65 who rent*

Sec. 29.73.060. Property tax equivalency payments. (a) A resident of the state 65 years of age or older who rents a permanent place of abode is eligible for tax equivalency payments from the state through the Department of Community and Regional Affairs.

(b) For purposes of determining payments to eligible persons, the department shall calculate a property tax equivalent percentage for each home rule or general law municipality, which levies a general property tax, at the rate of 1/2 per cent per mil. This percentage applied to the annual rent charged to the applicant or \$375, whichever is less is the property tax equivalency payment.

(c) To obtain tax equivalency payments the eligible resident must apply to the department for payment for the preceding year by January 15 of each year on forms and in the manner prescribed by the department. Each applicant shall submit with the application rental receipts or, if rental receipts are not available, other evidence satisfactory to the department for determination of the fact of payment of rent and the amount paid.

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for tax equivalency payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. However, tax equivalency payments to an eligible

applicant may not be reduced because the spouse is less than 65 years of age. If all occupants in a residence are eligible for tax equivalency payments under this section, the occupants shall decide between and among themselves which shall receive payment. (§ 2 ch 217 SLA 1976)

### Chapter 78. General Provisions.

#### Section

#### 10. Definitions

**Sec. 29.78.010. Definitions.** In this title, unless otherwise provided, or the context otherwise requires,

(1) "borough" means a general law first, second or third class organized borough;

(18) "areawide power" means a power of an organized borough exercised throughout the borough;

(19) "nonareawide power" means a power of an organized borough exercised by the borough only in the area outside of cities.

(am § 7 ch 212 SLA 1976; am § 10 ch 93 SLA 1977)

**Effect of amendments.** — The 1976 amendment, effective June 21, 1976, added paragraphs (18) and (19).

The 1977 amendment substituted "first, second or third class" for "first or second class" in paragraph (1).

As the rest of the section was not affected by the amendments, it is not set out.

HB 550 AN ACT RELATING TO UNEMPLOYMENT INSURANCE; AND PROVIDING FOR AN EFFECTIVE DATE

AMENDED TITLE: SCS CS SS \* AM S

PRIME SPONSORS: RULES

BY REQUEST OF: GOVERNOR

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION	DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
05/25/77	01	1496	FIRST READING -- COMMITTEE REPORTS	06/08/78	24	1300	FIRST READING -- COMMITTEE REPORTS
05/12/78	05	1152	L&M -- DNPO2, CS05	06/12/78	25	1399	L&M -- DNPO2, CS01
06/02/78	07	1415	FIN -- CS04, NRO7	06/13/78	26	1428	FIN -- DP(AM)03, L&M CS03, NRO3
06/06/78	08	1466	SECOND READING	06/14/78	27	1462	RLS -- OTHER03 TAKEN UP IMMEDIATELY
06/06/78	09	1466	FIN CS ADOPTED BY DIV 28-08-04	06/14/78	28	1468	SECOND READING
06/06/78	10	1467	AM TO AM01 ADOPTED BY DIV 22-15-03	06/14/78	29	1468	L&M CS ADOPTED BY DIV 10-09-31
06/06/78	11	1468	AM01 ADOPTED BY DIV 26-11-03	06/14/78	30	1469	SECOND READING
06/06/78	12	1468	AMC2 ADOPTED BY DIV 32-06-02	06/14/78	31	1469	AM01 ADOPTED BY UNAN CONSENT
06/06/78	13	1469	AM03 NOT ADOPTED BY DIV 09-29-02	06/14/78	32	1469	AM02 ADOPTED BY VOICE VOTE
06/06/78	14	1469	AMC4 NOT ADOPTED BY DIV 12-27-01	06/14/78	33	1469	ADVANCED TO 3RD READING BY UNAN CONSENT
06/06/78	15	1470	AMC5 ADOPTED BY UNAN CONSENT	06/14/78	34	1469	THIRD READING
06/06/78	16	1471	ADVANCED TO 3RD READING BY UNAN CONSENT	06/14/78	35	1469	FAILED BY DIV 10-10-00
06/06/78	17	1471	THIRD READING	06/14/78	36	1470	NOTICE OF RECONSIDERATION GIVEN
06/06/78	18	1471	PASSED BY DIV 30-09-01	06/15/78	37	1501	POSTPONED UNTIL 06/16/78 BY UNAN CONSEN
06/06/78	19	1471	EFFECTIVE DATE VOTE SAME AS PASSAGE	06/16/78	38	1526	PASSED ON RECONSIDERATION BY DIV 16-04-00
06/06/78	20	1471	NOTICE OF RECONSIDERATION GIVEN	06/16/78	39	1526	EFFECTIVE DATE VOTE SAME AS PASSAGE
06/07/78	21	1493	READ AGAIN THIRD TIME	06/17/78	41	1588	FAILED TO RECEDE FRM AMS BY DIV 03-13-04
06/07/78	22	1493	PASSED ON RECONSIDERATION BY DIV 29-08-03	** 06/17/78	43	1588	FCC -- ROEY BUTROVICH MELANO
06/07/78	23	1494	EFFECTIVE DATE VOTE SAME AS PASSAGE				
05/25/77	02	1496	EXTRA STATUTES				
03/08/78	03	0511	SPONSOR SUB INTRODUCED				
03/08/78	04	0511	GOV'S TRANSMITTAL LETTER				
05/12/78	06	1152	L&M LTR OF INTENT - HSE				
06/17/78	43	1763	FAILED TO CONC IN (S) AMS BY DIV 10-27-03				
06/17/78	42	1763	FCC -- MEEKINS MCKINNGN HAYES				

H.B. 66\*

HB 551 AN ACT PROVIDING AN EXEMPTION FOR SENIOR CITIZENS FROM PAYMENT FOR LAND LEASED FROM THE STATE

AMENDED TITLE: CS \*

PRIME SPONSORS: CHATTERTON

CO-SPONSORS: MALONE PHILLIPS SWANSON

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION	DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
05/28/77	01	1599	FIRST READING -- COMMITTEE REPORTS	** 03/07/78	09	0417	FIRST READING -- COMMITTEE REPORTS
02/02/78	02	0207	S.A. -- CS04, NRO1				RESOURCES
03/01/78	03	0435	FIN -- S.A. CS09				FINANCE
03/06/78	04	0485	SECOND READING				RULES
03/06/78	05	0485	S.A. CS ADOPTED BY UNAN CONSENT				
03/06/78	06	0485	ADVANCED TO 3RD READING BY UNAN CONSENT				
03/06/78	07	0485	THIRD READING				
03/06/78	08	0485	PASSED BY DIV 38-00-02				

COMMITTEE REPORT  
SENATE

FURTHER: Finance

3/7/79

Date: 3-7-79

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had CSHB 66

providing an exemption for senior citizens from payment for land leased from the state

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

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

MEMBERS SIGNING  
DO PASS

\_\_\_\_\_

*Scotty Anderson*

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_

\_\_\_\_\_

CHAIRMAN

Senior

Citizens  
(exemption--  
lease rent)

HOUSE BILL NO. 66, by Reps. Chatterton, Malone, and Phillips. Amends AS 38.05 by addition of new section, "SENIOR CITIZENS EXEMPTION," which exempts persons 65 or older from payment of lease rent to state if property is occupied as permanent place of abode and leased under AS 38.05.070-105. Persons must file a written request for exemption. Legislature shall appropriate sums to cover amounts lost by operation of above. Does not provide for effective date.

Introduced January 24 and referred to HESS, then to Finance.

Senior

Citizens  
(exemption--  
lease rent)

HOUSE BILL NO. 66, (see page 60). Reported back to the house February 14 by the HESS Committee with a majority of the committee recommending do pass with amendment. (Amendment is technical in nature). To Finance.

Senior

Citizens  
(exemption--  
lease/rent)

HOUSE BILL NO. 66, (see pages 60; 228). Reported back to the House on February 26 by Finance with a majority recommending replace with SUBSTITUTE (same title) and that it do pass and attaches a fiscal note. SUBSTITUTE changes wording referring to exemptions granted for purposes other than permanent abode. Original bill stated that no exemptions would be granted "if the lease is used by the leaseholder for any purpose other than his permanent place of abode." SUBSTITUTE states: "No exemption may be granted for any portion of the lease which is used by the leaseholder for any purpose other than his permanent place of abode." Also changes reference to "director of land and water" to "commissioner".

Offered February 26 and referred to Rules.

*Over copy  
and remove from  
file*

Original sponsors: Chatterton, Malone  
and Phillips

Offered: 2/26/79  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 66

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act providing an exemption for senior citizens from  
7 payment for land leased from the state."

8

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

9

\* Section 1. AS 38.05 is amended by adding a new section to read:

10

Sec. 38.05.098. SENIOR CITIZENS EXEMPTION. (a) The real property  
11 occupied as a permanent place of abode by a resident 65 years of age or  
12 over and leased by that resident from the state in accordance with AS  
13 38.05.070 - 38.05.105 is exempt from the payment of an annual lease  
14 rent. Only one exemption may be granted with respect to the same pro-  
15 perty and, if two or more persons are eligible for an exemption with  
16 respect to the same property, the parties shall decide between or among  
17 themselves which shall receive the benefit of the exemption. No exemp-  
18 tion may be granted for any portion of the lease which is used by the  
19 leaseholder for any purpose other than his permanent place of abode.

20

(b) No exemption may be granted except upon written application  
21 for the exemption on a form provided by the commissioner. The lease-  
22 holder must file the application not later than 60 days before the  
23 anniversary date of the lease, and shall file a separate application for  
24 each lease year for which the exemption is sought. If an application is  
25 filed within the required time and is approved by the commissioner, he  
26 shall allow a rental exemption for the lease year commencing on the  
27 anniversary date in accordance with the provisions of this section. The  
28 commissioner may at any time require proof in the form he considers  
29 necessary of the right to an exemption claimed under this section.

1 (c) The legislature shall annually appropriate from the general  
2 fund to a trust fund the amount necessary to reimburse the trust fund  
3 for revenue lost to it by the operation of (a) of this section.  
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