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CHAPTER 45. MUNICIPAL TAXATION

Article 1. MUNICIPAL PROPERTY TAX

****Sec. 29.45.010. GENERAL PROPERTY TAX. A general law or home rule borough other than a unified municipality, may levy (1) an areawide property tax for areawide functions, and (2) a property tax limited to the area outside cities for functions limited to the area outside cities. A tax if levied on real property, personal property, or both must be assessed, levied and collected as provided in this chapter.

****Sec. 29.45.020. TAXPAYER NOTICE. (a) If a municipality levies and collects real or personal property taxes, or both, the governing body shall provide the following notice:

"NOTICE TO TAXPAYER"

For the current fiscal year the (city)(borough) has been allocated the following amount of state aid for school and municipal purposes under the applicable financial assistance Acts:

PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE

(AS 14.17) \$

STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT (AS 43.18.100)

\$

MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE

(AS 29.88) \$

STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES (AS 29.89)

\$

TOTAL AID \$

The millage equivalent of this state aid, based on the dollar value of a mill in the municipality during the current assessment year and for the preceding assessment year, is:

MILLAGE EQUIVALENT

	PREVIOUS YEAR	THIS YEAR
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PUBLIC SCHOOL FOUNDATION PROGRAM		
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ASSISTANCE	MILLS	MILLS
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STATE AID FOR RETIREMENT OF		
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SCHOOL CONSTRUCTION DEBT	MILLS	MILLS
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MUNICIPAL TAX RESOURCE EQUALI-		
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ZATION ASSISTANCE	MILLS	MILLS
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STATE AID FOR MISCELLANEOUS		
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MUNICIPAL SERVICES	MILLS	MILLS
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TOTAL MILLAGE EQUIVALENT	MILLS	MILLS
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Notice shall be provided

(1) by furnishing a copy of the notice with tax statements mailed for the fiscal year for which aid is received; or

(2) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget.

(b) If the municipality levies and collects only a sales tax, the governing body shall provide a notice substantially in the form set out in (a) of this section. In providing notice under this subsection, the council or assembly shall substitute for the millage equivalency its estimate of the equivalent sales tax rate for each of the categories of financial assistance set out in (a) of this section. Notice shall be provided

(1) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget; or

1 (2) if there is no newspaper of general circulation in the
2 municipality, by posting a copy of the notice for at least 20 days in at
3 least two public places within the municipality, with posting to occur not
4 later than 45 days after the final adoption of the municipality's budget.

5 (c) Compliance with the provisions of this section is a prerequi-
6 site to receipt of municipal tax resource equalization assistance under AS
7 29.62 and state aid for miscellaneous municipal services under AS 29.62.
8 The Department of Community and Regional Affairs shall withhold annual
9 allocations under those chapters until municipal officials demonstrate that
10 the requirements of this section have been met.

11 Sec. 29.45.030. REQUIRED EXEMPTIONS. (a) The following property is
12 exempt from general taxation:

13 ***** (1) municipal, state or federally owned property, except
14 that a private leasehold, contract or other interest in the property shall
15 be taxable to the extent of those interests;

16 ***** (2) household furniture of the head of a family or house-
17 hold;

18 (3) property used exclusively for nonprofit religious,
19 charitable, cemetery, hospital or educational purposes;

20 ***** (4) property of a nonbusiness organization or its auxiliary
21 composed entirely of persons with 90 days or more of active service in the
22 armed forces of the United States whose conditions of service and separation
23 were other than dishonorable, or the property of the auxiliary of such
24 organization;

25 (5) money on deposit;

26 (6) the real property of certain residents of the state to
27 the extent and subject to the conditions provided in (e) of this section.

28 (b) "Property used exclusively for religious purposes" includes
29 the following property owned by a religious organization:

(1) the residence of a bishop, pastor, priest, rabbi, minister or religious order of a recognized religious organization;

(2) a structure, its furniture and its fixtures used solely for public worship, charitable purposes, religious administrative offices, religious education or a nonprofit hospital;

**** (3) Repeal.

(4) lots required by local ordinance for parking near a structure defined in (2) of this subsection.

(c) Property described in (a) or (b) of this section from which income is derived is exempt only if that income is solely from use of the property by nonprofit religious, charitable, hospital, or educational groups. If used by nonprofit educational groups, the property is exempt only if used exclusively for classroom space.

(d) Laws exempting certain property from execution under the Code of Civil Procedure (AS 09) do not exempt the property from taxes levied and collected by municipalities.

(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 and 44.62.570.

**** (f) No exemption may be granted under (e) of this section except upon written application

1 for the exemption on a form prescribed by the state assessor for use by
2 local assessors. The claimant must file the application no later than
3 January 15 or a date provided by ordinance which is not later than March 31,
4 of the assessment year for which the exemption is sought, but during the
5 same year the governing body of the municipality for good cause shown may
6 waive the claimant's failure to make timely application for exemption for
7 that year and authorize the assessor to accept the application as if timely
8 filed. The claimant must file a separate application for each assessment
9 year in which the exemption is sought. If an application is filed within
10 the required time and is approved by the assessor, he shall allow an exemption
11 in accordance with the provisions of this section. If a claimant whose
12 failure to file by January 15 or a date provided by ordinance which is not
13 later than March 31, of the assessment year has been waived as provided in
14 this subsection and the application for exemption is approved, the amount of
15 tax which the claimant may have already paid for the assessment year with
16 respect to the property exempted shall be refunded to him. The assessor may
17 at any time require proof in the form he considers necessary of the right
18 and amount of an exemption claimed under this section.

19 (g) The state shall reimburse a borough or city, as appropriate
20 for the real property tax revenues lost to it by the operation of (e) of
21 this section. However, reimbursement will be made to a borough or city for
22 revenue lost to it only to the extent that the loss exceeds an exemption
23 which was granted by the borough or city, or which upon proper application
24 by an individual would have been granted by the borough or city, under AS
25 29.53.025(a).

26 (h) Except as provided in (g) of this section, nothing in (e) -
27 (i) of this section affects similar exemptions from property taxes granted
28 by municipalities on September 10, 1972 or prevents municipalities from
29 granting similar exemptions by ordinance as provided in AS 29.53.025.

1 (i) In (e) - (i) of this section the term "real property"
2 includes but is not limited to mobile homes, whether classified as real or
3 personal property for municipal tax purposes.

4 (j) Two percent of the assessed value of a structure is exempt
5 from taxation if the structure contains a fire protection system approved
6 under AS 19.70.081, in operating condition, and incorporated as a fixture or
7 part of the structure. The exemption granted by this subsection is limited
8 to

9 (1) an amount equal to two percent of the value of the
10 structure based on the assessment for 1981, if the fire protection system is
11 a fixture of the structure on January 1, 1981; or

12 (2) an amount equal to two percent of the value of the
13 structure based on the assessment as of January 1 of the year immediately
14 following the installation of the fire protection system if the fire protec-
15 tion system becomes a fixture of the structure after January 1, 1981.

16 Sec. 29.45.040. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A resident of
17 the state 65 years of age or older who rents a permanent place of abode is
18 eligible for tax equivalency payments from the state through the Department
19 of Community and Regional Affairs.

20 (b) For purposes of determining payments to eligible persons, the
21 department shall calculate a property tax equivalent percentage for each
22 home rule or general law municipality which levies a general property tax at
23 the rate of one percent per mil. The property tax equivalent percentage
24 applied to the annual rent charged to the applicant equals the property tax
25 equivalency payment payable under this section.

26 (c) To obtain tax equivalency payments the eligible resident must
27 apply to the department for payment for the preceding year by January 15 of
28 each year on forms and in the manner prescribed by the department. Each
29 applicant shall submit with the application rental receipts or, if rental

1 receipts are not available, other evidence satisfactory to the department
2 for determination of the fact of payment of rent and the amount paid.

3 (d) If two or more persons occupy a residence as tenants, not all
4 of whom are eligible for tax equivalency payments under this section, the
5 assessor shall determine equitable partial payments to be made to the eligible
6 tenants. However, tax equivalency payments to an eligible applicant may not
7 be reduced because the spouse is less than 65 years of age. If all occupants
8 in a residence are eligible for tax equivalency payments under this section,
9 the occupants shall decide between and among themselves which shall receive
10 payment.

11 Sec. 29.45.050. (Sec. 29.53.025.) OPTIONAL EXEMPTIONS AND EXCLUSIONS.

12 (a) Municipalities may exclude or exempt or partially exempt residential
13 property from taxation by ordinance ratified by the voters at a regular or
14 special election. An exclusion or exemption authorized by this section may
15 not exceed \$10,000 for any one residence.

16 (b) Municipalities may by ordinance

17 **** (1) classify boats and vessels for the purposes of taxation
18 and may establish the assessed valuation of boats and vessels on the basis
19 of their registered or certificated net tonnage.

20 (2) classify and exempt from taxation

21 **** (A) Repeal.

22 (B) the property of an organization not organized for
23 business or profit-making purposes and used exclusively for community
24 purposes, provided that income derived from rental of such property
25 does not exceed the actual cost to the owner of the use by the renter;
26 and

27 (C) historic sites, buildings and monuments;

28 (D) land of a nonprofit organization used for agricultural purposes
29 if rights to subdivide the land are conveyed to the state and the

1 conveyance includes a covenant restricting use of the land to agricul-
2 tural purposes only; rights conveyed to the state under this sub-
3 paragraph may be conveyed by the state only in accordance with AS
4 38.05.069(c).

5 (c) The provisions of (a) of this section notwithstanding,

6 (1) a home rule or first or second class borough may, by
7 ordinance, adjust its property tax structure in whole or in part to the
8 property tax structure of a city within it, including but not limited to,
9 excluding personal property from taxation, establishing exemptions, and
10 extending the redemption period;

11 (2) a home rule or first class city shall have the same
12 power to grant exemptions or exclude property from borough taxes that it has
13 as to city taxes, provided that the exemptions or exclusions have been
14 adopted as to city taxes and further provided that the city appropriate to
15 the borough sufficient money to equal revenues lost by the borough because
16 of the exemptions or exclusions, the amount to be determined annually by the
17 assembly without weighted voting.

18 (3) a home rule or general law city within an organized
19 borough may, by ordinance, adjust its property tax structure in whole or in
20 part to the property tax structure of the borough, including but not limited
21 to exempting or partially exempting property from taxation.

22 (d) Exemptions or exclusions from property tax which have been
23 granted by home rule municipalities in addition to exemptions authorized or
24 required by law, and which are in effect on September 10, 1972 and not later
25 withdrawn, are not affected by this Act.

26 (e) Municipalities may by ordinance classify and exempt or par-
27 tially exempt from taxation privately owned land, wet land and water areas
28 for which a scenic, conservation, or public recreation use easement is
29 granted to a governmental body. To be eligible for a tax exemption, or

1 partial exemption, the easement must be in perpetuity. However, the easement
2 is automatically terminated before an eminent domain taking of fee simple
3 title or less than fee simple title to the property so that the property
4 owner is compensated at a rate which does not reflect the easement grant.

5 (f) A municipality may by ordinance exempt from taxation all or
6 any part of the increase in assessed value of improvements to real property
7 if an increase in assessed value is directly attributable to alteration of
8 the natural features of the land or new maintenance, repair or renovation of
9 an existing structure and if the alteration, maintenance, repair or renovation,
10 when completed, enhances the exterior appearance or aesthetic quality of the
11 land or structure. No exemption may be allowed under this subsection for
12 the construction of an improvement to a structure if the principal purpose
13 of the improvement is to increase the amount of space for occupancy or
14 nonresidential use within the structure or for the alteration of land as a
15 consequence of construction activity. An exemption provided in this sub-
16 section may continue for up to four years from the date the improvement is
17 completed or from the date of approval for the exemption by the local assessor,
18 whichever is later.

19 (g) A municipality may by ordinance exempt from taxation all or
20 any part of the increase in assessed value of improvements to a single
21 family dwelling if the principal purpose of the improvement is to increase
22 the amount of space for occupancy. An exemption provided in this subsection
23 may continue for up to two years from the date the improvement is completed
24 or from the date of approval of an application for the exemption by the
25 local assessor, whichever is later.

26 ****Sec. 29.45.060. MINING CLAIMS. Repeal.

27 Sec. 29.45.070. FARM OR AGRICULTURAL LANDS. (a) Farm use lands included
28 in a farm unit and not dedicated or being used for nonfarm purposes shall be
29 assessed on the basis of full and true value for farm use, and shall not be

1 assessed as if subdivided or used for some other nonfarm purpose. The
2 assessor shall maintain records valuing the farm use land for both full and
3 true value and farm use value. Should the farm use land be sold, leased, or
4 otherwise disposed of for uses incompatible with farm use or be converted to
5 a use incompatible with farm use by the owner, the owner is liable to pay an
6 amount equal to the additional tax at the current mill levy together with
7 eight percent interest for the preceding seven years, as though the land had
8 not been assessed for farm use purposes. Payment by the owner shall be made
9 to the state to the extent of its reimbursement for revenue loss under (e)
10 of this section for the preceeding seven years. The balance of the payment
11 shall be made to the city or borough.

12 (b) An owner of farm use land must, to secure the assessment,
13 make application to the assessor before May 15 of each year in which the
14 assessment is desired. The application shall be made upon forms prescribed
15 by the state assessor for the use of the local assessor and shall include
16 information which may reasonably be required to determine the entitlement of
17 the applicant. If the farm use land is leased for farm use purposes, the
18 applicant shall furnish to the assessor a copy of the lease bearing the
19 signatures of both lessee and lessor along with the completed application.
20 The applicant shall furnish the assessor a copy of the lease covering the
21 period for which the exemption is requested.

22 (c) In this section "farm use" means the use of land for raising
23 and harvesting crops or for the feeding, breeding and management of livestock
24 or for dairying or another agricultural use for profit or any combination
25 thereof. To be farm use land, the owner or the lessee must be actively
26 engaged in farming the land, and derive at least 10 per cent of his yearly
27 gross income from the farm use land. The provisions of this section do not
28 apply to land respecting which the owner has granted, and has outstanding, a
29 lease or option to buy the surface rights. A property owner wishing to file

1 for farm use classification having no history of farm-related income may
2 submit a declaration of intent at the time of filing the application with
3 the assessor setting out the intended use of the land and the anticipated
4 percentage of income. An applicant using this procedure shall file with the
5 assessor before February 1 of the following year a notarized statement of
6 the percentage of gross income attributable to the farm use land. Failure
7 to make the filing required in this subsection forfeits the exemption.

8 (d) In the event of a crop failure by an act of God the previous
9 year, the owner or lessee may submit an affidavit affirming that 10 percent
10 of his gross income for the past three years was from farming.

11 (e) Subject to legislative appropriations for the purpose, the
12 state shall reimburse a borough or city, as appropriate, for the real property
13 tax revenues lost to it by the operation of this section.

14 Sec. 29.45.080. MOBILE HOMES. Mobile homes, trailers, house trailers,
15 trailer coaches and similar property used or intended to be used for residential
16 office or commercial purposes and attached to the land or connected to
17 water, gas, electric or sewage facilities are classed as real property for
18 tax purposes except where expressly classified as personal property by
19 ordinance. This section does not apply to house trailers and mobile homes
20 which are unoccupied and held for sale by persons engaged in the business of
21 selling mobile homes.

22 Sec. 29.45.090. TAX ON OIL AND GAS PRODUCTION AND PIPELINE PROPERTY.

23 (a) A municipality may levy and collect taxes on taxable property taxable
24 under AS 43.56 only by using one of the methods set out in (b) or (c) of
25 this section.

26 (b) A municipality may levy and collect a tax on the full and
27 true value of taxable property taxable under AS 43.56 as valued by the
28 Department of Revenue at a rate not to exceed that which produces an amount
29

1 of revenue from the total municipal property tax equivalent to \$1,500 a year
2 for each person residing within its boundaries.

3 (c) A municipality may levy and collect a tax on the full and
4 true value of that portion of taxable property taxable under AS 43.56 as
5 assessed by the Department of Revenue which value, when combined with the
6 value of property otherwise taxable by the municipality, does not exceed the
7 product of 225 percent of the average per capita assessed full and true
8 value of property in the state multiplied by the number of residents of the
9 taxing municipality. For purposes of this subsection the average per capita
10 assessed full and true value of property in the state shall be calculated
11 without regard to the assessed value of taxable property under AS 43.58.

12 (d) By February 1 of each assessment year a taxing municipality
13 must inform the Department of Revenue which method of taxation the municipality
14 will use.

15 (e) For purposes of this section, population shall be determined
16 by the commissioner of community and regional affairs based on the latest
17 statistics of the United States Bureau of the Census or on other reliable
18 population data, and shall advise each municipality of its population as so
19 determined by January 15 of each year.

20 Sec. 29.45.100. TAX LIMITATION. (a) No municipality may levy and tax
21 for any purpose in excess of three percent of the assessed valuation of
22 property within the municipality in any one year.

23 **** (b) No municipality, or combination of municipalities occupying
24 the same geographical area, in whole or in part, may levy taxes (1) which
25 will result in tax revenues from all sources exceeding \$1,500 a year for
26 each person residing within their boundaries or (2) upon values which, when
27 combined with the value of property otherwise taxable by the municipality,
28 exceed the product of 225 percent of the average per capita assessed full
29 and true value of property in the state multiplied by the number of

1 residents of the taxing municipality. If two or more municipalities occupying
2 the same geographical area, in whole or in part, attempt to levy a tax (1)
3 the combined levy of which would result in tax revenues from all sources
4 exceeding \$1,500 a year for each person residing within their boundaries or
5 (2) upon value which, when combined with the value of property otherwise
6 taxable by the municipality, exceed the product of 225 per cent of the
7 average per capita assessed full and true value of property in the state
8 multiplied by the number of residents of the taxing municipality, the commis-
9 sioner of community and regional affairs shall apportion the lawful levy and
10 equitably divide these revenues on the basis of need, services performed and
11 other considerations in the public interest. For the purpose of this subsection
12 population shall be determined by the commissioner of community and regional
13 affairs based on the latest statistics of the United States Bureau of the
14 Census or on other reliable population data. For purposes of this subsection
15 the average per capita assessed full and true value of property in the state
16 shall be calculated without regard to the assessed value of taxable property
17 under AS 43.58.

18 Sec. 29.45.110. NO LIMITATIONS ON TAXES TO PAY BONDS. The limitations
19 provided for in Sec. 45 or 50 of this chapter do not apply to taxes levied
20 or pledged to pay or secure the payment of the principal and interest on
21 bonds. Taxes to pay or secure the payment of principal and interest on
22 bonds may be levied without limitation as to rate or amount, regardless of
23 whether the bonds are in default or in danger of default.

24 Sec. 29.45.120. FULL AND TRUE VALUE. (a) The assessor shall assess
25 property at its full and true value as of January 1 of the assessment year,
26 except as provided in this section and Secs. 30, 35 and 160 of this chapter.
27 The full and true value is the estimated price which the property would
28 bring in an open market and under the then prevailing
29

1 market conditions in a sale between a willing seller and a willing buyer
2 both conversant with the property and with prevailing general price levels.

3 (b) Assessment of business inventories may be based on the average
4 monthly method of assessment rather than the value existing on January 1.
5 The method used to assess business inventories shall be prescribed by the
6 borough assembly.

7 (c) In the case of cessation of business during the tax year, the
8 assembly may provide for reassessment of business inventories using the
9 average monthly method of assessment for the tax year rather than the value
10 existing on January 1 of the tax year, and for reduction and refund of
11 taxes. In enacting an ordinance authorized by this section, the assembly
12 may prescribe procedures, restrictions, and conditions of assessing or
13 reassessing business inventories and of remitting or refunding taxes.

14 Sec. 29.45.130. RETURNS. (a) The assembly may require every person
15 having ownership or control of or an interest in property to submit a return
16 in the form prescribed by the assessor, based on property values existing on
17 January 1, except as otherwise provided in this chapter.

18 (b) The assessor may, by written notice, require a person to
19 provide additional information within 30 days.

20 Sec. 29.45.140. INDEPENDENT INVESTIGATION. (a) The assessor is not
21 bound to accept a return as correct. He may make an independent investigation
22 of property returned or of taxable property upon which no return has been
23 filed. In either case, the assessor may make his own valuation of the
24 taxable property, which is prima facie evidence.

25 **** (b) For investigation, the assessor or his agent may enter any
26 premise during reasonable hours and may examine property on the premises.
27 He may examine all property records involved. A person shall, upon request,
28 furnish to the assessor or his agent every facility and assistance for the
29 investigation. The assessor may seek a court order to compel entry and
production of records.

1 (c) An assessor may examine a person on oath. Upon request, the
2 person shall present himself for examination by the assessor.

3 ****Sec. 29.45.150. STATEMENT. A person who knowingly fails to file a
4 statement required by ordinance or who knowingly makes a false affidavit to
5 a statement required by a tax ordinance relative to the amount, location,
6 kind or value of property subject to taxation with intent to evade the
7 taxation, is guilty of a class B misdemeanor.

8 Sec. 29.45.160. REEVALUATION. A systematic reevaluation of taxable
9 real and personal property undertaken by the assessor, whether of specific
10 areas in which real property is located or of specific classes of real or
11 personal property to be assessed, shall be made only in accordance with a
12 resolution or other act of the assembly directing a systematic reevaluation
13 of all taxable property within the borough over the shortest period of time
14 practicable, as determined by the assembly and fixed in the resolution or
15 other act of the assembly.

16 Sec. 29.45.170. ASSESSMENT ROLL. (a) The assessor shall prepare an
17 annual assessment roll. The roll contains

- 18 (1) a description of all taxable property;
19 (2) the assessed value of all taxable property;
20 (3) the names and addresses of persons with property subject
21 to assessment and taxation.

22 (b) The assessor may list real property by any description that
23 may be made certain. Real property is assessed to the owner of record as
24 shown in the records of the district recorder, who shall at least monthly
25 provide the assessor a copy of each recorded change of ownership showing the
26 name and mailing address of the owner and the name and mailing address of
27 the party recording the change of ownership. Other persons having an interest
28 in the property may be listed on the assessment records with the owner. The
29 person in whose name property is listed as owner is conclusively presumed to

1 be the legal owner of record. If the property owner is unknown, the property
2 may be assessed to "unknown owner." No assessment is invalidated by a mistake,
3 omission or error in the name of the owner, if the property is correctly
4 described.

5 Sec. 29.45.180. ASSESSMENT NOTICE. (a) The assessor shall give every
6 person named in the assessment roll a notice of assessment, showing the
7 assessed value of his property. On each notice is printed a brief summary
8 of the dates when taxes are payable, delinquent and subject to penalty and
9 interest, and the dates when the board of equalization will sit.

10 (b) Sufficient assessment notice is given if mailed by first
11 class mail 30 days before the equalization hearings. If the address is not
12 known to the assessor, the notice may be addressed to the person at the post
13 office nearest the property. Notice is effective on the date of mailing.

14 Sec. 29.45.190. CORRECTIONS. (a) A person receiving an assessment
15 notice shall advise the assessor of errors or omissions in the assessment
16 of his property. The assessor may correct errors or omissions in the roll
17 before the board of equalization hearing.

18 (b) If errors found in the preparation of the assessment roll are
19 adjusted, the assessor shall mail a corrected notice allowing 30 days for
20 appeal to the board.

21 Sec. 29.45.200. APPEAL. (a) A person whose name appears on the assessment
22 roll or his agent or assigns may appeal to the board of equalization for
23 relief from an alleged error in valuation not adjusted by the assessor to
24 the taxpayer's satisfaction.

25 (b) The appellant shall, within 30 days from the date of mailing
26 of notice of assessment, submit to the assessor a written appeal specifying
27 grounds in the form which the board may require. Otherwise, the right of
28 appeal ceases unless the board finds that the taxpayer was unable to comply.
29

1 (c) The assessor shall notify appellants by mail of the time and
2 place of their hearing.

3 (d) The assessor shall prepare for use by the board a summary of
4 assessment data relating to each assessment which is appealed.

5 (e) A city may appeal an assessment to the board of equalization
6 in the same manner as a taxpayer. Within five days after receipt of the
7 appeal, the assessor shall notify the person whose property assessment is
8 being appealed by the city.

9 ****Sec. 29.45.210. BOARD OF EQUALIZATION. (a) The assembly sits as a
10 board of equalization for the purpose of hearing an appeal from a determination
11 of the assessor, or it may delegate this authority to one or more boards
12 appointed by it. An appointed board may be composed of not less than three
13 persons, who may be members of the assembly, municipal residents, or a
14 combination of assembly members and residents. The assembly shall be ordinance
15 establish the qualifications for membership.

16 (b) The board is governed in its proceedings by rules adopted by
17 ordinance which are consistent with general rules of administrative procedure.
18 The board may alter an assessment of a lot or parcel only pursuant to an
19 appeal filed as the the particular lot or parcel.

20 (c) Notwithstanding other provisions in this section, a determina-
21 tion of the assessor as to whether property is taxable under law shall be
22 appealed directly to the superior court.

23 Sec. 29.45.220. HEARING. (a) If an appellant fails to appear, the
24 board of equalization may proceed with the hearing in his absence.

25 (b) The appellant bears the burden of proof.

26 **** (c) The only grounds for adjustment are proof of unequal, excessive,
27 improper, or undervaluation based on facts which are stated in a valid
28 written appeal or proven at the appeal hearing. If a valuation is found to
29 be too low, the board of equalization may raise the assessment.

1 (d) The board shall certify its actions to the assessor within
2 seven days.

3 **** (e) Except as to supplementary assessments, the assessor shall
4 enter the changes and certify the final assessment roll by June 1.

5 **** (f) An appellant or the assessor may appeal the board's deter-
6 mination to the superior court as provided by rules of court applicable to
7 appeals from the decisions of administrative agencies. Appeals are heard on
8 the record established at the hearing before the board of equalization.

9 Sec. 29.45.230. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor shall
10 include property omitted from the assessment roll on a supplementary roll,
11 using the procedures set out in this chapter for the original roll.

12 Sec. 29.45.240. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATURAL
13 DISASTER. (a) The assembly may provide for reassessment and reduction of
14 taxes for property destroyed, damaged, or otherwise reduced in value as a
15 result of a natural disaster.

16 (b) A reassessment may be made by the assessor only upon the
17 receipt of a sworn statement of the taxpayer that his losses exceed \$1,000.
18 A reduction of taxes may be made only on losses in excess of \$1,000 for the
19 remainder of the year following the disaster. Upon reassessment, the borough
20 shall recompute this tax and refund taxes which have already been paid.

21 (c) The borough shall make notice of assessment or reassessment
22 and shall hold an equalization hearing as provided in this chapter, except
23 that a notice of appeal is filed with the board of equalization within 10
24 days after notice of assessment is given to the person appealing. Otherwise,
25 the right of appeal ceases unless the board finds that the taxpayer is
26 unable to comply.

27 (d) In enacting an ordinance or resolution authorized by this
28 section, the assembly may, consistent with this section, prescribe
29

1 procedures, restrictions and conditions of assessing or reassessing property
2 and of remitting, refunding or forgiving taxes.

3 **** (e) In this section "disaster" means a major disaster declared by
4 the President of the United States under the provisions of the Federal
5 Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g, or
6 other federal law, or a disaster declared by the governor under AS 26.23.010
7 26.23.110.

8 Sec. 29.45.250. TAX LEVY AND RATE. ****(a) The power granted to the
9 assembly to assess, levy and collect a general property tax shall be exercised
10 by means of a general ordinance. The rate of levy, the date of equalization
11 and the date when taxes become delinquent shall be fixed by resolution.

12 (b) The assembly shall annually determine the rate of levy before
13 June 15. By July 1 the tax collector shall mail tax statements setting out
14 the levy, dates when taxes are payable and delinquent, and penalties and
15 interest.

16 Sec. 29.45.260. RATES OF PENALTY AND INTEREST. ****(a) If the taxpayer
17 is required to pay the entire tax on the due date set by the assembly, a
18 penalty not to exceed 20 percent may be added to all delinquent taxes, and
19 interest at the rate of 15 percent a year shall accrue upon all unpaid
20 taxes, not including penalty, from the due date until paid in full. If the
21 taxpayer is given the right to pay the tax in two installments penalty and
22 interest on an unpaid installment accrues from the date the installment
23 becomes due.

24 (b) If the assembly imposes a penalty for the nonpayment of property
25 taxes when due, or the late return of personal property assessment forms,
26 the rate of penalty or combined rates of penalty may not exceed 10 percent
27 of the tax due on the property concerned.

28 **** (c) Repeal.
29

ARTICLE 2. ENFORCEMENT OF TAX LIENS

Sec. 29.45.290. VALIDITY. Certified assessment and tax rolls are valid and binding on all persons, notwithstanding any defect, error, omission or invalidity in the assessment rolls or proceedings pertaining to the assessment roll.

Sec. 29.45.300. TAX LIABILITY. (a) The owner of personal property assessed is personally liable for the amount of taxes assessed against his property. The tax, together with penalty and interest, may be collected in a personal action brought in the name of the borough.

**** (b) Property taxes, together with penalty and interest, are a lien upon the property assessed, and the lien is prior and paramount to all other liens or encumbrances against the property.

Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY DISTRAINT AND SALE. The lien of personal property taxes may be enforced by distraint and sale of the property. The assembly shall provide the procedure for distraint and sale by ordinance. No seizure, levy or distraint is legal unless demand is first made of the person assessed for the amount of the tax, penalty and interest, and no sale is valid unless made at public auction after 15 days notice is given by posting or publication. The seizure is made by virtue of a warrant issued by the borough clerk to a peace officer. If the property sold is not sufficient to satisfy the tax, penalty and interest, and costs of sale, the warrant may authorize the seizure of other personal property sufficient to satisfy the tax, penalty, interest and costs of sale. If the property is sold for more money than is needed to satisfy the tax, upon presentation of a proper claim, the municipality shall remit the excess to the former record owner. A claim for the excess filed after six months of the date of sale is forever barred.

1 Sec. 29.45.320. REAL PROPERTY TAX COLLECTION. (a) The borough shall
2 enforce delinquent real property tax liens by annual foreclosure, unless
3 otherwise provided by ordinance.

4 **** (b) If the tax on property described in AS 29.45.080 or on a
5 taxable interest in tax exempt property is not paid when due, a borough may
6 enforce the tax by a personal action against the delinquent taxpayer brought
7 in the district or superior court, in addition to other remedies available
8 to the borough to enforce the lien.

9 Sec. 29.45.330. FORECLOSURE LIST. (a) The borough shall

10 (1) annually present a petition for judgment and a certified
11 copy of the foreclosure list for the previous year's delinquent taxes in the
12 superior court for judgment;

13 (2) publish the foreclosure list for four consecutive weeks
14 in a newspaper of general circulation distributed within the borough or, if
15 there is no newspaper of general circulation distributed within the borough,
16 post the list at three public places for at least 30 days;

17 (3) within 10 days after the first publication or posting,
18 mail to the last known owner of each property as his name and address appear
19 on the list a notice advising of the foreclosure proceeding in which a
20 petition for judgment of foreclosure has been filed and describing the
21 property and the amount due as stated on the list.

22 (b) The list shall be arranged in alphabetical order as to the
23 last name and shall include

24 (1) the last known owner;

25 (2) the property description as stated on the assessment
26 roll;

27 (3) years and amounts of delinquency;

28 (4) penalty and interest due;
29

1 (5) a statement that the list is available for public inspection
2 at the clerk's office;

3 (6) a statement that the list has been presented to the
4 superior court with a petition for judgment and decree.

5 (c) Completion of the requirements of (a) of this section constitutes
6 and has the same force and effect as the filing of an individual and separate
7 complaint and service of summons to foreclose a lien against each property
8 described on the foreclosure list.

9 Sec. 29.45.340. CLEARING DELINQUENCIES. During the publication or
10 posting of the foreclosure list and up to the time of transfer to the borough
11 a person may pay the taxes, together with the penalty, interest and costs.
12 The collector shall note payment on the foreclosure list.

13 Sec. 29.45.350. LIST TO LIENHOLDER. A holder of a mortgage or other
14 lien on real property may request the clerk to send by certified mail notice
15 of a foreclosure list which includes such real property.

16 Sec. 29.45.360. GENERAL FORECLOSURE. The borough shall bring one
17 general foreclosure proceeding in rem against the properties included in the
18 list. If the owner is unknown, the property is proceeded against as belonging
19 to "unknown owner." Tax foreclosure proceedings have priority over all other
20 civil proceedings except board of adjustment appeals as provided in AS
21 29.33.130(e).

22 Sec. 29.45.370. ANSWER AND OBJECTION. A person having an interest in
23 a tract on the foreclosure list may file an answer within 30 days of the
24 date of last publication, specifying his objection. The court shall make
25 its decision in summary proceedings. The foreclosure list is prima facie
26 evidence that the assessment and levy of the tax is valid and that the tax
27 is unpaid.

28 Sec. 29.45.380. JUDGEMENT. The court shall in a proper case give
29 judgment and decree that the tax liens be foreclosed. It is a several
judgment against and a lien on each parcel.

1 Sec. 29.45.390. TRANSFER AND APPEAL. (a) Foreclosed properties are
2 transferred to the borough for the lien amount. When answers are filed the
3 court may enter judgment against and order the transfer to the borough of
4 all other properties on the list pending determination of the matters in
5 controversy. The court shall hear and determine the issues raised by the
6 complaint and answers in the same manner and under the same rules as it
7 hears and determines other actions.

8 (b) The court clerk shall deliver a certified copy of the judgment
9 and decree to the borough clerk. The certified judgment and decree consti-
10 tutes a transfer to the borough.

11 (c) The judgment and decree stops objections to it which could
12 have been presented before judgment and decree.

13 (d) Appeal from a judgment and decree of foreclosure, or from a
14 final order in the proceeding, may be taken in the manner provided for
15 appeals in civil actions.

16 Sec. 29.45.400. REDEMPTION PERIOD. (a) Properties transferred to the
17 borough are held by the borough for at least one year. During the redemption
18 period a party having an interest in the property may redeem it by paying
19 the lien amount plus penalties, interest and costs, including all costs
20 incurred under Sec. 350(a) of this chapter. Property redeemed is subject to
21 all taxes, assessments, liens and claims as though it had continued in
22 private ownership. Only the amount applicable under the judgment and decree
23 must be paid in order to redeem the property.

24 **** (b) Repeal.

25 ****Sec. 29.45.410. EFFECT. Receipt of redemption money by the borough
26 releases the judgment obtained under AS 29.45.380. The clerk or his designee
27 shall record the redemption and issue a certificate containing a property
28 description, the redemption amount, and the dates of judgment and decree of
29 foreclosure. The clerk or his designee shall collect the recording fee at

1 the time or redemption and shall file the certificate with the record as
2 part of the judgment roll.

3 Sec. 29.45.420. ADDITIONAL LIENS. If a property included in a fore-
4 closure list is removed after payment of delinquencies or redemption by
5 another lienholder, the payment represented by receipt for payment constitutes
6 an additional lien on the property, collectible by the lienholder in the
7 same manner as the original lien.

8 Sec. 29.45.430. POSSESSION DURING REDEMPTION PERIOD. Foreclosure
9 does not affect the former owner's right to possession during the redemption
10 period. In the event that waste is committed by the former owner, or by
11 anyone acting under his permission or control, the borough may declare an
12 immediate forfeiture of the right to possession.

13 Sec. 29.45.440. EXPIRATION. ****(a) At least 30 days before the
14 expiration of the redemption period the clerk or his designee shall publish
15 a redemption period expiration notice. The notice shall contain the date of
16 judgment, the date of expiration of the period of redemption and a warning
17 to the effect that all properties ordered sold under the judgment, unless
18 redeemed, shall be deeded to the borough or city immediately on expiration
19 of the period of redemption and that every right or interest of any person
20 in the properties will be forfeited forever to the borough or city. The
21 notice is published once a week for four consecutive weeks in a newspaper of
22 general circulation distributed within the borough. If there is no newspaper
23 of general circulation distributed within the borough, the notice is posted
24 in three public places for at least four consecutive weeks. The clerk shall
25 send a copy of the published notice by certified mail to each record owner
26 of property against which a judgment of foreclosure has been taken and, if
27 the assessed value of the property is more than \$100,000, to all holders of
28 mortgages or other liens of record on the property. The notice shall be
29 mailed within five days of the first publication. The mailing shall be

1 sufficient if mailed to the property owner and to the holder of a mortgage
2 or recorded lien at the last address of record. The right of redemption
3 shall expire 30 days after the date of the first publication notice.

4 (b) Costs incurred in the determination of holders of mortgages
5 and other liens of record and costs of publication of notice incurred by a
6 municipality under (a) of this section are a lien on the property and may be
7 recovered by the municipality.

8 Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) Unredeemed properties
9 in the area of the borough outside cities are deeded to the borough by the
10 clerk of the court. Unredeemed properties within a city are deeded to the
11 city subject to the payment by the city of unpaid borough taxes and costs of
12 foreclosure levied against the property before foreclosure. The deeds shall
13 be recorded in the recording district in which the property is located.

14 **** (b) Conveyance gives the borough or the city clear title except
15 for prior recorded tax liens of the United States and the state.

16 (c) If unredeemed property lies within a city and if the city has
17 no immediate public use for the property but the borough does have an immediate
18 public use, the city shall deed the property to the borough. If unredeemed
19 property lies within the borough outside a city and if the borough does not
20 have an immediate public use for the property but the city does have an
21 immediate public use, the borough shall deed the property to the city.

22 **** (d) No deed is invalid for irregularities, omissions or defects
23 in the proceedings under this chapter unless the former owner has been
24 misled to his injury. After two years from the date of the deed, its validity
25 is conclusively presumed and any claim of the former owner or other person
26 having an interest in the property is forever barred.

27 Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTIES. (a)
28 The assembly of a borough or council of a city shall determine by ordinance
29 whether foreclosed property deeded to the municipality under Sec. 360 of

1 this chapter shall be retained by the municipality for a public purpose.
2 The ordinance shall contain the legal description of the property, the
3 address or a general description of the property sufficient to provide the
4 public with notice of its location, and the name of the last record owner of
5 the property as his name appears on the assessment rolls of the municipality.

6 (b) Tax-foreclosed properties conveyed to a borough or city by
7 tax foreclosure and not required for a public purpose may be sold. Before
8 the sale of tax-foreclosed property held for a public purpose, the assembly
9 or council, by ordinance, shall determine that a public need does not exist.
10 The ordinance shall contain the information required in (a) of this section.

11 **** (c) The clerk or his designee shall send a copy of the published
12 notice of hearing of an ordinance to consider a determination required by
13 (a) or (b) of this section by certified mail to the former record owner of
14 the parcel of property which is the subject of the ordinance. The notice
15 shall be mailed within five days of its first publication and shall be
16 sufficient if mailed to the last record owner of the property as his name
17 appears on the assessment rolls of the municipality.

18 (d) The provisions of (c) of this section do not apply with
19 respect to property which has been held by the municipality for a period of
20 more than 10 years after the close of the redemption period.

21 Sec. 29.45.470. REPURCHASE BY RECORD OWNER. (a) The record owner at
22 the time of tax foreclosure of property acquired by a borough or city, or
23 his assigns, may, at any time before the sale or contract of sale of the
24 tax-foreclosed property by the borough or city, repurchase the property.
25 The borough or city shall sell the property for the full amount applicable
26 to the property under the judgment and decree, with interest at the rate of
27 eight percent a year from the date of entry of the judgment of foreclosure
28 to the date of repurchase, delinquent taxes assessed and levied as though it
29 had continued in private ownership, and costs of foreclosure and sale,

1 including, but not limited to, costs of publication of notice and any costs
2 associated with the determination of holders of mortgages and other liens of
3 record under Sec. 350(a) of this chapter.

4 (b) After adoption of an ordinance providing for the retention of
5 a parcel of tax-foreclosed property by the municipality for a public purpose,
6 the right of the former record owner to repurchase the property ceases.

7 Sec. 29.45.480. PROCEEDS OF TAX SALE. (a) Upon sale of foreclosed
8 real or personal property the borough or city shall divide the proceeds less
9 cost of collection, between the borough and the city having unpaid taxes
10 against the property. The division is in proportion to the respective
11 municipal taxes against the property at the time of foreclosure.

12 (b) The former record owner of tax-foreclosed real property which
13 has been held by a municipality for less than 10 years after the close of
14 the redemption period and never designated for a public purpose which is
15 sold at a tax-foreclosure sale is entitled to the portion of the proceeds of
16 the sale which exceeds the amount sufficient to satisfy unpaid taxes, delin-
17 quent taxes assessed and levied as if the property had continued in private
18 ownership, penalty, interest and costs of property sold, including costs
19 incurred under Sec. 350(a) of this chapter. If the proceeds of the sale of
20 tax-foreclosed property exceed the total of unpaid and delinquent taxes,
21 penalty, interest, and costs, the borough or city shall provide the former
22 owner of the property written notice advising of the amount of the excess
23 and the manner in which a claim for the balance of the proceeds may be
24 submitted. Notice is sufficient under this subsection if mailed to the
25 former owner at his last address of record. Upon presentation of a proper
26 claim, the municipality shall remit the excess to the former record owner. A
27 claim for the excess filed after six months of the date of sale is forever
28 barred.
29

1 Sec. 29.45.490. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a city
2 or borough holds or takes title to tax-foreclosed property for a public
3 purpose, the city or borough shall satisfy unpaid taxes and assessments
4 against the property held by other municipalities, with accrued interest but
5 without penalty. If the amount required to satisfy the unpaid taxes and
6 assessments exceeds the assessed valuation of the property, the city or
7 borough shall pay the other municipalities the assessed valuation, which
8 shall be divided between the other municipalities in proportion to their
9 respective taxes and assessments against the property at the time of fore-
10 closure.

11 ****Sec. 29.45.510. REFUND OF TAXES. (a) If a taxpayer pays taxes under
12 protest, he may bring suit in the superior court against the borough for
13 recovery of the taxes. If judgment for recovery is given against the borough,
14 or, if in the absence of suit, it becomes obvious to the assembly that
15 judgment for recovery of the taxes would be obtained if legal proceedings
16 were brough, the borough shall refund the amount of the taxes to the taxpayer
17 with interest at eight percent from the date of payment plus costs.

18 (b) If, in payment of taxes legally imposed, a remittance by a
19 taxpayer through error or otherwise exceeds the amount due, and the borough,
20 on audit of the account in question, is satisfied that this is the case, the
21 borough shall refund the excess to the taxpayer with interest at 15 percent
22 from the date of payment. A claim for refund filed after one year of the
23 due date of the tax is forever barred.

24 (c) The assembly may correct manifest clerical errors at anytime.

25 ARTICLE 3. CITY PROPERTY TAX.

26 Sec. 29.45.530. POWER OF LEVY. Home rule and first class cities
27 within boroughs may levy a general property tax. A property tax, if levied,
28 shall be levied in the manner provided for borough levies in Sec. 170(a) of
29 this chapter and is subject to Secs. 10-25, 50-55 and 310-350 of this chapter.

1 The council shall by June 15 of each year present to the borough assembly a
2 statement of the city's rate of levy, unless a different date is agreed upon
3 by the borough and city.

4 Sec. 29.45.540. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS CITIES.

5 A second class city may by referendum levy real and personal property taxes
6 as provided for first class cities. However, levy by a second class city
7 may not exceed one-half of one percent of the assessed valuation of the
8 property taxed, except that the limit does not apply to a levy necessary to
9 avoid a default upon payment of principal and interest of bonded or other
10 indebtedness which is secured by a pledge to levy ad valorem or other taxes
11 without limit to meet debt payments.

12 **** Sec. 29.45.545. COMBINING PROPERTY TAX WITH INCORPORATION. A petition
13 for second class city incorporation may request that a property tax proposal
14 be placed in the same ballot. The petition must state the proposed tax
15 rate. The petition may request that incorporation be dependent upon the
16 passage of the property tax proposition. If so, the incorporation proposi-
17 tion fails if the property tax fails.

18 ARTICLE 4. BOROUGH SALES AND USE TAX

19 Sec. 29.45.570. SALES AND USE TAX. ****(a) A borough may levy and
20 collect a sales tax not exceeding six percent on sales, rents, and on services
21 made within the borough. The sales tax may apply to any or all of these
22 sources. Exemptions may be granted by ordinance.

23 (b) A borough levying a sales tax may also by ordinance levy a
24 use tax on the storage, use or consumption of tangible personal property
25 within the borough. The use tax rate must equal the sales tax rate and the
26 use tax shall be levied only upon buyers.

27 (c) A person who furnishes proof, in the form required by the
28 borough tax collector, that he has paid a sales tax on the source on which a
29 use tax is levied by the borough is required to pay the use tax only to the

1 extent of the difference between the amount of the sales tax paid and the
2 amount of the use tax levied by the borough. This subsection applies to a
3 sales tax levied in any taxing jurisdiction whether in or outside the state.

4 **** (d) If the assembly of a home rule or general law borough charges
5 interest on sales taxes not paid when due, the rate of interest may not
6 exceed 15 percent a year upon the delinquent taxes and shall be charged from
7 the due date until paid in full.

8 **** (e) A borough may provide for the creation, recording, and notice
9 of a lien on real or personal property to secure the payment of a sales or
10 use tax, and for interest, penalties and administration costs in the event
11 of delinquencies. A lien established under this section has the force,
12 priority and duration of a judgment lien.

13 Sec. 29.45.590. REFERENDUM, ADOPTION AND MODIFICATION. ****(a) A new
14 sales tax or an increase in the rate of levy of a sales tax approved by the
15 assembly by ordinance shall not take effect until ratified by a majority of
16 the voters voting on the question at a regular or special election.

17 (b) If the proposition receives a majority of the votes cast, the
18 assembly may enact the sales tax or increase the rate of the sales tax as a
19 levy upon buyers, sellers, or both. The sales tax is collected at the time
20 of sale or at the time of payment in credit transactions and transmitted to
21 the borough.

22 ARTICLE 5. CITY SALES AND USE TAXES

23 Sec. 29.45.610. POWER OF LEVY. ^(a) Cities within a borough which levies
24 and collects ^{areawide} sales or use taxes ~~[for areawide borough functions]~~ ^{delete} may levy
25 sales or use taxes upon all sources taxed by the borough in the manner
26 provided for boroughs. *New sentence (1)*

27 ~~Sec. 29.45.620. POWER OF LEVY AND COLLECTION.~~ ^(b) Cities within a borough
28 which does not levy and collect ^{areawide} sales or use taxes ~~for areawide borough~~
29 ~~functions~~ may levy and collect sales or use taxes in the manner provided for
boroughs.

1 Sec. 29.45.630. COMBINING SALES TAX WITH INCORPORATION. A petition
2 for second class city incorporation may request that a sales tax proposal be
3 placed on the same ballot. The petition must state the proposed tax rate.
4 The petition may request that incorporation be dependent upon the passage of
5 the sales tax proposition. If so, the incorporation proposition fails if
6 the sales tax fails.

COMMENTS FOR CONSIDERATION ON THE PROPOSED CHAPTER 45
ON MUNICIPAL TAXATION

29.45.010. The authority to levy a property tax should be extended to unified municipalities.

29.45.020. The use of the disjunctive in the phrase "real or personal property" implies that a municipality may levy either real or personal property taxes. This conflicts with the requirement set forth in the preceding section that if a property tax is levied it must be levied on real and personal property.

* 29.45.020(c). I suggest that an additional clause be added to the last sentence of this subsection which would provide that if DCRA has not notified a municipality of the amount it will receive under the equalization and state aid programs at least 30 days prior to the date the municipality gives final approval to its budget, the municipality need not include the mill or tax equivalent attributable to the program and DCRA will not withhold allocations for such failure to provide notice.

29.45.030(a)(3). Shouldn't we add the requirement that property under this section be owned by and used exclusively for the nonprofit religious, charitable, etc?

29.45.030(b)(3). If a lot which is adjacent to the residence of of a pastor is a 10 acre lot and a quarter acre of that lot is used to support the residence, is the entire lot exempt? If not, perhaps the substitution of the word "property" or a similar word for the word "lot" would provide some justification for prorating in such cases. The other alternate would be to make it clear that the entire lot must be used to support the structure in order order to obtain an exemption.

29.45.030(b)(4). Same comment here as above. The exemption probably should not go to any more property then is actually required to meet off-street parking requirements. Either the entire lot should be required and devoted to off-street parking or the language should be changed to indicate that a proration may occur.

- 29.45.030(c). The reference to section (b) is probably superfluous as the property which is set forth in (b) is merely a definition of property which falls under (a).
- 29.45.030(j). Although this was just enacted by the Legislature, I would like to see it dropped as personally, I don't think that such tax incentives are significant in causing persons to install fire protection systems. If fire protection systems are needed they should be required by code.
- 29.45.040. I think we ought to find a different place for this section as it has nothing to do with the levying or collection of taxes.
- 29.45.050(b)(1). The \$5 and \$15 tonnage-based tax on vessels should be raised to something that makes it worthwhile to administer the tax; that, or the dollar limitation should be deleted to permit municipalities to establish the tax rate per ton.
- 29.45.060. If patented and unpatented mining claims are to be made exempt then this subject should be dealt with under the exemption section and not a separate section. Also, I do not believe that nonproducing patented mining claims should be exempt from property any more than any other nonproductive, privately owned property is exempt. Also, if mining claims valued at \$200 are to much trouble, perhaps raising the value from \$200 to \$1000 could be considered.
- 29.45.090(b) and 100(b). Section 90(b) apparently sets a limit from property tax of \$1500 per person. Section 100(b) sets a per capita limit in terms of "tax revenues from all sources." The "all sources" phrase is used twice in Section 100(b). The sections should be clarified to indicate whether the limitation is one which looks to all tax revenues or only to property tax revenues.
- 29.45.110. The references to Sections 45 and 50 in line 19 should be changed to 90 and 100.
- 29.45.120. The reference to Section 60 should be deleted if mining claims are exempted and moved to the exemption section. Also, would it be worthwhile to attempt to address the method of evaluation of property which is in the jurisdiction for only part of a year and property which is involved in inter-borough and inter-state commerce. CSSB 582 (though not adopted) addressed this matter as to transient aircraft.

- 29.45.120(b). I suggest this section be rewritten to delete the last sentence and to indicate that a municipality may provide by ordinance for the assessment (valuation) of business inventories based on the average monthly method etc.
- 29.45.120(). The method evaluation of a possessory interest in tax exempt property is not addressed in the statutes. While we have a Superior Court case or two which indicate that it is the feeless reversion method, it might not hurt to have this established by statute. Some states go so far as to say that the value of a possessory interest in tax exempt land is the value of the fee. This latter approach is probably much simpler to apply, it might have an equal protection weakness.
- 29.45.140(b). I suggest dropping the phrase "if refused entry" and adding at the end of the sentence "or production of records."
- 29.45.150. I suggest we raise the fine to something more in keeping with inflation.
- 29.45.180(a). I question the wisdom of requiring notice on the assessment notice of a summary of when unlevied taxes are payable delinquent and subject to penalty and interest (all of which is unrelated to the assessment proceedings) but not requiring the inclusion of a date when the Board of Equalization will sit (something very directly related to the assessment proceeding). I think we are asking for more administrative problems by not requiring that the date be set prior to the sending of assessment notices than we would be eliminating to accommodate those assessors and councils or assemblies which can't seem to get their act together well enough to establish a hearing date sometime 45 or so days down the road.
- 29.45.180(b). I suggest that if in the preceding Section 170 we are going to allow any person having an interest in the property to be listed on the records that it be made clear that notice is sufficient if sent to the record owner, the first person listed as grantee on a multiple grantee deed or if sent to a person designated by such first grantee or record owner.

- 29.45.210. Should we change the first sentence to read "The assembly, or council of a city outside a borough, sits. . . ." or have we dealt elsewhere with the applicability of these procedures to such cities? In the third line we could delete the word "borough" and I believe we should add the word "it" before the word "may". If we are going to include reference to city councils, there are two additional references to assembly in this section which should be modified appropriately.
- 29.45.220 (and 210). Section 210 speaks to appeals from "determinations" of the assessor. Section 220, however, appears to deal with assessment (value) determinations of the assessor. I suggest we clarify whether or not the Board of Equalization will hear appeals on the assessor's determination of the taxability of property.
- 29.45.220(e). I suggest that if assessors are concerned over the June 1 certification date applying to supplemental roles that Section (e) be rewritten to delete the reference to June 1 and merely require that the assessor enter the changes and certify the final assessment role immediately upon receipt of certification of the board changes.
- 29.45.230. I suggest that the assessing officer's suggestion not be included. I would hope that merely because the state assessor requires certain assessment information for reports, revenue sharing, etc. a municipality not be foreclosed from establishing a supplementary assessment role for property which comes to its attention during the latter part of the year. The assessing officer's suggestion would effectively preclude supplemental assessment roles for property which is discovered much later than the first of July.
- 29.45.250. I suggest that the reference to the date of equalization be deleted so that this may be set by motion. This will also provide a little more flexibility in the event a municipality appoints a board as the board should be the one which sets its date of hearing. As to the rate of levy and the date when taxes become delinquent, I suggest that we change the language to indicate that these may be fixed by ordinance or resolution.

- 29.45.260(a). The penalty and interest should be raised substantially. I just noticed that in the territorial days, as far back as the 1940's when interest rates and inflation were unbelievably low, the penalty limit for property tax delinquencies was 15% and the interest limit was 12% per year. I'd suggest we shoot for 20% penalty and a 15% interest limit. The penalty and interest appear in several places in Section 260.
- 29.45.300(a). I suggest that the phrase "assessed against" in line 22 should be "levied on" as property is assessed (valued) while taxes are levied.
- 29.45.300(b). I suggest that we permit the collection of taxes levied on trailers, mobile homes, etc. which are classed as real property to be collected in either or both an action against the property or a personal action against the owner. By the time the municipality gets around to collecting its delinquencies, the trailer may well have been sold and even removed from the taxing jurisdiction.
- 29.45.310. Would it be appropriate to stick a tactful reminder in the second sentence of this section that the procedure for distraint and sale include a hearing to which the owner is invited?
- 29.45.330(b). The reference to Section 40 should be changed to 80. Also, I believe the reference to "leasehold interest in tax exempt property" should be changed to "private interest in tax exempt property" as a leasehold is not the only type of taxable interest in tax exempt property.
- 29.45.350. I would suggest that this section be changed so that it is clear that failure to notify the lienholder does not defeat any of the rights of the municipality to foreclose on and sell the property. I would also suggest the deletion of the requirement that the notice be sent by certified mail.
- 29.45.400(a). The reference to Section 350(a) should be 440(a).

29.45.400(b). I think this section should be deleted as it appears to attempt to create a situation whereby a lienholder can carve out an interest in foreclosed property by merely paying his prorata share of the amounts due. If we are going to allow a lienholder to establish an interest in foreclosed property which is not extinguished by sale of the property, why aren't we allowing those persons who have a partial interest in the fee to do the same thing? There is no need for this section. A lienholder who redeems the property by paying the amounts due is given a lien for that amount under Section 420. Section 420 could be changed to make such lien paramount to others.

29.45.410 and 400(a). Section 400(a) provides that redeemed property is still subject to all taxes, assessments, liens, etc. as though it had continued in private ownership but that only the amount set forth in the judgment and decree must be paid in order to redeem the property. Section 410 then provides that upon payment of the redemption money all claims of the municipality are released. This is in conflict with the provision that taxes, assessments, liens, etc. accrue as though the property had continued in private ownership. The release language should be limited to claims which are the subject of the judgment and decree.

29.45.460(a). The reference to Section 360 in line 20 should be to 450.

29.45.460 and 470. I think these two sections ought to be dropped. The owner of the property has had ample opportunity to redeem his property and notice at every turn. There is no reason to allow his existence to create a cloud on property which the municipality may wish to use or later dispose of. If we are going to retain these sections, the interest rate in Section 470 ought to be raised to the same as is established for delinquent taxes and the municipality ought also to be able to collect interest on the taxes which would have been levied and paid had the property remained in private ownership. This interest increment does not appear to be authorized under Section 470.

29.45.480(b). I believe the reference in line 11 to Section 350(a) should be to 440(a).

- 29.45.510. Would it be worthwhile to add a subsection here or a new section relating to the right of a person who has paid taxes on the wrong property.
- 29.45.570. I believe the word "or" between the word "sales" and "rents" should be a comma.
- 29.45.570(d). I suggest the 8% limit on delinquent tax payment is a bit low.
- 29.45.590(a). I suggest the last two sentences of this section be dropped. I also suggest that subsection (b) be dropped. Perhaps the entire section can be written in a single sentence reading "A new sales tax or an increase in the rate of levy of a sales tax, approved by the assembly by ordinance shall not take effect until ratified by a majority of the voters voting on the question of approval at a regular or a special election called for that purpose."

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.010. GENERAL PROPERTY TAX. A general law or home rule borough other than a unified municipality, may levy (1) an areawide property tax for areawide functions, and (2) a property tax limited to the area outside cities for functions limited to the area outside cities. A unified municipality may levy areawide and nonareawide property taxes. A tax if levied on real property, personal property, or both must be assessed, levied and collected as provided in this chapter.

EXPLANATION: This section has been clarified as the fact that a unified municipality may levy both areawide and nonareawide taxes. Limiting the use of areawide taxes to areawide functions and nonareawide taxes to nonareawide functions makes little sense. It is made clear that taxes may be levied on personal and real property or either.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.020. TAXPAYER NOTICE. (a) If a municipality levies and collects real ^{or} and personal property taxes, or ^{both} either, the governing body shall provide the following notice:...

EXPLANATION: The language "real and personal property taxes, or either", was added to conform to 29.45.010.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.030. REQUIRED EXEMPTIONS. (a) The following property is exempt from general taxation:

(1) municipal, state or federally owned property, except that a private leasehold, contract, or other interest in the property shall be taxable to the extent of the interest;

(2) household furniture of the head of a family or household; (3) *No change* (5) *No change* (6) *No change*

(4) property of a nonbusiness organization or its auxiliary composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable;

Repeal (b) (3) lots or portions of lots supporting and adjacent to a structure or residence mentioned in (1) or (2) of this subsection which are necessary to convenient use; *← out repeal*

(c) Property described in (a) or (b) of this section from which income is derived is exempt only if that income is solely from use of the property by nonprofit religious, charitable, hospital or educational groups. If used by nonprofit educational groups, the property is exempt only if used exclusively for classroom space.

(f) No exemption may be granted under (e) of this section except upon written application for the exemption on a form prescribed by the state assessor for use by local assessors. The claimant must file the application no later than January 15 or a date provided by ordinance which is not later than March 31, of the assessment year for which the exemption is sought, ...
...If a claimant whose failure to file by January 15, or a date provided by ordinance which is not later than March 31...

EXPLANATION: Based on Alaska Association of Assessing Officers (AAAO) recommendations:

1. (a)(2): deletes \$500 limit on exemption of household furniture.

2. (b)(3): narrows the language so that only portions of lots necessary to convenient use are exempt.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

3. (c): clarifies that "exclusively for classroom space" limitations on rental income under (c) only applies to rental use by an "educational group" and does not preclude the exemption when the income is derived from use by nonprofit religious, charitable, or hospital groups.

4. (f): clarifies that filing of a claim for exemption is a requirement for only the senior citizen exemption under (e), and not for the other exemptions addressed in the section. Adds flexibility so that a local government may establish a date later than January 15 for filing for a senior citizen exemption.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.050. OPTIONAL EXEMPTIONS AND EXCLUSIONS. (a) No change.

(b) A municipality may by ordinance

(1) classify boats and vessels for the purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage.

(2) classify and exempt from taxation

(A) ... [THE HOUSEHOLD FURNITURE OVER \$500 IN VALUE AND THE EFFECTS OF THE HEAD OF A FAMILY OR A HOUSEHOLDER]... (the rest of the subparagraph is left intact.)

EXPLANATION: Eliminates in (b)(1) the \$5 and \$15 limitations, since with these limits, collecting a tax on boats does not pay administrative costs. Modifies and expands existing (a)(2)(A) relating to optional exemption of household furniture and effects, based on recommendations of AAAO, since assessors currently do not include household furnishings and personal effects of family members.

Sec. 29.45.100. TAX LIMITATIONS. (a) No change.

(b) No municipality, or combination of municipalities occupying the same geographical area, in whole or in part, may levy taxes (1) which will result in tax revenues from all sources exceeding \$1,500 a year for each person residing within their boundaries or (2) upon values which, when combined with the value of property otherwise taxable by the municipality, exceed the product of 225 percent of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality. If two or more municipalities occupying the same geographical area, in whole or in part, attempt to levy a tax (1) the combined levy of which would result in tax revenues from all sources exceeding \$1,500 a year for each person residing within their boundaries or (2) upon value which, when combined with the value of the property otherwise taxable by the municipality, exceed the product of 225 percent of the average per capita assessed full and true value of property in the state multiplied by the residents of the taxing municipality, the commissioner of community and regional affairs shall apportion the lawful levy and equitably divide these revenues on the basis of need, services performed and other considerations in the public interest. For the purpose of this subsection, population shall be determined by the commissioner of community and regional affairs based on the latest statistics of the United States bureau of the census or on other reliable population data. For purposes of this subsection the average per capita assessed full and true value of the property in the state shall be calculated without regard to the assessed value of taxable property under AS 43.58.

EXPLANATION: Change requested by AAAO raising \$1000 to \$1500. No recommendation by the Technical Group.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.140. INDEPENDENT INVESTIGATION. (a) No change.

(b) For investigation, the assessor or his agent may enter any premise during reasonable hours and may examine property on the premises. He may examine all property records involved. A person shall, upon request, furnish to the assessor or his agent every facility and assistance for the purposes of the investigation. The assessor may seek a court order to compel entry and production of records.

(c) No change

EXPLANATION: It was felt that the assessor ought to be able to seek production of records, as well as to compel entry, whether refused entry or not.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.150. PENALTY. A person who knowingly fails to file a statement required by ordinance or who knowingly makes a false affidavit to a statement required by a tax ordinance relative to the amount, location, kind or value of property subject to taxation with intent to evade the taxation is guilty of a class B misdemeanor.

EXPLANATION: This section was changed to classify the misdemeanor to conform with the criminal code. A class B misdemeanor carries a possible fine of \$1,000 and term of imprisonment of 90 days, somewhat more severe than existing law.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.210. BOARD OF EQUALIZATION. (a) The assembly sits as a board of equalization for the purpose of hearing an appeal from a determination of the assessor, or it may delegate this authority to one or more boards appointed by it. An appointed board may be composed of not less than three persons, who may be ^{of assembly} members of the assembly, ^{or a combination of} ~~or other~~ municipal residents. The assembly shall by ordinance establish the qualifications for membership.

(b) The board is governed in its proceedings by rules adopted by ordinance which are consistent with general rules of administrative procedure. The board may alter an assessment of a lot or parcel only pursuant to an appeal filed as to the particular lot or parcel.

(c) Notwithstanding other provisions in this section, a determination of the assessor as to whether property is taxable under law ^{shall} ~~may~~ be appealed directly to the superior court.

EXPLANATION: Removes the requirement that the board consist of a number over that required for a quorum of the assembly in favor of requiring not less than three members. Requires that an assessment be altered only as a result of an appeal filed as to the lot in question. Allows a determination of the taxability of property (for example, land held by Indians or in trust for Indians may not be taxable at all under federal law) to be appealed to the superior court.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.220. HEARING. (a) No change.

(b) No change.

(c) The only grounds for adjustment ^{are} ~~is~~ proof of unequal, excessive, improper, or under valuation based on facts which are stated in a valid written appeal or proven at the appeal hearing. If a valuation is found to be too low, the board of equalization may raise the assessment.

(d) No change.

(e) Except as to supplementary assessments, the assessor shall enter the changes and certify the final assessment roll by June 1.

(f) The appellant or the assessor may appeal the board's determination to the superior court as provided by rules of court applicable to appeals from the decisions of administrative agencies. Appeals are heard on the record established at the hearing before the board of equalization.

EXPLANATION: Change in (c) makes it clear that an assessment can be raised as the result of an appeal. Change in (e) to allow for supplementary assessments after June 1. Change in (f) so that appeals to the superior court will be heard on the record rather than de novo, as is now the case.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.240.

(e) In this section "disaster" means a major disaster declared by the President of the United States under the provisions of the Federal Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g or other federal law, or a disaster declared by the governor under AS 26.23.010-110.

EXPLANATION: Makes provision for special treatment of property affected by a disaster applicable if the governor, as well as the president, declares a disaster.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.250. TAX LEVY AND RATE. (a) The power granted to the assembly to assess, levy and collect a general property tax shall be exercised by means of a general ordinance. The rate of levy, the date of equalization and the date when taxes become delinquent shall be fixed by ordinance or resolution.

(b) No change.

EXPLANATION: Allows rate of levy, date of equalization, date of delinquency to be fixed by ordinance as well as resolution.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.260. RATES OF PENALTY AND INTEREST. (a) If the taxpayer is required to pay the entire tax on the due date set by the assembly, a penalty not to exceed 20 percent may be added to all delinquent taxes, and interest at the rate of 15 percent a year shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full. If the taxpayer is given the right to pay the tax in two installments penalty and interest on an unpaid installment accrues from the date the installment becomes due.

- (b) No change.
- (c) Repeal.

EXPLANATION: The penalty and interest rates are raised, so that people will not deliberately avoid paying taxes due to the high cost of borrowing from other sources. Penalty and interest on an unpaid installment accrues only from the date the installment is due. (c) is repealed as redundant. Since (a) provides for interest and penalty on all types of taxes, there is no need for special treatment of property taxes.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.300. TAX LIABILITY. (a) No change.

(b) Property taxes, together with penalty and interest, are a lien upon the property assessed, and the lien is prior and paramount to all other liens or encumbrances against the property.

EXPLANATION: The change makes it clear that a lien exists on personal as well as real property.

Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY DISTRAINT AND SALE. The lien of personal property taxes may be enforced by distraint and sale of the property. The assembly shall provide the procedure for distraint and sale by ordinance. No seizure, levy or distraint is legal unless demand is first made of the person assessed for the amount of the tax, penalty and interest, and no sale is valid unless made at public auction after 15 days notice given by posting or publication. The seizure is made by virtue of a warrant issued by the borough clerk to a peace officer. If the property sold is not sufficient to satisfy the tax, penalty, interest, and costs of sale, the warrant may authorize the seizure of other personal property sufficient to satisfy the tax, penalty, interest and costs of sale. If the property is sold for more money than is needed to satisfy the tax, upon presentation of a proper claim, the municipality shall remit the excess to the former record owner. A claim for the excess filed after six months of the date of sale is forever barred.

EXPLANATION: Allows the return of excess money received over the amount needed for the tax when property is sold to satisfy a tax lien.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.320. REAL PROPERTY TAX COLLECTION. (a) No change.

(b) If the tax on property described in AS 29.45.080 or on a taxable interest in tax exempt property is not paid when due, a borough may enforce the tax by a personal action against the delinquent taxpayer brought in the district or superior court, in addition to other remedies available to the borough to enforce the lien.

EXPLANATION: The word "taxable" is substituted for "leasehold" so that any interest in tax exempt property which can be taxed can be enforced.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.400. REDEMPTION PERIOD. (a) No change.
(b) Repeal.

EXPLANATION: (b) is eliminated so that a person holding a lien on only part of a lot or parcel may no longer redeem just that part. This avoids the problem of splitting lots or parcels into what might be illegal subdivisions.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.410. EFFECT. Receipt of redemption money by the borough releases the judgment obtained under AS 29.45.380. The clerk or his designee shall record the redemption and issue a certificate containing a property description, the redemption amount, and the dates of judgment and decree of foreclosure. The clerk or his designee shall collect the recording fee at the time of redemption and shall file the certificate with the record as part of the judgment roll.

EXPLANATION: Changed so that all claims of the borough are not released, i.e., improvement assessments. Redemption releases only the judgement obtained for delinquent taxes.

Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the expiration of the redemption period the clerk or his designee shall publish a redemption period expiration notice. The notice shall contain the date of judgment, the date of expiration or the period of redemption and a warning to the effect that all properties ordered sold under the judgment, unless redeemed, shall be deeded to the borough or city immediately in expiration of the period of redemption and that every right or interest of any person in the properties will be forfeited forever to the borough or city. The notice is published once a week for four consecutive weeks in a newspaper of general circulation distributed within the borough. If there is no newspaper of general circulation distributed within the borough, the notice is posted in three public places for at least four consecutive weeks. The clerk shall send a copy of the published notice by certified mail to each record owner of property against which a judgement of foreclosure has been taken and, if the assessed value of the property is more than \$100,000, to all holders of mortgages or other liens of record on the property. The notice shall be mailed within five days of the first publication. The mailing shall be sufficient if mailed to the property owner and to the holder of a mortgage or recorded lien at the last address of record. The right of redemption shall expire 30 days after the date of the first publication notice.

(b) No change.

EXPLANATION: Based on recommendation of AAAO; raises assessed value of property which triggers duty of clerk to advise holders of security of judgement of foreclosure. Burden placed on lienholder to protect his interest.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) No change.

(b) Conveyance gives the borough or the city clear title except for prior recorded tax liens of the United States and the state.

(c) No change.

(d) No deed is invalid for irregularities, omissions or defects in the proceedings under this chapter unless the former owner has been misled to his injury. After two years from the date of the deed, its validity is conclusively presumed and any claim of the former owner or other person having an interest in the property is forever barred.

EXPLANATION: (b) changes to clear title except for tax liens. (d) changed to include the interests in property of persons other than the owner within the limitation period. This clears the title.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTIES.

(a) No change.

(b) No change.

(c) The clerk or his designee shall send a copy of the published notice of hearing of an ordinance to consider a determination required by (a) or (b) of this section by certified mail to the former record owner of the parcel of property which is the subject of the ordinance. The notice shall be mailed within five days of its first publication and shall be sufficient if mailed to the last record owner of the property as his name appears on the assessment rolls of the municipality.

(d) No change.

EXPLANATION: Language of (a) inserted into last line of (c) for consistency. No substantive change.

29,45,510

Section 29.53.390. Refund of Taxes and Correction of

No change
Clerical Errors. (a) If a taxpayer pays taxes under protest, he may bring suit in the superior court against the borough for recovery of the taxes. If judgment for recovery is given against the borough, or, if in the absence of suit, it becomes obvious to the assembly that judgment for recovery of the taxes would be obtained if legal proceedings were brought, the borough shall refund the amount of the taxes to the taxpayer with interest at eight percent from the date of payment plus costs.

to change
(b) If, in payment of taxes legally imposed, a remittance by a taxpayer through error or otherwise exceeds the amount due, and the borough, on audit of the account in question, is satisfied that this is the case, the borough shall refund the excess to the taxpayer with interest at ¹⁵eight percent from the date of payment. A claim for refund filed after one year of the due date of the tax is forever barred.

use → (c) The assembly may correct manifest clerical errors at anytime.

Comments: Changes in (a) includes language of section prior to 1972 rewrite and allows assembly to settle or refund without forcing taxpayer to file suit and obtain court judgment.

Sec. 29.45.545. COMBINING PROPERTY TAX WITH INCORPORATION.
A petition for second class city incorporation may request that a property tax proposal be placed on the same ballot. The petition must state the proposed tax rate. The petition may request that incorporation be dependent upon the passage of the property tax proposition. If so, the incorporation proposition fails if the property tax fails.

EXPLANATION: This is a new section similar to the provision in 29.45.630 allowing an incorporation petition to be tied to imposition of a sales tax.

used
29.45.510. ~~REFUND OF TAXES~~ and Correction of Clerical errors
(c) The assembly may correct manifest clerical errors at any time.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

Sec. 29.45.570. SALES AND USE TAX. (a) A borough may levy and collect a sales tax not exceeding six percent on sales, rents, and on services made within the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

(b) No change.

(c) No change.

(d) If the assembly of a home rule or general law borough charges interest on sales taxes not paid when due, the rate of interest may not exceed 15 percent a year upon the delinquent taxes and shall be charged from the due date until paid in full.

new (e) A borough may provide for the creation, recording, and notice of a lien on real or personal property to secure the payment of a sales or use tax, and for interest, penalties and administration costs in the event of delinquencies. A lien established under this section has the force, priority and duration of a judgment lien.

EXPLANATION: (a) changed to make it clear that tax can be levied on sales and rents, not just one or the other. (d) interest rate raised from eight to 15 percent. (e) added to allow liens for the collection of sales and use taxes.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE
06 December 1980

new { Sec. 29.45.590. REFERENDUM, ADOPTION AND MODIFICATION. ^(a) A
new sales tax or an increase in the rate of levy of a sales tax
approved by the assembly by ordinance shall not take effect until
ratified by a majority of the voters voting on the question at a
regular or special election.

(b) unchanged

EXPLANATION: Simplifies the section and eliminates the
provision that propositions may be brought only once a year.

Do Not TYPE - Not approved.

Sec. 29.45.610. POWER OF LEVY. (a) A city within a borough which levies and collects a sales or use tax for areawide functions may levy a sales or use tax upon all sources taxed by the borough in the manner provided for a borough and may provide for a lien to secure payment of the tax as provided for a borough.

(b) A city within a borough which does not levy and collect a sales or use tax for areawide functions may levy and collect a sales or use tax in the manner provided for a borough and may provide for a lien to secure payment of the tax as provided for a borough.

Sec. 29.45.620. POWER OF LEVY AND COLLECTION. Repeal

EXPLANATION: Material contained in AS 29.45.620 has been combined into AS 29.45.610. The section has been altered to insure that a city may create a lien to secure payment of a sales and use tax as is recommended in AS 29.45.570 for boroughs.

29.45.610
Back to Technical
Committee

why not or
city not without
regard to the
borough.

CHAPTER 45. MUNICIPAL TAXATION

(Chapter 53. MUNICIPAL ASSESSMENT AND TAXATION

Article 1. MUNICIPAL PROPERTY TAX

Sec. 29.45.010. (Sec. 29.53.010.) GENERAL PROPERTY TAX. (a) Home rule and general law boroughs may levy (1) an areawide property tax for areawide functions, and (2) a property tax limited to the area outside cities for functions limited to the area outside cities. A property tax if levied must be assessed, levied and collected on real and personal property as provided in this chapter.

(b) Uni. Mun. may levy areawide & non areawide prop. tax.
 Sec. 29.45.020. (Sec. 29.73.070) TAXPAYER NOTICE. (a) If a municipality levies and collects real or personal property taxes, the governing body shall provide the following notice:

"NOTICE TO TAXPAYER"

For the current fiscal year the (city)(borough) has been allocated the following amount of state aid for school and municipal purposes under the applicable financial assistance Acts:

PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE

(AS 14.17) \$

STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT (AS 43.18.100)

(AS 43.18.100) \$

MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE

(AS 29.88) \$

STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES (AS 29.89)

(AS 29.89) \$

TOTAL AID \$

The millage equivalent of this state aid, based on the dollar value of a mill in the municipality during the current assessment year and for the preceding assessment year, is:

MILLAGE EQUIVALENT

	PREVIOUS YEAR	THIS YEAR
PUBLIC SCHOOL FOUNDATION PROGRAM		
ASSISTANCE	MILLS	MILLS
STATE AID FOR RETIREMENT OF		
SCHOOL CONSTRUCTION DEBT	MILLS	MILLS
MUNICIPAL TAX RESOURCE EQUALI-		
ZATION ASSISTANCE	MILLS	MILLS
STATE AID FOR MISCELLANEOUS		
MUNICIPAL SERVICES	MILLS	MILLS
TOTAL MILLAGE EQUIVALENT	MILLS	MILLS

Notice shall be provided

(1) by furnishing a copy of the notice with tax statements mailed for the fiscal year for which aid is received; or

(2) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget.

(b) If the municipality levies and collects only a sales tax, the governing body shall provide a notice substantially in the form set out in (a) of this section. In providing notice under this subsection, the council or assembly shall substitute for the millage equivalency its estimate of the equivalent sales tax rate for each of the categories of financial assistance set out in (a) of this section. Notice shall be provided

(1) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget; or

1 (2) if there is no newspaper of general circulation in the
2 municipality, by posting a copy of the notice for at least 20 days in at
3 least two public places within the municipality, with posting to occur not
4 later than 45 days after the final adoption of the municipality's budget.

5 (c) Compliance with the provisions of this section is a prerequi-
6 site to receipt of municipal tax resource equalization assistance under AS
7 29.62 (AS 29.88) and state aid for miscellaneous municipal services under AS
8 29.62 (AS 29.89). The Department of Community and Regional Affairs shall
9 withhold annual allocations under those chapters until municipal officials
10 demonstrate that the requirements of this section have been met.

11 Sec. 29.45.030. (Sec. 29.53.020.) REQUIRED EXEMPTIONS. (a) The
12 following property is exempt from general taxation:

13 (1) municipal, state or federally owned property, except
14 that private leaseholds, contracts or other interest in the property shall
15 be taxable to the extent of those interests;

16 (2) household furniture of the head of a family or a
17 householder not exceeding \$500 in value;

18 (3) property used exclusively for nonprofit religious,
19 charitable, cemetery, hospital or educational purposes;

20 (4) property of a nonbusiness organization composed
21 entirely of persons with 90 days or more of active service in the armed
22 forces of the United States whose conditions of service and separation were
23 other than dishonorable, or the property of the auxiliary of such
24 organization;

25 (5) money on deposit;

26 (6) the real property of certain residents of the state to
27 the extent and subject to the conditions provided in (e) of this section.

28 (b) "Property used exclusively for religious purposes" includes
29 the following property owned by a religious organization:

1 (1) the residence of a bishop, pastor, priest, rabbi,
2 minister or religious order of a recognized religious organization;

3 (2) a structure, its furniture and its fixtures used
4 solely for public worship, charitable purposes, religious administrative
5 offices, religious education or a nonprofit hospital;

6 (3) lots supporting and adjacent to a structure or
7 residence mentioned in (1) or (2) of this subsection which are necessary to
8 convenient use;

9 (4) lots required by local ordinance for parking near a
10 structure defined in (2) of this subsection.

11 (c) Property described in (a) or (b) of this section from which
12 income is derived is exempt only if that income is solely from use of the
13 property by nonprofit religious, charitable, hospital, or educational groups
14 for classroom space.

15 (d) Laws exempting certain property from execution under the
16 Code of Civil Procedure (AS 09) do not exempt the property from taxes levied
17 and collected by municipalities.

18 (e) The real property owned and occupied as a permanent place
19 of abode by a resident 65 years of age or over is exempt from taxation of
20 the assessed value of the real property. Only one exemption may be granted
21 with respect to the same property and, if two or more persons are eligible
22 for an exemption with respect to the same property, the parties shall decide
23 between or among themselves which shall receive the benefit of the
24 exemption. No real property may be exempted under this subsection which the
25 assessor determines, after notice and hearing to the parties concerned, has
26 been conveyed to the applicant primarily for the purpose of obtaining the
27 exemption. The determination of the assessor is appealable under AS
28 44.62.560 and 44.62.570.

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

19 (g) The state shall reimburse a borough or city, as
20 appropriate, for the real property tax revenues lost to it by the operation
21 of (e) of this section. However, reimbursement will be made to a borough or
22 city for revenue lost to it only to the extent that the loss exceeds an
23 exemption which was granted by the borough or city, or which upon proper
24 application by an individual would have been granted by the borough or city,
25 under AS 29.53.025(a).

26 (h) Except as provided in (g) of this section, nothing in (e)
27 (i) of this section affects similar exemptions from property taxes granted
28 by municipalities on September 10, 1972 or prevents municipalities from
29 granting similar exemptions by ordinance as provided in AS 29.53.025.

1 (i) In (e) - (i) of this section the term "real property"
2 includes but is not limited to mobile homes, whether classified as real or
3 personal property for municipal tax purposes.

4 Sec. 29.45.040. (Sec. 29.73.060.) PROPERTY TAX EQUIVALENCY PAYMENTS.

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

8 (b) For purposes of determining payments to eligible persons, the
9 department shall calculate a property tax equivalent percentage for each
10 home rule or general law municipality which levies a general property tax at
11 the rate of one percent per mil. The property tax equivalent percentage
12 applied to the annual rent charged to the applicant equals the property tax
13 equivalency payment payable under this section.

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

20 (d) If two or more persons occupy a residence as tenants, not all
21 of whom are eligible for tax equivalency payments under this section, the
22 assessor shall determine equitable partial payments to be made to the
23 eligible tenants. However, tax equivalency payments to an eligible
24 applicant may not be reduced because the spouse is less than 65 years of
25 age. If all occupants in a residence are eligible for tax equivalency
26 payments under this section, the occupants shall decide between and among
27 themselves which shall receive payment.

28 Sec. 29.45.050. (Sec. 29.53.025.) OPTIONAL EXEMPTIONS AND EXCLUSIONS.

29 (a) Municipalities may exclude or exempt or partially exempt residential

property from taxation by ordinance ratified by the voters at a regular or special election. An exclusion or exemption authorized by this section may not exceed \$10,000 for any one residence.

(b) Municipalities may by ordinance

(1) classify boats and vessels for purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage; a tax based upon a tonnage valuation shall not exceed \$5 a year for a boat or vessel of less than five net tons and shall not exceed \$15 a year for a boat or vessel of more than five net tons;

(2) classify and exempt from taxation

(A) the household furniture over \$500 in value and the effects of the head of a family or a householder; and

(B) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes, provided that income derived from rental of such property does not exceed the actual cost to the owner of the use by the renter; and

(C) historic sites, buildings and monuments;

(D) land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c).

(c) The provisions of (a) of this section notwithstanding,

(1) a home rule or first or second class borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of a city within it, including but not limited to,

1 excluding personal property from taxation, establishing exemptions, and
2 extending the redemption period;

3 (2) a home rule or first class city shall have the same
4 power to grant exemptions or exclude property from borough taxes that it has
5 as to city taxes, provided that the exemptions or exclusions have been
6 adopted as to city taxes and further provided that the city appropriate to
7 the borough sufficient money to equal revenues lost by the borough because
8 of the exemptions or exclusions, the amount to be determined annually by the
9 assembly without weighted voting.

10 (3) a home rule or general law city within an organized
11 borough may, by ordinance, adjust its property tax structure in whole or in
12 part to the property tax structure of the borough, including but not limited
13 to exempting or partially exempting property from taxation.

14 (d) Exemptions or exclusions from property tax which have been
15 granted by home rule municipalities in addition to exemptions authorized or
16 required by law, and which are in effect on September 10, 1972 and not later
17 withdrawn, are not affected by this Act.

18 (e) Municipalities may by ordinance classify and exempt or par-
19 tially exempt from taxation privately owned land, wet land and water areas
20 for which a scenic, conservation, or public recreation use easement is
21 granted to a governmental body. To be eligible for a tax exemption, or
22 partial exemption, the easement must be in perpetuity. However, the
23 easement is automatically terminated before an eminent domain taking of fee
24 simple title or less than fee simple title to the property so that the
25 property owner is compensated at a rate which does not reflect the easement
26 grant.

27 (f) A municipality may by ordinance exempt from taxation all or
28 any part of the increase in assessed value of improvements to real property
29 if an increase in assessed value is directly attributable to alteration of

1 the natural features of the land or new maintenance, repair or renovation of
2 an existing structure and if the alteration, maintenance, repair or
3 renovation, when completed, enhances the exterior appearance or aesthetic
4 quality of the land or structure. No exemption may be allowed under this
5 subsection for the construction of an improvement to a structure if the
6 principal purpose of the improvement is to increase the amount of space for
7 occupancy or nonresidential use within the structure or for the alteration
8 of land as a consequence of construction activity. An exemption provided in
9 this subsection may continue for up to four years from the date the
10 improvement is completed or from the date of approval for the exemption by
11 the local assessor, whichever is later.

12 (g) A municipality may by ordinance exempt from taxation all or
13 any part of the increase in assessed value of improvements to a single
14 family dwelling if the principal purpose of the improvement is to increase
15 the amount of space for occupancy. An exemption provided in this subsection
16 may continue for up to two years from the date the improvement is completed
17 or from the date of approval of an application for the exemption by the
18 local assessor, whichever is later.

19 Sec. 29.45.060. (Sec. 29.53.030.) MINING CLAIMS. The assessed value
20 of an unimproved unpatented mining claim which is not producing, and a
21 nonproducing patented mining claim upon which the improvements originally
22 required for patent have become useless and valueless through depreciation,
23 removal or otherwise, is fixed at \$200 for each 20 acres or fraction of 20
24 acres. If the surface ground of a claim has a separate and independent
25 value for nonmining uses, the real and personal property is assessed at its
26 full and true value.

27 Sec. 29.45.070. (Sec. 29.53.035.) FARM OR AGRICULTURAL LANDS. (a)
28 Farm use lands included in a farm unit and not dedicated or being used for
29 nonfarm purposes shall be assessed on the basis of full and true value for
LA-1 farm use, and shall not be assessed as if subdivided or used for some other

1 nonfarm purpose. The assessor shall maintain records valuing the farm use
2 land for both full and true value and farm use value. Should the farm use
3 land be sold, leased, or otherwise disposed of for uses incompatible with
4 farm use or be converted to a use incompatible with farm use by the owner,
5 the owner is liable to pay an amount equal to the additional tax at the
6 current mill levy together with eight percent interest for the preceding
7 seven years, as though the land had not been assessed for farm use purposes.
8 Payment by the owner shall be made to the state to the extent of its
9 reimbursement for revenue loss under (e) of this section for the preceeding
10 seven years. The balance of the payment shall be made to the city or
11 borough.

12 (b) An owner of farm use land must, to secure the assessment,
13 make application to the assessor before May 15 of each year in which the
14 assessment is desired. The application shall be made upon forms prescribed
15 by the state assessor for the use of the local assessor and shall include
16 information which may reasonably be required to determine the entitlement of
17 the applicant. If the farm use land is leased for farm use purposes, the
18 applicant shall furnish to the assessor a copy of the lease bearing the
19 signatures of both lessee and lessor along with the completed application.
20 The applicant shall furnish the assessor a copy of the lease covering the
21 period for which the exemption is requested.

22 (c) In this section "farm use" means the use of land for raising
23 and harvesting crops or for the feeding, breeding and management of
24 livestock or for dairying or another agricultural use for profit or any
25 combination thereof. To be farm use land, the owner or the lessee must be
26 actively engaged in farming the land, and derive at least 10 per cent of his
27 yearly gross income from the farm use land. The provisions of this section
28 do not apply to land respecting which the owner has granted, and has
29 outstanding, a lease or option to buy the surface rights. A property owner

1 wishing to file for farm use classification having no history of
2 farm-related income may submit a declaration of intent at the time of filing
3 the application with the assessor setting out the intended use of the land
4 and the anticipated percentage of income. An applicant using this procedure
5 shall file with the assessor before February 1 of the following year a
6 notarized statement of the percentage of gross income attributable to the
7 farm use land. Failure to make the filing required in this subsection
8 forfeits the exemption.

9 (d) In the event of a crop failure by an act of God the previous
10 year, the owner or lessee may submit an affidavit affirming that 10 percent
11 of his gross income for the past three years was from farming.

12 (e) Subject to legislative appropriations for the purpose, the
13 state shall reimburse a borough or city, as appropriate, for the real
14 property tax revenues lost to it by the operation of this section.

15 Sec. 29.45.080. (Sec. 29.53.040.) MOBILE HOMES. Mobile homes,
16 trailers, house trailers, trailer coaches and similar property used or
17 intended to be used for residential, office or commercial purposes and
18 attached to the land or connected to water, gas, electric or sewage
19 facilities are classed as real property for tax purposes except where
20 expressly classified as personal property by ordinance. This section does
21 not apply to house trailers and mobile homes which are unoccupied and held
22 for sale by persons engaged in the business of selling mobile homes.

23 Sec. 29.45.090. (Sec. 29.53.045.) TAX ON OIL AND GAS PRODUCTION AND
24 PIPELINE PROPERTY. (a) A municipality may levy and collect taxes on taxable
25 property taxable under AS 43.56 only by using one of the methods set out in
26 (b) or (c) of this section.

27 (b) A municipality may levy and collect a tax on the full and
28 true value of taxable property taxable under AS 43.56 as valued by the
29 Department of Revenue at a rate not to exceed that which produces an amount

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1 of revenue from the total municipal property tax equivalent to \$1,500 a year
2 for each person residing within its boundaries.

3 (c) A municipality may levy and collect a tax on the full and
4 true value of that portion of taxable property taxable under AS 43.56 as
5 assessed by the Department of Revenue which value, when combined with the
6 value of property otherwise taxable by the municipality, does not exceed the
7 product of 225 percent of the average per capita assessed full and true
8 value of property in the state multiplied by the number of residents of the
9 taxing municipality. For purposes of this subsection the average per capita
10 assessed full and true value of property in the state shall be calculated
11 without regard to the assessed value of taxable property under AS 43.58.

12 (d) By February 1 of each assessment year a taxing municipality
13 must inform the Department of Revenue which method of taxation the
14 municipality will use.

15 (e) For purposes of this section, population shall be determined
16 by the commissioner of community and regional affairs based on the latest
17 statistics of the United States Bureau of the Census or on other reliable
18 population data, and shall advise each municipality of its population as so
19 determined by January 15 of each year.

20 Sec. 29.45.100. (Sec. 29.53.050.) TAX LIMITATION. (a) No
21 municipality may levy and tax for any purpose in excess of three percent of
22 the assessed valuation of property within the municipality in any one year.

23 (b) No municipality, or combination of municipalities occupying
24 the same geographical area, in whole or in part, may levy taxes (1) which
25 will result in tax revenues from all sources exceeding \$1,000 a year for
26 each person residing within their boundaries or (2) upon values which, when
27 combined with the value of property otherwise taxable by the municipality,
28 exceed the product of 225 percent of the average per capita assessed full
29 and true value of property in the state multiplied by the number of

1 residents of the taxing municipality. If two or more municipalities
2 occupying the same geographical area, in whole or in part, attempt to levy a
3 tax (1) the combined levy of which would result in tax revenues from all
4 sources exceeding \$1,000 a year for each person residing within their
5 boundaries or (2) upon value which, when combined with the value of property
6 otherwise taxable by the municipality, exceed the product of 225 per cent of
7 the average per capita assessed full and true value of property in the state
8 multiplied by the number of residents of the taxing municipality, the
9 commissioner of community and regional affairs shall apportion the lawful
10 levy and equitably divide these revenues on the basis of need, services
11 performed and other considerations in the public interest. For the purpose
12 of this subsection, population shall be determined by the commissioner of
13 community and regional affairs based on the latest statistics of the United
14 States Bureau of the Census or on other reliable population data. For
15 purposes of this subsection the average per capita assessed full and true
16 value of property in the state shall be calculated without regard to the
17 assessed value of taxable property under AS 43.58.

18 Sec. 29.45.110. (Sec. 29.53.055.) NO LIMITATIONS ON TAXES TO PAY
19 BONDS. The limitations provided for in Sec. 45 or 50 of this chapter do not
20 apply to taxes levied or pledged to pay or secure the payment of the
21 principal and interest on bonds. Taxes to pay or secure the payment of
22 principal and interest on bonds may be levied without limitation as to rate
23 or amount, regardless of whether the bonds are in default or in danger of
24 default.

25 Sec. 29.45.120. (Sec. 29.53.060.) FULL AND TRUE VALUE. (a) The
26 assessor shall assess property at its full and true value as of January 1 of
27 the assessment year, except as provided in this section and Secs. 30, 35 and
28 160 of this chapter. The full and true value is the estimated price which
29 the property would bring in an open market and under the then prevailing

1 market conditions in a sale between a willing seller and a willing buyer
2 both conversant with the property and with prevailing general price levels.

3 (b) Assessment of business inventories may be based on the
4 average monthly method of assessment rather than the value existing on
5 January 1. The method used to assess business inventories shall be
6 prescribed by the borough assembly.

7 (c) In the case of cessation of business during the tax year, the
8 assembly may provide for reassessment of business inventories using the
9 average monthly method of assessment for the tax year rather than the value
10 existing on January 1 of the tax year, and for reduction and refund of
11 taxes. In enacting an ordinance authorized by this section, the assembly
12 may prescribe procedures, restrictions, and conditions of assessing or
13 reassessing business inventories and of remitting or refunding taxes.

14 Sec. 29.45.130. (Sec. 29.53.070.) RETURNS. (a) The assembly may
15 require every person having ownership or control of or an interest in
16 property to submit a return in the form prescribed by the assessor, based on
17 property values existing on January 1, except as otherwise provided in this
18 chapter.

19 (b) The assessor may, by written notice, require a person to
20 provide additional information within 30 days.

21 Sec. 29.45.140. (Sec. 29.53.080.) INDEPENDENT INVESTIGATION. (a) The
22 assessor is not bound to accept a return as correct. He may make an
23 independent investigation of property returned or of taxable property upon
24 which no return has been filed. In either case, the assessor may make his
25 own valuation of the taxable property, which is prima facie evidence.

26 (b) For investigation, the assessor or his agent may enter any
27 premise during reasonable hours and may examine property on the premises.
28 He may examine all property records involved. A person shall, upon request,
29 furnish to the assessor or his agent every facility and assistance for the

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2 both conversant with the property and with prevailing general price levels.

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25 own valuation of the taxable property, which is prima facie evidence.

26 (b) For investigation, the assessor or his agent may enter any
27 premise during reasonable hours and may examine property on the premises.
28 He may examine all property records involved. A person shall, upon request,
29 furnish to the assessor or his agent every facility and assistance for the

1 purposes of the investigation. If refused entry, the assessor may seek a
2 court order to compel entry.

3 (c) An assessor may examine a person on oath. Upon request, the
4 person shall present himself for examination by the assessor.

5 Sec. 29.45.150. (Sec. 29.53.090.) STATEMENT. A person who fails to
6 file a statement required by ordinance or who knowingly makes a false
7 affidavit to a statement required by a tax ordinance relative to the amount,
8 location, kind or value of property subject to taxation with intent to evade
9 the taxation, is guilty of a misdemeanor. Upon conviction, he is punishable
10 by a fine of not more than \$500, or by imprisonment for not more than 30
11 days, or by both, together with costs of prosecution.

12 Sec. 29.45.160. (Sec. 29.53.095.) REEVALUATION. A systematic
13 reevaluation of taxable real and personal property undertaken by the
14 assessor, whether of specific areas in which real property is located or of
15 specific classes of real or personal property to be assessed, shall be made
16 only in accordance with a resolution or other act of the assembly directing
17 a systematic reevaluation of all taxable property within the borough over
18 the shortest period of time practicable, as determined by the assembly and
19 fixed in the resolution or other act of the assembly.

20 Sec. 29.45.170. (Sec. 29.53.100.) ASSESSMENT ROLL. (a) The assessor
21 shall prepare an annual assessment roll. The roll contains

- 22 (1) a description of all taxable property;
23 (2) the assessed value of all taxable property;
24 (3) the names and addresses of persons with property subject
25 to assessment and taxation.

26 (b) The assessor may list real property by any description that
27 may be made certain. Real property is assessed to the owner of record as
28 shown in the records of the district recorder, who shall at least monthly
29 provide the assessor a copy of each recorded change of ownership showing the

name and mailing address of the owner and the name and mailing address of the party recording the change of ownership. Other persons having an interest in the property may be listed on the assessment records with the owner. The person in whose name property is listed as owner is conclusively presumed to be the legal owner of record. If the property owner is unknown, the property may be assessed to "unknown owner." No assessment is invalidated by a mistake, omission or error in the name of the owner, if the property is correctly described.

Sec. 29.45.180. (Sec. 29.53.110.) ASSESSMENT NOTICE. (a) The assessor shall give every person named in the assessment roll a notice of assessment, showing the assessed value of his property. On each notice is printed a brief summary of the dates when taxes are payable, delinquent and subject to penalty and interest, and the dates when the board of equalization will sit.

(b) Sufficient assessment notice is given if mailed by first class mail 30 days before the equalization hearings. If the address is not known to the assessor, the notice may be addressed to the person at the post office nearest the property. Notice is effective on the date of mailing.

Sec. 29.45.190. (Sec. 29.53.120.) CORRECTIONS. (a) A person receiving an assessment notice shall advise the assessor of errors or omissions in the assessment of his property. The assessor may correct errors or omissions in the roll before the board of equalization hearing.

(b) If errors found in the preparation of the assessment roll are adjusted, the assessor shall mail a corrected notice allowing 30 days for appeal to the board.

Sec. 29.45.200. (Sec. 29.53.130.) APPEAL. (a) A person whose name appears on the assessment roll or his agent or assigns may appeal to the board of equalization for relief from an alleged error in valuation not adjusted by the assessor to the taxpayer's satisfaction.

1 (b) The appellant shall, within 30 days from the date of mailing
2 of notice of assessment, submit to the assessor a written appeal specifying
3 grounds in the form which the board may require. Otherwise, the right of
4 appeal ceases unless the board finds that the taxpayer was unable to comply.

5 (c) The assessor shall notify appellants by mail of the time and
6 place of their hearing.

7 (d) The assessor shall prepare for use by the board a summary of
8 assessment data relating to each assessment which is appealed.

9 (e) A city may appeal an assessment to the board of equalization
10 in the same manner as a taxpayer. Within five days after receipt of the
11 appeal, the assessor shall notify the person whose property assessment is
12 being appealed by the city.

13 Sec. 29.45.210. (Sec. 29.53.135.) BOARD OF EQUALIZATION. The
14 assembly sits as a board of equalization for the purpose of hearing any
15 appeal from determinations of the borough assessor, or it may delegate this
16 authority to a board appointed by it for that purpose. The board of
17 equalization shall consist of at least that number of members of the
18 assembly over and above the number required for a quorum to transact
19 business. The board is governed in its proceedings by such procedures
20 consistent with general rules of administrative law and the laws governing
21 equalization proceedings as may be adopted by ordinance, including but not
22 limited to quorum and voting requirements. The assembly shall by ordinance
23 adopt rules for the membership and conduct of the board.

24 Sec. 29.45.220. (Sec. 29.53.140.) HEARING. (a) If an appellant fails
25 to appear, the board of equalization may proceed with the hearing in his
26 absence.

27 (b) The appellant bears the burden of proof.

28 (c) The only grounds for adjustment is proof of unequal,
29 excessive or improper valuation based on facts which are stated in a valid
LA-Lw20tten appeal timely filed or proved at the hearing.

(d) The board shall certify its actions to the assessor within seven days.

(e) The assessor shall enter the changes and certify the final assessment roll by June 1.

(f) An appellant may appeal to the superior court for, and is entitled to, trial de novo of the board's action. Either party to the appeal may demand a jury trial.

Sec. 29.45.230. (Sec. 29.53.150.) SUPPLEMENTARY ASSESSMENT ROLLS. The assessor shall include property omitted from the assessment roll on a supplementary roll, using the procedures set out in this chapter for the original roll.

Sec. 29.45.240. (Sec. 29.53.160.) TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATURAL DISASTER. (a) The assembly may provide for reassessment and reduction of taxes for property destroyed, damaged, or otherwise reduced in value as a result of a natural disaster.

(b) A reassessment may be made by the assessor only upon the receipt of a sworn statement of the taxpayer that his losses exceed \$1,000. A reduction of taxes may be made only on losses in excess of \$1,000 for the remainder of the year following the disaster. Upon reassessment, the borough shall recompute this tax and refund taxes which have already been paid.

(c) The borough shall make notice of assessment or reassessment and shall hold an equalization hearing as provided in this chapter, except that a notice of appeal is filed with the board of equalization within 10 days after notice of assessment is given to the person appealing. Otherwise, the right of appeal ceases unless the board finds that the taxpayer is unable to comply.

(d) In enacting an ordinance or resolution authorized by this section, the assembly may, consistent with this section, prescribe

1 procedures, restrictions and conditions of assessing or reassessing property
2 and of remitting, refunding or forgiving taxes.

3 (e) In this section "disaster" means a major disaster declared by
4 the President of the United States under the provisions of the Federal
5 Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g, or
6 other federal law.

7 Sec. 29.45.250. (Sec. 29.53.170.) TAX LEVY AND RATE. (a) The power
8 granted to the assembly to assess, levy and collect a general property tax
9 shall be exercised by means of general ordinances, but the rate of levy, the
10 date of equalization and the date when taxes become delinquent shall be
11 fixed by resolution.

12 (b) The assembly shall annually determine the rate of levy before
13 June 15. By July 1 the tax collector shall mail tax statements setting out
14 the levy, dates when taxes are payable and delinquent, and penalties and
15 interest.

16 Sec. 29.45.260. (Sec. 29.53.180.) RATES OF PENALTY AND INTEREST. (a)
17 If the taxpayer is required to pay the entire tax on the due date set by the
18 assembly, a penalty not to exceed 10 percent may be added to all delinquent
19 taxes, and interest at the rate of eight percent a year shall accrue upon
20 all unpaid taxes, not including penalty, from the due date until paid in
21 full. If the taxpayer is given the right to pay the tax in two installments
22 and the first half is not paid when due, the entire tax becomes delinquent
23 and penalty and interest accrue as follows:

24 (1) if the first half is paid when due, the second half is
25 payable on the due date fixed by the assembly for the second half and if not
26 paid is delinquent after that date;

27 (2) a penalty not to exceed eight percent shall be added to
28 all taxes delinquent until the due date fixed for payment of the second
29 half, and interest at the rate of eight percent a year shall be charged on

1 the whole of the unpaid taxes, not including penalty, from due date until
2 paid in full;

3 (3) after the due date for the payment of the second half, a
4 total penalty of not more than 10 percent may be added to all delinquent
5 taxes, and interest at the rate of eight percent a year shall accrue upon
6 all unpaid taxes, not including penalties, from due date until date paid in
7 full.

8 (b) If the assembly imposes a penalty for the nonpayment of
9 property taxes when due, or the late return of personal property assessment
10 forms, the rate of penalty or combined rates of penalty may not exceed 10
11 percent of the tax due on the property concerned.

12 (c) If the assembly charges interest on property taxes not paid
13 when due, the rate of interest may not exceed eight percent a year upon the
14 delinquent taxes and shall be charged from the due date until paid in full.

15 ARTICLE 2. ENFORCEMENT OF TAX LIENS

16 Sec. 29.45.290. (Sec. 29.53.200.) VALIDITY. Certified assessment and
17 tax rolls are valid and binding on all persons, notwithstanding any defect,
18 error, omission or invalidity in the assessment rolls or proceedings
19 pertaining to the assessment roll.

20 Sec. 29.45.300. (Sec. 29.53.210.) TAX LIABILITY. (a) The owner of
21 personal property assessed is personally liable for the amount of taxes
22 assessed against his property. The tax, together with penalty and interest,
23 may be collected in a personal action brought in the name of the borough.

24 (b) Real property taxes, together with penalty and interest, are
25 a lien upon the property assessed, and the lien is prior and paramount to
26 all other liens or encumbrances against the property.

27 Sec. 29.45.310. (Sec. 29.53.220.) ENFORCEMENT OF PERSONAL PROPERTY
28 TAX LIENS BY DISTRAINT AND SALE. The lien of personal property taxes may be
29 enforced by distraint and sale of the property. The assembly shall provide

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1 the procedure for distraint and sale by ordinance. No seizure, levy or
2 distraint is legal unless demand is first made of the person assessed for
3 the amount of the tax, penalty and interest, and no sale is valid unless
4 made at public auction after 15 days notice given by posting or publication.
5 The seizure is made by virtue of a warrant issued by the borough clerk to a
6 peace officer. If the property sold is not sufficient to satisfy the tax,
7 penalty, interest, and costs of sale, the warrant may authorize the seizure
8 of other personal property sufficient to satisfy the tax, penalty, interest
9 and costs of sale.

10 Sec. 29.45.320. (Sec. 29.53.230.) REAL PROPERTY TAX COLLECTION. (a)
11 The borough shall enforce delinquent real property tax liens by annual
12 foreclosure, unless otherwise provided by ordinance.

13 (b) If the tax on property described in Sec. 40 of this chapter
14 or on a leasehold interest in tax exempt property is not paid when due, a
15 borough may enforce the tax by a personal action against the delinquent
16 taxpayer brought in the district or superior court, in addition to other
17 remedies available to the borough to enforce the lien.

18 Sec. 29.45.330. (Sec. 29.53.240.) FORECLOSURE LIST. (a) The borough
19 shall

20 (1) annually present a petition for judgment and a certified
21 copy of the foreclosure list for the previous year's delinquent taxes in the
22 superior court for judgment;

23 (2) publish the foreclosure list for four consecutive weeks
24 in a newspaper of general circulation distributed within the borough or, if
25 there is no newspaper of general circulation distributed within the borough,
26 post the list at three public places for at least 30 days;

27 (3) within 10 days after the first publication or posting,
28 mail to the last known owner of each property as his name and address appear
29 on the list a notice advising of the foreclosure proceeding in which a

petition for judgment of foreclosure has been filed and describing the property and the amount due as stated on the list.

(b) The list shall be arranged in alphabetical order as to the last name and shall include

(1) the last known owner;

(2) the property description as stated on the assessment roll;

(3) years and amounts of delinquency;

(4) penalty and interest due;

(5) a statement that the list is available for public inspection at the clerk's office;

(6) a statement that the list has been presented to the superior court with a petition for judgment and decree.

(c) Completion of the requirements of (a) of this section constitutes and has the same force and effect as the filing of an individual and separate complaint and service of summons to foreclose a lien against each property described on the foreclosure list.

Sec. 29.45.340. (Sec. 29.53.250.) CLEARING DELINQUENCIES. During the publication or posting of the foreclosure list and up to the time of transfer to the borough a person may pay the taxes, together with the penalty, interest and costs. The collector shall note payment on the foreclosure list.

Sec. 29.45.350. (Sec. 29.53.260.) LIST TO LIENHOLDER. A holder of a mortgage or other lien on real property may request the clerk to send by certified mail notice of a foreclosure list which includes such real property.

Sec. 29.45.360. (Sec. 29.53.270.) GENERAL FORECLOSURE. The borough shall bring one general foreclosure proceeding in rem against the properties included in the list. If the owner is unknown, the property is proceeded

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1 against as belonging to "unknown owner." Tax foreclosure proceedings have
2 priority over all other civil proceedings except board of adjustment appeals
3 as provided in AS 29.33.130(e).

4 Sec. 29.45.370. (Sec. 29.53.280.) ANSWER AND OBJECTION. A person
5 having an interest in a tract on the foreclosure list may file an answer
6 within 30 days of the date of last publication, specifying his objection.
7 The court shall make its decision in summary proceedings. The foreclosure
8 list is prima facie evidence that the assessment and levy of the tax is
9 valid and that the tax is unpaid.

10 Sec. 29.45.380. (Sec. 29.53.290.) JUDGEMENT. The court shall in a
11 proper case give judgment and decree that the tax liens be foreclosed. It
12 is a several judgment against and a lien on each parcel.

13 Sec. 29.45.390. (Sec. 29.53.300.) TRANSFER AND APPEAL. (a)
14 Foreclosed properties are transferred to the borough for the lien amount.
15 When answers are filed the court may enter judgment against and order the
16 transfer to the borough of all other properties on the list pending
17 determination of the matters in controversy. The court shall hear and
18 determine the issues raised by the complaint and answers in the same manner
19 and under the same rules as it hears and determines other actions.

20 (b) The court clerk shall deliver a certified copy of the
21 judgment and decree to the borough clerk. The certified judgment and decree
22 constitutes a transfer to the borough.

23 (c) The judgment and decree stops objections to it which could
24 have been presented before judgment and decree.

25 (d) Appeal from a judgment and decree of foreclosure, or from a
26 final order in the proceeding, may be taken in the manner provided for
27 appeals in civil actions.

28 Sec. 29.45.400. (Sec. 29.53.310.) REDEMPTION PERIOD. (a) Properties
29 transferred to the borough are held by the borough for at least one year.

1 During the redemption period a party having an interest in the property may
2 redeem it by paying the lien amount plus penalties, interest and costs,
3 including all costs incurred under Sec. 350(a) of this chapter. Property
4 redeemed is subject to all taxes, assessments, liens and claims as though it
5 had continued in private ownership. Only the amount applicable under the
6 judgment and decree must be paid in order to redeem the property.

7 (b) A person holding a mortgage or other lien of record covering
8 a part only of a parcel of real property included in the judgment and decree
9 of foreclosure may redeem that part by paying the proportionate amount
10 applicable under the judgment and decree.

11 Sec. 29.45.410. (Sec. 29.53.320.) EFFECT. Receipt of redemption
12 money by the clerk releases all claims of the borough to the property. The
13 clerk shall record the redemption and issue a certificate containing a
14 property description, the redemption amount, and the dates of judgment and
15 decree of foreclosure. The clerk shall file the certificate with the
16 recorder and collect the recording fee from the person redeeming at the time
17 of redemption. The court clerk shall file the certificate as part of the
18 judgment roll.

19 Sec. 29.45.420. (Sec. 29.53.330.) ADDITIONAL LIENS. If a property
20 included in a foreclosure list is removed after payment of delinquencies or
21 redemption by another lienholder, the payment represented by receipt for
22 payment constitutes an additional lien on the property, collectible by the
23 lienholder in the same manner as the original lien.

24 Sec. 29.45.430. (Sec. 29.53.340.) POSSESSION DURING REDEMPTION
25 PERIOD. Foreclosure does not affect the former owner's right to possession
26 during the redemption period. In the event that waste is committed by the
27 former owner, or by anyone acting under his permission or control, the
28 borough may declare an immediate forfeiture of the right to possession.
29

1 Sec. 29.45.440. (Sec. 29.53.350.) EXPIRATION. (a) At least 30 days
2 before the expiration of the redemption period the clerk shall publish a
3 redemption period expiration notice. The notice shall contain the date of
4 judgment, the date of expiration of the period of redemption and a warning
5 to the effect that all properties ordered sold under the judgment, unless
6 redeemed, shall be deeded to the borough or city immediately on expiration
7 of the period of redemption and that every right or interest of any person
8 in the properties will be forfeited forever to the borough or city. The
9 notice is published once a week for four consecutive weeks in a newspaper of
10 general circulation distributed within the borough. If there is no
11 newspaper of general circulation distributed within the borough, the notice
12 is posted in three public places for at least four consecutive weeks. The
13 clerk shall send a copy of the published notice by certified mail to each
14 record owner of property against which a judgment of foreclosure has been
15 taken and, if the assessed value of the property is more than \$10,000, to
16 all holders of mortgages or other liens of record on the property. The
17 notice shall be mailed within five days of the first publication. The
18 mailing shall be sufficient if mailed to the property owner and to the
19 holder of a mortgage or recorded lien at the last address of record. The
20 right of redemption shall expire 30 days after the date of the first
21 publication notice.

22 (b) Costs incurred in the determination of holders of mortgages
23 and other liens of record and costs of publication of notice incurred by a
24 municipality under (a) of this section are a lien on the property and may be
25 recovered by the municipality.

26 Sec. 29.45.450. (Sec. 29.53.360.) DEED TO BOROUGH OR CITY. (a)
27 Unredeemed properties in the area of the borough outside cities are deeded
28 to the borough by the clerk of the court. Unredeemed properties within a
29 city are deeded to the city subject to the payment by the city of unpaid

1 borough taxes and costs of foreclosure levied against the property before
2 foreclosure. The deeds shall be recorded in the recording district in which
3 the property is located.

4 (b) Conveyance gives the borough or the city clear title except
5 for prior recorded liens of the United States and the state.

6 (c) If unredeemed property lies within a city and if the city has
7 no immediate public use for the property but the borough does have an
8 immediate public use, the city shall deed the property to the borough. If
9 unredeemed property lies within the borough outside a city and if the
10 borough does not have an immediate public use for the property but the city
11 does have an immediate public use, the borough shall deed the property to
12 the city.

13 (d) No deed is invalid for irregularities, omissions or defects,
14 unless the former owner has been misled to his injury. After two years from
15 the date of the deed, its validity is conclusively presumed and any claim of
16 the former owner is forever barred.

17 Sec. 29.45.460. (Sec. 29.53.370.) DISPOSITION AND SALE OF FORECLOSED
18 PROPERTIES. (a) The assembly of a borough or council of a city shall
19 determine by ordinance whether foreclosed property deeded to the
20 municipality under Sec. 360 of this chapter shall be retained by the
21 municipality for a public purpose. The ordinance shall contain the legal
22 description of the property, the address or a general description of the
23 property sufficient to provide the public with notice of its location, and
24 the name of the last record owner of the property as his name appears on the
25 assessment rolls of the municipality.

26 (b) Tax-foreclosed properties conveyed to a borough or city by
27 tax foreclosure and not required for a public purpose may be sold. Before
28 the sale of tax-foreclosed property held for a public purpose, the assembly
29 or council, by ordinance, shall determine that a public need does not exist.
LA-LTR ordinance shall contain the information required in (a) of this section.

1 (c) The clerk shall send a copy of the published notice of
2 hearing of an ordinance to consider a determination required by (a) or (b)
3 of this section by certified mail to the former record owner of the parcel
4 of property which is the subject of the ordinance. The notice shall be
5 mailed within five days of its first publication and shall be sufficient if
6 mailed to the property owner at the last address of record.

7 (d) The provisions of (c) of this section do not apply with
8 respect to property which has been held by the municipality for a period of
9 more than 10 years after the close of the redemption period.

10 Sec. 29.45.470. (Sec. 29.53.375.) REPURCHASE BY RECORD OWNER. (a)
11 The record owner at the time of tax foreclosure of property acquired by a
12 borough or city, or his assigns, may, at any time before the sale or
13 contract of sale of the tax-foreclosed property by the borough or city,
14 repurchase the property. The borough or city shall sell the property for
15 the full amount applicable to the property under the judgment and decree,
16 with interest at the rate of eight percent a year from the date of entry of
17 the judgment of foreclosure to the date of repurchase, delinquent taxes
18 assessed and levied as though it had continued in private ownership, and
19 costs of foreclosure and sale, including, but not limited to, costs of
20 publication of notice and any costs associated with the determination of
21 holders of mortgages and other liens of record under Sec. 350(a) of this
22 chapter.

23 (b) After adoption of an ordinance providing for the retention of
24 a parcel of tax-foreclosed property by the municipality for a public
25 purpose, the right of the former record owner to repurchase the property
26 ceases.

27 Sec. 29.45.480. (Sec. 29.53.380.) PROCEEDS OF TAX SALE.

28 (a) Upon sale of foreclosed real or personal property the borough or city
29 shall divide the proceeds less cost of collection, between the borough and

the city having unpaid taxes against the property. The division is in proportion to the respective municipal taxes against the property at the time of foreclosure.

(b) The former record owner of tax-foreclosed real property which has been held by a municipality for less than 10 years after the loss of the redemption period and never designated for a public purpose which is sold at a tax-foreclosure sale is entitled to the portion of the proceeds of the sale which exceeds the amount sufficient to satisfy unpaid taxes, delinquent taxes assessed and levied as if the property had continued in private ownership, penalty, interest and costs of property sold, including costs incurred under Sec. 350(a) of this chapter. If the proceeds of the sale of tax-foreclosed property exceed the total of unpaid and delinquent taxes, penalty, interest, and costs, the borough or city shall provide the former owner of the property written notice advising of the amount of the excess and the manner in which a claim for the balance of the proceeds may be submitted. Notice is sufficient under this subsection if mailed to the former owner at his last address of record. Upon presentation of a proper claim, the municipality shall remit the excess to the former record owner. A claim for the excess filed after six months of the date of sale is forever barred.

Sec. 29.45.490. (Sec. 29.53.385.) PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a city or borough holds or takes title to tax-foreclosed property for a public purpose, the city or borough shall satisfy unpaid taxes and assessments against the property held by other municipalities, with accrued interest but without penalty. If the amount required to satisfy the unpaid taxes and assessments exceeds the assessed valuation of the property, the city or borough shall pay the other municipalities the assessed valuation, which shall be divided between the other municipalities in proportion to their respective taxes and assessments against the property at the time of foreclosure.

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1 Sec. 29.45.510. (Sec. 29.53.390.) REFUND OF TAXES. (a) If a taxpayer
2 pays taxes under protest, he may bring suit in the superior court against
3 the borough for recovery of the taxes. If judgment for recovery is given
4 against the borough, the borough shall refund the amount of the taxes to the
5 taxpayer with interest at eight percent from the date of payment plus costs.

6 (b) If, in payment of taxes legally imposed, a remittance by a
7 taxpayer through error or otherwise exceeds the amount due, and the borough,
8 on audit of the account in question, is satisfied that this is the case, the
9 borough shall refund the excess to the taxpayer with interest at eight
10 percent from the date of payment. A claim for refund filed after one year
11 of the due date of the tax is forever barred.

12 (c) *The*

12 ARTICLE 3. CITY PROPERTY TAX.

13 Sec. 29.45.530. (Sec. 29.53.400.) POWER OF LEVY. Home rule and first
14 class cities within boroughs may levy a general property tax. A property
15 tax, if levied, shall be levied in the manner provided for borough levies in
16 Sec. 170(a) of this chapter and is subject to Secs. 10-25, 50-55 and 310-350
17 of this chapter. The council shall by June 15 of each year present to the
18 borough assembly a statement of the city's rate of levy, unless a different
19 date is agreed upon by the borough and city.

20 Sec. 29.45.540. (Sec. 29.53.410.) LIMITED PROPERTY TAXING POWER FOR
21 SECOND CLASS CITIES. A second class city may by referendum levy real and
22 personal property taxes as provided for first class cities. However, levy
23 by a second class city may not exceed one-half of one percent of the
24 assessed valuation of the property taxed, except that the limit does not
25 apply to a levy necessary to avoid a default upon payment of principal and
26 interest of bonded or other indebtedness which is secured by a pledge to
27 levy ad valorem or other taxes without limit to meet debt payments.

28 Sec. 29.45.570. (Sec. 29.53.415.) SALES AND USE TAX. (a) A borough
29 may levy and collect a sales tax not exceeding six percent on sales or

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1 rents, and on services made within the borough. The sales tax may apply to
2 any or all of these sources. Exemptions may be granted by ordinance.

3 (b) A borough levying a sales tax may also by ordinance levy a
4 use tax on the storage, use or consumption of tangible personal property
5 within the borough. The use tax rate must equal the sales tax rate and the
6 use tax shall be levied only upon buyers.

7 (c) A person who furnishes proof, in the form required by the
8 borough tax collector, that he has paid a sales tax on the source on which a
9 use tax is levied by the borough is required to pay the use tax only to the
10 extent of the difference between the amount of the sales tax paid and the
11 amount of the use tax levied by the borough. This subsection applies to a
12 sales tax levied in any taxing jurisdiction whether in or outside the state.

13 (d) If the assembly of a home rule or general law borough charges
14 interest on sales taxes not paid when due, the rate of interest may not
15 exceed eight¹⁵ percent a year upon the delinquent taxes and shall be charged
16 from the due date until paid in full.

17 Sec. 29.45.590. (Sec. 29.53.420.) REFERENDUM, ADOPTION AND
18 MODIFICATION. (a) The assembly shall hold a referendum vote on the question
19 of enacting a sales tax or increasing the rate of levy of sales taxes.
20 Borough sales tax propositions may be presented only once in any 12-month
21 period. A sales tax proposition may be submitted to the voters at a regular
22 or special election or at a general election of the state.

23 (b) If the proposition receives a majority of the votes cast, the
24 assembly may enact the sales tax or increase the rate of the sales tax as a
25 levy upon buyers, sellers, or both. The sales tax is collected at the time
26 of sale or at the time of payment in credit transactions and transmitted to
27 the borough.
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ARTICLE 5. CITY SALES AND USE TAXES

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2 Sec. 29.45.610. (Sec. 29.53.440.) POWER OF LEVY. Cities within a
3 borough which levies and collects sales or use taxes for areawide borough
4 functions may levy sales or use taxes upon all sources taxed by the borough
5 in the manner provided for boroughs.

6 Sec. 29.45.620. (Sec. 29.53.450.) POWER OF LEVY AND COLLECTION.
7 Cities within a borough which does not levy and collect sales or use taxes
8 for areawide borough functions may levy and collect sales or use taxes in
9 the manner provided for boroughs.

10 Sec. 29.45.630. (Sec. 29.53.460.) COMBINING SALES TAX WITH
11 INCORPORATION. A petition for second class city incorporation may request
12 that a sales tax proposal be placed on the same ballot. The petition must
13 state the proposed tax rate. The petition may request that incorporation be
14 dependent upon the passage of the sales tax proposition. If so, the
15 incorporation proposition fails if the sales tax fails.

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NOTES

NOTE: Assessment letter

CHAPTER 45. MUNICIPAL TAXATION

(Chapter 53. MUNICIPAL ASSESSMENT AND TAXATION)

Article 1. MUNICIPAL PROPERTY TAX

Sec. 29.45.010. (Sec. 29.53.010.) GENERAL PROPERTY TAX. Home rule and general law boroughs may levy (1) an areawide property tax for areawide functions, and (2) a property tax limited to the area outside cities for functions limited to the area outside cities. A property tax if levied must be assessed, levied and collected on real and personal property as provided in this chapter.

Sec. 29.45.020. (Sec. 29.73.070) TAXPAYER NOTICE. (a) If a municipality levies and collects real or personal property taxes, the governing body shall provide the following notice:

"NOTICE TO TAXPAYER"

For the current fiscal year the (city)(borough) has been allocated the following amount of state aid for school and municipal purposes under the applicable financial assistance Acts:

PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE	
(AS 14.17)	\$
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT (AS 43.18.100)	\$
MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE	
(AS 29.88)	\$
STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES (AS 29.89)	\$
TOTAL AID	\$

The millage equivalent of this state aid, based on the dollar value of a mill in the municipality during the current assessment year and for the preceding assessment year, is:

MILLAGE EQUIVALENT

	PREVIOUS YEAR	THIS YEAR
PUBLIC SCHOOL FOUNDATION PROGRAM		
ASSISTANCE	MILLS	MILLS
STATE AID FOR RETIREMENT OF		
SCHOOL CONSTRUCTION DEBT	MILLS	MILLS
MUNICIPAL TAX RESOURCE EQUALI-		
ZATION ASSISTANCE	MILLS	MILLS
STATE AID FOR MISCELLANEOUS		
MUNICIPAL SERVICES	MILLS	MILLS
TOTAL MILLAGE EQUIVALENT	MILLS	MILLS

PUBLIC SCHOOL FOUNDATION PROGRAM

ASSISTANCE

....MILLS

....MILLS

STATE AID FOR RETIREMENT OF

SCHOOL CONSTRUCTION DEBT

....MILLS

....MILLS

MUNICIPAL TAX RESOURCE EQUALI-

ZATION ASSISTANCE

....MILLS

....MILLS

STATE AID FOR MISCELLANEOUS

MUNICIPAL SERVICES

....MILLS

....MILLS

TOTAL MILLAGE EQUIVALENT

....MILLS

....MILLS

Notice shall be provided

(1) by furnishing a copy of the notice with tax statements mailed for the fiscal year for which aid is received; or

(2) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget.

(b) If the municipality levies and collects only a sales tax, the governing body shall provide a notice substantially in the form set out in (a) of this section. In providing notice under this subsection, the council or assembly shall substitute for the millage equivalency its estimate of the equivalent sales tax rate for each of the categories of financial assistance set out in (a) of this section. Notice shall be provided

(1) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget; or

(2) if there is no newspaper of general circulation in the municipality, by posting a copy of the notice for at least 20 days in at least two public places within the municipality, with posting to occur not later than 45 days after the final adoption of the municipality's budget.

(c) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under AS 29.62 (AS 29.88) and state aid for miscellaneous municipal services under AS 29.62 (AS 29.89). The Department of Community and Regional Affairs shall withhold annual allocations under those chapters until municipal officials demonstrate that the requirements of this section have been met: *provided*

Sec. 29.45.030. Required exemptions. (a) The following property is exempt from general taxation:

(1) municipal, state or federally owned property, except that private leaseholds, contracts or other interest in the property shall be taxable to the extent of those interests;

(2) household furniture of the head of a family or a household ~~[not exceeding \$500 in value]~~

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital or educational purposes;

(4) property of a nonbusiness organization composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable, or the property of the auxiliary of such organization;

(5) money on deposit;

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

(7) real property to the extent and subject to the conditions provided in (j) of this section.

(b) "Property used exclusively for religious purposes" includes the following property owned by a religious organization:

(1) the residence of a bishop, pastor, priest, rabbi, minister or religious order of a recognized religious organization.

(2) a structure, its furniture and its fixtures used solely for public worship, charitable purposes, religious administrative offices, religious education or a nonprofit hospital;

(3) lots supporting and adjacent to a structure or residence mentioned in (1) or (2) of this subsection which are necessary to convenient use;

(4) lots required by local ordinance for parking near a structure defined in (2) of this subsection.

(c) Property described in (a) or (b) of this section from which income is derived is exempt only if that income is solely from use of the property by nonprofit religious, charitable, hospital or educational groups [for classroom space]. If used by nonprofit educational groups, the property is exempt only if used exclusively for classroom space.

(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.

(f) No exemption may be granted under (e) of this section except upon written application for the exemption on a form prescribed by the state assessor for use by local assessors. The claimant must file the application no later than January 15th of the assessment year for which the exemption is sought, but during the same year the governing body of the municipality for good cause shown may waive the claimant's failure to make timely application for the exemption for that year and authorize the assessor to accept the application as if timely filed. The claimant must file a separate application for each assessment year in which the exemption is sought. If an application is filed within the required time and is approved by the assessor, he shall allow an exemption in accordance with the provisions of this section. If a claimant whose failure to file by January 15th of the assessment year has been waived as provided in this subsection and the application for exemption is approved, the amount of tax which the claimant may have already paid for the assessment year with respect to the property exempted shall be refunded to him. The assessor may at any time require proof in the form he considers necessary of the right and amount of an exemption claimed under this section.

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of (e) of this section. However, reimbursement will be made to a borough or city for revenue lost to it only to the extent that the loss exceeds an exemption which was granted by the borough or city, or which upon proper application by an individual would have been granted by the borough or city, under sec. 25(a) of this chapter.

(h) Except as provided in (g) of this section, nothing in (e)-(i) of this section affects similar exemptions from property taxes granted by municipalities on September 10, 1972 or prevents municipalities from granting similar exemptions by ordinance as provided in sec. 25 of this chapter.

(i) In (e)-(i) of this section the term "real property" includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes.

(j) Two percent of the assessed value of a structure is exempt from taxation if the structure contains a fire protection system approved under AS 19.70.081, in operating condition, and incorporated as a fixture or part of the structure. The exemption granted by this subsection is limited to

(1) an amount equal to two percent of the value of the structure based on the assessment for 1981, if the fire protection system is a fixture of the structure on January 1, 1981; or

(2) an amount equal to two percent of the value of the structure based on the assessment as of January 1 of the year immediately following the installation of the fire protection system if the fire protection system becomes a fixture of the structure after January 1, 1981.

Formerly: AS 29.53.020

Comments: Based on Alaska Association of Assessing Officers (AAAO) recommendation:

(1) Para. (a)(2): deletes \$500 limit on exemption of household furniture;

(2) Para. (c): clarifies that "exclusively for classroom space" limitations on rental income under (c) only applies to rental use by an "educational group" and does not preclude the exemption when the income is derived from use by nonprofit religious, charitable, or hospital groups.

(3) Para. (f): clarifies filing of a claim for exemption is a requirement for only the senior citizen exemption under (e), and not for the other exemptions addressed in the section.

Sec. 29.45.040. (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 one percent per mil. The property tax equivalent percentage applied to the annual rent charged to the applicant equals the property tax equivalency payment payable under this section.

(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.

Sec. 29.45.050. Optional exemptions and exclusions.

(a) Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election. An exclusion or exemption authorized by this section may not exceed \$10,000 for any one residence.

(b) Municipalities may by ordinance

(1) classify boats and vessels for purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage. ~~a tax based upon a tonnage valuation shall not exceed \$5 a year for a boat or vessel of less than five net tons and shall not exceed \$15 a year for a boat or vessel of more than five net tons.~~

*broader
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(2) classify and exempt from taxation

(A) All or any portion of the household goods and furnishings in actual use by the owner thereof in equipping and outfitting his or her residence or place of abode and not for sale or commercial use, and all personal effects held by any person for his or her exclusive use and benefit and not for sale or commercial use. "Personal effects" shall be construed to mean and include such tangible property as usually and ordinarily attends the person such as wearing apparel, jewelry, toilet articles, and the like [the household furniture over \$500 in value and the effects of the head of a family or a householder]; and

(B) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes, provided that income derived from rental of such property does not exceed the actual cost to the owner of the use by the renter; and

Formerly: AS 29.53.025

Comments: modifies and expands existing (a)(2)(A) relating to optional exemption of household furniture and effects. Based upon recommendation of AAAO since assessors currently do not include household furnishings and personal effects of family members.

Sec. 29.45.060. Mining claims. The assessed value of an unimproved unpatented mining claim which is not producing, and a nonproducing patented mining claim upon which the improvements originally required for patent have become useless and valueless through depreciation, removal or otherwise, is exempt [fixed at \$200 for each 20 acres or fraction of 20 acres]. If the surface ground of a claim has a separate and independent value for nonmining uses, the real and personal property is assessed at its full and true value.

Formerly: AS 29.53.030

Comments: Deletes \$200 valuation figure. AAAO recommends deletion since administrative costs exceed taxes to be realized in carrying property at \$200 figure on roll.

Sec. 29.45.070. (Sec. 29.53.035.) FARM OR AGRICULTURAL LANDS. (a)

Farm use lands included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for A-l-f-a-r-m use, and shall not be assessed as if subdivided or used for some other

1 nonfarm purpose. The assessor shall maintain records valuing the farm use
2 land for both full and true value and farm use value. Should the farm use
3 land be sold, leased, or otherwise disposed of for uses incompatible with
4 farm use or be converted to a use incompatible with farm use by the owner,
5 the owner is liable to pay an amount equal to the additional tax at the
6 current mill levy together with eight percent interest for the preceding
7 seven years, as though the land had not been assessed for farm use purposes.
8 Payment by the owner shall be made to the state to the extent of its
9 reimbursement for revenue loss under (e) of this section for the preceding
10 seven years. The balance of the payment shall be made to the city or
11 borough.

12 (b) An owner of farm use land must, to secure the assessment,
13 make application to the assessor before May 15 of each year in which the
14 assessment is desired. The application shall be made upon forms prescribed
15 by the state assessor for the use of the local assessor and shall include
16 information which may reasonably be required to determine the entitlement of
17 the applicant. If the farm use land is leased for farm use purposes, the
18 applicant shall furnish to the assessor a copy of the lease bearing the
19 signatures of both lessee and lessor along with the completed application.
20 The applicant shall furnish the assessor a copy of the lease covering the
21 period for which the exemption is requested.

22 (c) In this section "farm use" means the use of land for raising
23 and harvesting crops or for the feeding, breeding and management of
24 livestock or for dairying or another agricultural use for profit or any
25 combination thereof. To be farm use land, the owner or the lessee must be
26 actively engaged in farming the land, and derive at least 10 per cent of his
27 yearly gross income from the farm use land. The provisions of this section
28 do not apply to land respecting which the owner has granted, and has
29 outstanding, a lease or option to buy the surface rights. A property owner

1 wishing to file for farm use classification having no history of
2 farm-related income may submit a declaration of intent at the time of filing
3 the application with the assessor setting out the intended use of the land
4 and the anticipated percentage of income. An applicant using this procedure
5 shall file with the assessor before February 1 of the following year a
6 notarized statement of the percentage of gross income attributable to the
7 farm use land. Failure to make the filing required in this subsection
8 forfeits the exemption.

9 (d) In the event of a crop failure by an act of God the previous
10 year, the owner or lessee may submit an affidavit affirming that 10 percent
11 of his gross income for the past three years was from farming.

12 (e) Subject to legislative appropriations for the purpose, the
13 state shall reimburse a borough or city, as appropriate, for the real
14 property tax revenues lost to it by the operation of this section.

15 Sec. 29.45.080. (Sec. 29.53.040.) MOBILE HOMES. Mobile homes,
16 trailers, house trailers, trailer coaches and similar property used or
17 intended to be used for residential, office or commercial purposes and
18 attached to the land or connected to water, gas, electric or sewage
19 facilities are classed as real property for tax purposes except where
20 expressly classified as personal property by ordinance. This section does
21 not apply to house trailers and mobile homes which are unoccupied and held
22 for sale by persons engaged in the business of selling mobile homes.

23 Sec. 29.45.090. (Sec. 29.53.045.) TAX ON OIL AND GAS PRODUCTION AND
24 PIPELINE PROPERTY. (a) A municipality may levy and collect taxes on taxable
25 property taxable under AS 43.56 only by using one of the methods set out in
26 (b) or (c) of this section.

27 (b) A municipality may levy and collect a tax on the full and
28 true value of taxable property taxable under AS 43.56 as valued by the
29 Department of Revenue at a rate not to exceed that which produces an amount

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1 of revenue from the total municipal property tax equivalent to \$1,500 a year
2 for each person residing within its boundaries.

3 (c) A municipality may levy and collect a tax on the full and
4 true value of that portion of taxable property taxable under AS 43.56 as
5 assessed by the Department of Revenue which value, when combined with the
6 value of property otherwise taxable by the municipality, does not exceed the
7 product of 225 percent of the average per capita assessed full and true
8 value of property in the state multiplied by the number of residents of the
9 taxing municipality. For purposes of this subsection the average per capita
10 assessed full and true value of property in the state shall be calculated
11 without regard to the assessed value of taxable property under AS 43.58.

12 (d) By February 1 of each assessment year a taxing municipality
13 must inform the Department of Revenue which method of taxation the
14 municipality will use.

15 (e) For purposes of this section, population shall be determined
16 by the commissioner of community and regional affairs based on the latest
17 statistics of the United States Bureau of the Census or on other reliable
18 population data, and shall advise each municipality of its population as so
19 determined by January 15 of each year.

Sec. 29.45.100. Tax limitations.

(a) No municipality may levy and tax for any purpose
in excess of three percent of the assessed valuation of
property within the municipality in any one year.

(b) No municipality, or combination of municipalities occupying the same geographical area, in whole or in part, may levy taxes (1) which will result in tax revenues from all sources exceeding \$1,500 [~~\$1,000~~] a year for each person residing within their boundaries or (2) upon values which, when combined with the value of property otherwise taxable by the municipality, exceed the product of 225 per cent of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality. If two or more municipalities occupying the same geographical area, in whole or in part, attempt to levy a tax (1) the combined levy of which would result in tax revenues from all sources exceeding \$1,500 [~~\$1,000~~] a year for each person residing within their boundaries or (2) upon value which, when combined with the value of property otherwise taxable by the municipality, exceed the product of 225 per cent of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality, the commissioner of community and regional affairs shall apportion the lawful levy and equitably divide these revenues on the basis of need, services performed and other considerations in the public interest. For the purpose of this subsection, population shall be determined by the commissioner of community and regional affairs based on the latest statistics of the United States Bureau of the Census or on other reliable population data. For purposes of this subsection the average per capita assessed full and true value of property in the state shall be calculated without regard to the assessed value of taxable property under AS 43.58.

Formerly: AS 29.53.050

Comments: Technical change requested by AAAO to conform with provisions of AS 29.53.045 (SLA 80)

17
18 Sec. 29.45.110. (Sec. 29.53.055.) NO LIMITATIONS ON TAXES TO PAY
19 BONDS. The limitations provided for in Sec. ⁹⁰~~45~~ or ¹⁰⁰~~50~~ of this chapter do not
20 apply to taxes levied or pledged to pay or secure the payment of the
21 principal and interest on bonds. Taxes to pay or secure the payment of
22 principal and interest on bonds may be levied without limitation as to rate
23 or amount, regardless of whether the bonds are in default or in danger of
24 default.

Sec. 29.45.120. Full and true value.

(a) The assessor shall ~~value~~ [assess] property at its full and true value as of January 1 of the assessment year, except as provided in this section and sections ~~141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000~~

(b) Assessment of business inventories may be based on the average monthly method of assessment rather than the value existing on January 1. The method used to assess business inventories shall be prescribed by the borough assembly.

(c) In case of cessation of business during the tax year, the assembly may provide for reassessment of business inventories using the average monthly method of assessment for the tax year rather than the value existing on January 1 of the tax year, and for reduction and refund of taxes. In enacting an ordinance authorized by this section, the assembly may prescribe procedures, restrictions, and conditions of assessing or reassessing business inventories and of remitting or refunding taxes.

Formerly: AS 29.53.060

Comments: Requested by AAAO

4 Sec. 29.53.130. (Sec. 29.53.070.) RETURNS. (a) The assembly may
5 require every person having ownership or control of or an interest in
6 property to submit a return in the form prescribed by the assessor, based on
7 property values existing on January 1, except as otherwise provided in this
8 chapter.

9 (b) The assessor may, by written notice, require a person to
10 provide additional information within 30 days.

11 Sec. 29.45.140. (Sec. 29.53.080.) INDEPENDENT INVESTIGATION. (a) The
12 assessor is not bound to accept a return as correct. He may make an
13 independent investigation of property returned or of taxable property upon
14 which no return has been filed. In either case, the assessor may make his
15 own valuation of the taxable property, which is prima facie evidence.

16 (b) For investigation, the assessor or his agent may enter any
17 premise during reasonable hours and may examine property on the premises.
18 He may examine all property records involved. A person shall, upon request,
19 furnish to the assessor or his agent every facility and assistance for the

purposes of the investigation. ~~If refused entry,~~ The assessor may seek a court order to compel entry. *Production of records.*

(c) An assessor may examine a person on oath. Upon request, the person shall present himself for examination by the assessor.

Sec. 29.45.150. (Sec. 29.53.090.) *Penalty* STATEMENT. *knowingly* A person who fails to file a statement required by ordinance or who knowingly makes a false affidavit to a statement required by a tax ordinance relative to the amount, location, kind or value of property subject to taxation with intent to evade the taxation, is guilty of a misdemeanor. Upon conviction, he is punishable by a fine of not more than ~~\$500~~ *\$1000*, or by imprisonment for not more than ~~30~~ *6 MO* days, or by both, together with costs of prosecution. *Class of Misdemeanor*

Sec. 29.45.160. (Sec. 29.53.095.) REEVALUATION. A systematic reevaluation of taxable real and personal property undertaken by the assessor, whether of specific areas in which real property is located or of specific classes of real or personal property to be assessed, shall be made only in accordance with a resolution or other act of the assembly directing a systematic reevaluation of all taxable property within the borough over the shortest period of time practicable, as determined by the assembly and fixed in the resolution or other act of the assembly.

Sec. 29.45.170. (Sec. 29.53.100.) ASSESSMENT ROLL. (a) The assessor shall prepare an annual assessment roll. The roll contains

- (1) a description of all taxable property;
- (2) the assessed value of all taxable property;
- (3) the names and addresses of persons with property subject to assessment and taxation.

(b) The assessor may list real property by any description that may be made certain. Real property is assessed to the owner of record as shown in the records of the district recorder, who shall at least monthly provide the assessor a copy of each recorded change of ownership showing the

name and mailing address of the owner and the name and mailing address of the party recording the change of ownership. Other persons having an interest in the property may be listed on the assessment records with the owner. The person in whose name property is listed as owner is conclusively presumed to be the legal owner of record. If the property owner is unknown, the property may be assessed to "unknown owner." No assessment is invalidated by a mistake, omission or error in the name of the owner, if the property is correctly described.

Sec. 29.45.180. Assessment notice.

(a) The assessor shall give every person named in the assessment roll a notice of assessment, showing the assessed value of his property. On each notice is printed a brief summary of the dates when taxes are payable, delinquent and subject to penalty and interest, and the dates when the board of equalization will sit.

(b) Sufficient assessment notice is given if mailed by first class mail 30 days before the equalization hearings. If the address is not known to the assessor, the notice may be addressed to the person at the post office nearest the property. Notice is effective on the date of mailing.

Formerly: AS 29.53.110

Deletes requirement that assessor include in the assessment notice the date the board of equalization will meet since many times assessors at that time do not know the dates at the time the notices are mailed. Based on the recommendation of AAAO.

Sec. 29.45.190. (Sec. 29.53.120.) CORRECTIONS. (a) A person receiving an assessment notice shall advise the assessor of errors or omissions in the assessment of his property. The assessor may correct errors or omissions in the roll before the board of equalization hearing.

(b) If errors found in the preparation of the assessment roll are adjusted, the assessor shall mail a corrected notice allowing 30 days for appeal to the board.

Sec. 29.45.200. (Sec. 29.53.130.) APPEAL. (a) A person whose name appears on the assessment roll or his agent or assigns may appeal to the board of equalization for relief from an alleged error in valuation not adjusted by the assessor to the taxpayer's satisfaction.

of notice of assessment, submit to the assessor a written appeal specifying grounds in the form which the board may require. Otherwise, the right of appeal ceases unless the board finds that the taxpayer was unable to comply.

(c) The assessor shall notify appellants by mail of the time and place of their hearing.

(d) The assessor shall prepare for use by the board a summary of assessment data relating to each assessment ^{being?} ~~which is~~ appealed.

(e) A city may appeal an assessment to the board of equalization in the same manner as a taxpayer. Within five days after receipt of the appeal, the assessor shall notify the person whose property assessment is being appealed by the city.

Sec. 29.45.210. Board of Equalization. The assembly sits as a board of equalization for the purpose of hearing any appeal from determinations of the borough assessor. ~~However, may delegate this authority to one or more boards appointed by it for that purpose. An appointed board may be composed of not less than three (3) persons, who may be members of the assembly, private individuals, or a combination thereof.~~ The board of equalization shall consist of at least that number of members of the assembly over and above the number required for a quorum to transact business. The board is governed in its proceedings by such procedures consistent with general rules of administrative law and the laws governing equalization proceedings as may be adopted by ordinance, including but not limited to quorum and voting requirements. The assembly shall by ordinance establish the qualifications for membership and adopt rules of conduct of the board.

Formerly: AS 29.53.135

Comments: Change would clarify authority to establish boards of equalization composed of other than assembly members and by ordinance to establish qualifications. Deletion required to allow appointment of boards of three members or more which number may be less than number required for quorum of assembly.

Sec. 29.45.220. Hearing.

(a) If an appellant fails to appear, the board of equalization may proceed with the hearing in his absence.

(b) The appellant bears the burden of proof.

(c) ~~The only grounds for adjustment is proof of unequal, excessive, or improper valuation based on facts which are stated in a valid written appeal timely filed and~~ ^{proved at the hearing.} ~~proved at the hearing.~~

(d) The board shall certify its actions to the assessor within seven days.

(e) The assessor shall enter the changes and certify the final assessment roll by June 1 except as to supplementary assessments.

(f) [an] The appellant and the assessor may appeal the board's action to the superior court as provided by rules of court applicable to appeals from the decisions of administrative agencies. Appeals are heard on and limited to the record established at the hearing before the board of equalization. [for, and is entitled to, trial de novo of the board's action. Either party to the appeal may demand a jury trial].

Formerly: AS 29.53.140

Comments:

(1) Para. (c): Based on recommendation of AAAO, substitutes and for or to assure must set forth factual grounds in written appeal and prove at hearing;

(2) para. (e): Based on recommendation of AAAO, clarifies that there may be further proceedings after June 1 in event there are supplementary assessments per former section 29.53.150;

(3) para. (f): deletes provisions regarding trial de novo and jury trial and limits scope of review to substantial evidence rule and clarifies confusion created by Winegardner v. Greater Anchorage Area Borough (534 P.2d 541)

Sec. 29.45.230. Supplementary assessment rolls. The assessor shall include property omitted from the assessment roll on a supplementary roll, using the procedures set out in this chapter for the original roll. Any supplementary roll must be finalized and certified on or before September 1 of the assessment year.

Formerly: AS 29.53.150

Comments:

Recommended by AAAO. State assessor requires for his purposes all proceedings to be completed not later than September 1, including any supplemental assessments.

2 Sec. 29.45.240. (Sec. 29.53.160.) TAX ADJUSTMENTS ON PROPERTY
3 AFFECTED BY A NATURAL DISASTER. (a) The assembly may provide for
4 reassessment and reduction of taxes for property destroyed, damaged, or
5 otherwise reduced in value as a result of a natural disaster.

6 (b) A reassessment may be made by the assessor only upon the
7 receipt of a sworn statement of the taxpayer that his losses exceed \$1,000.
8 A reduction of taxes may be made only on losses in excess of \$1,000 for the
9 remainder of the year following the disaster. Upon reassessment, the
0 borough shall recompute this tax and refund taxes which have already been
1 paid.

2 (c) The borough shall make notice of assessment or reassessment
3 and shall hold an equalization hearing as provided in this chapter, except
4 that a notice of appeal is filed with the board of equalization within 10
5 days after notice of assessment is given to the person appealing.
6 Otherwise, the right of appeal ceases unless the board finds that the
7 taxpayer is unable to comply.

8 (d) In enacting an ordinance or resolution authorized by this
9 section, the assembly may, consistent with this section, prescribe

procedures, restrictions and conditions of assessing or reassessing property and of remitting, refunding or forgiving taxes.

(e) In this section "disaster" means a major disaster declared by the President of the United States under the provisions of the Federal Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g, or other federal law. *OR GOVERNOR under AK Disaster Act*

#26.23.010-230
Sec. 29.45.250. (Sec. 29.53.170.) TAX LEVY AND RATE. (a) The power granted to the assembly to assess, levy and collect a general property tax ~~shall~~ *MAY* be exercised by means of general ordinances, but the rate of levy, the date of equalization and the date when taxes become delinquent shall be fixed by resolution.

(b) The assembly shall annually determine the rate of levy before June 15. By July 1 the tax collector shall mail tax statements setting out the levy, dates when taxes are payable and delinquent, and penalties and interest.

CLEAN UP WHOLE SECTION 2
Sec. 29.45.260. (Sec. 29.53.180.) RATES OF PENALTY AND INTEREST. (a) If the taxpayer is required to pay the entire tax on the due date set by the assembly, a penalty not to exceed ~~10%~~ *15%* percent may be added to all delinquent taxes, and interest at the rate of ~~eight percent~~ *eight percent* a year shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full. If the taxpayer is given the right to pay the tax in two installments [and the first half is not paid when due, the entire tax becomes delinquent and] penalty and interest accrue as follows:

Penalty
(1) ~~if~~ *if* the first half is paid when due, the second half is payable on the due date fixed by the assembly for the second half and if not paid is delinquent after that date;

Interest
(2) ~~a~~ *a* penalty not to exceed eight percent shall be added to all taxes delinquent until the due date fixed for payment of the second half, and interest at the rate of eight percent a year shall be charged on

1 the whole of the unpaid taxes, not including penalty, from due date until
2 paid in full;

3 (3) after the due date for the payment of the second half, a
4 total penalty of not more than 10 percent may be added to all delinquent
5 taxes, and interest at the rate of eight percent a year shall accrue upon
6 all unpaid taxes, not including penalties, from due date until date paid in
7 full.

8 (b) If the assembly imposes a penalty for the nonpayment of
9 property taxes when due, or the late return of personal property assessment
10 forms, the rate of penalty or combined rates of penalty may not exceed 10
11 percent of the tax due on the property concerned.

12 (c) If the assembly charges interest on property taxes not paid
13 when due, the rate of interest may not exceed eight percent a year upon the
14 delinquent taxes and shall be charged from the due date until paid in full.

15 ARTICLE 2. ENFORCEMENT OF TAX LIENS

16 Sec. 29.45.290. (Sec. 29.53.200.) VALIDITY. Certified assessment and
17 tax rolls are valid and binding on all persons, notwithstanding any defect,
18 error, omission or invalidity in the assessment rolls or proceedings
19 pertaining to the assessment roll.

20 Sec. 29.45.300. (Sec. 29.53.210.) TAX LIABILITY. (a) The owner of
21 personal property assessed is personally liable for the amount of taxes
22 assessed against his property. The tax, together with penalty and interest,
23 may be collected in a personal action brought in the name of the borough.

24 (b) ~~the~~ property taxes, together with penalty and interest, are
25 a lien upon the property assessed, and the lien is prior and paramount to
26 all other liens or encumbrances against the property.

27 Sec. 29.45.310. (Sec. 29.53.220.) ENFORCEMENT OF PERSONAL PROPERTY
28 TAX LIENS BY DISTRAINT AND SALE. The lien of personal property taxes may be
29 enforced by distraint and sale of the property. The assembly shall provide

1 the procedure for distraint and sale by ordinance. No seizure, levy or
2 distraint is legal unless demand is first made of the person assessed for
3 the amount of the tax, penalty and interest, and no sale is valid unless
4 made at public auction after 15 days notice given by posting or publication.
5 The seizure is made by virtue of a warrant issued by the borough clerk to a
6 peace officer. If the property sold is not sufficient to satisfy the tax,
7 penalty, interest, and costs of sale, the warrant may authorize the seizure
8 of other personal property sufficient to satisfy the tax, penalty, interest
9 and costs of sale. *Excess returned. Inmate language*

10 Sec. 29.45.320. (Sec. 29.53.230.) REAL PROPERTY TAX COLLECTION. (a)

11 The borough shall enforce delinquent real property tax liens by annual
12 foreclosure, unless otherwise provided by ordinance.

13 (b) If the tax on property described in Sec. ~~40~~ of this chapter
14 or on a ^{taxable} ~~leasehold~~ interest in tax exempt property is not paid when due, a
15 borough may enforce the tax by a personal action against the delinquent
16 taxpayer brought in the district or superior court, in addition to other
17 remedies available to the borough to enforce the lien.

18 Sec. 29.45.330. (Sec. 29.53.240.) FORECLOSURE LIST. (a) The borough

19 shall

20 (1) annually present a petition for judgment and a certified
21 copy of the foreclosure list for the previous year's delinquent taxes in the
22 superior court for judgment;

23 (2) publish the foreclosure list for four consecutive weeks
24 in a newspaper of general circulation distributed within the borough or, if
25 there is no newspaper of general circulation distributed within the borough,
26 post the list at three public places for at least 30 days;

27 (3) within 10 days after the first publication or posting,
28 mail to the last known owner of each property as his name and address appear
29 on the list a notice advising of the foreclosure proceeding in which a

petition for judgment of foreclosure has been filed and describing the property and the amount due as stated on the list.

(b) The list shall be arranged in alphabetical order as to the last name and shall include

- (1) the last known owner;
- (2) the property description as stated on the assessment roll;
- (3) years and amounts of delinquency;
- (4) penalty and interest due;
- (5) a statement that the list is available for public inspection at the clerk's office;
- (6) a statement that the list has been presented to the superior court with a petition for judgment and decree.

(c) Completion of the requirements of (a) of this section constitutes and has the same force and effect as the filing of an individual and separate complaint and service of summons to foreclose a lien against each property described on the foreclosure list.

Sec. 29.45.340. (Sec. 29.53.250.) CLEARING DELINQUENCIES. During the publication or posting of the foreclosure list and up to the time of transfer to the borough a person may pay the taxes, together with the penalty, interest and costs. The collector shall note payment on the foreclosure list.

Sec. 29.45.350. (Sec. 29.53.260.) LIST TO LIENHOLDER. A holder of a mortgage or other lien on real property may request the clerk to send by certified mail notice of a foreclosure list which includes such real property.

Sec. 29.45.360. (Sec. 29.53.270.) GENERAL FORECLOSURE. The borough shall bring one general foreclosure proceeding in rem against the properties included in the list. If the owner is unknown, the property is proceeded

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against as belonging to "unknown owner." Tax foreclosure proceedings have priority over all other civil proceedings except board of adjustment appeals as provided in AS 29.33.130(e).

Sec. 29.45.370. (Sec. 29.53.280.) ANSWER AND OBJECTION. A person having an interest in a tract on the foreclosure list may file an answer within 30 days of the date of last publication, specifying his objection. The court shall make its decision in summary proceedings. The foreclosure list is prima facie evidence that the assessment and levy of the tax is valid and that the tax is unpaid.

Sec. 29.45.380. (Sec. 29.53.290.) JUDGEMENT. The court shall in a proper case give judgment and decree that the tax liens be foreclosed. It is a several judgment against and a lien on each parcel.

Sec. 29.45.390. (Sec. 29.53.300.) TRANSFER AND APPEAL. (a) Foreclosed properties are transferred to the borough for the lien amount. When answers are filed the court may enter judgment against and order the transfer to the borough of all other properties on the list pending determination of the matters in controversy. The court shall hear and determine the issues raised by the complaint and answers in the same manner and under the same rules as it hears and determines other actions.

(b) The court clerk shall deliver a certified copy of the judgment and decree to the borough clerk. The certified judgment and decree constitutes a transfer to the borough.

(c) The judgment and decree stops objections to it which could have been presented before judgment and decree.

(d) Appeal from a judgment and decree of foreclosure, or from a final order in the proceeding, may be taken in the manner provided for appeals in civil actions.

Sec. 29.45.400. (Sec. 29.53.310.) REDEMPTION PERIOD. (a) Properties transferred to the borough are held by the borough for at least one year.

During the redemption period a party having an interest in the property may redeem it by paying the lien amount plus penalties, interest and costs, including all costs incurred under Sec. 350(a) of this chapter. Property redeemed is subject to all taxes, assessments, liens and claims as though it had continued in private ownership. Only the amount applicable under the judgment and decree must be paid in order to redeem the property.

~~Delete~~ (b) ~~A person holding a mortgage or other lien of record covering a part only of a parcel of real property included in the judgment and decree of foreclosure may redeem that part by paying the proportionate amount applicable under the judgment and decree.~~

Sec. 29.45.410. (Sec. 29.53.320.) EFFECT. Receipt of redemption money by the ~~clerk~~ ^{*Borough*} releases ~~all claims of the borough to the property.~~ ^{*The judgement obtained under*} The ~~clerk~~ ^{*redesignee*} shall record the redemption and issue a certificate containing a property description, the redemption amount, and the dates of judgment and decree of foreclosure. The clerk shall file the certificate with the ~~recorder~~ ^{*redesignee*} and collect the recording fee from the person redeeming at the time of redemption. The court clerk shall file the certificate as part of the judgment roll.

Sec. 29.45.420. (Sec. 29.53.330.) ADDITIONAL LIENS. If a property included in a foreclosure list is removed after payment of delinquencies or redemption by another lienholder, the payment represented by receipt for payment constitutes an additional lien on the property, collectible by the lienholder in the same manner as the original lien.

Sec. 29.45.430. (Sec. 29.53.340.) POSSESSION DURING REDEMPTION PERIOD. Foreclosure does not affect the former owner's right to possession during the redemption period. In the event that waste is committed by the former owner, or by anyone acting under his permission or control, the borough may declare an immediate forfeiture of the right to possession.

Sec. 29.45.440. Expiration.

(a) At least 30 days before the expiration of the redemption period the clerk shall publish a redemption period expiration notice. The notice shall contain the date of judgment, the date of expiration or the period of redemption and a warning to the effect that all properties ordered sold under the judgment, unless redeemed, shall be deeded to the borough or city immediately in expiration of the period of redemption and that every right or interest of any person in the properties will be forfeited forever to the borough or city. The notice is published once a week for four consecutive weeks in a newspaper of general circulation distributed within the borough. If there is no newspaper of general circulation distributed within the borough, the notice is posted in three public places for at least four consecutive weeks. The clerk shall send a copy of the published notice by certified mail to each record owner of property against which a judgment of foreclosure has been taken and, if the assessed value of the property is more than \$100,000 [\$10,000], to all holders of mortgages or other liens of record on the property. The notice shall be mailed within five days of the first publication. The mailing shall be sufficient if mailed to the property owner and to the holder of a mortgage or recorded lien at the last address of record. The right of redemption shall expire 30 days after the date of the first publication notice.

(b) Costs incurred in the determination of holders of mortgages and other liens of record and costs of publication of notice incurred by a municipality under (a) of this section are a lien on the property and may be recovered by the municipality.

Formerly: AS 29.53.350

Comments: Based on recommendation of AAAO; raises assessed value of property which triggers duty of clerk to advise holders of security of judgment of foreclosure.

26 Sec. 29.45.450. (Sec. 29.53.360.) DEED TO BOROUGH OR CITY. (a)

27 Unredeemed properties in the area of the borough outside cities are deeded
28 to the borough by the clerk of the court. Unredeemed properties within a
29 city are deeded to the city subject to the payment by the city of unpaid

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borough taxes and costs of foreclosure levied against the property before foreclosure. The deeds shall be recorded in the recording district in which the property is located.

(b) ^{tax}Conveyance gives the borough or the city clear title except for prior recorded liens of the United States and the state.

(c) If unredeemed property lies within a city and if the city has no immediate public use for the property but the borough does have an immediate public use, the city shall deed the property to the borough. If unredeemed property lies within the borough outside a city and if the borough does not have an immediate public use for the property but the city does have an immediate public use, the borough shall deed the property to the city.

(d) No deed is invalid for irregularities, omissions or defects, *in the proceedings pursuant to this chapter* unless the former owner has been misled to his injury. After two years from the date of the deed, its validity is conclusively presumed and any claim of the former owner ^{or other person} is forever barred.

Sec. 29.45.460. (Sec. 29.53.370.) DISPOSITION AND SALE OF FORECLOSED PROPERTIES. (a) The assembly of a borough or council of a city shall determine by ordinance whether foreclosed property deeded to the municipality under Sec. 360 of this chapter shall be retained by the municipality for a public purpose. The ordinance shall contain the legal description of the property, the address or a general description of the property sufficient to provide the public with notice of its location, and the name of the last record owner of the property as his name appears on the assessment rolls of the municipality.

(b) Tax-foreclosed properties conveyed to a borough or city by tax foreclosure and not required for a public purpose may be sold. Before the sale of tax-foreclosed property held for a public purpose, the assembly or council, by ordinance, shall determine that a public need does not exist. LA-LT20 ordinance shall contain the information required in (a) of this section.

of designee
(c) The clerk shall send a copy of the published notice of hearing of an ordinance to consider a determination required by (a) or (b) of this section by certified mail to the former record owner of the parcel of property which is the subject of the ordinance. The notice shall be mailed within five days of its first publication and shall be sufficient if *as his name appears.* mailed to the property owner at the last address of record *assessment rolls of the municipality shown on the*

(d) The provisions of (c) of this section do not apply with respect to property which has been held by the municipality for a period of more than 10 years after the close of the redemption period.

Sec. 29.45.470. (Sec. 29.53.375.) REPURCHASE BY RECORD OWNER. (a) The record owner at the time of tax foreclosure of property acquired by a borough or city, or his assigns, may, at any time before the sale or contract of sale of the tax-foreclosed property by the borough or city, repurchase the property. The borough or city shall sell the property for the full amount applicable to the property under the judgment and decree, with interest at the rate of eight percent a year from the date of entry of the judgment of foreclosure to the date of repurchase, *penalties & interest* ~~delinquent taxes~~ *see 400 looking.* assessed and levied as though it had continued in private ownership, and costs of foreclosure and sale, including, but not limited to, costs of publication of notice and any costs associated with the determination of holders of mortgages and other liens of record under Sec. 350(a) of this chapter.

(b) After adoption of an ordinance providing for the retention of a parcel of tax-foreclosed property by the municipality for a public purpose, the right of the former record owner to repurchase the property ceases.

Sec. 29.45.480. (Sec. 29.53.380.) PROCEEDS OF TAX SALE. *↑*

(a) Upon sale of foreclosed real or personal property the borough or city shall divide the proceeds less cost of collection, between the borough and

1 the city having unpaid taxes against the property. The division is in
2 proportion to the respective municipal taxes against the property at the
3 time of foreclosure.

4 (b) The former record owner of tax-foreclosed real property which
5 has been held by a municipality for less than 10 years after the close of
6 the redemption period and never designated for a public purpose which is
7 sold at a tax-foreclosure sale is entitled to the portion of the proceeds of
8 the sale which exceeds the amount sufficient to satisfy unpaid taxes,
9 delinquent taxes ~~assessed and levied~~ as if the property had continued in
10 private ownership, penalty, interest and costs of property sold, including
11 costs incurred under Sec. 350(a) of this chapter. If the proceeds of the
12 sale of tax-foreclosed property exceed the total of unpaid and delinquent
13 taxes, penalty, interest, and costs, the borough or city shall provide the
14 former owner of the property written notice advising of the amount of the
15 excess and the manner in which a claim for the balance of the proceeds may
16 be submitted. Notice is sufficient under this subsection if mailed to the
17 former owner at his last address of record ^{as shown on assessment roll}. Upon presentation of a proper
18 claim, the municipality shall remit the excess to the former record owner. A
19 claim for the excess filed after six months of the date of sale is forever
20 barred.

21 Sec. 29.45.490. (Sec. 29.53.385.) PAYMENT OF TAXES UPON PUBLIC
22 UTILIZATION. If a city or borough holds or takes title to tax-foreclosed
23 property for a public purpose, the city or borough shall satisfy unpaid
24 taxes and assessments against the property held by other municipalities,
25 with accrued interest but without penalty. If the amount required to
26 satisfy the unpaid taxes and assessments exceeds the assessed valuation of
27 the property, the city or borough shall pay the other municipalities the
28 assessed valuation, which shall be divided between the other municipalities
29 in proportion to their respective taxes and assessments against the property
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at the time of foreclosure.

1 Sec. 29.45.510. (Sec. 29.53.390.) REFUND OF TAXES. (a) If a taxpayer
2 pays taxes under protest, he may bring suit in the superior court against
3 the borough for recovery of the taxes. If judgment for recovery is given
4 against the borough, the borough shall refund the amount of the taxes to the
5 taxpayer with interest at eight percent from the date of payment plus costs.

6 (b) If, in payment of taxes legally imposed, a remittance by a
7 taxpayer through error or otherwise exceeds the amount due, and the borough,
8 on audit of the account in question, is satisfied that this is the case, the
9 borough shall refund the excess to the taxpayer with interest at eight
10 percent from the date of payment. A claim for refund filed after one year
11 of the due date of the tax is forever barred.

12 ARTICLE 3. CITY PROPERTY TAX.

13 Sec. 29.45.530. (Sec. 29.53.400.) POWER OF LEVY. Home rule and first
14 class cities within boroughs may levy a general property tax. A property
15 tax, if levied, shall be levied in the manner provided for borough levies in
16 Sec. 170(a) of this chapter and is subject to Secs. 10-25, 50-55 and 310-350
17 of this chapter. The council shall by June 15 of each year present to the
18 borough assembly a statement of the city's rate of levy, unless a different
19 date is agreed upon by the borough and city.

20 Sec. 29.45.540. (Sec. 29.53.410.) LIMITED PROPERTY TAXING POWER FOR
21 SECOND CLASS CITIES. A second class city may by referendum ^{authorize the} levy ^{of} ~~real and~~
22 ~~personal~~ property taxes as provided for first class cities. However, levy ^{REF. sect}
23 by a second class city may not exceed one-half of one percent of the
24 assessed valuation of the property taxed, except that the limit does not
25 apply to a levy necessary to avoid a default upon payment of principal and
26 interest of bonded or other indebtedness which is secured by a pledge to
27 levy ad valorem or other taxes without limit to meet debt payments.

28 Sec. 29.45.570. (Sec. 29.53.415.) SALES AND USE TAX. (a) A borough
29 may levy and collect a sales tax not exceeding six percent on sales or

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rents, and on services made within the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

(b) A borough levying a sales tax may also by ordinance levy a use tax on the storage, use or consumption of tangible personal property within the borough. The use tax rate must equal the sales tax rate and the use tax shall be levied only upon buyers.

(c) A person who furnishes proof, in the form required by the borough tax collector, that he has paid a sales tax on the source on which a use tax is levied by the borough is required to pay the use tax only to the extent of the difference between the amount of the sales tax paid and the amount of the use tax levied by the borough. This subsection applies to a sales tax levied in any taxing jurisdiction whether in or outside the state.

(d) If the assembly of a home rule or general law borough charges interest on sales taxes not paid when due, the rate of interest may not exceed eight percent a year upon the delinquent taxes and shall be charged from the due date until paid in full.

second set for new text
Sec. 29.45.590. (Sec. 29.53.420.) REFERENDUM, ADOPTION AND MODIFICATION. (a) The assembly shall hold a referendum vote on the question of enacting a sales tax or increasing the rate of levy of sales taxes. Borough sales tax propositions may be presented only once in any 12-month period. A sales tax proposition may be submitted to the voters at a regular or special election ~~or at a general election of the state.~~

(b) If the proposition receives a majority of the votes cast, the assembly may enact the sales tax or increase the rate of the sales tax as a levy upon buyers, sellers, or both. The sales tax is collected at the time of sale or at the time of payment in credit transactions and transmitted to the borough.

Sec. 29.45.570 (29.53.415). Sales and use tax. (a) A borough may levy and collect a sales tax not exceeding six per cent on sales ~~or~~ rents, and on services made within the borough and may provide for the creation and recording of a lien on real or personal property to secure the payment of the tax, and for interest, penalties and costs in the event of delinquencies. Such liens shall have the force, effect, priority and duration of a judgment lien. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

(b) A borough levying a sales tax may also by ordinance levy a use tax on the storage, use or consumption of tangible personal property within the borough. The use tax rate must equal the sales tax rate and the use tax shall be levied only upon buyers.

(c) A person who furnishes proof, in the form required by the borough tax collector, that he has paid a sales tax on the source on which a use tax is levied by the borough is required to pay the use tax only to the extent of the difference between the amount of the sales tax paid and the amount of the use tax levied by the borough. This subsection applies to a sales tax levied in any taxing jurisdiction whether in or outside the state.

(d) If the assembly of a home rule or general law borough charges interest on sales taxes not paid when due, the rate of interest may not exceed eight per cent^{15%} a year upon the delinquent taxes and shall be charged from the due date until paid in full.

* * * * *

Sec. 29.45.610 (29.53.440). Power of levy. Cities within a borough which levies and collects sales or use taxes for areawide borough functions may levy sales or use taxes upon all sources taxed by the borough in the manner provided for boroughs including providing for the creation and recording of a lien on real or personal property to secure the payment thereof, and for interest, penalties and costs in the ~~amount~~^{amount} of delinquencies. Such liens shall have the force, effect, priority and duration of a judgment lien.

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Sec. 29.45.620 (29.53.450). Power of levy and collection. Cities within a borough which does not levy and collect sales or use taxes for areawide borough functions may levy and collect sales or use taxes in the manner provided for boroughs including providing for the creation and recording of a lien on real or personal property to secure the payment thereof, and for interest, penalties and costs in the event of delinquencies. Such liens shall have the force, effect, priority and duration of a judgment lien.

ARTICLE 5. CITY SALES AND USE TAXES

1
2 Sec. 29.45.610. (Sec. 29.53.440.) POWER OF LEVY. Cities within a
3 borough which levies and collects sales or use taxes for areawide borough
4 functions may levy sales or use taxes upon all sources taxed by the borough
5 in the manner provided for boroughs.

6 Sec. 29.45.620. (Sec. 29.53.450.) POWER OF LEVY AND COLLECTION.
7 Cities within a borough which does not levy and collect sales or use taxes
8 for areawide borough functions may levy and collect sales or use taxes in
9 the manner provided for boroughs.

0 Sec. 29.45.630. (Sec. 29.53.460.) COMBINING SALES TAX WITH
1 INCORPORATION. A petition for second class city incorporation may request
2 that a sales tax proposal be placed on the same ballot. The petition must
3 state the proposed tax rate. The petition may request that incorporation be
4 dependent upon the passage of the sales tax proposition. If so, the
5 incorporation proposition fails if the sales tax fails.

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1 (i) In (e) - (i) of this section the term "real property"
2 includes but is not limited to mobile homes, whether classified as real or
3 personal property for municipal tax purposes.

4 (j) Two percent of the assessed value of a structure is exempt
5 from taxation if the structure contains a fire protection system approved
6 under AS 19.70.081, in operating condition, and incorporated as a fixture or
7 part of the structure. The exemption granted by this subsection is limited
8 to

9 (1) an amount equal to two percent of the value of the
10 structure based on the assessment for 1981, if the fire protection system is
11 a fixture of the structure on January 1, 1981; or

12 (2) an amount equal to two percent of the value of the
13 structure based on the assessment as of January 1 of the year immediately
14 following the installation of the fire protection system if the fire protec-
15 tion system becomes a fixture of the structure after January 1, 1981.

16 Sec. 29.45.040. (Sec. 29.73.060.) PROPERTY TAX EQUIVALENCY PAYMENTS.

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

20 (b) For purposes of determining payments to eligible persons, the
21 department shall calculate a property tax equivalent percentage for each
22 home rule or general law municipality which levies a general property tax at
23 the rate of one percent per mil. The property tax equivalent percentage
24 applied to the annual rent charged to the applicant equals the property tax
25 equivalency payment payable under this section.

26 (c) To obtain tax equivalency payments the eligible resident must
27 apply to the department for payment for the preceding year by January 15 of
28 each year on forms and in the manner prescribed by the department. Each
29 applicant shall submit with the application rental receipts or, if rental

1 receipts are not available, other evidence satisfactory to the department
2 for determination of the fact of payment of rent and the amount paid.

3 (d) If two or more persons occupy a residence as tenants, not all
4 of whom are eligible for tax equivalency payments under this section, the
5 assessor shall determine equitable partial payments to be made to the eligible
6 tenants. However, tax equivalency payments to an eligible applicant may not
7 be reduced because the spouse is less than 65 years of age. If all occupants
8 in a residence are eligible for tax equivalency payments under this section,
9 the occupants shall decide between and among themselves which shall receive
10 payment.

11 Sec. 29.45.050. (Sec. 29.53.025.) OPTIONAL EXEMPTIONS AND EXCLUSIONS.

12 (a) Municipalities may exclude or exempt or partially exempt residential
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