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3 /

COMMITTEE REPORT

HOUSE

(7)
1/17/83

FURTHER: FINANCE

Date: _____

Mr. Speaker:

The Committee on C.S.P.A. has had HB 31

Providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes; and providing for an effective date.

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 31 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

AN ACT RELATING TO CERTAIN TAX BENEFITS FOR DISABLED VETERANS
AND SENIOR RESIDENTS;
AND PROVIDING FOR AN EFFECTIVE DATE

GENERAL DOLLARS: \$300,000 (F. NOTE)

PRIME SPONSOR: FURNACE.

OTHER DOLLARS: \$0

CO-SPONSORS: BARNES, GRUSSENDORF, KOPONEN, PHILLIPS, LINDAUER, ABOOD, LISKA,
LARSON, FRITZ.

CURRENT STATUS: 4/27/84 CHAPTER 0040 SLA 84

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/17/83	01	0025	FIRST READING -- COMMITTEE REPORTS
02/15/83	02	0259	C&RA -- CS03, NR04
02/15/83	03	0259	F/NOTE HSE SUPPL #9
03/02/83	04	0380	FIN -- C&RA CS11
03/02/83	05	0384	SECOND READING
03/02/83	06	0385	C&RA CS ADOPTED BY UNAN CONSENT
03/02/83	07	0385	AM01 ADOPTED BY UNAN CONSENT
03/02/83	08	0385	ADVANCED TO 3RD READING BY UNAN CONSENT
03/18/83	20	0549	AM05 ADOPTED BY UNAN CONSENT
03/18/83	21	0000	ADVANCED TO 3RD READING BY UNAN CONSENT
03/02/83	09	0385	THIRD READING
03/02/83	10	0386	PASSED BY DIV 36-04-00
03/02/83	11	0387	EFFECTIVE DATE VOTE SAME AS PASSAGE
03/02/83	12	0387	NOTICE OF RECONSIDERATION GIVEN
03/04/83	13	0405	POSTPONED UNTIL 03/09/83 BY UNAN CONSENT
03/09/83	14	0430	POSTPONED UNTIL 03/14/83 BY UNAN CONSENT
03/14/83	15	0493	POSTPONED UNTIL 03/16/83 BY UNAN CONSENT
03/16/83	16	0513	POSTPONED UNTIL 03/18/83 BY UNAN CONSENT
03/18/83	17	0545	FAILED TO RETN 2ND READING BY DIV 04-33-03
03/18/83	18	0546	FAILED TO RETN 2ND READING BY DIV 04-31-05

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/18/83	19	0549	RETURNED TO 2ND READING BY UNAN CONSENT
03/18/83	22	0549	PASSED ON RECONSIDERATION BY DIV 34-01-05
03/18/83	23	0550	EFFECTIVE DATE VOTE SAME AS PASSAGE
04/09/84	36	3255	CONCURRED IN SENATE AHS BY DIV 37-02-01
04/09/84	37	3255	EFFECTIVE DATE VOTE SAME UNAN CONSENT
04/10/84	38	3270	TRANSMITTED TO GOVERNOR
04/27/84	39	3505	SIGNED BY GOVERNOR-CH0040, EFF 01/01/85

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/21/83	24	0446	FIRST READING -- COMMITTEE REPORTS
04/20/83	25	0760	C&RA -- CS02, NR01
04/20/83	26	0760	C&RA F/NOTE SEN SUPPL #21
03/01/84	27	2223	FIN -- CS03, NR03
03/01/84	28	2238	FIN F/NOTE SEN SUPPL #59
04/04/84	29	2634	RLS -- FIN CS05, OTHER05 TAKEN UP IMMEDIATELY
04/04/84	30	2635	SECOND READING
04/04/84	31	2636	FIN CS ADOPTED BY UNAN CONSENT
04/04/84	32	2636	ADVANCED TO 3RD READING BY UNAN CONSENT
04/04/84	33	2636	THIRD READING
04/04/84	34	2636	PASSED BY DIV 20-00-00
04/04/84	35	2636	EFFECTIVE DATE VOTE SAME AS PASSAGE

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST

FISCAL DETAIL

Bill/Resolution No.: HB 031 CS(C&RA) Agency Affected: Community & Regional Affairs
 Title: Residence Exemption/Disabled Veterans Program Category Affected: Development
 Rec ID 364
 Sponsor: C&RA Committee BRU, Program or Subprogram(s) Affected:
 Requestor: Jay Hogan
 Date of Request: 12/16/83

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		3.0	3.3	3.6	4.0	4.4
300 CONTRACTUAL						
400 SUPPLIES		2.0	2.2	2.4	2.6	2.9
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		214.0	235.5	259.0	285.0	313.5
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	219.0	241.0	265.0	291.6	320.8
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND		219.0	241.0	265.0	291.6	320.8
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Wingan Phone: 465-4750
 Division: Municipal and Regional Assistance Date: 12/29/83
 Approved by Commissioner: [Signature] Date: 12/29/83
 Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 031 CS
Title: Residence Exemption/Disabled Veterans
Rec ID 364

ANALYSIS:

Assumptions:

See Attachment A.

Positions:

Negligible impact.

Other Expenditures:

Funding:

General Fund.

Section Cost Analysis:

Computations:

See Attachment A.

Economic Impact:

None.

Impact on Local Government:

Negligible

Attachments

Attachment A - assumptions & computations.

ATTACHMENT A

Assumptions:

1. Of the 75% disabled veterans in Alaska whose disability ratings are 50% or higher, we assume 1.5% to be over 65 years of age, and therefore, already exempt under Senior Citizen programs.
2. The percentage of disabled veterans who rent is similar to those who own their homes.
3. The average exemption for homeowners is \$427 per year. The average rebate for renters is \$295 per year.
4. The annual increase is 10%. This allows for inflation, increasing participation and increased property taxes.

Computations:

Homeowners

<u>% Disability</u>	<u>Number</u>	<u>Total Payment to Municipalities</u>
50%	150	\$ 32,025
60%	149	38,174
70%	92	27,499
80%	46	15,714
90%	2	769
100%	<u>162</u>	<u>69,174</u>
TOTAL	601	\$ 183,355

Renters Property

<u>% Disability</u>	<u>Number</u>	<u>Total Rebate to Renters</u>
50%	38	\$ 5,605
60%	37	6,549
70%	17	3,511
80%	11	2,596
90%	1	266
100%	<u>41</u>	<u>12,095</u>
TOTAL	145	\$ 30,622

Administration

Forms Design & Printing	\$ 2,000
Travel (Outreach)	3,000
	<u>\$ 5,000</u>

GRAND TOTAL \$ 218,977
 CALL: \$ 219,000

Alaska State Legislature



Barbara Lacher, Chairman
Mac Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs


TO: House C & R A Committee
FROM: Staff
DATE: February 14, 1983
SUBJECT: CSHB 31

CSHB 31 adds a provision for disabled veterans who are renters to receive a rebate on the portion of rent that is estimated to be equal to the tax payment.

It makes property tax exemption and rental rebate applicable to disabled veterans with a minimum of 50 percent disability.

The committee substitute incorporates requests of committee members which require verification of disability and provides for exceptions to the deadline for applications.

To: Representatives Barbara Lacher, Chairperson
House Committee on Community and Regional Affairs

Through: Representative Walt Furnace 

From: Steven C. Levi, Staff

Date: January 20, 1982

RE: HB 31

This bill, when enacted, will allow a property tax exemption for a disabled Alaska veterans in the percentage of his or her disability on his or her residential, permanent abode. Thus, an Alaskan veteran who is 75% disabled would have a 75% reduction in his or her property taxes. A disabled veterans may be required to show evidence of disability. Disability shall be defined as that percentage of physical damage which has been rated by the branch of the service in which the person served or by the Veterans Administration. Such veteran must have been honorably discharged.

Staff notes that Alaskans 65 years or older pay no property assessments and that only one exemption may be granted for any piece of property -- even if two or more eligible Alaskans reside at the same address.



Veterans Administration

January 25, 1983

In Reply Refer To: 363/27

Representative Barbara Lacher
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mrs. Lacher,

We do not have a precise breakdown of disabled veterans by state and percentage of disability.

We do, however, know the exact number of Alaska veterans receiving service connected disability payments, and that figure is 3,436.

Also, we do have a breakdown by percentage of disability on a national basis. That is as follows:

<u>DISABILITY</u>	<u>PERCENT OF TOTAL</u>
10%	39.5
20%	15.9
30%	14.1
40%	8.3
50%	5.1
60%	5.5
70%	3.4
80%	1.7
90%	0.1
100%	6.0

You can see from this chart that, for example, 39.5% of the veterans nationally are receiving 10% disability compensation. If you apply the same percentage (39.5) to the total number of Alaska veterans (3436) you will arrive at a good approximation of the number of veterans in Alaska receiving 10% compensation.

2.

Representative Barbara Lacher

Attached you will find a copy of our current compensation rates. Historically, the rates have been adjusted on October 1st to reflect increases in cost-of-living.

Sincerely,



WILLIAM R. HARRELL
Staff Assistant/Veterans Services Officer

38 U.S.C. 314

BASIC RATES

Entitlement Codes
11, 21, 31, 41, 51,
61, 71 and 91

lowest
10-1-82

PL 97-
Effective 10-1-82

DEP CODE	(a)	(b)
00	10%	20%
	Veteran	\$62 \$114

DEP. CODE	38 USC 314 Percent	30%	40%	50%	60%	70%	80%	90%	100%	38 USC Percent	DEP. CODE
00	Veteran	\$173	249	352	443	559	648	729	1213	Veteran	00
10	V-W	195	278	389	487	610	707	795	1287	V-W	10
11	V-W-1C	210	298	414	517	645	747	840	1337	V-W-1C	11
12	V-W-2C	222	314	434	541	673	779	876	1377	V-W-2C	12
13	V-W-3C	234	330	454	565	701	811	912	1417	V-W-3C	13
14	V-W-4C	246	346	474	589	729	843	948	1457	V-W-4C	14
15	V-W-5C	258	362	494	613	757	875	984	1497	V-W-5C	15
16	V-W-6C	270	378	514	637	785	907	1020	1537	V-W-6C	16
17	V-W-7C	282	394	534	661	813	939	1056	1577	V-W-7C	17
18	V-W-8C	294	410	554	685	841	971	1092	1617	V-W-8C	18
19	V-W-9C	306	426	574	709	869	1003	1128	1657	V-W-9C	19
	Ea. Add'l Child	12	16	20	24	28	32	36	40	Ea. Add'l Child	
	Ea. School Child	32	44	56	67	78	89	100	112	Ea. School Child	
81	V-1C	188	269	377	473	594	688	774	1263	V-1C	81
82	V-2C	200	285	397	497	622	720	810	1303	V-2C	82
83	V-3C	212	301	417	521	650	752	846	1343	V-3C	83
84	V-4C	224	317	437	545	678	784	882	1383	V-4C	84
20/30	V-W-1P	213	302	419	523	652	755	849	1347	V-W-1P	20/30
21/31	V-W-1P-1C	228	322	444	553	687	795	894	1397	V-W-1P-1C	21/31
22/32	V-W-1P-2C	240	338	464	577	715	827	930	1437	V-W-1P-2C	22/32
23/33	V-W-1P-3C	252	354	484	601	743	859	966	1477	V-W-1P-3C	23/33
24/34	V-W-1P-4C	264	370	504	625	771	891	1002	1517	V-W-1P-4C	24/34
40	V-W-2P	231	326	449	559	694	803	903	1407	V-W-2P	40
41	V-W-2P-1C	246	346	474	589	729	843	940	1457	V-W-2P-1C	41
42	V-W-2P-2C	258	362	494	613	757	875	984	1497	V-W-2P-2C	42
43	V-W-2P-3C	270	378	514	637	785	907	1020	1537	V-W-2P-3C	43
44	V-W-2P-4C	282	394	534	661	813	939	1056	1577	V-W-2P-4C	44
50/60	V-1P	191	273	382	479	601	696	783	1273	V-1P	50/60
51/61	V-1P-1C	206	293	407	509	636	736	828	1323	V-1P-1C	51/61
52/62	V-1P-2C	218	309	427	533	664	768	864	1363	V-1P-2C	52/62
53/63	V-1P-3C	230	325	447	557	692	800	890	1403	V-1P-3C	53/63
54/64	V-1P-4C	242	341	467	581	720	832	936	1443	V-1P-4C	54/64
70	V-2P	209	297	412	515	643	744	837	1333	V-2P	70
71	V-2P-1C	224	317	437	545	678	784	882	1383	V-2P-1C	71
72	V-2P-2C	236	333	457	569	706	816	918	1423	V-2P-2C	72
73	V-2P-3C	248	349	477	593	734	848	954	1463	V-2P-3C	73
74	V-2P-4C	260	365	497	617	762	880	990	1503	V-2P-4C	74
Additional For A/A Spouse Add		18	24	30	36	42	48	54	60	Additional For A/A Spouse Add	



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 24, 1983

TO: Representative Barbara Lacher

FROM: Staff

SUBJECT: HB 31 Summary

This proposed amendment provides tax exemption of real property (permanent place of abode) for disabled veterans. The amount of the exemption is the same percentage as the percentage of disability as established by the service disability rating of the veteran.

The taxes lost to a municipality as a result of this amendment shall be paid to the municipality by the State (29.53.020g). The manner for the veteran to receive the exemption and for the municipality be reimbursed is the same as existing law for persons 65 years of age or older.

TO: HB 31 files
FROM: Staff

According to Bill Harrell of the Veterans Administration in Anchorage there are 3436 veterans who are drawing disability compensation. Of these

39.5%	10% disability	1,357
15.9%	20%	
14.1	30%	
8.3%	40%	
5.1	50%	
5.5	60%	
3.4%	70%	
1.7	80%	
.1%	90%	(4)
6.0	100%	(206)

The above figures are close approximations and thus do not come out exactly at 100%

In addition to the above disability rating, there are special letter ratings from A-R. The loss of one eye for example is a K rating and entitles the veteran to an additional amount of money.

The % of disability rating is based on the "average man's income loss" For example, it is determined that the average man would lose a certain percentage of his earning power for a particular injury and so anyone, be they a concert pianist or a truck driver will receive the same amount of compensation for a particular disability. The rate scale is updated annually.

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS For HB 31 (C&RA)
Title "... providing for the exemption of the residence of a disabled veteran..."
Requested by House Community & Regional Affairs Date 2/8/83

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected _____
BRU, Program, Or Subprogram(s) Affected State Assessor - Grants
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		289.7	315.8	344.2		

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND		289.7	315.8	344.2		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME						
PART TIME						
TEMPORARY						

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

See Attached

RECEIVED

FEB 9 1983

LEGISLATIVE FINANCE

IV. DATE 2/8/83 PREPARED BY Terry Earley
AGENCY Community & Regional Affairs

Original: Legislative Finance PHONE 465-4730
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82) OMB Reviewed by: David Gentry

D. Gentry

FISCAL NOTE

"...providing for exemption of the residence of disabled veterans..."

The following tables show estimated number of veterans by percent of disability and is based on average payments made to senior citizens under current statutes.

HOMEOWNERS

<u>% Disability</u>	<u>Number</u>	<u>Total</u>
10%	1070	\$63,828
20%	430	\$51,301
30%	382	\$68,361
40%	225	\$53,687
50%	150	\$44,739
60%	149	\$53,329
70%	92	\$38,416
80%	46	\$21,952
90%	2	\$1,074
100%	162	\$96,636
	<u>2,708</u>	<u>\$493,323</u>

RENTERS

10	268	\$8,920
20	108	\$7,190
30	95	\$9,486
40	56	\$7,456
50	38	\$6,324
60	37	\$7,389
70	17	\$5,658
80	11	\$226
90	1	\$300
100	41	\$13,647
	<u>672</u>	<u>\$66,596</u>

Grand Total

\$559,919

Assumptions

1. There are 3,436 eligible disabled veterans in the state.
2. Census statistics show the over 65 male population of the state to comprise 1.4% and this percentage also applies to disabled veterans. Therefore, that 1.4% of the disabled veterans are presently exempt by virtue of age.
3. The percentage of disabled veterans who rent is similar to senior citizens who rent.

RECEIVED

FEB 2 1983

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

LEGISLATIVE FINANCE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS For HB 31 (C&RA)
Title "providing for exemption of the residence of a disabled veteran..."
Requested by House Community & Regional Affairs Date 1/28/83

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected _____
BRU, Program, Or Subprogram(s) Affected State Assessor - Grants
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		559.9	610.3	665.2		

FUNDING (Thousands of Dollars)

GENERAL FUND		559.9	610.3	665.2		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See Attached

IV. DATE 1/28/83 PREPARED BY Terry Earley
AGENCY Community & Regional Affairs

Original: Legislative Finance PHONE 465-4730
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)
OMB Reviewed by: David Gentry

D. Gentry

RECEIVED

FEB 2 1983

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

LEGISLATIVE FINANCE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS For HB 31 (C&RA)
Title "... providing for exemption of the residence of a disabled veteran..."
Requested by House Community & Regional Affairs Date 1/28/83

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
Program Category Affected _____
BRU, Program, Or Subprogram(s) Affected State Assessor - Grants
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
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TOTAL		559.9	610.3	665.2		

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND		559.9	610.3	665.2		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME						
PART TIME						
TEMPORARY						

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

See Attached

IV. DATE 1/28/83 PREPARED BY Terry Earley
AGENCY Community & Regional Affairs
PHONE 465-4730
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)

OMB Reviewed by: David Gentry

D. Gentry

M E M O R A N D U M

TO: House C & RA Committee Members
FROM: Staff
SUBJECT: HB 31

Message from Mr. Dave Barrett, Alaska Director of Veterans Administration, as relayed by Mr. Pete Everingham, Juneau VA representative.

The Veterans Administration can provide to state agencies the necessary data to implement HB 31 as presently written, that is, exemptions and payments based on a percentage of disability as rated by the Veterans Administration.

The Veterans Administration cannot provide the necessary information should tax exemptions and payments be based on income or need because they do not and cannot maintain this data.

TO: Representative Barbara Lacher
FROM: Staff
SUBJECT: CS HB 31

The proposed CSHB 31 retains the same provisions as HB 31 but provides for property tax equivalency payments for disabled veterans who are renters of an abode in the same manner as is presently provided for citizens 65 years of age or older who are renters. (AS 29.73.060)

The disabled veteran will be eligible for payment of that portion of his rent that approximates the property tax of his abode, but the amount of payment made will be the same percentage as the percentage of the veterans' disability rating.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

Position Paper

Re: HB 31

Sponsor: Furnace

Program Effects of Bill

A property tax exemption for the homeowners of a given segment of the population may prompt companion legislation to provide for property tax rebates for renters within that same segment of taxpayers (see AS 29.73.060. Property tax equivalency payments). Additional legislation could extend into areas such as sewer and water assessment exemptions (see AS 29.63.065.) and motor vehicle tax exemptions [see AS 28.10.411(d)].

As a result of the adoption of those programs, additional administrative costs may be incurred by this department, and similar impacts could occur in numerous taxing municipalities across the State.

Comments

The Department does not oppose veterans benefits in concept. However, there are ramifications to be considered. Although this specific bill might not have a significant financial impact on the State, it could set a precedent which we believe could have such an impact.

The Department is also concerned with the deterioration of the property tax base through the passage of such bills. As more tax exemptions are passed, the net result is that fewer property owners are required to pay more in local tax dollars to maintain the existing level of municipal services.



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 31, 1983

TO: Representative Don Clocksin
FROM: Bob Harris
House C & RA Staff
Subject: HB 31, Disabled Veterans Tax Exemption

The attached draft reflects the corrections and revisions requested during our hearing on the bill on January 26.

Please review and let me know if there are any other concerns to address before we bring it back to the Committee.



Alaska State Legislature

House of Representatives

JAN 31 1983

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

MEMORANDUM

DATE: January 29, 1983

TO: Rep. Barbara Lacher
Chairman
House Community and
Regional Affairs
Committee

FROM: *Mike Szymanski*
Mike Szymanski
Representative

SUBJECT: HB 31 Exempting Disabled Veterans
from Paying Real Property Tax

Before we move on this legislation I would recommend the following questions be either addressed by the sponsor or researched by committee staff:

- Full*
-30
no
1. If we restrict eligibility to "special disabled" (30% or more), what will the fiscal note be?
 2. Can a needs survey be initiated which would support the funding of disabled veterans as proposed in the legislation.
 3. Is it possible to tie the amount of tax exemption to the true income of the disabled veteran?

no

Finally, I would also request identification of where in the existing operating budget of the State the sponsor or supporter of this legislation would reduce funding to accommodate this new program so as not to increase the already bulging and inflated operating budget.

If you have any questions concerning this request, please feel free to contact me.

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

RECEIVED

FISCAL NOTE

FEB 7 1983

I. REQUEST
 Bill/Resolution No. HB 31
 Title An Act providing for exemption of the residence of a disabled veteran
 Requested by _____ Date LEGISLATIVE FINANCE

II. FISCAL DETAIL
 Agency Affected Department of Commerce and Economic Development
 Program Category Affected Economic Development
 BRU, Program, Or Subprogram(s) Affected Loans and Veterans Affairs
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-		

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME						
PART TIME						
TEMPORARY						

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

This bill will provide a benefit to disabled veterans but will have no major effect on this division.

IV. DATE January 21, 1983 PREPARED BY D. A. Hostak, Director
AGENCY Commerce & Economic Development
 Original: Legislative Finance PHONE 465-2555 Division of Loans & Veterans Affairs
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/82)

OMB review by Guy Bell

33

Sec. 29.68.390. Election on charter.

NOTES TO DECISIONS

Cited in Municipality of Anchorage v. Frohne, Sup. Ct. Op. No. 1477 (File Nos. 3050, 3104), 568 P.2d 3 (1977).

Chapter 73. Miscellaneous Provisions.

Section	Section
60. Property tax equivalency payments	80. Emergency services communications centers
70. Taxpayer notice	

Sec. 29.73.020. Eminent domain.

NOTES TO DECISIONS

Quoted in Tunley v. Municipality of Anchorage School Dist., Sup. Ct. Op. No. 2160 (File Nos. 4796, 4797, 4826), 617 P.2d 490 (1980).

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. (§ 2 ch 217 SLA 1976; am § 1 ch 124 SLA 1980)

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Sec. 29.73.070
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(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.

(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 — 44.62.570.

(f) No exemption may be granted 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 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 15 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 AS 29.53.025(a).

(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 AS 29.53.025(a).

(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 18.70.081, 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. (§ 2 ch 118 SLA 1972; am §§ 1, 2 ch 60 SLA 1973; am § 1 ch 65 SLA 1975; am § 1 ch 191 SLA 1976; am § 1 ch 217 SLA 1976; am §§ 1, 2 ch 229 SLA 1976; am § 1 ch 97 SLA 1977; am §§ 2, 3 ch 45 SLA 1980; am § 2 ch 95 SLA 1980)

Effect of amendments. — The 1973 amendment deleted "whose gross annual income totals less than \$10,000" preceding "is exempt" in the first sentence of subsection (e), deleted the language beginning "however" from the end of the present second sentence of that subsection, and deleted the language following "exemption claimed under this section" from the end of the fourth sentence of subsection (f).

The 1975 amendment, in subsection (f), divided the former second sentence into the present second and third sentences by substituting "The claimant" for "and" at the beginning of the present third sentence, added the language beginning "but during the same year" to the end of the second sentence, and added the present fifth sentence.

The first 1976 amendment, in subsection (b), substituted "a bishop, pastor" for "the pastor" in paragraph (1) and inserted "religious administrative offices" in paragraph (2).

The second 1976 amendment, in subsection (e), deleted "After January 1, 1973" from the beginning of the first sentence, added the language beginning "up to and including an assessed value limit" to the end of that sentence, and added the former second sentence.

The third 1976 amendment added the second sentence of subsection (g), added "Except as provided in (g) of this section," to the beginning of subsection (h), and deleted the former second sentence of subsection (h), which read "However, under (e) — (i) of this section only the amount of

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HB 31

HB 31 VII Pete Everingham

proof ^{for exemption} kept on percentage basis - ok
stay to provide.

From State Director * Reimburse ON & amount received
of AIC Fed. VA Dave Barrett from VA by Veteran - approval -
because (loss, divorce, combat zone)

Service notes < 100-

No data avail on Renters /

~~_____~~ 55-60,000 Vets in UK
20,000 Veterans, etc
Dept of Health
→ 30% Special disabled Employees of Govt -

Govt Service of/for - No of Vets going to -

Need ~~Service~~ ^{Adviser} - Veterans Veterans sponsored by HESS

? - Double check - any way to double dip
esp. Retirees w/ £ over 65

Sydzimanski -
definitions of fund ?

See class for clean up language

TR class

- Tell Committee - refer to each other formally during meetings. Not titles

Committee members - address the Chair, not each other.

~~Evans~~ ✓

~~Clark~~ ✓

~~McBride~~ ✓

~~...~~ ✓

HB 37 Hearing

page 47 line 14 may to "shall"

Ferrico 4 yrs. Air Force -

Evans V.A.

10% = \$62⁰⁰ per mo from VA
100% = \$2100 per mo VA

How many (clocks) of the 3436 in the state are female?

McBride - How many are combat & non-combat rated.
- What is the point - at which a disability rating really affects earning power.

(definition)

x - Disability - "other than dishonorable"

Clocks - How many are renters?

(Disability retirement awarded by Services (Army) etc) do not come thru V.A.

How many? (Evansham estimate 200)

x → Terry Early - Dead line for Renters filing 15 Jan
- need to allow hours of decline (McBride)

29,73,060 (c) McBride also