

Introduced: 3/11/83
Referred: Community & Regional
Affairs

1 IN THE HOUSE

BY MALONE

2

HOUSE BILL NO. 255

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the exemption of residential
7 property from the property tax."

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

9 *Section 1. AS 29.53.025(a) is amended to read:

10 (a) A municipality [MUNICIPALITIES] may exclude or exempt or
11 partially exempt residential property from taxation by ordinance
12 ratified by the voters at a regular or special election. [AN EXCLU-
13 SION OR EXEMPTION AUTHORIZED BY THIS SECTION MAY NOT EXCEED \$10,000
14 FOR ANY ONE RESIDENCE.]

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 255
 Title: Exemption of Residential Property
 Sponsor: Rep. Malone
 Requestor: House C & RA
 Date of Request: _____

FISCAL DETAIL

Agency Affected: C & RA
 Program Category Affected: development
 BRU, Program or Subprogram(s) Affected: _____
 State Assessor _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE	(3,226.0)	(3,420.0)	(3,625.0)	(3,843.0)		

FUNDING: (Thousands of Dollars)

GENERAL FUND						
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: Michael Worley, State Assessor Phone: 465-4730
 Division: MRAD Date: 1/24/84

Approved by Commissioner: *Neil North* Date: 2/1/84
 Agency: C & RA

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 255

Title: Exemption of Residential
property

ANALYSIS:

Assumptions: The four municipalities which currently employ the \$10,000 residential exemption, and which receive substantially high revenues through the taxation of oil and gas property, would opt for %100 exemption of their residential property.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations: Attached

Economic Impact: Revenues lost through the operation of the residential exemption would be supplanted to some extent by higher municipal taxes on oil and gas properties. The State forgives the oil companies for payments made to municipalities. Therefore as the oil companies' local tax bills increase, the tax they pay to the State decreases proportionately.

Impact on Local Government:

See Position Paper.

Attachments **Computations**

Attachment

	% of revenues generated from oil & gas property		Estimated residential revenues		Loss of revenues to state
North Slope Borough	91%	X	\$ 482,000	=	\$ 438,600
Fairbanks North Star	21%	X	10,721,000	=	2,251,400
Kenai Peninsula	10%	X	2,419,000	=	241,900
City of Valdez	94%	X	312,900	=	294,000
					<u>\$3,225,900</u>

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811



P. O. BOX 9
KENAI, ALASKA 99611

REPRESENTATIVE HUGH MALONE

HOUSE BILL NO. 255
by Malone

BILL TITLE:

"an Act relating to the exemption of residential property from the property tax."

EFFECT OF BILL:

This bill would expand the Residential Property Tax Exemption currently found in AS 29.53.025.

Currently municipalities may exempt up to \$10,000 of value on residential property. This bill could allow unlimited exemption of residential property as an option.

PURPOSE:

The purpose of this Legislation is to give local governments the authority to exclude or exempt or partially exempt residential property from taxation; pending ratification of ordinances by the voters. In essence, this bill is a step toward increasing the control and flexibility local governments should have over their taxing structure and policies.

* It should be noted this bill imposes no obligation on the state to compensate for reduced revenues, if local voters wish to reduce or abolish their property tax.

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

January 31, 1984

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POSITION PAPER

RE: HB 255
SPONSOR: Representative Malone

PROGRAM EFFECTS:

This bill allows municipalities to totally or partially exempt residential property from taxation.

COMMENTS:

Although the exemption created by this bill would be a local option, it would allow a dramatic shifting of the tax burden.

Currently the taxation section of the municipal code is relatively restrictive and requires all municipalities to comply. This insures an equitable distribution of the cost of local government and insulates local governing bodies from special interest pressures in the area of local taxation.

It is the position of this Department that if optional exemptions are to be expanded, that they should be expanded to include all property and not just specific classes.

Approved: Emil Notti
Emil Notti, Commissioner

Current statute

Sec. 29.53.025. 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;

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

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

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

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

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

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

(g) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to a single family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed or from the date of approval of an application for the exemption by the local assessor, whichever is later. (§ 2 ch 118 SLA 1972; am § 2 ch 1 FSSLA 1973; am § 1 ch 33 SLA 1975; am § 1 ch 111 SLA 1976; am § 1 ch 262 SLA 1976; am § 1 ch 95 SLA 1977; am § 31 ch 94 SLA 1980)

Effect of amendments. — The 1973 amendment added the second sentence of subsection (a).

The 1975 amendment added subsection (e).

The first 1976 amendment added paragraph (3) of subsection (e).

The second 1976 amendment added

city may not exempt property without express authority.—The authority of a municipal corporation to allow exemptions of particular property from taxation, unless expressly conferred by law, has very generally been denied. *Valentine v. City of Juneau*, 36 F.2d 904 (9th Cir. 1929).

Ordinance exempting from local taxation any class of real or personal property.—A home rule city has the power to enact an ordinance exempting from local taxation any class of real or personal property, if such an exemption is not prohibited by the city's home rule charter. 1969 Op. Att'y Gen., No. 1.

Valuation of full and true value not precluded. — The fact that first

paragraph (2)(D) of subsection (b).

The 1977 amendment added subsections (f) and (g).

The 1980 amendment deleted "adopted without weighted voting" near the beginning of paragraph (1) of subsection (c).

class cities may choose the tonnage valuation of ships for the purposes of taxation does not preclude them from making a valuation of full and true value for the purposes of taxation. It necessarily follows that boats and vessels should be valued at full and true value for the purpose of AS 14.17.010 et seq. 1962 Op. Att'y Gen., No. 18.

Rules applicable to second class cities.—The rules applicable to boats and vessels in first class cities apply equally to those under the jurisdiction of second class cities. 1962 Op. Att'y Gen., No. 18.

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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 revenue lost to the municipality by reason of the exemption authorized in those provisions may be reimbursed to the municipality by the state."

The 1977 amendment, in subsection (e), deleted "up to and including an assessed

value limit determined no later than January 15 of each year by the commissioner of the Department of Community and Regional Affairs" from the end of the first sentence and deleted the former second sentence, which read "The assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous year assessed values in the state."

The first 1980 amendment, added paragraph (7) of subsection (a) and subsection (j).

The second 1980 amendment, added paragraph (8) of subsection (a).

The 1983 amendment, effective January 1, 1984, added paragraph (a)(9) and subsections (k) and (l).

NOTES TO DECISIONS

Strict construction.

The courts must narrowly construe statutes granting tax exemptions. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Burden of showing eligibility for exemption. — A taxpayer claiming a tax exemption has the burden of showing that the property is eligible for the exemption. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Exclusive use for nonprofit religious, etc., purposes must be shown. In order to qualify for an exemption, the taxpayer must show not benefits, but exclusive use for nonprofit religious, charitable, cemetery, hospital or educational purposes. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

When the property in question is used even in part by nonexempt parties for their private business purposes, there can be no exemption. Greater Anchorage Area Borough v. Sisters of Charity of House of Pro-

vidence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Actual use rather than owner's use should be analyzed in determining eligibility for an exemption. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Office space rented to doctors engaged in private practice. — Office space in a building partially used exclusively for nonprofit hospital purposes, rented to doctors engaged in the private practice of medicine by a nonprofit charitable and religious corporation, was not exempt from taxation. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

While the use of office space by doctor-tenants in conducting their private practices does provide incidental benefits to the adjacent hospital, the office space is not used exclusively for hospital purposes. Greater Anchorage Area Borough v. Sisters of Charity of House of Providence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Sec. 29.53.025. 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.

(h) Municipalities may by ordinance (1) classify boats and vessels for which the assessed valuation of boats registered or certificated net to valuation shall not exceed \$5 a year net tons and shall not exceed \$1 than five net tons;

(2) classify and exempt from taxation (A) the household furniture or head of a family or a household;

(B) the property of an organization for profit-making purposes and used provided that income derived from exceed the actual cost to the owner;

(C) historic sites, buildings and

(D) land of a nonprofit organization rights to subdivide the land are in force includes a covenant restricting purposes only; rights conveyed may be conveyed by the state on

(3) exempt business inventories

(c) The provisions of (a) of this

(1) a home rule or first or second adjust its property tax structure structure of a city within it, in personal property from taxes extending the redemption period

(2) a home rule or first class class exemptions or exclude property from taxes, provided that the exemption to city taxes and further provide borough sufficient money to cover because of the exemptions or excluded annually by the assembly with

(3) a home rule or general law may, by ordinance, adjust its property to the property tax structure of to exempting or partially exempt

(d) Exemptions or exclusion: granted by home rule municipalities or required by law, and when and not later withdrawn, are not

(e) Municipalities may by ordinance exempt from taxation privately owned for which a scenic, conservation granted to a governmental body

section of law the bill relates to

Section

- 200. Regulations
- 210. Definitions

Collateral references. — 71 Am. Jur. 2d, State and Local Taxation, §§ 218 — 220.

84 C.J.S., Taxation, §§ 68, 314, 322, 404.

Constitutional exemption from taxation as subject to legislative regulation respecting conditions of its assertion, 4 ALR2d 744.

Loading or unloading interstate freight in performance of obligation resting upon one other than interstate carrier as interstate commerce as regards local taxation, 10 ALR2d 651.

Property destined for removal from state as subject to taxation therein, 11 ALR2d 938.

Power of legislature to remit, release, or compromise tax claim, 28 ALR2d 1425.

Validity of provision for exemption from taxation of property transferred to private parties for redevelopment purposes, 44 ALR2d 1446.

When right to refund of state or local taxes accrues, within statute limiting time for applying for refund, 46 ALR2d 1350.

Legislative power to exempt from taxation property, purposes, or uses additional to those specified in constitution, 61 ALR2d 1031.

Financial hardship or inability to pay taxes as rendering inapplicable statutes denying remedy by injunction against assessment or collection of tax, 65 ALR2d 550.

Expenses and taxes deductible by lessee in computing lessor's oil and gas royalty or other return, 73 ALR2d 1056.

Right of property taxpayer to recover back taxes voluntarily but mistakenly paid a second or successive time, 84 ALR2d 1133.

Transportation, freight, mailing, or handling charges billed separately to purchaser of goods as subject to sales or use taxes, 2 ALR4th 1124.

Sec. 43.56.010. Levy of tax. (a) An annual tax of 20 mills is levied each tax year beginning January 1, 1974, on the full and true value of taxable property taxable under this chapter.

(b) A municipality may levy and collect a tax under AS 29.53.045 at the rate of taxation that applies to other property taxed by the municipality. The tax shall be levied at a rate no higher than the rate applicable to other property taxable by the municipality. No municipality may exempt from taxation property authorized to be taxed under this chapter. Exemptions shall be limited to those in AS 29.53.020, 29.53.025 and AS 43.56.020.

(c) If the total value of assessed property of a municipality taxing under AS 29.53.045(c) exceeds the product of 225 per cent of the average per capita assessed full and true value of property in the state (to be determined by the department and reported to each municipality by January 15 of each year) multiplied by the number of residents of the taxing municipality, the department shall designate the portion of the tax base against which the local tax may be applied. 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.

(d) A tax paid to a municipality under AS 29.53.045 on or before June 30 of the tax year shall be credited against the tax levied under

Exemption referred to in fiscal note

(a) of this section for that tax year. If, however, a tax is not paid to a municipality until after June 30 of the taxable year, the department upon application shall refund to the taxpayer the amount of tax paid to the municipality under AS 29.53.045. The credit or refund of taxes paid to a municipality may not exceed the total amount of tax levied by the department upon the taxpayer for the tax year, under (a) of this section. (§ 1 ch 1 FSSLA 1973; am § 7 ch 159 SLA 1975; am §§ 1, 2 ch 107 SLA 1976)

NOTES TO DECISIONS

Municipal taxation of AS 43.58 property may only occur as authorized under AS 29.53.045. North Slope Borough v. Sohio Petroleum Corp., Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

municipalities in excess of the limitations set forth in AS 29.53.045 and 29.53.050(b) was invalid since subsection (d) of this section mandates that all taxes paid under AS 29.53.045 are to be credited against the levy of subsection (a). North Slope Borough v. Sohio Petroleum Corp., Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

And all of it is entitled to a state tax credit. North Slope Borough v. Sohio Petroleum Corp., Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

As to effect of AS 29.53.055, relating to limitations on taxes to pay bonds, on AS 29.53.045, see North Slope Borough v. Sohio Petroleum Corp., Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

Regulation denying credit held invalid. — An emergency regulation which denied a credit against the tax levied by the state under subsection (a) of this section for property taxes collected by

Sec. 43.56.020. Exemptions. (a) The following are exempt from local taxes levied or authorized under AS 43.56.010(b):

- (1) property rights attached to or inherent in the right to explore for or produce oil or gas;
- (2) oil or gas leases or properties, whether producing or not;
- (3) oil or gas in place;
- (4) oil or gas produced or extracted in the state;
- (5) the value of intangible drilling expenses and exploration expenses;
- (6) an interest in property described in AS 43.55.010(b).

(b) There is exempt from state taxes levied or authorized under AS 43.56.010(a), before the construction commencement date, property which is committed by contract or other agreement for use in this state primarily for the production or pipeline transportation of gas or unrefined oil, or in the operation or maintenance of facilities for the production or pipeline transportation of gas or unrefined oil.

(c) In (a) (2) of this section, "properties" means mineral interests in oil and gas and working interests, royalty interests, and overriding royalty interests in oil and gas leases. (§ 1 ch 1 FSSLA 1973; am § 26 ch 208 SLA 1975)

The 1976 amendment, in subsection (a), substituted "uses incompatible with farm use" for "other than farm use purposes," "a use incompatible with farm use" for "nonfarm use" and "eight per cent" for "five per cent" in the third sentence, inserted "at the current mill levy" in that

sentence, and added "for the preceding seven years" at the end of the fourth sentence.

The 1978 amendment substituted "May 15" for "February 1" in the first sentence of subsection (b).

Sec. 29.53.045. Tax on oil and gas production and pipeline property. (a) A municipality may levy and collect taxes on taxable property taxable under AS 43.56.010 — 43.56.210 only by using one of the methods set out in (b) or (c) of this section.

(b) A municipality may levy and collect a tax on the full and true value of taxable property taxable under AS 43.56.010 — 43.56.210 as valued by the Department of Revenue at a rate not to exceed that which produces an amount of revenue from the total municipal property tax equivalent to \$1,500 a year for each person residing within its boundaries.

(c) A municipality may levy and collect a tax on the full and true value of that portion of taxable property taxable under AS 43.56.010 — 43.56.210 as assessed by the Department of Revenue which value, when combined with the value of property otherwise taxable by the municipality, does not 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. 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 43.58.010 — 43.58.200.

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

(e) For purposes of this section, 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, and shall advise each municipality of its population as so determined by January 15 of each year. (§ 3 ch 1 FSSLA 1973; am § 6 ch 159 SLA 1975; am § 8 ch 107 SLA 1976)

Effect of amendments. — The 1975 amendment, in subsection (c), inserted "value" following "Department of Revenue which" in the first sentence and added the second sentence.

The 1976 amendment substituted "\$1,500" for "\$1,000" near the end of subsection (b).

Editor's notes. — Section 8, ch. 159 SLA 1975, contains a severability clause.

Legislative history reports. — See report on ch. 107, SLA 1976 (SCS CSHR 583), see 1976 House Journal, p. 556.

NOTE:

Alaska Statutes 29.53.055 29.58.180(a) authorize taxes to pay municipal bonds, independent of limitations of this section or 29.53.050, and regardless of whether bonds are in default or default is pending. *North Slope Borough v. Sohio Petrol. Corp.*, Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

Alaska Statute 29.53.055, literally read, does not render this section AS 29.53.050 meaningless. AS 29.53 applies only to debt financing. The limitations of this section and AS 29.53 apply to operating revenues. Merely because they do not also curb taxes to pay for bonds does not render them null. *North Slope Borough v. Sohio Petroleum Corp.*, Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

Municipal taxation of AS 43.56.010 — 43.56.210 property may only occur if authorized under this section. *North Slope Borough v. Sohio Petroleum Corp.*, Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

The first sentence of AS 29.53.055 to suspend the limitations imposed by this section but not the language which authorizes taxation of AS 43.56.010 — 43.56.210 property. *North Slope Borough v. Sohio Petroleum Corp.*, Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

Sec. 29.53.050. Tax limitations. No tax for any purpose in excess of the assessed full and true value of property within the municipality.

(b) No municipality, or combination of municipalities occupying the same geographical area, in which the sum of the tax revenues from each person residing within the area, when combined with the value of property assessed by the taxing 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, shall attempt to levy a tax (1) the sum of the tax revenues from all sources, when combined with the value of property assessed by the taxing municipality, exceed the product of 225 per cent of the average per capita assessed full and true value of

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egional affairs based on the latest
of the Census or on other reliable
municipality of its population as
year. (§ 3 ch 1 FSSLA 1973; am
SLA 1976)

Editor's notes. — Section 8, ch. 159,
SLA 1975, contains a severability clause.
Legislative history reports. — For
eport on ch. 107, SLA 1976 (SCS CSHB
83), see 1976 House Journal, p. 556.

NOTES TO DECISIONS

Alaska Statutes 29.53.055 and
29.58.180(a) authorize taxes to pay for
municipal bonds, independent of the
limitations of this section or AS
29.53.050, and regardless of whether the
bonds are in default or default is pending.
North Slope Borough v. Sohio Petroleum
Corp., Sup. Ct. Op. No. 1750 (File Nos.
3460, 3513, 3659), 585 P.2d 534 (1978).

Alaska Statute 29.53.055, literally
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applies only to debt financing. The limi-
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North Slope Borough v. Sohio Petroleum
Corp., Sup. Ct. Op. No. 1750 (File Nos.
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Municipal taxation of AS 43.56.010 —
43.56.210 property may only occur as
authorized under this section. North
Slope Borough v. Sohio Petroleum Corp.,
Sup. Ct. Op. No. 1750 (File Nos. 3460,
3513, 3659), 585 P.2d 534 (1978).

The first sentence of AS 29.53.055 acts
to suspend the limitations imposed by this
section but not the language which autho-
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property. North Slope Borough v. Sohio
Petroleum Corp., Sup. Ct. Op. No. 1750
(File Nos. 3460, 3513, 3659), 585 P.2d 534
(1978).

Sec. 29.53.050. Tax limitation. (a) No municipality may levy and
tax for any purpose in excess of three per cent 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 \$1,000 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 \$1,000 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 munic-
ipality, 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

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Referred: Community & Regional
Affairs

1 IN THE HOUSE

BY MALONE

2

HOUSE BILL NO. 255

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the exemption of residential

7

property from the property tax."

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

9

* Section 1. AS 29.53.025(a) is amended to read:

10

(a) A municipality [MUNICIPALITIES] may exclude or exempt or

11

partially exempt residential property from taxation by ordinance

12

ratified by the voters at a regular or special election. [AN EXCLU-

13

SION OR EXEMPTION AUTHORIZED BY THIS SECTION MAY NOT EXCEED \$10,000

14

FOR ANY ONE RESIDENCE.]