

COMMITTEE REPORT

HOUSE

FURTHER:

2/15/83

Date: 2/28/83

Mr. Speaker:

The Committee on FINANCE has had HB 31

An Act 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 eff. 10.1.7 [] do not pass
- [] do pass with attached amendments(s)
- replace with CS for HB 31 (C & RA) [X] same title [] new title
- and recommends do pass
- [] 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**

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

[Signature]
CHAIRMAN

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

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)

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>
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>601</u>	<u>\$256,146</u>

RENTERS

50%	38	\$6,324
60%	37	\$7,389
70%	17	\$5,658
80%	11	\$ 226
90%	1	\$ 300
100%	41	\$13,647
	<u>145</u>	<u>\$33,544</u>

Grand Total \$289,690

Assumptions

1. There are 757 eligible disabled veterans in the state.
2. Census statistics show the over 65 male population of the state to comprise 1.4%. We assume this percentage also applies to disabled veterans. Therefore, 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.

Offered: 2/15/83
Referred: Finance

Original sponsors: Furnace, Barnes,
Grussendorf, et al

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 31 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act providing for exemption of the residence of a
disabled veteran from levy and collection of real
property taxes; and providing for an effective date."

7

8

9

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

10

* Section 1. AS 29.53.020(e) is repealed and reenacted to read:

11

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

12

13

14

15

16

17

18

19

20

21

22

23

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

24

25

(2) to a disabled veteran for a percentage of the assessed
value of the real property that is the same as the percentage of dis-
ability as established by the service disability rating of the vet-
eran.

26

27

28

29

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

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
3 by local assessors. The claimant must file the application no later
4 than January 15 of the assessment year for which the exemption is
5 sought, but during the same year the governing body of the municipali-
6 ty for good cause shown may waive the claimant's failure to make
7 timely application for the exemption for that year and authorize the
8 assessor to accept the application as if timely filed. The claimant
9 must file a separate application for each assessment year in which the
10 exemption is sought. If an application is filed within the required
11 time and is approved by the assessor, the assessor [HE] shall allow an
12 exemption in accordance with the provisions of this section. If a
13 claimant whose failure to file by January 15 of the assessment year
14 has been waived as provided in this subsection and the application for
15 exemption is approved, the amount of tax that [WHICH] the claimant may
16 have already paid for the assessment year with respect to the property
17 exempted shall be refunded to the claimant [HIM]. The assessor shall
18 [MAY AT ANY TIME] require proof in the form the assessor [HE] con-
19 siders necessary of the right to and amount of an exemption claimed
20 under this section, and shall require a disabled veteran claiming an
21 exemption under (e) of this section to provide evidence of the dis-
22 ability rating. The assessor may require proof under this section at
23 any time.

24 * Sec. 3. AS 29.53.020(i) is repealed and reenacted to read:

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

26 (1) "disabled veteran" means a disabled person separated
27 from the military service of the United States under a condition that
28 is not dishonorable who is a resident of the state, whose disability
29 was incurred or aggravated in the line of duty in the military service

1 of the United States, and whose disability has been rated as 50
2 percent or more by the branch of service in which that person served
3 or by the Veterans' Administration;

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

7 * Sec. 4. AS 29.73.060 is amended to read:

8 Sec. 29.73.060. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A
9 resident of the state 65 years of age or older or a disabled veteran
10 who rents a permanent place of abode is eligible for tax equivalency
11 payments from the state through the Department of Community and Re-
12 gional Affairs.

13 (b) For purposes of determining payments to eligible persons,
14 the department shall calculate at the rate of one percent per mil a
15 property tax equivalent percentage for each home rule or general law
16 municipality that [WHICH] levies a general property tax [AT THE RATE
17 OF ONE PERCENT PER MIL]. The property tax equivalent percentage
18 applied to the annual rent charged to the applicant equals the proper-
19 ty tax equivalency rate and equals the payment payable under this
20 section to a resident 65 years of age or older. The payment payable
21 to a disabled veteran under this section is a percentage of the prop-
22 erty tax equivalency rate that is the same as the percentage of dis-
23 ability established by the service disability rating of the veteran.
24 The payment payable to a disabled veteran who is 65 years of age or
25 older equals the amount payable to a resident 65 years of age or
26 older.

27 (c) To obtain a tax equivalency payment [PAYMENTS] the eligible
28 resident must apply to the department for payment for the preceding
29 year by January 15 of each year on forms and in the manner prescribed

1 by the department. The department for good cause shown may waive an
2 applicant's failure to make timely application for a tax equivalency
3 payment and accept the application as if timely filed. Each applicant
4 shall submit with the application rental receipts or, if rental re-
5 cepts are not available, other evidence satisfactory to the depart-
6 ment for determination of the fact of payment of rent and the amount
7 paid. A disabled veteran shall submit with t' application evidence
8 of the disability rating.

9 (d) If two or more persons occupy a residence as tenants, not
10 all of whom are eligible for tax equivalency payments under this
11 section, the assessor shall determine equitable partial payments to be
12 made to the eligible tenants. However, tax equivalency payments to an
13 eligible applicant may not be reduced because the spouse is less than
14 65 years of age or is not a disabled veteran. If all occupants in a
15 residence are eligible for tax equivalency payments under this sec-
16 tion, the occupants shall decide between and among themselves which
17 shall receive payment.

18 (e) In this section "disabled veteran" means a disabled person
19 separated from the military service of the United States under a
20 condition that is not dishonorable who is a resident of the state,
21 whose disability was incurred or aggravated in the line of duty in the
22 military service of the United States, and whose disability has been
23 rated as 50 percent or more by the branch of service in which that
24 person served or by the Veterans' Administration.

25 * Sec. 5. This Act takes effect January 1, 1984.

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: SCSCS HB 31
 Title: Tax Benefits
 Sponsor: Senate C&RA
 Requestor: Senate C&RA

II. FISCAL DETAIL

Agency Affected: Comm. & Regional Affairs
 Program Category Affected: Development
 BRU, Program of Subprogram(s) Affected: Senior Citizens Tax Relief

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		2.5	2.5	2.5	2.5	2.5
300 CONTRACTUAL		2.5	2.5	2.5	2.5	2.5
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		448.3	488.6	532.6	580.6	632.8
TOTAL OPERATING		453.3	493.6	537.6	585.6	637.6
CAPITAL		-0-	-0-	-0-	-0-	-0-
REVENUE		-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND		453.3	493.6	537.6	585.6	637.6
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL-TIME		-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Terry Earley Phone: 465-4730
 Division: Local Government Assistance Division Date: 4/13/83

Approved by Commissioner: [Signature] Date: _____
 Department: Community & Regional Affairs

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

The following individuals are expected to testify on CS HB 31
(C&RA):

Walt Furnace, Prime Sponsor

Terry Earley, State Assessor, Department of Community and
Regional Affairs

A representative from the Vietnam Veterans of Alaska

Alaska State Legislature

Barbara Lacher, Chairman
Mae 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: 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.



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

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.

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: HB 31 files

FROM: Staff

yes
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
15.9%	20%
14.1	30%
8.3%	40%
5.1	50%
5.5	60%
3.4%	70%
1.7	80%
.1%	90%
6.0	100%

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.

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.

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.

Alaska
MUNICIPAL
League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

January 26, 1983

To: House CRA Committee

From: Ginny Chitwood, AML Executive Director

Re: HB 31

The Alaska Municipal League does not oppose the adoption of HB 31, which provides a property tax exemption for disabled veterans because state reimbursement of monies lost to municipalities is included in the program and because the amount of the loss to the tax rolls is not enough to affect the tax base for bonding purposes. This bill is an example of a state-mandated program where the state will pay the costs.

Section 1. Rewrites AS 29.53.020(e) to provide property tax exemptions for disabled veterans in addition to senior citizens. (Reimbursement is provided for in AS 29.53.020(g) in current law.)

Section 2. Makes technical drafting changes to conform to the current pronoun policy and adds a provision allowing the assessor to request evidence of the disability.

Section 3. Adds a definition of "disabled veteran".

Section 4. The same as Section 1, but amends the comparable provision in the proposed Title 29 rewrite.

Section 5. Same as Section 2, but amends proposed Title 29 rewrite.

Section 6. Same as Section 3, but amends proposed Title 29 rewrite.

Section 7 - 10. Repealers and effective date sections so that the changes in HB 31 will become law whether or not the proposed Title 29 rewrite is adopted.

Sec. 29.53.020. 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 householder 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.

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

(1) the residence of the 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 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) After January 1, 1973 the real property owned and occupied as a permanent place of abode by a resident 65 years of age or over whose gross annual income totals less than \$10,000 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; however, in the case of more than one party eligible for an exemption with

respect to the same property, the total combined gross annual income of the parties may not exceed \$10,000. 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 and 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. 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, and in that respect may as one form of proof require authorization from the taxpayer to verify gross income level by reference to gross income shown in the latest state income tax return available for all or part of the assessment year for which an exemption is sought.

(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.

(h) 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 § 25 of this chapter. 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.

(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. (§ 2 ch 118 SLA 1972)

History of section. — See *City of Anchorage v. Chugach Elec. Ass'n*, 17 Alaska 481, 252 F.2d 412 (9th Cir. 1958).

This section was enacted pursuant to Alaska Const., art. IX, § 4. *Harmon v. North Pac. Union Conference Ass'n of Seventh Day Adventists*, Sup. Ct. Op. No. 591 (File No. 1060), 462 P.2d 432 (1969).

Intent of constitutional convention. —The constitutional convention intended that only so much of the property used for religious purposes as

was being used to produce income should be taxable, that such other parts should be exempt, and that a proration between taxable and non-taxable parts should be made. 1962 Op. Att'y Gen., No. 15.

Purpose.—The purpose of this section is to encourage the establishment of privately supported nonprofit educational institutions; the motivation for their establishment is largely irrelevant. *McKee v. Evans*, Sup. Ct. Op. No. 740 (File No. 1382), 490 P.2d 1226 (1971).

Introduced: 1/17/83
Referred: Community & Regional
Affairs and Finance

BY FURNACE, BARNES, GRUSSENDORF,
KOPONEN, PHILLIPS, LINDAUER,
ABOOD, LISKA, LARSON AND FRITZ

1 IN THE HOUSE

2

HOUSE BILL NO. 31

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act providing for exemption of the residence of a
7 disabled veteran from levy and collection of real
8 property taxes; and providing for an effective date."

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

10 * Section 1. AS 29.53.020(e) is repealed and reenacted to read:

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

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

25 (2) to a disabled veteran for a percentage of the assessed
26 value of the real property that is the same as the percentage of dis-
27 ability as established by the service disability rating of the veter-
28 an.

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

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

23 * Sec. 3. AS 29.53.020(i) is repealed and reenacted to read:

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

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

1 or by the Veterans' Administration;

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

5 * Sec. 4. AS 29.45.030(e) is repealed and reenacted to read:

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

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

20 (2) to a disabled veteran for a percentage of the assessed
21 value of the real property that is the same as the percentage of dis-
22 ability as established by the service disability rating of the veter-
23 an.

24 * Sec. 5. AS 29.45.030(f) is amended to read:

25 (f) An exemption may not be granted under (e) of this section
26 except upon written application for the exemption on a form prescribed
27 by the state assessor for use by local assessors. The claimant must
28 file the application no later than January 15, or a date provided by
29 ordinance that is not later than March 31, of the assessment year for

1 which the exemption is sought. The governing body of the municipality
2 for good cause shown may waive during a year the claimant's failure to
3 make timely application for exemption for that year and authorize the
4 assessor to accept the application as if timely filed. The claimant
5 must file a separate application for each assessment year in which the
6 exemption is sought. If an application is filed within the required
7 time and is approved by the assessor, the assessor shall allow an
8 exemption in accordance with the provisions of this section. If a
9 failure to file by January 15, or a date provided by ordinance that is
10 not later than March 31, of the assessment year has been waived as
11 provided in this subsection and the application for exemption is ap-
12 proved, the amount of tax that the claimant has already paid for the
13 assessment year for the property exempted shall be refunded to the
14 claimant. The assessor may at any time require proof in the form the
15 assessor considers necessary of the right and amount of an exemption
16 claimed under (c) of this section, and may require a disabled veteran
17 claiming an exemption under (e) of this section to provide evidence of
18 the disability.

19 * Sec. 6. AS 29.45.030(i) is repealed and reenacted to read:

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

21 (1) "disabled veteran" means a person honorably separated
22 from the military service of the United States who is a resident of
23 the state, whose disability was incurred or aggravated in the line of
24 duty in the military service of the United States, and whose disabili-
25 ty has been rated by the branch of service in which that person served
26 or by the Veterans' Administration;

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

1 * Sec. 7. Sections 1 - 3 of this Act are repealed.

2 * Sec. 8. The tax exemptions authorized in sec. 4 of this Act shall
3 begin January 1, 1984.

4 * Sec. 9. Sections 1 - 3 of this Act take effect January 1, 1984.

5 * Sec. 10. Sections 4 - 8 of this Act take effect on the effective date
6 of a version of an Act revising AS 29 passed by the Thirteenth Legislature
7 and enacted into law.

Offered: 2/15/83
Referred: Finance

Original sponsors: Furnace, Barnes,
Grussendorf, et al

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 31 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act providing for exemption of the residence of a
7 disabled veteran from levy and collection of real
8 property taxes; and providing for an effective date."

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

10 * Section 1. AS 29.53.020(e) is repealed and reenacted to read:

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

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

25 (2) to a disabled veteran for a percentage of the assessed
26 value of the real property that is the same as the percentage of dis-
27 ability as established by the service disability rating of the vet-
28 eran.

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

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
3 by local assessors. The claimant must file the application no later
4 than January 15 of the assessment year for which the exemption is
5 sought, but during the same year the governing body of the municipali-
6 ty for good cause shown may waive the claimant's failure to make
7 timely application for the exemption for that year and authorize the
8 assessor to accept the application as if timely filed. The claimant
9 must file a separate application for each assessment year in which the
10 exemption is sought. If an application is filed within the required
11 time and is approved by the assessor, the assessor [HE] shall allow an
12 exemption in accordance with the provisions of this section. If a
13 claimant whose failure to file by January 15 of the assessment year
14 has been waived as provided in this subsection and the application for
15 exemption is approved, the amount of tax that [WHICH] the claimant may
16 have already paid for the assessment year with respect to the property
17 exempted shall be refunded to the claimant [HIM]. The assessor shall
18 [MAY AT ANY TIME] require proof in the form the assessor [HE] con-
19 sider necessary of the right to and amount of an exemption claimed
20 under this section, and shall require a disabled veteran claiming an
21 exemption under (e) of this section to provide evidence of the dis-
22 ability rating. The assessor may require proof under this section at
23 any time.

24 * Sec. 3. AS 29.53.020(i) is repealed and reenacted to read:

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

26 (1) "disabled veteran" means a disabled person separated
27 from the military service of the United States under a condition that
28 is not dishonorable who is a resident of the state, whose disability
29 was incurred or aggravated in the line of duty in the military service

1 of the United States, and whose disability has been rated as 50
2 percent or more by the branch of service in which that person served
3 or by the Veterans' Administration;

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

7 * Sec. 4. AS 29.73.060 is amended to read:

8 Sec. 29.73.060. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A
9 resident of the state 65 years of age or older or a disabled veteran
10 who rents a permanent place of abode is eligible for tax equivalency
11 payments from the state through the Department of Community and Re-
12 gional Affairs.

13 (b) For purposes of determining payments to eligible persons,
14 the department shall calculate at the rate of one percent per mil a
15 property tax equivalent percentage for each home rule or general law
16 municipality that [WHICH] levies a general property tax [AT THE RATE
17 OF ONE PERCENT PER MIL]. The property tax equivalent percentage
18 applied to the annual rent charged to the applicant equals the proper-
19 ty tax equivalency rate and equals the payment payable under this
20 section to a resident 65 years of age or older. The payment payable
21 to a disabled veteran under this section is a percentage of the prop-
22 erty tax equivalency rate that is the same as the percentage of dis-
23 ability established by the service disability rating of the veteran.
24 The payment payable to a disabled veteran who is 65 years of age or
25 older equals the amount payable to a resident 65 years of age or
26 older.

27 (c) To obtain a tax equivalency payment [PAYMENTS] the eligible
28 resident must apply to the department for payment for the preceding
29 year by January 15 of each year on forms and in the manner prescribed

1 by the department. The department for good cause shown may waive an
2 applicant's failure to make timely application for a tax equivalency
3 payment and accept the application as if timely filed. Each applicant
4 shall submit with the application rental receipts or, if rental re-
5 cepts are not available, other evidence satisfactory to the depart-
6 ment for determination of the fact of payment of rent and the amount
7 paid. A disabled veteran shall submit with the application evidence
8 of the disability rating.

9 (d) If two or more persons occupy a residence as tenants, not
10 all of whom are eligible for tax equivalency payments under this
11 section, the assessor shall determine equitable partial payments to be
12 made to the eligible tenants. However, tax equivalency payments to an
13 eligible applicant may not be reduced because the spouse is less than
14 65 years of age or is not a disabled veteran. If all occupants in a
15 residence are eligible for tax equivalency payments under this sec-
16 tion, the occupants shall decide between and among themselves which
17 shall receive payment.

18 (e) In this section "disabled veteran" means a disabled person
19 separated from the military service of the United States under a
20 condition that is not dishonorable who is a resident of the state,
21 whose disability was incurred or aggravated in the line of duty in the
22 military service of the United States, and whose disability has been
23 rated as 50 percent or more by the branch of service in which that
24 person served or by the Veterans' Administration.

25 * Sec. 5. This Act takes effect January 1, 1984.