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147

POSITION PAPER

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
SB 147

March 2, 1982

The Department does not support passage of this bill. We are concerned about the many bills that would expand property tax exemptions. We are also concerned at the lack of an overall State direction in the area of property tax exemptions. Continuing without some type of overall plan will lead to a local tax structure that lacks cohesiveness and will be both hard to understand and difficult to administer.

Another consideration is the cost of municipal administration. Existing exemption programs will require processing about 6,000 applications in FY 83; this program will add an estimated 2,100. It is evident that there will be additional cost burdens placed on municipalities. Those additional costs would have to come from the local general fund, adding burden to the nonexempt portion of the tax base.

The fiscal note has taken into consideration the tax reductions caused by Chapter 6 SLA 1981. However, it doesn't take into consideration any of the other measures before the Legislature that would reduce local taxes.

t1e/TLE - 06690

100 PERSONAL SERVICES

Increase current clerk typist II part time position to full time will adequately provide for handling additional applicants which increases current program activity by about 50%.

Clerk Typist II part time, Range 07	
Salary 1,319/month (659.5 part time)	\$ 7,914
Benefits	1,216
FICA (per current position)	
Health Insurance	<u>924</u>

\$ 10.1

Travel to the major population centers will be required for the first 2 years of operation to assure that eligible applicants are aware of the new benefits and to prepare appropriate agencies to assist applicants.

200 TRAVEL

Expenses	950
Per Diem	<u>525</u>

\$ 1.5

300 CONTRACTUAL

Postage	\$.3
Printing & advertising - first year	1.8
Printing & advertising - annual	.4
Copier	<u>.2</u>

First year total	\$ 2.3
Annual total	.9

400 COMMODITIES

\$.3

100-400 based on FY 82 estimates, 10% annual increase was used to project subsequent years.

500 EQUIPMENT

5-drawer file cabinet	\$.3
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Total first year administration	\$14.5
Annual Administration	\$13.1

700 GRANTS

FY 82 DATA

% of DISABILITY	VETERANS	76.85%*	82% **	AVG PMT.	TOTAL
0	72	55	--	--	--
10	1190	916	752	60	45,120
20	607	467	383	120	45,960
30	445	342	280	179	50,120
40	253	194	159	238	37,842
50	147	113	93	298	27,714
60	164	126	103	358	36,874
70	73	56	46	417	19,182
80	40	31	25	477	11,925
90	11	8	7	536	3,752
100	<u>80</u>	<u>61</u>	<u>50</u>	<u>596</u>	<u>29,800</u>
	3,082	2,369	1,898	162	308,289

* Alaska 1980 population, a preliminary overview, released January 1, 1981 by the Alaska Department of Labor indicates that 3.15% of the civilian population is age 65 or over and can be presumed to be currently participating in the senior citizen exemption.

The operation of the senior citizen property tax exemption program indicates that about 30% of the total seniors do not participate generally because they are in institutions or other housing not subject to property tax. Assuming seniors are more likely to be residing in institutions and subsidized housing, it appears reasonable to reduce this figure to 20% when applied to veterans.

$$100.00\% - \frac{3.15\% + 20.00\%}{23.15\%} = 76.85\%$$

** Analysis of the applicants for senior citizen homeowner exemption and renter payment shows that 82% of the total applicants own their home and 18% are renters.

Assume less than half the increase in number of applicants annually for this population segment when compared with the senior population, or about 5% increase per year.

Assume similar annual increase in average payment per applicant to senior programs, or 10% increase per year.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 147

Title Providing for exemption of the residence of disabled veteran from...property tax...

Requested by Community & Regional Affairs Date March 2, 1982

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Social - Economic Assistance to the Aged

BRU, Program, Or Subprogram(s) Affected Senior Citizen Tax Relief

(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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		10.1	11.0	12.2	13.4	
200 TRAVEL		1.5	1.7	0	0	
300 CONTRACTUAL		2.3	3.0	1.2	1.3	
400 COMMODITIES		.3	.3	.4	.4	
500 EQUIPMENT		.3	0	0	0	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		308.3	354.5	407.7	468.9	
TOTAL		322.8	368.5	421.5	484.0	

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		322.8	368.5	421.5	484.0	
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME		1			1	
TEMPORARY						

III. ANALYSIS

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