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State of Alaska

Department of Community & Regional Affairs

Date: March 3, 1982

POSITION PAPER

Requested by: Senate Community & Regional Affairs

Subject: Sponsor Substitute Senate Bill 613

Departmental Position: OPPOSED

Remarks:

The bill appears to require a property tax reduction equal to 1/2 of the difference between money received under Sec. 1 ch 60 SLA 1981 and half of the entitlement under that section.

Based on the amount received in FY 82 that would mean $(535 - 500 = 35 \div 2 = 17.50)$ a tax reduction of \$17.50 per capita.

The bill is unclear as to what year the tax reduction takes effect.

If it is in effect for FY 82 it would require a rebate or a tax credit in any municipality that did not reduce taxes by \$17.50 per capita below the amount it would have otherwise levied. All municipalities contacted claim to have reduced taxes by at least that amount as a result of funds received as a result of Chapter 6 SLA 1981. If rebates were to actually be mandated, administration would be extremely difficult if not impossible. 1 out of 3 people move every 5 years so locating the proper people to rebate would be difficult at best.

If it is in effect for FY 83 taxes, it would most severely impact those communities that have reduced taxes and would have the least effect on those that failed to reduce taxes. Some communities have already reduced taxes to a point that they are currently less than \$17.50 per capita. Finally, the portion that reads "reduce the property tax it would otherwise levy" for all practicable purposes negates the required reduction. Municipalities have not yet set a tax rate. They would take the forced reduction into account before setting the rate.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SS SB 613
 Title An Act Requiring Property Tax Relief
 Requested by Senate Community & Regional Affairs Date 3/1/82
 Committee

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
 Program Category Affected Development
 BRU, Program, Or Subprogram(s) Affected N/A
 (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		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal Impact on this Agency

IV. DATE 3/1/82 PREPARED BY Terry L. Earley
 AGENCY Community & Regional Affairs
 Original: Legislative Finance PHONE 465-4730
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)