

COMMITTEE REPORT
SENATE

FURTHER:

4/16/84

Date 5/17/84

Mr. President:

The Committee on FINANCE considered SB 57

Motor vehicle tax exemptions and senior citizen property tax exemptions
and.

and (a majority of the committee) (the committee) reports it back with
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 527 (Fin)
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT"
- reports it back without recommendation
- recommends referral to _____ Committee

NEW FISCAL NOTES
& Admin. 5/2/84
(148.4) Savings C & RA
5/2/84

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSB 527
 Title: Relating to State & Municipal tax expenditures
 Sponsor: C&RA Committee
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Dept. of Administration
 Program Category Affected: Older Alaskans Commission
 BRU, Program or Subprogram(s) Affected: _____

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	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

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: Jon B. Wolfe, Exec. Dir. *Jon B. Wolfe* Phone: 465-3250
 Division: Older Alaskans Commission Date: 5/2/84

Approved by Commissioner: *Virginia Rudd* Date: 5/2/84
 Agency: ADMINISTRATION

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: 5/2/84

REQUEST CSSB527
 Bill/Resolution No.: (Finance)
 Title: State & Municipal Tax Exemptions
 Sponsor: _____
 Requestor: Senate Finance Committee
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Community & Regional Affairs
 Program Category Affected: Social Services
 BRU, Program or Subprogram(s) Affected: Senior Citizens Tax Relief

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-0-	6.6	7.0	7.4	7.9	8.3
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	-0-	(155.0)	(170.5)	(187.6)	(206.5)	(227.0)
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	(148.4)	(163.5)	(180.2)	(198.6)	(218.7)
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
FULL-TIME		1/4	1/4	1/4	1/4	1/4
PART TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Michael W. Worley Phone: 465-4787
 Division: Municipal & Regional Assistance Date: 5/2/84

Approved by Commissioner: _____ Date: _____
 Agency: Community & Regional Affairs

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

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 5/2/84

Bill/Resolution No.: CSSB527 (Finance)
Title: State & Municipal Tax Exemptions

ANALYSIS:

Assumptions:

Based on the attached fiscal analysis, it is assumed the (rounded) savings impact commencing in FY 85 would be \$155,000. On the other hand, additional time would need to be spent reviewing the exemptions, reporting, etc. An average of one-quarter of a full-time position has been charged to this work over the fiscal years shown.

Annual rate of inflation is estimated at 10%.

Positions:

1 full-time Clerk Typist III - 3 months

Other Expenditures:

-0-

Funding:

General fund. The figures shown are estimated savings to the State.

Section Cost Analysis:

Computations:

Salary and fringes increased 6% yearly and the saving in revenues increased by 10% yearly. \$45,000 of the savings is due to the correction of the motor vehicle problem, and \$110,000 represents savings to the State because of the \$150,000 exemption limitation.

Economic Impact:

-0-

Impact on Local Government:

Exempt Limitation: Only \$150,000 of the assessed value would be exempt. Therefore, the local assessor's staff would have to compute and levy against the remaining value.

Correction of Motor Vehicle Problem: Municipalities would no longer receive double payment "reimbursements".

Bradley
5/4/84 JRM.

Original sponsor: Community and Regional
Affairs Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 527 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state and municipal tax exemp-
7 tions; and providing for an effective date."

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

9 * Section 1. AS 28.10.411(c) is amended to read:

10 (c) A resident 65 years of age or older on January 1 of the
11 assessment year is entitled to an exemption from the tax levied under
12 AS 28.10.431(b) and the registration fee required [TAX] under this
13 section for one motor vehicle subject to registration under AS 28.-
14 10.421(b)(1), (2), (5), or (6). An [. NO] exemption may not be gran-
15 ted except upon written application for the exemption on a form pre-
16 scribed by the department.

17 * Sec. 2. AS 28.10.411(d) is repealed and reenacted to read:

18 (d) The Department of Community and Regional Affairs shall
19 reimburse a municipality that elects to levy a tax under AS 28.10.431
20 for revenues lost because of the exemption from the tax provided by
21 (c) of this section. If appropriations are less than the amount
22 necessary for full reimbursement to all municipalities under this
23 section, payments to all municipalities entitled to receive reimburse-
24 ment under this section shall be prorated.

25 * Sec. 3. AS 29.53.020(a) is amended to read:

26 (a) The following property is exempt from general taxation:

27 (1) municipal, state or federally owned property, except
28 that private leaseholds, contracts or other interest in the property
29 shall be taxable to the extent of those interests;

1 (2) household furniture of the head of a family or a house-
2 holder not exceeding \$500 in value;

3 (3) property used exclusively for nonprofit religious,
4 charitable, cemetery, hospital or educational purposes;

5 (4) property of a nonbusiness organization composed en-
6 tirely of persons with 90 days or more of active service in the armed
7 forces of the United States whose conditions of service and separation
8 were other than dishonorable, or the property of the auxiliary of such
9 organization;

10 (5) money on deposit;

11 (6) the real property of certain residents of the state to
12 the extent and subject to the conditions provided in (e) of this
13 section;

14 (7) real property to the extent a. subject to the condi-
15 tions provided in (j) of this section;

16 (8) inventories located within a foreign trade zone estab-
17 lished under AS 45.77.010, before those inventories are cleared by the
18 United States Customs Service and admitted into domestic commerce;

19 (9) real property or an interest in real property that is
20 exempt from taxation under 43 U.S.C. 1620(d), as amended;

21 (10) a motor vehicle of certain residents of the state to
22 the extent and subject to the conditions provided in (m) of this
23 section.

24 * Sec. 4. AS 29.53.020(e) as amended by sec. 1, ch. 40, SLA 1984 is
25 amended to read:

26 (e) The real property owned and occupied as a permanent place of
27 abode by a resident 65 years of age or over or by a disabled veteran
28 is exempt from taxation of the first \$150,000 of the assessed value of
29 the real property. A municipality may, in the case of hardship to an

1 individual, provide for exemption beyond the first \$150,000 of as-
2 essed value under regulations of the Department of Community and
3 Regional Affairs. Only one exemption may be granted for the same
4 property and, if two or more persons are eligible for an exemption for
5 the same property, the parties shall decide between or among them-
6 selves which shall receive the benefit of the exemption. The surviv-
7 ing spouse of a person who had been receiving the benefits of an
8 exemption may continue to receive the benefits of the exemption if the
9 surviving spouse is at least 55 years of age. Real property may not
10 be exempted under this subsection if the assessor determines, after
11 notice and hearing to the parties concerned, that the property was
12 conveyed to the applicant primarily for the purpose of obtaining the
13 exemption. The determination of the assessor may be appealed under
14 AS 44.62.560 - 44.62.570.

15 * Sec. 5. AS 29.53.020(f) as amended by sec. 2, ch. 40, SLA 1984 is
16 amended to read:

17 (f) An exemption may not be granted except upon written applica-
18 tion for the exemption on a form approved by the state assessor for
19 use by local assessors. The claimant must file the application no
20 later than January 15 of the assessment year for which the exemption
21 is sought, but during the same year the governing body of the munic-
22 ipality for good cause shown may waive the claimant's failure to make
23 timely application for the exemption for that year and authorize the
24 assessor to accept the application as if timely filed. The claimant
25 must file a separate application for each exemption and for each
26 assessment year in which the exemption is sought. The assessor shall
27 allow an exemption if [IF] an application is filed within the required
28 time and [IS APPROVED BY THE ASSESSOR, THE ASSESSOR SHALL ALLOW AN
29 EXEMPTION] in accordance with the provisions of this section. If a

1 claimant whose failure to file by January 15 of the assessment year
2 has been waived under [AS PROVIDED IN] this subsection and the appli-
3 cation for exemption is approved, the amount of tax that the claimant
4 may have already paid for the assessment year with respect to the
5 property exempted shall be refunded to the claimant. The assessor
6 shall require proof in the form the assessor considers necessary of
7 the right to and amount of an exemption claimed under this section,
8 and shall require a disabled veteran claiming an exemption under (e)
9 of this section to provide evidence of the disability rating. The
10 assessor may require proof under this section at any time.

11 * Sec. 6. AS 29.53.020 is amended by adding new subsections to read:

12 (m) One motor vehicle owned by a resident 65 years of age or
13 older on January 1 of the assessment year is exempt from the property
14 tax levied by a municipality under AS 29.53.010. Only one exemption
15 may be granted for the same motor vehicle and, if two or more persons
16 are eligible for an exemption for the same motor vehicle, the parties
17 shall decide who shall receive the exemption. A motor vehicle that
18 the assessor determines after notice and hearing to the parties con-
19 cerned has been conveyed to the applicant primarily for the purpose of
20 obtaining the exemption may not be exempted under this subsection.

21 (n) The state shall reimburse a municipality for the revenue
22 lost to it under (m) of this section. To the extent that a municipal-
23 ity exempts motor vehicles from taxation under AS 29.53.025(b)(4) that
24 would otherwise be exempt under this section, no reimbursement will be
25 made under this subsection.

26 (o) If appropriations made for the purpose of reimbursement to a
27 municipality under (g) and (n) of this section are inadequate to
28 provide full reimbursement to each municipality entitled to reimburse-
29 ment, payments to all municipalities entitled to receive reimbursement

1 under this section shall be prorated.

2 * Sec. 7. AS 29.73.060(c) as amended by sec. 4, ch. 40, SLA 1984 is
3 amended to read:

4 (c) To obtain a tax equivalency payment the eligible resident
5 must apply to the department for payment for the preceding year by
6 January 15 of each year on forms and in the manner prescribed by the
7 department. The department for good cause shown may waive an appli-
8 cant's failure to make timely application for a tax equivalency pay-
9 ment for that year and accept the application as if timely filed.
10 Each applicant shall submit with the application rental receipts or,
11 if rental receipts are not available, other evidence satisfactory to
12 the department for determination of the fact of payment of rent and
13 the amount paid. A disabled veteran shall submit with the application
14 evidence of the disability rating.

15 * Sec. 8. AS 29.73.060 is amended by adding a new subsection to read:

16 (f) If appropriations made for the purpose of implementing this
17 section are inadequate to provide full property tax equivalency pay-
18 ments to each resident of the state entitled to receive a payment
19 under this section, payments to each resident entitled to receive a
20 payment under this section shall be prorated.

21 * Sec. 9. AS 29.73.062(b), as enacted by sec. 5, ch. 40, SLA 1984, is
22 amended to read:

23 (b) The amount of reimbursement payment under this section
24 equals the amount of sales taxes paid on the abode during the preced-
25 ing year by the eligible resident. If appropriations are less than
26 the amount necessary for full reimbursement to all eligible residents
27 under this section, payments to residents entitled to receive reim-
28 bursments shall be prorated.

29 * Sec. 10. This Act takes effect January 1, 1985.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

May 15, 1984

BILL SHEFFIELD, GOVERNOR

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

225 CORDOVA STREET · BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

POSITION PAPER

RE: Analysis of CSSB 527 (Finance) - Work Draft 5/4/84
Sponsor: Senate C&RA Committee

SECTION 1 - Corrects a problem which currently exists under 28.10.411(d), whereby some municipalities receive double payments for Senior Citizen Motor Vehicle Taxes.

SECTION 2 - Requires the Department to prorate payments to municipalities in the event the Motor Vehicles Program were underfunded.

SECTION 3 - Exempts the property tax on a motor vehicle of a resident age 65 years or older.

SECTION 4 - Limits the amount of the Homeowners' exemption to a maximum assessed value of \$150,000. (In hardship cases, however, the municipality may waive the limitation under state regulations). This bill also allows the spouse of a deceased homeowner to qualify for the program if the spouse is 55 years of age or older.

SECTION 5 - Clarifies existing language.

SECTION 6 - Exempts property tax on one motor vehicle owned by a resident 65 years of age or older on January 1 of the assessment year, unless otherwise exempt under AS 29.53.025(b)(4). This section also requires the Department to prorate payments to municipalities in the event the program is underfunded.

SECTION 7 - Allows the Department to waive the January 15 deadline for good cause on the Senior Citizen Renter payment. This section also requires a disabled veteran to submit evidence of the disability rating.

SECTION 8 - Requires the Department to prorate payments to eligible renters in the event the program is underfunded.

May 15, 1984
CSSB 527
Page Two

SECTION 9 - Requires the Department to prorate payment of sales taxes paid on the abode of the eligible resident.

SECTION 10 - Provides for an effective date of January 1, 1985.

COMMENTS

The Department supports passage of the bill in its current form. Besides correcting problems which exist in current law, the bill provides for an equitable prorating of payments in the event underfunding occurs in the programs we presently administer. Under current law we are required to make payments on a first-come, first-serve basis which results in unequal payments to both municipalities and individuals.

Section 4 addresses the Department's concern over the limitation on the value of property which is exempted from municipal property tax. This legislation sets the limit of property tax exemption at \$150,000.

APPROVED:



Emil Notti, Commissioner

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

May 2, 1984

POUCH B
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ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

POSITION PAPER

RE: CSSB 527 (Finance)
SPONSOR: Senate C&RA Committee

PROGRAM EFFECTS

The bill would correct a problem which currently exists under AS 28.10.411(d), whereby some municipalities receive double payments for Senior Citizen motor vehicle taxes.

The bill also would require the Department to prorate payments to municipalities in the event the motor vehicle, homeowners', renters' or rent sales tax programs were to be underfunded.

In addition, the bill would limit the amount of the homeowners' exemption to a maximum assessed value of \$150,000 and allow the spouse of a deceased homeowner to qualify for the program if the spouse is 55 years of age or older.

COMMENTS

The Department supports passage of the bill in its current form. Besides correcting problems which exist in current law, the bill allows for an equitable prorating of payments in the event underfunding occurs in the programs we presently administer. Under current law we are required to make payments on a first-come, first-serve basis which results in unequal payments to both municipalities and individuals.

As oil revenues to the State decline, we are faced with the problem of certain state-mandated exemption programs being underfunded. The Department supports passage of the homeowners' exemption ceiling in the bill. We believe the adoption of that limitation will encourage full funding of those programs in the future.

In addition, we believe the limitation language places maximum emphasis on need. The value of property is generally a good indicator of the financial standing of its owner.

APPROVED:

Emil Notti

Emil Notti, Commissioner

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 5/2/84

REQUEST CSSB527
Bill/Resolution No.: (Finance)
Title: State & Municipal Tax
Exemptions

FISCAL DETAIL
Agency Affected: Community & Regional Affairs
Program Category Affected: Social Services

Sponsor: _____
Requestor: Senate Finance Committee
Date of Request: _____

BRU, Program or Subprogram(s) Affected: Senior Citizens Tax Relief

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-0-	6.6	7.0	7.4	7.9	8.3
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	-0-	(155.0)	(170.5)	(187.6)	(206.5)	(227.0)
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	(148.4)	(163.5)	(180.2)	(198.6)	(218.7)
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
FULL-TIME		1/4	1/4	1/4	1/4	1/4
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Michael W. Worley Phone: 465-4787
Division: Municipal & Regional Assistance Date: 5/2/84

Approved by Commissioner: _____ Date: _____
Agency: Community & Regional Affairs

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

5/7/84
Sen. Suckett

CSSB-527(fin) State and Municipal Tax Exemptions for senior citizens

Sponsor: Sen. C&RA

- Sec. 1 Provides an exemption to those 65 and older from taxes and registration fees on an automobile (one vehicle only).
- Sec. 2 Dept. of C&RA to reimburse municipalities that choose to impose a tax on motor vehicles.
- Sec. 3 adds motor vehicles to list of properties exempt from taxation by municipalities.
- Sec. 4 Provides for property tax exemption on owner occupied dwelling for seniors and veterans on first \$150,000 of assessed value. Permits a municipality to provide for an exemption beyond the \$150,000 assessed value limit in the case of an individual hardship

(page 3, lines 6-9) adds: the surviving spouse at least 55 years of age may continue receiving property tax exemption.

- Sec. 5 Claimant to file a separate application for each exemption (i.e., car, home, etc.).

Also: failure to file by deadline for tax exemption may be waived "for good cause."

- Sec. 6
 - m) only 1 exemption per vehicle
 - n) state shall reimburse municipality for lost revenue as a result of exemption
 - o) if appropriations for purpose of reimbursement to municipality as a result of exemptions are insufficient, reimbursements to be prorated

- Sec. 7 waiver of timely filed applications may be instituted by the department (C&RA)

- Sec. 8 property tax reimbursements to municipalities to be prorated if appropriations are insufficient.

Bradley
5/4/84✓Original sponsor: Community and Regional
Affairs Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 527 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state and municipal tax exemp-
7 tions; and providing for an effective date."

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

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12 AS 28.10.431(b) and the registration fee required [TAX] under this
13 section for one motor vehicle subject to registration under AS 28.-
14 10.421(b)(1), (2), (5), or (6). An [. NO] exemption may not be gran-
15 ted except upon written application for the exemption on a form pre-
16 scribed by the department.

17 * Sec. 2. AS 28.10.411(d) is repealed and reenacted to read:

18 (d) The Department of Community and Regional Affairs shall
19 reimburse a municipality that elects to levy a tax under AS 28.10.431
20 for revenues lost because of the exemption from the tax provided by
21 (c) of this section. If appropriations are less than the amount
22 necessary for full reimbursement to all municipalities under this
23 section, payments to all municipalities entitled to receive reimburse-
24 ment under this section shall be prorated.

25 * Sec. 3. AS 29.53.020(a) is amended to read:

26 (a) The following property is exempt from general taxation:

27 (1) municipal, state or federally owned property, except
28 that private leaseholds, contracts or other interest in the property
29 shall be taxable to the extent of those interests;

1 (2) household furniture of the head of a family or a house-
2 holder not exceeding \$500 in value;

3 (3) property used exclusively for nonprofit religious,
4 charitable, cemetery, hospital or educational purposes;

5 (4) property of a nonbusiness organization composed en-
6 tirely of persons with 90 days or more of active service in the armed
7 forces of the United States whose conditions of service and separation
8 were other than dishonorable, or the property of the auxiliary of such
9 organization;

10 (5) money on deposit;

11 (6) the real property of certain residents of the state to
12 the extent and subject to the conditions provided in (e) of this
13 section;

14 (7) real property to the extent and subject to the condi-
15 tions provided in (j) of this section;

16 (8) inventories located within a foreign trade zone estab-
17 lished under AS 45.77.010, before those inventories are cleared by the
18 United States Customs Service and admitted into domestic commerce;

19 (9) real property or an interest in real property that is
20 exempt from taxation under 43 U.S.C. 1620(d), as amended;

21 (10) a motor vehicle of certain residents of the state to
22 the extent and subject to the conditions provided in (m) of this
23 section.

24 * Sec. 4. AS 29.53.020(e) as amended by sec. 1, ch. 40, SLA 1984 is
25 amended to read:

26 (e) The real property owned and occupied as a permanent place of
27 abode by a resident 65 years of age or over or by a disabled veteran
28 is exempt from taxation of the first \$150,000 of the assessed value of
29 the real property. A municipality may, in the case of hardship to an

individual, provide for exemption beyond the first \$150,000 of assessed value under regulations of the department. 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 shall receive the benefit of the exemption. The surviving spouse of a person who had been receiving the benefits of an exemption may continue to receive the benefits of the exemption if the surviving spouse is at least 55 years of age. Real property may not be exempted 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.

* Sec. 5. AS 29.53.020(f) as amended by sec. 2, ch. 40, SLA 1984 is amended to read:

(f) An exemption may not be granted except upon written application for the exemption on a form approved 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 exemption and for each assessment year in which the exemption is sought. The assessor shall allow an exemption if [IF] an application is filed within the required time and [IS APPROVED BY THE ASSESSOR, THE ASSESSOR 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

1 has been waived under [AS PROVIDED IN] this subsection and the appli-
2 cation for exemption is approved, the amount of tax that the claimant
3 may have already paid for the assessment year with respect to the
4 property exempted shall be refunded to the claimant. The assessor
5 shall require proof in the form the assessor considers necessary of
6 the right to and amount of an exemption claimed under this section,
7 and shall require a disabled veteran claiming an exemption under (e)
8 of this section to provide evidence of the disability rating. The
9 assessor may require proof under this section at any time.

10 * Sec. 6. AS 29.53.020 is amended by adding new subsections to read:

11 (m) One motor vehicle owned by a resident 6⁵ years of age or
12 older on January 1 of the assessment year is exempt from the property
13 tax levied by a municipality under AS 29.53.010. Only one exemption
14 may be granted for the same motor vehicle and, if two or more persons
15 are eligible for an exemption for the same motor vehicle, the parties
16 shall decide who shall receive the exemption. A motor vehicle that
17 the assessor determines after notice and hearing to the parties con-
18 cerned has been conveyed to the applicant primarily for the purpose of
19 obtaining the exemption may not be exempted under this subsection.

20 (n) The state shall reimburse a municipality for the revenue
21 lost to it under (m) of this section. To the extent that a municipal-
22 ity exempts motor vehicles from taxation under AS 29.53.025(b)(4) that
23 would otherwise be exempt under this section, no reimbursement will be
24 made under this subsection.

25 (o) If appropriations made for the purpose of reimbursement to a
26 municipality under (g) and (n) of this section are inadequate to
27 provide full reimbursement to each municipality entitled to reimburse-
28 ment, payments to all municipalities entitled to receive reimbursement
29 under this section shall be prorated.

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2 amended to read:

3 (c) To obtain a tax equivalency payment the eligible resident
4 must apply to the department for payment for the preceding year by
5 January 15 of each year on forms and in the manner prescribed by the
6 department. The department for good cause shown may waive an appli-
7 cant's failure to make timely application for a tax equivalency pay-
8 ment for that year and accept the application as if timely filed.
9 Each applicant shall submit with the application rental receipts or,
10 if rental receipts are not available, other evidence satisfactory to
11 the department for determination of the fact of payment of rent and
12 the amount paid. A disabled veteran shall submit with the application
13 evidence of the disability rating.

14 * Sec. 8. AS 29.73.060 is amended by adding a new subsection to read:

15 (f) If appropriations made for the purpose of implementing this
16 section are inadequate to provide full property tax equivalency pay-
17 ments to each resident of the state entitled to receive a payment
18 under this section, payments to each resident entitled to receive a
19 payment under this section shall be prorated.

20 * Sec. 9. AS 29.73.062(b), as enacted by sec. 5, ch. 40, SLA 1984, is
21 amended to read:

22 (b) The amount of reimbursement payment under this section
23 equals the amount of sales taxes paid on the abode during the preced-
24 ing year by the eligible resident. If appropriations are less than
25 the amount necessary for full reimbursement to all eligible residents
26 under this section, payments to residents entitled to receive reim-
27 bursments shall be prorated.

28 * Sec. 10. This Act takes effect January 1, 1985.
29

WORK DRAFT
WORK DRAFT
WORK DRAFT
Bradley
5/3/84 ✓

Original sponsor: Community and Regional
Affairs Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 527 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state and municipal tax exemp-
7 tions; and providing for an effective date."

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

9 * Section 1. AS 28.10.411(c) is amended to read:

10 (c) A resident 65 years of age or older on January 1 of the
11 assessment year is entitled to an exemption from the tax levied under
12 AS 28.10.431(b) and the registration fee required [TAX] under this
13 section for one motor vehicle subject to registration under AS 28.-
14 10.421(b)(1), (2), (5), or (6). An [. NO] exemption may not be gran-
15 ted except upon written application for the exemption on a form pre-
16 scribed by the department.

17 * Sec. 2. AS 28.10.411(d) is repealed and reenacted to read:

18 (d) The Department of Community and Regional Affairs shall
19 reimburse a municipality that elects to levy a tax under AS 28.10.431
20 for revenues lost because of the exemption from the tax provided by
21 (c) of this section. If appropriations are less than the amount
22 necessary for full reimbursement to all municipalities under this
23 section, payments to all municipalities entitled to receive reimburse-
24 ment under this section shall be prorated.

25 * Sec. 3. AS 29.53.020(a) is amended to read:

26 (a) The following property is exempt from general taxation:

27 (1) municipal, state or federally owned property, except
28 that private leaseholds, contracts or other interest in the property
29 shall be taxable to the extent of those interests;

1 (2) household furniture of the head of a family or a house-
2 holder not exceeding \$500 in value;

3 (3) property used exclusively for nonprofit religious,
4 charitable, cemetery, hospital or educational purposes;

5 (4) property of a nonbusiness organization composed en-
6 tirely of persons with 90 days or more of active service in the armed
7 forces of the United States whose conditions of service and separation
8 were other than dishonorable, or the property of the auxiliary of such
9 organization;

10 (5) money on deposit;

11 (6) the real property of certain residents of the state to
12 the extent and subject to the conditions provided in (e) of this
13 section;

14 (7) real property to the extent and subject to the condi-
15 tions provided in (j) of this section;

16 (8) inventories located within a foreign trade zone estab-
17 lished under AS 45.77.010, before those inventories are cleared by the
18 United States Customs Service and admitted into domestic commerce;

19 (9) real property or an interest in real property that is
20 exempt from taxation under 43 U.S.C. 1620(d), as amended;

21 (10) a motor vehicle of certain residents of the state to
22 the extent and subject to the conditions provided in (m) of this
23 section.

24 * Sec. 4. AS 29.53.020(e) as amended by sec. 1, ch. 40, SLA 1984 is
25 amended to read:

26 (e) The real property owned and occupied as a permanent place of
27 abode by a resident 65 years of age or over or by a disabled veteran
28 is exempt from taxation of the first \$150,000 of the assessed value of
29 the real property. Only one exemption may be granted for the same

1 property and, if two or more persons are eligible for an exemption for
2 the same property, the parties shall decide between or among them-
3 selves which shall receive the benefit of the exemption. The surviv-
4 ing spouse of a person who had been receiving the benefits of an
5 exemption may continue to receive the benefits of the exemption if the
6 surviving spouse is at least 55 years of age. Real property may not
7 be exempted under this subsection if the assessor determines, after
8 notice and hearing to the parties concerned, that the property was
9 conveyed to the applicant primarily for the purpose of obtaining the
10 exemption. The determination of the assessor may be appealed under
11 AS 44.62.560 - 44.62.570.

12 * Sec. 5. AS 29.53.020(f) as amended by sec. 2, ch. 40, SLA 1984 is
13 amended to read:

14 (f) An exemption may not be granted except upon written applica-
15 tion for the exemption on a form approved by the state assessor for
16 use by local assessors. The claimant must file the application no
17 later than January 15 of the assessment year for which the exemption
18 is sought, but during the same year the governing body of the munic-
19 ipality for good cause shown may waive the claimant's failure to make
20 timely application for the exemption for that year and authorize the
21 assessor to accept the application as if timely filed. The claimant
22 must file a separate application for each exemption and for each
23 assessment year in which the exemption is sought. The assessor shall
24 allow an exemption if [IF] an application is filed within the required
25 time and [IS APPROVED BY THE ASSESSOR, THE ASSESSOR SHALL ALLOW AN
26 EXEMPTION] in accordance with the provisions of this section. If a
27 claimant whose failure to file by January 15 of the assessment year
28 has been waived under [AS PROVIDED IN] this subsection and the appli-
29 cation for exemption is approved, the amount of tax that the claimant

1 may have already paid for the assessment year with respect to the
2 property exempted shall be refunded to the claimant. The assessor
3 shall require proof in the form the assessor considers necessary of
4 the right to and amount of an exemption claimed under this section,
5 and shall require a disabled veteran claiming an exemption under (e)
6 of this section to provide evidence of the disability rating. The
7 assessor may require proof under this section at any time.

8 * Sec. 6. AS 29.53.020 is amended by adding new subsections to read:

9 (m) The motor vehicle owned by a resident 65 years of age or
10 older on January 1 of the assessment year is exempt from the property
11 tax levied by a municipality under AS 29.53.010. Only one exemption
12 may be granted for the same motor vehicle and, if two or more persons
13 are eligible for an exemption for the same property, the parties shall
14 decide who shall receive the exemption. A motor vehicle that the
15 assessor determines after notice and hearing to the parties concerned
16 has been conveyed to the applicant primarily for the purpose of ob-
17 taining the exemption may not be exempted under this subsection.

18 (n) The state shall reimburse a municipality for the revenue
19 lost to it under (m) of this section. To the extent that a municipal-
20 ity exempts motor vehicles from taxation under AS 29.53.025(b)(4) that
21 would otherwise be exempt under this section, no reimbursement will be
22 made under this subsection.

23 (o) If appropriations made for the purpose of reimbursement to a
24 municipality under (g) and (n) of this section are inadequate to
25 provide full reimbursement to each municipality entitled to reimburse-
26 ment, payments to all municipalities entitled to receive reimbursement
27 under this section shall be prorated.

28 * Sec. 7. AS 29.73.060(c) as amended by sec. 4, ch. 40, SLA 1984 is
29 amended to read:

1 (c) To obtain a tax equivalency payment the eligible resident
2 must apply to the department for payment for the preceding year by
3 January 15 of each year on forms and in the manner prescribed by the
4 department. The department for good cause shown may waive an appli-
5 cant's failure to make timely application for a tax equivalency pay-
6 ment for that year and accept the application as if timely filed.
7 Each applicant shall submit with the application rental receipts or,
8 if rental receipts are not available, other evidence satisfactory to
9 the department for determination of the fact of payment of rent and
10 the amount paid. A disabled veteran shall submit with the application
11 evidence of the disability rating.

12 * Sec. 8. AS 29.73.060 is amended by adding a new subsection to read:

13 (f) If appropriations made for the purpose of implementing this
14 section are inadequate to provide full property tax equivalency pay-
15 ments to each resident of the state entitled to receive a payment
16 under this section, payments to each resident entitled to receive a
17 payment under this section shall be prorated.

18 * Sec. 9. AS 29.73.062(b), as enacted by sec. 5, ch. 40, SLA 1984, is
19 amended to read:

20 (b) The amount of reimbursement payment under this section
21 equals the amount of sales taxes paid on the abode during the preced-
22 ing year by the eligible resident. If appropriations are less than
23 the amount necessary for full reimbursement to all eligible residents
24 under this section, payments to residents entitled to receive reim-
25 bursments shall be prorated.

26 * Sec. 10. This Act takes effect January 1, 1985.
27
28
29

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

3/12/84

Date

4/12/84

Mr. President

The Committee on STATE AFFAIRS considered SB 527

relating to motor vehicle tax exemptions and senior citizen property tax exemptions; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 527 (SA)
- new title
- same title and recommends same as p.
- and attached a "LETTER OF INTENT"
- NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

1 Kelly

MEMBERS HAVING
OTHER RECOMMENDATIONS

1

 Chairman

 do pass

 Chairman recommendation

SENATE
JOURNAL SUPPLEMENT

4/16/84

No. 72

SB
527

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 3/27/84

REQUEST

Bill/Resolution No.: SB 527
 Title: Motor vehicle tax exemptions
Senior Citizen property tax exempt.
 Sponsor: Senate C&RA Committee
 Requestor: State Affairs Committee
 Date of Request: 3/22/84

FISCAL DETAIL

Agency Affected: C&RA
 Program Category Affected: Social Services
 BRU, Program or Subprogram(s) Affected:
Senior Citizens Tax Relief

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	-0-	(45.0)	(49.5)	(54.5)	(59.9)	(65.9)
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	(45.0)	(49.5)	(54.5)	(59.9)	(65.9)
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS: No Impact

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis - Municipalities would no longer receive double payment "reimbursements"

Prepared By: Michael Worley Phone: 465-4735
 Division: Municipal & Regional Assistant Date: 3/27/84

Approved by Commissioner: [Signature] Date: 3/27/84
 Agency: Community & Regional Affairs

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 3/27/84

REQUEST

Bill/Resolution No.: SB 527
 Title: Motor vehicle tax exemptions
Senior Citizen property tax exempt.
 Sponsor: Senate C&RA Committee
 Requestor: State Affairs Committee
 Date of Request: 3/22/84

FISCAL DETAIL

Agency Affected: C&RA
 Program Category Affected: Social Services
 BRU, Program or Subprogram(s) Affected:
Senior Citizens Tax Relief

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	-0-	(45.0)	(49.5)	(54.5)	(59.9)	(65.9)
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	(45.0)	(49.5)	(54.5)	(59.9)	(65.9)
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS: No impact

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 Phone: 465-4735
 Division: Municipal & Regional Assistance Date: 3/27/84

Approved by Commissioner: Eric Miller Date: 3/27/84
 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.: SB 527
Title: Act relating to tax exemptions

ANALYSIS:

Assumptions:

Actual 1983 figures shown at 10% annual inflation rate.

Positions:

N/A

Other Expenditures:

N/A

Funding:

Figures shown on fiscal note are estimated savings to the State.

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Municipalities would no longer receive double payment "reimbursements".

Attachments

None.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 527
 Title: An Act relating to motor vehicle tax exemptions and.....
 Sponsor: C&RA
 Requestor: C&RA
 Date of Request: 3-13-84

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: Life and Property Protection
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles

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	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

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:

No fiscal impact on Department of Public Safety, Division of Motor Vehicles.

ANALYSIS: Attach a separate page for analysis

Prepared By: Bill Brown Phone: 465-4335
 Division: Motor vehicles Date: 3-13-84

Approved by Commissioner: [Signature] Date: 3/16/84
 Agency: Public Safety

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: _____

REQUEST

Bill/Resolution No.: SB 527
 Title: An Act relating to motor vehicle tax exemptions and.....
 Sponsor: C&RA
 Requestor: C&RA
 Date of Request: 3-13-84

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: Life and Property Protection
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles

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	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

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:

No fiscal impact on Department of Public Safety, Division of Motor Vehicles.

ANALYSIS: Attach a separate page for analysis

Prepared By: Bill Brown Phone: 465-4335
 Division: Motor vehicles Date: 3-13-84

Approved by Commissioner: [Signature] Date: 3/16/84
 Agency: Public Safety

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Introduced: 3/12/84
Referred: State Affairs and
Finance

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

1 IN THE SENATE

2

SENATE BILL NO. 527

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to motor vehicle tax exemptions and
7 senior citizen property tax exemptions; and providing
8 for an effective date."

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

10 * Section 1. AS 29.53.020 is amended by adding new subsections to read:

11 (m) One motor vehicle is exempt from

12 (1) property tax levied under AS 29.53.010 if the vehicle
13 is owned by a resident 65 years of age or older on January 1 of the
14 assessment year; and

15 (2) the registration tax and fee as provided in AS 28.10.-
16 411(c).

17 (n) The state shall reimburse a municipality for revenues lost
18 to it because of the exemptions provided under (m)(1) of this section
19 and under AS 28.10.411(c). Reimbursement of the registration tax to a
20 municipality electing to levy a tax under AS 28.10.431(a) equals the
21 amount authorized under AS 28.10.431(b) for each vehicle exempted.

22 (o) If appropriations are less than the amount necessary for
23 full reimbursement to a municipality under this section, payments must
24 be determined by prorating appropriations using a factor which, when
25 applied, reduces all payments by an equal percentage.

26 (p) To the extent a municipality exempts motor vehicles from
27 taxation under AS 29.53.025(b)(4), which would otherwise be exempt
28 under this section, no reimbursement under (n) of this section will be
29 made.

1 (q) The department shall adopt necessary regulations to imple-
2 ment the provisions of (g), (h), (l), and (o) of this section.

3 * Sec. 2. AS 29.73.060 is amended by adding new subsections to read:

4 (e) If appropriations are less than the amount necessary to make
5 full tax equivalency payments under this section, adjustments of
6 payments must be determined by prorating appropriations using a factor
7 which, when applied, reduces all payments by an equal percentage.

8 (f) The department shall adopt regulations necessary to imple-
9 ment the provisions of (e) of this section.

10 * Sec. 3. AS 28.10.411(d) is repealed.

11 * Sec. 4. This Act takes effect January 1, 1985.

Offered: 4/16/84
Referred: Finance

Original sponsor: Community and Regional
Affairs Committee

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SENATE BILL NO. 527 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to state and municipal tax exemp-
7 tions; and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 28.10.411(c) is amended to read:
10 (c) A resident 65 years of age or older on the date that the tax
11 is due is entitled to an exemption from the tax levied under AS 28.-
12 10.431(b) and the registration fee required [TAX] under this section
13 for one motor vehicle subject to registration under AS 28.10.421(b)-
14 (1), (2), (5), or (6). An [. NO] exemption may not be granted except
15 upon written application for the exemption on a form prescribed by the
16 department.
17 * Sec. 2. AS 28.10.411(d) is repealed and reenacted to read:
18 (d) The Department of Community and Regional Affairs shall
19 reimburse a municipality that elects to levy a tax under AS 28.10.431
20 for revenues lost because of the exemption from the tax provided by
21 (c) of this section. If appropriations are less than the amount
22 necessary for full reimbursement to all municipalities under this
23 section, payments to all municipalities entitled to receive reimburse-
24 ment under this section shall be prorated.
25 * Sec. 3. AS 29.53.020(a) is amended to read:
26 (a) The following property is exempt from general taxation:
27 (1) municipal, state or federally owned property, except
28 that private leaseholds, contracts or other interest in the property
29 shall be taxable to the extent of those interests;

1 (2) household furniture of the head of a family or a house-
2 holder not exceeding \$500 in value;

3 (3) property used exclusively for nonprofit religious,
4 charitable, cemetery, hospital or educational purposes;

5 (4) property of a nonbusiness organization composed en-
6 tirely of persons with 90 days or more of active service in the armed
7 forces of the United States whose conditions of service and separation
8 were other than dishonorable, or the property of the auxiliary of such
9 organization;

10 (5) money on deposit;

11 (6) the real property of certain residents of the state to
12 the extent and subject to the conditions provided in (e) of this
13 section;

14 (7) real property to the extent and subject to the condi-
15 tions provided in (j) of this section;

16 (8) inventories located within a foreign trade zone estab-
17 lished under AS 45.77.010, before those inventories are cleared by the
18 United States Customs Service and admitted into domestic commerce;

19 (9) real property or an interest in real property that is
20 exempt from taxation under 43 U.S.C. 1620(d), as amended;

21 (10) a motor vehicle of certain residents of the state to
22 the extent and subject to the conditions provided in (m) of this
23 section.

24 * Sec. 4. AS 29.53.020(e) is amended to read:

25 (e) The real property owned and occupied as a permanent place of
26 abode by a resident 65 years of age or over is exempt from taxation of
27 the assessed value of the real property. Only one exemption may be
28 granted with respect to the same property and, if two or more persons
29 are eligible for an exemption with respect to the same property, the

1 parties shall decide between or among themselves which shall receive
2 the benefit of the exemption. The surviving spouse of a person who
3 had been receiving the benefits of an exemption may continue to re-
4 ceive the benefits of the exemption if the surviving spouse is at
5 least 55 years of age. Real [NO REAL] property that [MAY BE EXEMPTED
6 UNDER THIS SUBSECTION WHICH] the assessor determines, after notice and
7 hearing to the parties concerned, has been conveyed to the applicant
8 primarily for the purpose of obtaining the exemption may not be ex-
9 empted under this subsection. The determination of the assessor is
10 appealable under AS 44.62.560 - 44.62.570.

11 * Sec. 5. AS 29.53.020(f) is amended to read:

12 (f) An [NO] exemption may not be granted except upon written
13 application for the exemption on a form prescribed by the state asses-
14 sor for use by local assessors. The claimant must file the applica-
15 tion no later than January 15 of the assessment year for which the
16 exemption is sought, but during the same year the governing body of
17 the municipality for good cause shown may waive the claimant's failure
18 to make timely application for the exemption for that year and author-
19 ize the assessor to accept the application as if timely filed. The
20 claimant must file a separate application for each exemption and for
21 each assessment year in which the exemption is sought. The assessor
22 shall allow an exemption if [IF] an application is filed within the
23 required time and [IS APPROVED BY THE ASSESSOR, HE SHALL ALLOW AN
24 EXEMPTION] in accordance with the provisions of this section. If a
25 claimant whose failure to file by January 15 of the assessment year
26 has been waived under [AS PROVIDED IN] this subsection and the appli-
27 cation for exemption is approved, the amount of tax that [WHICH] the
28 claimant may have already paid for the assessment year with respect to
29 the property exempted shall be refunded to the claimant [HIM]. The

1 assessor may at any time require proof in the form considered [HE
2 CONSIDERS] necessary of the right and amount of an exemption claimed
3 under this section.

4 * Sec. 6. AS 29.53.020 is amended by adding new subsections to read:

5 (m) The motor vehicle owned by a resident 65 years of age or
6 older on January 1 of the assessment year is exempt from the property
7 tax levied by a municipality under AS 29.53.010. Only one exemption
8 may be granted for the same motor vehicle and, if two or more persons
9 are eligible for an exemption for the same property, the parties shall
10 decide who shall receive the exemption. A motor vehicle that the
11 assessor determines after notice and hearing to the parties concerned
12 has been conveyed to the applicant primarily for the purpose of ob-
13 taining the exemption may not be exempted under this subsection.

14 (n) The state shall reimburse a municipality for the revenue
15 lost to it under (m) of this section. To the extent that a municipal-
16 ity exempts motor vehicles from taxation under AS 29.53.025(b)(4) that
17 would otherwise be exempt under this section, no reimbursement will be
18 made under this subsection.

19 (o) If appropriations made for the purpose of reimbursement to a
20 municipality under (g) and (n) of this section are inadequate to
21 provide full reimbursement to each municipality entitled to reimburse-
22 ment, payments to all municipalities entitled to receive reimbursement
23 under this section shall be prorated.

24 * Sec. 7. AS 29.73.060 is amended by adding a new subsection to read:

25 (e) If appropriations made for the purpose of implementing this
26 section are inadequate to provide full property tax equivalency pay-
27 ments to each resident of the state entitled to receive a payment
28 under this section, payments to each resident entitled to receive a
29 payment under this section shall be prorated.

1 * Sec. 8. This Act takes effect January 1, 1985.