

HOUSE

COMMITTEE REPORT

(11)

Date referred: 2/11/86

FURTHER REFERRALS:

DATE: 4-30-86

The FINANCE Committee has considered SB 113

"An Act relating to state and municipal tax exemptions; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with HCS SB 113 (FINANCE) [X] same title

and recommends <sup>do pass</sup> individual recommendations

further referral to the \_\_\_\_\_ Committee

- and attaches:
- letter of intent
  - first fiscal note
  - new fiscal note
  - zero fiscal note

SIGNING DO PASS:

*[Handwritten signatures]*

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SIGNING OTHER RECOMMENDATIONS:

*[Handwritten signatures and notes]*

~~Do not pass~~

do not pass

NO REC.

NO REC

No Recommendation

*[Signature]*  
Chairman

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 4/29/86

**REQUEST**

Bill/Resolution No. : HCS SB 113  
 Title : State & Municipal Tax  
 \_\_\_\_\_  
 Sponsor : Rules by request of Governor  
 Requestor : Community & Regional Affairs  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : State Assessor  
 BRU : Senior Citizens/Disabled  
Veterans Tax Relief  
 \_\_\_\_\_  
 Components : \_\_\_\_\_  
 \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

**FUNDING : (Thousands of Dollars)**


GENERAL FUND			-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS :**

FULL-TIME		-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

\* See estimates and explanation attached.

Prepared by : Michael W. Worley Phone : 465-4730  
 Division : Municipal & Regional Assistance Date : 4/29/86  
 Approved by Commissioner :  Date : 4/29/86  
 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 1986 - 14TH LEGISLATURE  
SECOND SESSION  
FISCAL NOTE

Bill/Resolution No.: SB 113

ANALYSIS:

Assumptions:

Below are estimates showing the anticipated growth of the Homeowners Exemption Program if fully funded through FY 91.

Calculations:

The calculations are FY 86 actual requests multiplied by an inflation factor of 10%, minus a program savings of 25% for the \$150,000 cap.

Calculations for Veterans are based on FY 86 actual requests multiplied by an inflation factor of 10%, minus a program savings of 25% for the \$150,000 cap.

	FULL FUNDING <u>WITHOUT</u> \$150,000 CAP	WITHOUT DISABLED VETERANS	FULL FUNDING <u>WITH</u> \$150,000 CAP	WITHOUT DISABLED VETERANS
FY 87	\$ 5,500,000	\$ 5,060,000	\$ 4,125,000	\$3,795,000
FY 88	\$ 6,050,000	\$ 5,566,000	\$ 4,537,000	\$4,174,000
FY 89	\$ 6,655,000	\$ 6,122,000	\$ 4,991,000	\$4,591,000
FY 90	\$ 7,320,000	\$ 6,734,000	\$ 5,490,000	\$5,051,000
FY 91	\$ 8,052,000	\$ 7,408,000	\$ 6,039,000	\$5,556,000

The fiscal note shows no savings for Fiscal Year 87 for the Senior Citizens Motor Vehicle, Water/Sewer and Rental Sales Tax exemption programs as they have been zeroed out in both the House and Senate budgets. The following estimates represent savings based on full funding levels of the Senior Citizen Sewer/Water Exemption and Motor Vehicle Exemption from FY 87 through FY 92.

FY 87	\$189,900
FY 88	208,800
FY 89	229,700
FY 90	252,700
FY 91	278,000
FY 92	305,800

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 113 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH 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 28.10.421(d)(3) is amended to read:

10 (3) a vehicle owned by a disabled veteran or other handi-  
11 capped person, and registered under AS 28.10.181 or a resident 65  
12 years of age or older who files a written application for an exemption  
13 on a form prescribed by the department [COMPLIES WITH AS 28.10.411(c)]  
14 . . . . . none;

15 \* Sec. 2. AS 29.45.030(e) is amended to read:

16 (e) The real property owned and occupied as the primary resi-  
17 dence and [A] permanent place of abode by a (1) resident 65 years of  
18 age or older [OVER]; (2) disabled veteran; or (3) resident at least 60  
19 years old who is the widow or widower of a person who qualified for an  
20 exemption under (1) or (2) of this subsection, is exempt from taxation  
21 on the first \$150,000 of the assessed value of the real property. A  
22 municipality may, in a case of hardship, provide for exemption beyond  
23 the first \$150,000 of assessed value in accordance with regulations of  
24 the department. Only one exemption may be granted for the same prop-  
25 erty and, if two or more persons are eligible for an exemption for the  
26 same property, the parties shall decide between or among themselves  
27 who is to [WHICH SHALL] receive the benefit of the exemption. Real  
28 property may not be exempted under this subsection if the assessor  
29 determines, after notice and hearing to the parties [CONCERNED], that

1 the property was conveyed to the applicant primarily for the purpose  
2 of obtaining the exemption. The determination of the assessor may be  
3 appealed under AS 44.62.560 - 44.62.570.

4 \* Sec. 3. AS 29.45.030(j) is amended to read:

5 (j) One motor vehicle per household owned by a resident 65 years  
6 of age or older on January 1 of the assessment year is exempt either  
7 from taxation on its assessed value or from the registration tax under  
8 AS 28.10.431. An exemption may be granted under this subsection only  
9 upon written application on a form prescribed by the Department of  
10 Public Safety. [THE STATE SHALL REIMBURSE A MUNICIPALITY FOR TAX  
11 REVENUES LOST TO IT BECAUSE OF THE EXEMPTION REQUIRED BY THIS SUB-  
12 SECTION. REIMBURSEMENT TO A MUNICIPALITY EQUALS THE AMOUNT OF REGIS-  
13 TRATION TAX AUTHORIZED UNDER AS 28.10.431(b) FOR EACH VEHICLE EXEMPTED  
14 UNDER THIS SUBSECTION.]

15 \* Sec. 4. AS 29.45.050 is amended by adding new subsections to read:

16 (i) A municipality may by ordinance approved by the voters  
17 exempt from taxation the assessed value that exceeds \$150,000 of real  
18 property owned and occupied as a permanent place of abode by a resi-  
19 dent who is

20 (1) 65 years of age or older;

21 (2) a disabled veteran; or

22 (3) at least 60 years old and a widow or widower of a  
23 person who qualified for an exemption under (1) or (2) of this subsec-  
24 tion.

25 (j) A municipality may by ordinance approved by the voters  
26 exempt real or personal property in a taxing unit used in processing  
27 timber after it has been delivered to the processing site from up to  
28 75 percent of the rate of taxes levied on other property in that  
29 taxing unit. An ordinance adopted under this subsection may not

1 provide for an exemption that exceeds five years in duration. In this  
2 subsection "taxing unit" means a municipality and includes

- 3 (1) a service area in a unified municipality or borough;
- 4 (2) the entire area outside cities in a borough; and
- 5 (3) a differential tax zone in a city.

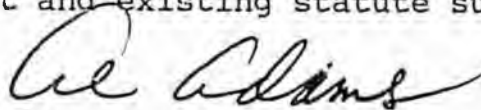
6 (k) A municipality may by ordinance approved by the voters  
7 exempt from taxation pollution control facilities that meet require-  
8 ments of the United States Environmental Protection Agency or the  
9 Department of Environmental Conservation. An ordinance adopted under  
10 this subsection may not provide for an exemption that exceeds five  
11 years in duration.

12 \* Sec. 5. AS 28.10.411(c) and (d); AS 29.10.200(41); AS 29.45.045; and  
13 AS 29.46.090 are repealed.

14 \* Sec. 6. This Act takes effect January 1, 1987.

HOUSE FINANCE COMMITTEE  
LETTER OF INTENT  
FOR  
H CS SB 113 (FINANCE)

The legislature recognizes that some seniors and some disabled veterans currently receiving full exemption from local property taxes will suffer possible hardship with imposition of a cap on the exempted amount of assessed valuation because of special tax assessment circumstances. It is the intent of the legislature that the department and local governments fully utilize the provision in this Act to grant property tax exemptions for assessments above the cap for hardship situations such as in the case of low income seniors living in older homes located on land which has increased dramatically and disproportionately in value and assessment due to changes in zoning, development or taxation of adjacent or nearby lands. Monies for such exemptions due to hardship would be eligible for state reimbursement under this Act and existing statute subject to appropriation.



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Al Adams, Chair  
House Finance Committee

Rep. Pat Pourchot  
April 29, 1986

REVISED LETTER OF INTENT, SB 113, Property Tax Exemptions

The Legislature recognizes that some seniors and some disabled veterans currently receiving full exemption from local property taxes will suffer possible hardship with imposition of a cap on the exempted amount of assessed valuation because of special tax assessment circumstances. It is the intent of the Legislature that the Department and local governments fully utilize the provision in this Act to grant property tax exemptions for assessments above the cap for hardship situations such as in the case of low income seniors living in older homes located on land which has increased dramatically and disproportionately in value and assessment due to changes in zoning, development or taxation of adjacent or nearby lands. Monies for such exemptions due to hardship would be eligible for state reimbursement under this Act and existing statute subject to appropriation.

A M E N D M E N T ~~HB~~

Offered in the HOUSE

By Taylor

TO: HCS SB 113(C&RA)

SUND

~~Page 3, after line 2,~~ add a new bill section to read:

\*\* Sec. 4. AS 29.45.050 is amended by adding new subsections to read:

(i) A municipality may by ordinance <sup>APPROVED. BY THE VOTERS</sup> exempt from taxation real or personal property used in the direct processing of timber in the municipality as provided in this subsection. An exemption may be granted by a municipality under this subsection for not to exceed five years. ~~The municipality may grant an exemption for nonproductive pollution control facilities constructed to meet the requirements of the Environmental Protection Agency or the Department of Environmental Conservation from 100 percent of the rate levied within the taxing unit; an exemption granted to other property used in the direct processing of timber may not exceed 75 percent of the rate levied within the taxing unit.~~ In this subsection,

(1) "direct processing of timber" means processing of the timber after it has been delivered to the processing site;

~~(2) "taxing unit"~~

~~(A) means a municipality;~~

~~(B) includes~~

(i) a service area or the entire area outside cities in a borough or a unified municipality; or

(ii) a differential tax zone in a city.

(j) A municipality may exempt a resource extractive industry

other than the timber industry under (i) of this section on a determination by the municipality that unique events have affected that industry and that the exemption of that industry is in the public interest. The exemption may not exceed 75 percent of the rate levied against other property within the taxing unit. An exemption may be granted by a municipality under this subsection for not to exceed five years."

Renumber remaining bill sections accordingly.

# Alaska State Legislature

## COMMITTEES:

VICE-CHAIRMAN  
HEALTH, EDUCATION & SOCIAL SERVICES

JUDICIARY

FINANCE SUB-COMMITTEE  
ON COURT SYSTEM

JOINT COMMITTEE ON  
FOREIGN TRADE



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JUNEAU, ALASKA 99811  
(907) 465-4905

## House of Representatives

ROBIN L. TAYLOR

TO: Representative Al Adams  
Chairman, House Finance Committee

Date: April 24, 1986

FROM: Representative Robin L. Taylor

SUBJECT: SB 113 Municipal Tax Exemptions

I would like to request that the attached amendment to SB 113 be included in the House Finance Committee review on Friday, April 25.

This amendment would give municipalities the option of temporarily exempting 75% of assessed taxes for property used in processing timber. In addition it would also provide a 100% exemption of taxes levied on non-productive pollution control devices required by the Environmental Protection Agency and the Department of Environmental Conservation.

This measure could significantly help our ailing timber industry in Alaska and could also be evenly applied to other industries if unique conditions exist that threaten the economic viability of the industry.

This is not mandatory legislation and would give the municipality the option of exempting taxes if deemed necessary for the industry's survival and in the best interest of the state.

cc: House Finance Committee members

A M E N D M E N T

Offered in the HOUSE

TO: HCS SB 113 (Finance)

Page 2, line 7, delete "a new subsection" and insert "new subsections"

Page 2, after line 16, insert the following new subsections to read:

*FAILS*  
"(j) A municipality may by ordinance <sup>APPROVED BY THE VOTERS</sup> exempt any real property from up to 75 percent of the rate of taxes levied on other real property. An ordinance adopted under this subsection may not provide for an exemption that exceeds five years in duration.

*FAILS*  
"(k) A municipality may by ordinance <sup>APPROVED BY THE VOTERS</sup> exempt from taxation pollution control facilities that meet requirements of the United States Environmental Protection Agency or the Department of Environmental Conservation. An ordinance adopted under this subsection may not provide for an exemption that exceeds five years in duration."

FILE

A M E N D M E N T

Offered in the HOUSE

By Uehling

TO: HCS SB 113 (Finance)

Page 1, line 22:

Delete "may" and insert "shall"

Page 2, after line 3, insert the following new bill section to read:

"\* Sec. 3. AS 29.45.030(g) is amended to read:

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenue [REVENUES] lost to it by the operation of (e) of this section, including revenue lost as a result of increasing in accordance with regulations of the department the amount of exemptions in cases of hardship. However, reimbursement will be made to a municipality for revenue lost to it only to the extent that the loss exceeds an exemption that was granted by the municipality, or that on proper application by an individual would have been granted under AS 29.45.050(a). If appropriations are not sufficient to fully fund reimbursements under this subsection, the amount available shall be distributed pro rata among eligible municipalities."

Renumber the following bill sections accordingly.

Purchase  
Adopted

Amendment to Proposed HCS for SB 113 (FIN)

Amend Section 3:

AS 29.45.030 (j) to amended to read:

(j) One motor vehicle per household owned by a resident 65 years of age or older on January 1 of the assessment year is exempt either from taxation on its assessed value or from the registration tax under AS 28.10.431. [An exemption may be granted under this subsection only upon written application with the Department of Public Safety. The state shall reimburse a municipality for tax revenues lost to it because of the exemption required by this subsection. Reimbursement to a municipality equals the amount of registration tax authorized under AS 28.10.431 (b) for each vehicle exempted under this section.]

Amend Section 5.

Delete reference to AS 29.45.030(j).

A M E N D M E N T

Offered in the HOUSE

By Uehling

TO: HCS SB 113 (Finance)

Page 1, line 22:

Delete "may" and insert "shall"

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Renumber the following bill sections accordingly.

## Amendment to Proposed HCS for SB 113 (FIN)

Amend Section 3:

AS 29.45.030 (j) to amended to read:

(j) One motor vehicle per household owned by a resident 65 years of age or older on January 1 of the assessment year is exempt either from taxation on its assessed value or from the registration tax under AS 28.10.431. [An exemption may be granted under this subsection only upon written application with the Department of Public Safety. The state shall reimburse a municipality for tax revenues lost to it because of the exemption required by this subsection. Reimbursement to a municipality equals the amount of registration tax authorized under AS 28.10.431 (b) for each vehicle exempted under this section.]

Amend Section 5.

Delete reference to AS 29.45.030(j).

Offered: 2/11/86  
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE SENATE  
2 HOUSE CS FOR SENATE BILL NO. 113 (C&RA)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH 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 29.45.030(e) is amended to read:  
10 (e) The real property owned and occupied as the primary resi-  
11 dence and [A] permanent place of abode by a (1) resident 65 years of  
12 age or older [OVER]; (2) disabled veteran; or (3) resident at least 60  
13 years old who is the widow or widower of a person who qualified for an  
14 exemption under (1) or (2) of this subsection, is exempt from taxation  
15 on the first \$200,000 of the assessed value of the real property. A  
16 municipality may, in a case of hardship, provide for exemption beyond  
17 the first \$200,000 of assessed value in accordance with regulations of  
18 the department. Only one exemption may be granted for the same prop-  
19 erty and, if two or more persons are eligible for an exemption for the  
20 same property, the parties shall decide between or among themselves  
21 which is to [SHALL] receive the benefit of the exemption. Real prop-  
22 erty may not be exempted under this subsection if the assessor deter-  
23 mines, after notice and hearing to the parties [CONCERNED], that the  
24 property was conveyed to the applicant primarily for the purpose of  
25 obtaining the exemption. The determination of the assessor may be  
26 appealed under AS 44.62.560 - 44.62.570.  
27 \* Sec. 2. AS 29.45.030(j) is amended to read:  
28 (j) One motor vehicle per household owned by a resident 65 years  
29 of age or older on January 1 of the assessment year is exempt either

1 from taxation on its assessed value or from the registration tax under  
2 AS 28.10.431. Only one exemption may be granted for the same motor  
3 vehicle and, if two or more persons are eligible for an exemption for  
4 the same motor vehicle, the parties shall decide which is to receive  
5 the exemption. A motor vehicle that the assessor determines, after  
6 notice and hearing to the parties, has been conveyed to the applicant  
7 primarily for the purpose of obtaining the exemption may not be  
8 exempted under this subsection. An exemption may be granted under  
9 this subsection only upon written application on a form prescribed by  
10 the Department of Public Safety. The state shall reimburse a municipi-  
11 pality for tax revenue [REVENUES] lost to it because of the exemption  
12 required by this subsection. Reimbursement to a municipality equals  
13 the amount of registration tax authorized under AS 28.10.431(b) for  
14 each vehicle exempted under this subsection. To the extent that a  
15 municipality exempts motor vehicles from taxation under AS 29.45.-  
16 050(b)(5) that would otherwise be exempt under this subsection, reim-  
17 bursement will not be made. If appropriations are inadequate to  
18 provide full reimbursement to each municipality entitled to reimburse-  
19 ment under this subsection, payments shall be prorated.

20 \* Sec. 3. AS 29.45.040(c) is amended to read:

21 (c) To obtain a tax equivalency payment the eligible resident  
22 must apply to the department for payment for the preceding year by  
23 January 15 of each year on forms and in the manner prescribed by the  
24 department. The department for good cause shown may waive an appli-  
25 cant's failure to make timely application for a tax equivalency pay-  
26 ment for the preceding year and accept the application as if timely  
27 filed. Each applicant shall submit with the application rental re-  
28 cepts or, if rental receipts are not available, other evidence satis-  
29 factory to the department for determination of the fact of payment of

- 1       rent and the amount paid. A disabled veteran shall submit with the
- 2       application evidence of the disability rating.
- 3       \* Sec. 4. AS 28.10.411(d) is repealed.
- 4       \* Sec. 5. This Act takes effect January 1, 1987.

Introduced: 1/30/85  
Referred: Community & Regional Affairs  
and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2

SENATE BILL NO. 113

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST 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 as-  
11 essment 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 28.10.-  
14 421(b)(1), (2), (5), or (6). An 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 reim-  
19 burse a municipality that elects to levy a tax under AS 28.10.431 for  
20 revenues lost because of the exemption from the tax provided by (c) of  
21 this section. If appropriations are less than the amount necessary  
22 for full reimbursement to all municipalities under this section, pay-  
23 ments to all municipalities entitled to receive reimbursement under  
24 this section must 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 entire-  
6 ly 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 sec-  
23 tion.

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 older [OVER] or by a disabled  
27 veteran is exempt from taxation of the first \$200,000 of the assessed  
28 value of the real property. A municipality may, in the case of hard-  
29 ship to an individual, provide for exemption beyond the first \$200,000

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

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

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

1 application for exemption is approved, the amount of tax that the  
2 claimant may have already paid for the assessment year with respect to  
3 the property exempted must [SHALL] be refunded to the claimant. The  
4 assessor shall require proof in the form the assessor considers neces-  
5 sary of the right to and amount of an exemption claimed under this  
6 section, and shall require a disabled veteran claiming an exemption  
7 under (e) of this section to provide evidence of the disability rat-  
8 ing. The assessor may require proof under this section at any time.

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

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

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

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

29 \* Sec. 7. AS 29.73.060(c) is 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 the preceding year and accept the application as if timely  
7 filed. Each applicant shall submit with the application rental re-  
8 cepts or, if rental receipts are not available, other evidence satis-  
9 factory to the department for determination of the fact of payment of  
10 rent and the amount paid. A disabled veteran shall submit with the  
11 application 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 must be prorated.

18 \* Sec. 9. AS 29.73.062(b) is amended to read:

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

25 \* Sec. 10. This Act takes effect January 1, 1986.