

COMMITTEE REPORT  
HOUSE

(11)

FURTHER:

4/25/85

Date: 5-10-85

The Committee on FINANCE has had SSB 190 (Fisc)

"An Act relating to the residential property tax exemption and the  
equivalency and reimbursement provisions and providing for its  
date."

under consideration and recommends:

do pass  do not pass

do pass with attached amendments(s)

replace with CS for \_\_\_\_\_  same title

and recommends \_\_\_\_\_  new title

AND attaches a "Letter of Intent"  New Fiscal Note 11-1-85

reports it back without recommendation  Zero Fiscal Note Attached

referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
*Paul Farnsworth*  
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CHAIRMAN

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 4/12/85

REQUEST

Bill/Resolution No. CS SB 190 (Fid)  
 Title: Extending tax exemptions to certain widows & widowers  
 Sponsor: p. Fischer, Abood, Eliason  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Community & Regional Affairs  
 Program Category Affected: Senior Citizens/Disabled Veterans Tax Relief  
 BRU, Program or Subprogram(s) Affected: Senior Citizens/Disabled Veterans Property Tax Exemption & Rentors Equivalency Rebate

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES	0					
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	0	5.0	5.5	6.0	6.6	7.2
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	5.0	5.5	6.0	6.6	7.2
<b>CAPITAL</b>	0					
<b>REVENUE</b>	0					

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	5.0	5.5	6.0	6.6	7.2
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	5.0	5.5	6.0	6.6	7.2

POSITIONS:

FULL-TIME	0					
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Position paper attached.

Prepared By: Michael Worley, State Assessor  
 Division: Municipal and Regional Assistance

Phone: 465-4735

Date: 4/12/85

Approved by Commissioner: Emil Notti  
 Agency: Community and Regional Affairs

Date: 4/12/85

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

7/1/84

Offered: 4/15/85  
Referred: Rules

Original sponsors: P.Fischer, Ahood,  
Eliason, et al

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 190 (Finance) am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

6 For an Act entitled: "An Act relating to the residential property tax  
7 exemption and tax equivalency and reimbursement  
8 payments; and providing for an effective date."

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

10 \* Section 1. AS 29.53.020(e) is amended to read:

11 (e) The real property owned and occupied as a permanent place of  
12 abode by a (1) resident 65 years of age or over; (2) [OR BY A] dis-  
13 abled veteran; or (3) resident at least 60 years old who is the widow  
14 or widower of a person who qualified for an exemption under (1) or (2)  
15 of this subsection, is exempt from taxation of the assessed value of  
16 the real property. Only one exemption may be granted for the same  
17 property and, if two or more persons are eligible for an exemption for  
18 the same property, the parties shall decide between or among them-  
19 selves which shall receive the benefit of the exemption. Real prop-  
20 erty may not be exempted under this subsection if the assessor deter-  
21 mines, after notice and hearing to the parties concerned, that the  
22 property was conveyed to the applicant primarily for the purpose of  
23 obtaining the exemption. The determination of the assessor may be  
24 appealed under AS 44.62.560 - 44.62.570.

25 \* Sec. 2. AS 29.53.020(g) is amended to read:

26 (g) The state shall reimburse a borough or city, as appropriate,  
27 for the real property tax revenues lost to it by the operation of (e)  
28 of this section. However, reimbursement will be made to a borough or  
29 city for revenue lost to it only to the extent that the loss exceeds

1 an exemption that [WHICH] was granted by the borough or city, or that  
2 [WHICH] upon proper application by an individual would have been  
3 granted by the borough or city, under AS 29.53.025(a). If appro-  
4 priations are not sufficient to fully fund reimbursements under this  
5 subsection, the amount available shall be distributed pro rata among  
6 eligible municipalities.

7 \* Sec. 3. AS 29.73.060(a) is amended to read:

8 (a) A resident of the state [65 YEARS OF AGE OR OLDER OR A  
9 DISABLED VETERAN] who rents a permanent place of abode is eligible for  
10 a tax equivalency payment from the state through the Department of  
11 Community and Regional Affairs if the resident is

12 (1) at least 62 years old;

13 (2) a disabled veteran; or

14 (3) at least 60 years old and the widow or widower of a  
15 person who was eligible for a payment under (1) or (2) of this sub-  
16 section.

17 \* Sec. 4. AS 29.73.060 is amended by adding a new subsection to read:

18 (f) If appropriations are not sufficient to fully fund tax  
19 equivalency payments under this section, the amount available shall be  
20 distributed pro rata among eligible residents.

21 \* Sec. 5. AS 29.73.062(a) is amended to read:

22 (a) A resident of the state [65 YEARS OF AGE OR OLDER OR A  
23 DISABLED VETERAN] who rents a permanent place of abode and is other-  
24 wise eligible for a reimbursement payment from the state may receive a  
25 payment through the Department of Community and Regional Affairs if  
26 the abode is located in a municipality that [(1)] does not levy and  
27 collect a property tax, [;] and [(2)] levies and collects a sales tax  
28 on rents paid for residential property. A resident is eligible for a  
29 payment if the resident is

- 1                   (1) at least 65 years old;  
2                   (2) a disabled veteran; or  
3                   (3) at least 60 years old and the widow or widower of a  
4 person who was eligible for a payment under (1) or (2) of this sub-  
5 section.

6 \* Sec. 6. AS 29.73.062 is amended by adding a new subsection to read:

7           (f) If appropriations are not sufficient to fully fund reim-  
8 bursement payments under this section, the amount available shall be  
9 distributed pro rata among eligible residents.

10 \* Sec. 7. This Act takes effect January 1, 1986.

## SECTIONAL ANALYSIS FOR SENATE BILL 190

An Act extending the residential property tax exemption and tax equivalency and reimbursement payments to certain widows and widowers

### Section 1

Extends the property tax exemption currently given to senior citizens and disabled veterans to the widows and widowers (must be at least 60 years of age) of a person that was at least 65 years old or of a disabled veteran.

### Section 2

Extends the tax equivalency payments for renters to the widows and widowers (must be at least 60 years old) of a person that was at least 65 years old or of a disabled veteran.

### Section 3

Extends the reimbursement payment for renters in cities that do not levy a property tax but collect a sales tax on rents to the widows and widowers (must be at least 60 years old) of a person that was at least 65 years old or of a disabled veteran.

### Section 4

Effective date of July 1, 1985.

The Senate Community and Regional Affairs Committee adopted an amendment which adds three new sections to the bill. All state that if sufficient funds are not available for reimbursement to municipalities or individuals, those funds shall be distributed pro rata.

In addition, the drafting attorney has recommended that the effective date of this bill be amended to January 1, 1986 because municipalities generally operate on a calendar year basis.

Finally, Senate Bill 190 originally had a \$31,900 fiscal note from the Department of Community and Regional Affairs. Last Friday, they deleted their request for a new clerk typist position, hence the fiscal note now amounts to \$5,000. That would be used to pay the increase in reimbursement claims.

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 18, 1985

- POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508  
PHONE: (907) 563-1073

### POSITION PAPER

RE: SB 190

SPONSORS: Senator P. Fischer, Senator Abood, and Senator Eliason

SB 190 allows for the widow/widower of a person who received: (1) A Property Tax Exemption or (2) A Tax Equivalency (Renter) payment to continue to receive the exemption, if the widow/widower is at least 60 years old or older.

#### ANALYSIS

The department supports the passage of this bill. We understand the hardship a widow/widower encounters, financially due to the loss of a spouse. We have introduced similar legislation in SB 137, Section 4, which would allow a surviving spouse, age 55 or older to continue receiving the property tax exemption.

In supporting this bill we would like to add an amendment which would address the funding problem. Due to the addition of disabled veterans (Chapter 40, SLA 84), increased numbers of senior citizens, statewide increases in both property taxes and rent's the money required to fully fund these programs has drastically increased. Therefore, we recommend including language which would allow the department to prorate payments in the event of future funding shortages.

*in current version of bill*

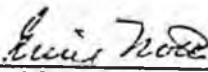
#### COST ANALYSIS

General fund costs are due to an increase in eligible applicants. This cost is estimated to be \$5,000 and will increase 10% annually due to inflation. Additional costs are attributed to the added position of a clerk typist.

HB 190  
March 18, 1985  
Page 2

IMPACT ON LOCAL GOVERNMENTS:

Additional work for the local assessor and staff will be required in verifying the eligibility of the widow/widower for this exemption.

  
\_\_\_\_\_  
Emil Notti, Commissioner

Offered: 4/15/85  
Referred: Rules

Original sponsors: P.Fischer, Abood,  
Eliason, et al

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 190 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION  
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7 tion and tax equivalency and reimbursement payments  
8 to certain widows and widowers; and providing for an  
9 effective date."

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13 abode by a (1) resident 65 years of age or over; (2) [OR BY A] dis-  
14 abled veteran; or (3) resident at least 60 years old who is the widow  
15 or widower of a person who qualified for an exemption under (1) or (2)  
16 of this subsection. is exempt from taxation of the assessed value of  
17 the real property. Only one exemption may be granted for the same  
18 property and, if two or more persons are eligible for an exemption for  
19 the same property, the parties shall decide between or among them-  
20 selves which shall receive the benefit of the exemption. Real prop-  
21 erty may not be exempted under this subsection if the assessor deter-  
22 mines, after notice and hearing to the parties concerned, that the  
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24 obtaining the exemption. The determination of the assessor may be  
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1           Community and Regional Affairs if the resident is  
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6           section.

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11          payment through the Department of Community and Regional Affairs if  
12          the abode is located in a municipality that [(1)] does not levy and  
13          collect a property tax, [;] and [(2)] levies and collects a sales tax  
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19          person who was eligible for a payment under (1) or (2) of this sub-  
20          section.

21       \* Sec. 4. This Act takes effect January 1, 1986.

Introduced: 2/26/85  
Referred: Community & Regional Affairs  
and Finance

BY P.FISCHER, ABOOD,  
ELIASON, V.FISCHER,  
ZIEGLER, ZHAROFF AND  
COGHILL

1 IN THE SENATE

2

SENATE BILL NO. 190

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

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21 \* Sec. 4. This Act takes effect July 1, 1985.