

HPB

253

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

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JUNEAU, ALASKA 99811
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May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

*Senate Community and Regional Affairs,
4/2/85, 3:45 pm*



Official Business

Alaska State Legislature

Community & Regional Affairs Committee

Pouch V
State Capitol
Juneau, Alaska 99811

Committee Meeting - April 2, 1985

The Committee will consider two bills --

SB 249 - Approp Senior Citizen Homeowner
Tax Exemptions

CSHB 253 - Municipal Tax Exemptions; Fire
(C&RA) Facilities

SB 249-----

Makes a supplemental appropriation to the Department of C&RA of \$325,000. The appropriation is to cover reimbursement to local government for senior citizen' homeowner property tax exemptions

CSHB 253 (C&RA)-----

Permits local government to partially or wholly exempt land from a tax for fire protection; allowing the tax to be levied only on improvements (including personal property).

Public Safety -- supports the bill and attaches a zero fiscal note

Community & Regional Affairs -- is opposed to the bill and attaches a zero fiscal note

Fairbanks North Star Borough supports the bill by Resolution 85-024

The Alaska Conference of Mayors supports the bill by Resolution 84-8

* DELIVER TO: JPOH *
* *
* ORIGINAL *
* SENT: 04/11/85 TIME: 10:45 *
* FROM: ANNIE NEUBAUER *
* SUBJECT: POM/FAIRBANKS *
* PRINT DATE: 04/11/85 TIME: 10:45 *
* *

TO: SENATOR DEVRIES
FROM: GUY SATTLEY, 1370 GREAT VIEW LANE, FAIRBANKS 99701
PHONE: 457-4149
RE: HB253 ASSESSMENTS FOR FIRE SERVICE AREAS

AS A PROPERTY OWNER AND TAX PAYER LOCATED AT THE EDGE OF AN EXPANDING FIRE SERVICE AREA, I URGE YOU TO APPROVE HB253. THIS WOULD RESULT IN AN EXPANSION OF FIRE PROTECTION TO THOSE WHO WANT IT, AND AN EQUITABLE FORM OF TAXATION.

.....

COMMITTEE REPORT
SENATE

FURTHER:

3/21/85

Date April 18, 1985

Mr. President

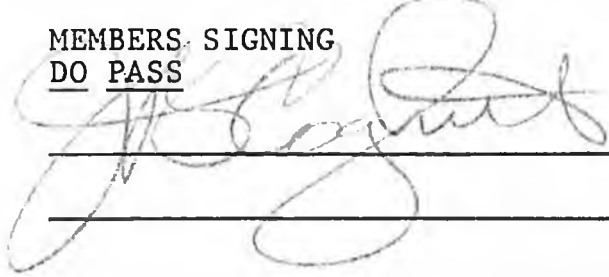
The Committee on C&PA considered CSHB 253 (C&PA)

allowing municipalities to exempt land from property taxes and from special assessments for fire protection service and fire protection facilities; etc.


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 _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

**MEMBERS SIGNING
DO PASS**



**MEMBERS HAVING
OTHER RECOMMENDATIONS**





Chairman



Chairman recommendation

Offered: 3/18/85
Referred: Rules

Original sponsors: Koponen, Davis,
Larson, et al

Alphonse Koponen
BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 253 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act allowing municipalities to exempt land from
7 property taxes and from special assessments for fire
8 protection service and fire protection facilities;
9 and providing for an effective date."

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

11 * Section 1. AS 29.53.025 is amended by adding a new subsection to
12 read:

13 (h) A municipality may by ordinance partially or wholly exempt
14 land from a tax for fire protection service and fire protection facil-
15 ities and may levy the tax only on improvements, including personal
16 property affixed to the improvements.

17 * Sec. 2. AS 29.63 is amended by adding a new section to read:

18 Sec. 29.63.066. OPTIONAL EXEMPTION. If an assessment under this
19 chapter is for a fire protection facility, a municipality may exempt
20 land and levy the assessment only on improvements, including personal
21 property affixed to the improvements.

22 * Sec. 3. This Act takes effect January 1, 1986.

Introduced: 3/1/85
Referred: Community & Regional
Affairs

BY KOPONEN, DAVIS, LARSON,
M.W. MILLER, RINGSTAD, SUND,
MARROU AND HURLEY

1 IN THE HOUSE

2

HOUSE BILL NO. 253

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act allowing municipalities to exempt land from
7 property taxes and from special assessments for fire
8 protection service and fire protection facilities;
9 and providing for an effective date."

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

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12 read:

13 (h) A municipality may by ordinance ^{partially or wholly} exempt land from a tax for
14 fire protection service and fire protection facilities and may levy
15 the tax only on improvements, including personal property affixed to
16 the improvements.

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19 chapter is for a fire protection facility, a municipality may exempt
20 land and levy the assessment only on improvements, including personal
21 property affixed to the improvements.

22 * Sec. 3. This Act takes effect January 1, 1986.

Original sponsor: Brown

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 87 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act allowing municipalities to exempt land from
7 property taxes and from special assessments for fire
8 protection service and facilities; and providing for
9 an effective date."

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

11 * Section 1. AS 29.53.025 is amended by adding a new subsection to read:

12 (h) A municipality may by ordinance exempt land from a tax for
13 fire protection service and fire facilities and may levy the tax only
14 on improvements, including personal property affixed to the improve-
15 ments.

16 * Sec. 2. AS 29.63 is amended by adding a new section to read:

17 Sec. 29.63.066. OPTIONAL EXEMPTION. If an assessment under this
18 chapter is for a fire protection facility, a municipality may exempt
19 land and levy the assessment only on improvements, including personal
20 property affixed to the improvements.

21 * Sec. 3. This Act takes effect January 1, 1982.
22
23
24
25
26
27
28

07/29/82

HISTORY OF LEGISLATION

R01-331-1040

PAGE 0050

19 31 AN ACT ALLOWING MUNICIPALITIES TO EXEMPT LAND FROM PROPERTY TAXES AND FROM SPECIAL ASSESSMENTS FOR FIRE PROTECTION SERVICE AND FACILITIES; AND PROVIDING FOR AN EFFECTIVE DATE

AMENDED TITLE: C&A (C&RA)

PRIME SPONSORS: BROWN

<u>DATE</u>	<u>SEQ. NO.</u>	<u>JOURNAL PAGE</u>	<u>HOUSE ACTION</u>	<u>DATE</u>	<u>SEQ. NO.</u>	<u>JOURNAL PAGE</u>	<u>SENATE ACTION</u>
02/04/81	01	0157	FIRST READING -- COMMITTEE REPORTS	** 03/31/81	09	0585	FIRST READING -- COMMITTEE REPORTS
03/24/81	02	0671	C&RA -- DHP01, CS02, HR02				C&RA DUFF
03/30/81	03	0740	SECOND READING				
03/30/81	04	0740	C&RA CS ADOPTED BY UNAN CONSENT				
03/30/81	05	0740	ADVANCED TO 3RD READING BY UNAN CONSENT				
03/30/81	06	0740	THIRD READING				
03/30/81	07	0740	PASSED BY DIV 31-06-03				
03/30/81	08	0741	EFFECTIVE DATE VOTE SAME AS PASSAGE				

19 32 AN ACT RELATING TO THE QUALIFICATIONS FOR THE FARM OR AGRICULTURAL LANDS TAX EXEMPTION; AND PROVIDING FOR AN EFFECTIVE DATE

AMENDED TITLE: *AM

PRIME SPONSORS: BROWN

CO-SPONSORS: MOSS ROGERS

<u>DATE</u>	<u>SEQ. NO.</u>	<u>JOURNAL PAGE</u>	<u>HOUSE ACTION</u>	<u>DATE</u>	<u>SEQ. NO.</u>	<u>JOURNAL PAGE</u>	<u>SENATE ACTION</u>
02/04/81	01	0157	FIRST READING -- COMMITTEE REPORTS	05/12/81	12	1040	FIRST READING -- COMMITTEE REPORTS
05/01/81	02	1166	C&RA -- DP(CAM)02, HR04	05/09/81	13	1423	C&RA COMM REFERRAL ADOPTED BY UNAN CONSENT
05/08/81	03	1303	SECOND READING	** 06/09/81	14	1423	MOVED FROM RES TO C&RA BY UNAN CONSENT
05/08/81	04	1303	AM01 ADOPTED BY UNAN CONSENT				C&RA
05/08/81	05	1304	AM02 ADOPTED BY UNAN CONSENT				TRANSPORTATION
05/05/81	06	1304	ADVANCED TO 3RD READING BY UNAN CONSENT				FINANCE
05/08/81	07	1304	THIRD READING				RULES
05/08/81	08	1304	PASSED BY DIV 36-02-02				
05/08/81	09	1305	EFFECTIVE DATE VOTE SAME AS PASSAGE				

CONSIDERATION OF THE DAILY CALENDARSECOND READING OF HOUSE BILLSHB 87

HOUSE BILL NO. 87 (allowing municipalities to exempt land from property taxes for a fire service district; effective date) was read the second time with the Community & Regional Affairs Committee report (page 671 of the journal).

Representative Meekins moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 87 (Community & Regional Affairs) (allowing municipalities to exempt land from special assessments for fire protection service and facilities; effective date) be adopted in lieu of the original bill. There being no objection, it was so ordered.

CSHB 87(C&RA)

Representative Meekins moved and asked unanimous consent that CSHB 87(C&RA) be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

CSHB 87(C&RA) was read the third time.

The question being: "Shall CSHB 87(C&RA) pass the House?"
The roll was taken with the following result:

CSHB 87(CRA)

Yeas:	31	Abood, Adams, Anderson, Beirne, Bettisworth, Brown, Buchholdt, Carney, Cato, Chuckwuk, Clocksin, Cotten, Duncan, Fanning, Freeman, Fuller, Grussendorf, Halford, Haugen, Hurlbert, Malone, Meekins, Miller, Montgomery, Moss, Phillips, Randolph, Rogers, Smith, Sutcliffe, Vaska
-------	----	--

DAILY CALENDAR

CSHB 87(C&RA) continued

HOUSE BILLS

Nays: 6 Barnes, Bylsma, Hayes, Martin, Metcalfe, O'Connell

Not Voting: 3 Cuddy, Cardiner, Zharoff

...alities to exempt land
...vice district; effective
...the Community & Regional
...f the Journal).

Representative Sutcliffe changed his vote from "nay" to "yea."

And so, CSHB 87(C&RA) passed the House.



...asked unanimous consent
...BILL NO. 87 (Community
...alities to exempt land
...protection service and
...ed in lieu of the origin-
...n, it was so ordered.

Representative Meekins moved and asked unanimous consent that the roll call on the passage of CSHB 87(C&RA) be considered the roll call on the effective date clause. There being no objection, it was so ordered.

CSHB 87(C&RA) was referred to the Chief Clerk for engrossment.

...asked unanimous consent
...engrossed, advanced to
...passage. There being

HB 158

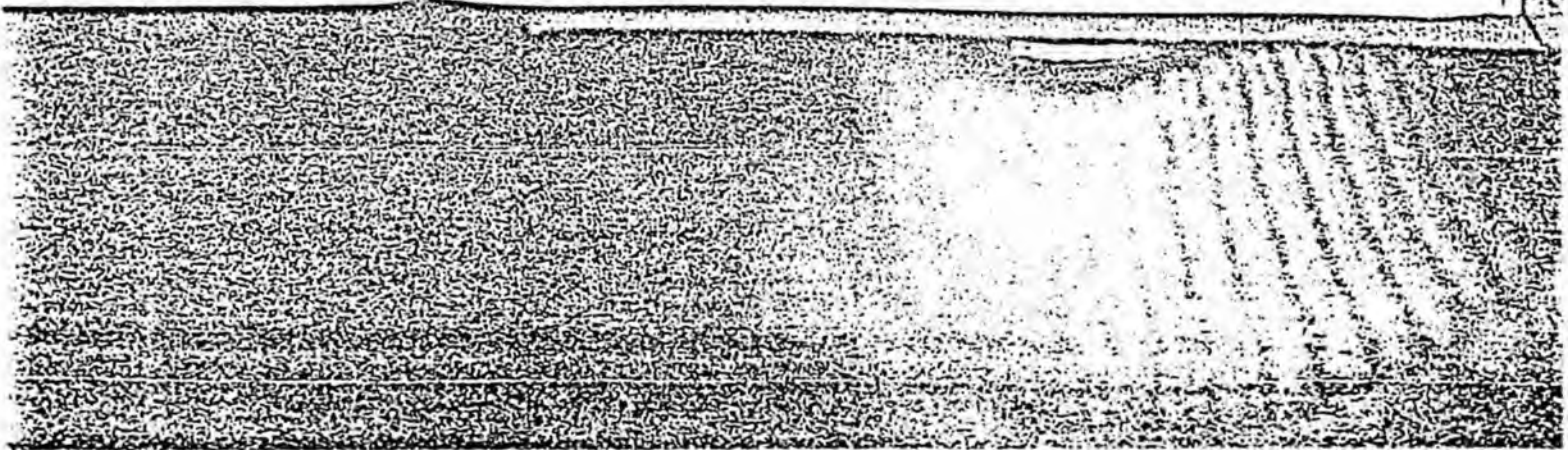
HOUSE BILL NO. 158 (relating to state regulation of fireworks; effective date) was read the second time with the Judiciary Committee report (page 672 of the journal).

Representative Meekins moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 158 (Judiciary) (same title) be adopted in lieu of the original bill.

Representative Hayes objected and withdrew his objection. There being no further objection, it was so ordered.

...:7(C&RA) pass the House?"
...g result:

Anderson, Beirne,
Brown, Buchholdt,
Chuckwuk, Clocksin,
Fanning, Freeman,
Gardner, Halford, Haugen,
Horne, Meekins, Miller,
Moss, Phillips, Randolph,
Sutcliffe, Vaska



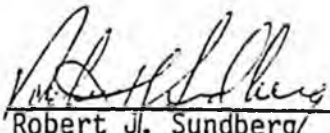
DEPARTMENT OF PUBLIC SAFETY
POSITION PAPER
HB 253

"An Act allowing municipalities to exempt land from property taxes and from special assessments for fire protection service and fire protection facilities; and providing for an effective date."

The Department of Public Safety supports the passage of this bill. It should facilitate the formation and financial support of fire service districts in areas where undeveloped land owners have resisted the creation of such districts, seeing little or no benefit for their raw land from the fire protection taxes paid.

Under the current system, certain areas unable to raise the required number of signatures on a ballot petition, have resorted to subscription fire protection. This has resulted in properties not subscribing being totally destroyed by fire. We understand that some owners were unaware of the requirement to subscribe.

Most of these areas are protected by volunteers who are willing to give their time to train and respond to emergencies. This bill may eliminate or reduce the additional duty of raising major funds for the acquisition and operation of fire and emergency services.


Robert J. Sundberg
Commissioner

3/12, 1985

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HR 253
 Title: "An Act allowing municipalities to exempt land from property taxes."
 Sponsor: Rep. Kodonen
 Requestor: House C&RA
 Date of Request: 3/11/85

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: Fire Prevention

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
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	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Paul Conger Phone: 465-4338
 Division: Administrative Services Date: 3/11/85

Approved by Commissioner: Michael J. Cramer Date: 3-11-85
 Agency: Public Safety

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

7/1/84

SELECT - QUERY
00001 ALL SECTION EQ 29.53.025

AS29.53.025 DOCUMENT= 1 OF 1

CHAPTER = 29.53
SECTION = 29.53.025
TITLE = 29
HEADINGS TITLE 29.
MUNICIPAL GOVERNMENT.
CHAPTER 53.
MUNICIPAL ASSESSMENT AND TAXATION.
ARTICLE 1.
MUNICIPAL PROPERTY TAX.

CITATION SEC. 29.53.025.

CATCH LINE

OPTIONAL EXEMPTIONS AND EXCLUSIONS.

TEXT (A) MUNICIPALITIES MAY EXCLUDE OR EXEMPT OR PARTIALLY EXEMPT RESIDENTIAL PROPERTY FROM TAXATION BY ORDINANCE RATIFIED BY THE VOTERS AT A REGULAR OR SPECIAL ELECTION. AN EXCLUSION OR EXEMPTION AUTHORIZED BY THIS SECTION MAY NOT EXCEED \$10,000 FOR ANY ONE RESIDENCE.

(B) MUNICIPALITIES MAY BY ORDINANCE

(1) CLASSIFY BOATS AND VESSELS FOR PURPOSES OF TAXATION AND MAY ESTABLISH THE ASSESSED VALUATION OF BOATS AND VESSELS ON THE BASIS OF THEIR REGISTERED OR CERTIFICATED NET TONNAGE; A TAX BASED UPON A TONNAGE VALUATION SHALL NOT EXCEED \$5 A YEAR FOR A BOAT OR VESSEL OF LESS THAN FIVE NET TONS AND SHALL NOT EXCEED \$15 A YEAR FOR A BOAT OR VESSEL OF MORE THAN FIVE NET TONS;

(2) CLASSIFY AND EXEMPT FROM TAXATION

(A) THE HOUSEHOLD FURNITURE OVER \$500 IN VALUE AND THE EFFECTS OF THE HEAD OF A FAMILY OR A HOUSEHOLDER;

(B) THE PROPERTY OF AN ORGANIZATION NOT ORGANIZED FOR BUSINESS OR PROFIT-MAKING PURPOSES AND USED EXCLUSIVELY FOR COMMUNITY PURPOSES, PROVIDED THAT INCOME DERIVED FROM RENTAL OF SUCH PROPERTY DOES NOT EXCEED THE ACTUAL COST TO THE OWNER OF THE USE BY THE RENTER;

(C) HISTORIC SITES, BUILDINGS AND MONUMENTS; AND

(D) LAND OF A NONPROFIT ORGANIZATION USED FOR AGRICULTURAL PURPOSES IF RIGHTS TO SUBDIVIDE THE LAND ARE CONVEYED TO THE STATE AND THE CONVEYANCE INCLUDES A COVENANT RESTRICTING USE OF THE LAND TO AGRICULTURAL PURPOSES ONLY; RIGHTS CONVEYED TO THE STATE UNDER THIS SUBPARAGRAPH MAY BE CONVEYED BY THE STATE ONLY IN ACCORDANCE WITH AS 38.05.069(C);

(3) EXEMPT BUSINESS INVENTORIES FROM TAXATION;

(4) CLASSIFY AS TO TYPE AND EXEMPT OR PARTIALLY EXEMPT ANY OR ALL TYPES OF MOTOR VEHICLES FROM TAXATION.

(C) THE PROVISIONS OF (A) OF THIS SECTION NOTWITHSTANDING,

(1) A HOME RULE OR FIRST OR SECOND CLASS BOROUGH MAY, BY ORDINANCE, ADJUST ITS PROPERTY TAX STRUCTURE IN WHOLE OR IN PART TO THE PROPERTY TAX STRUCTURE OF A CITY WITHIN IT, INCLUDING BUT NOT LIMITED TO, EXCLUDING PERSONAL PROPERTY FROM TAXATION, ESTABLISHING EXEMPTIONS AND EXTENDING THE REDEMPTION PERIOD;

(2) A HOME RULE OR FIRST CLASS CITY SHALL HAVE THE SAME POWER TO GRANT EXEMPTIONS OR EXCLUDE PROPERTY FROM BOROUGH TAXES THAT IT HAS AS TO CITY TAXES, PROVIDED THAT THE EXEMPTIONS OR EXCLUSIONS HAVE BEEN ADOPTED AS TO CITY TAXES AND FURTHER PROVIDED THAT THE CITY APPROPRIATE TO THE BOROUGH SUFFICIENT MONEY TO EQUAL REVENUES LOST BY THE BOROUGH BECAUSE OF THE EXEMPTIONS OR EXCLUSIONS, THE AMOUNT TO BE DETERMINED ANNUALLY BY THE ASSEMBLY WITHOUT WEIGHTED VOTING;

(3) A HOME RULE OR GENERAL LAW CITY WITHIN AN ORGANIZED BOROUGH MAY, BY ORDINANCE, ADJUST ITS PROPERTY TAX STRUCTURE IN WHOLE OR IN PART TO THE PROPERTY TAX STRUCTURE OF THE BOROUGH, INCLUDING BUT NOT LIMITED TO EXEMPTING OR PARTIALLY EXEMPTING PROPERTY FROM TAXATION.

(D) EXEMPTIONS OR EXCLUSIONS FROM PROPERTY TAX WHICH HAVE BEEN GRANTED BY HOME RULE MUNICIPALITIES IN ADDITION TO EXEMPTIONS AUTHORIZED OR REQUIRED BY LAW, AND WHICH ARE IN EFFECT ON SEPTEMBER 10, 1972 AND NOT LATER WITHDRAWN, ARE NOT AFFECTED BY THIS SECTION.

(E) MUNICIPALITIES MAY BY ORDINANCE CLASSIFY AND EXEMPT OR PARTIALLY EXEMPT FROM TAXATION PRIVATELY OWNED LAND, WET LAND AND WATER AREAS FOR WHICH A SCENIC, CONSERVATION, OR PUBLIC RECREATION USE EASEMENT IS GRANTED TO A GOVERNMENTAL BODY. TO BE ELIGIBLE FOR A TAX EXEMPTION, OR PARTIAL EXEMPTION, THE EASEMENT MUST BE IN PERPETUITY. HOWEVER, THE EASEMENT IS AUTOMATICALLY TERMINATED BEFORE AN EMINENT DOMAIN TAKING OF FEE SIMPLE TITLE OR LESS THAN FEE SIMPLE TITLE TO THE PROPERTY SO THAT THE PROPERTY OWNER IS COMPENSATED AT A RATE WHICH DOES NOT REFLECT THE EASEMENT GRANT.

(F) A MUNICIPALITY MAY BY ORDINANCE EXEMPT FROM TAXATION ALL OR ANY PART OF THE INCREASE IN ASSESSED VALUE OF IMPROVEMENTS TO REAL PROPERTY IF AN INCREASE IN ASSESSED VALUE IS DIRECTLY ATTRIBUTABLE TO ALTERATION OF THE NATURAL FEATURES OF THE LAND OR NEW MAINTENANCE, REPAIR OR RENOVATION OF AN EXISTING STRUCTURE AND IF THE ALTERATION, MAINTENANCE, REPAIR OR RENOVATION, WHEN COMPLETED, ENHANCES THE EXTERIOR APPEARANCE OR AESTHETIC QUALITY OF THE LAND OR STRUCTURE. NO EXEMPTION MAY BE ALLOWED UNDER THIS SUBSECTION FOR THE CONSTRUCTION OF AN IMPROVEMENT TO A STRUCTURE IF THE PRINCIPAL PURPOSE OF THE IMPROVEMENT IS TO INCREASE THE AMOUNT OF SPACE FOR OCCUPANCY OR NONRESIDENTIAL USE WITHIN THE STRUCTURE OR FOR THE ALTERATION OF LAND AS A CONSEQUENCE OF CONSTRUCTION ACTIVITY. AN EXEMPTION PROVIDED IN THIS SUBSECTION MAY CONTINUE FOR UP TO FOUR YEARS FROM THE DATE THE IMPROVEMENT IS COMPLETED OR FROM THE DATE OF APPROVAL FOR THE EXEMPTION BY THE LOCAL ASSESSOR, WHICHEVER IS LATER.

(G) A MUNICIPALITY MAY BY ORDINANCE EXEMPT FROM TAXATION ALL OR ANY PART OF THE INCREASE IN ASSESSED VALUE OF IMPROVEMENTS TO A SINGLE FAMILY DWELLING IF THE PRINCIPAL PURPOSE OF THE IMPROVEMENT IS TO INCREASE THE AMOUNT OF SPACE FOR OCCUPANCY. AN EXEMPTION PROVIDED IN THIS SUBSECTION MAY CONTINUE FOR UP TO TWO YEARS FROM THE DATE THE IMPROVEMENT IS COMPLETED OR FROM THE DATE OF APPROVAL OF AN APPLICATION FOR THE EXEMPTION BY THE LOCAL ASSESSOR, WHICHEVER IS LATER.

HISTORY

(SEC. 2 CH 118 SLA 1972; AM SEC. 2 CH 1 FSSLA 1973; AM SEC. 1 CH 33 SLA 1975; AM SEC. 1 CH 111 SLA 1976; AM SEC. 1 CH 262 SLA 1976; AM SEC. 1 CH 95 SLA 1977; AM SEC. 31 CH 94 SLA 1980; AM SEC. 1 CH 44 SLA 1983; AM SEC. 1 CH 27 SLA 1984)

AS29.63.050 DOCUMENT= 7 OF 13 PAGE = 1 OF 1
CHAPTER = 29.63
SECTION = 29.63.050
TITLE = 29

HEADINGS TITLE 29.
MUNICIPAL GOVERNMENT.
CHAPTER 63.
SPECIAL ASSESSMENTS AND SERVICE AREAS.
ARTICLE 1.
SPECIAL ASSESSMENTS.

CITATION SEC. 29.63.050.

CATCH LINE

HEARING AND SETTLEMENT.

TEXT AFTER THE PUBLIC HEARING, THE ASSEMBLY OR COUNCIL SHALL CORRECT ERRORS AND ANY INEQUALITIES IN THE ROLL. WHEN THE ROLL IS CORRECTED, THE CLERK SHALL SO CERTIFY.

HISTORY (SEC. 2 CH 118 SLA 1972)

END OF DOCUMENT

AS29.63.060 DOCUMENT= 8 OF 13 PAGE = 1 OF 2
CHAPTER = 29.63
SECTION = 29.63.060
TITLE = 29

HEADINGS TITLE 29.
MUNICIPAL GOVERNMENT.
CHAPTER 63.
SPECIAL ASSESSMENTS AND SERVICE AREAS.
ARTICLE 1.
SPECIAL ASSESSMENTS.

CITATION SEC. 29.63.060.

CATCH LINE

PAYMENT.

TEXT (A) THE ASSEMBLY OR COUNCIL SHALL FIX TIMES OF PAYMENT, RATE OF INTEREST ON UNPAID INSTALLMENTS, AND DELINQUENCY OF ASSESSMENTS. PAYMENT MAY NOT BE REQUIRED SOONER THAN 60 DAYS AFTER ASSESSMENT. PAYMENT MAY BE IN ONE SUM OR BY INSTALLMENTS, BUT A SUM OR INSTALLMENT MAY NOT EXCEED 25 PER CENT OF THE ASSESSED VALUE OF THE PROPERTY AFFECTED. PENALTY AND INTEREST ARE THE SAME AS FOR REAL PROPERTY TAXES.

(B) WITHIN 30 DAYS AFTER FIXING THE TIME OF PAYMENT, THE

AS29.63.060 DOCUMENT= 8 OF 13 PAGE = 2 OF 2
MUNICIPAL CLERK SHALL MAIL A STATEMENT TO THE OWNER OF RECORD OF EACH PROPERTY ASSESSED. THE STATEMENT DESIGNATES THE PROPERTY, THE ASSESSMENT AMOUNT, THE TIME OF DELINQUENCY, AND PENALTIES.

(C) WITHIN FIVE DAYS AFTER THE STATEMENTS ARE MAILED, THE CLERK SHALL PUBLISH NOTICE THAT THE STATEMENTS HAVE BEEN MAILED.

(D) ASSESSMENTS ARE LIENS UPON THE PROPERTY ASSESSED AND ARE PRIOR AND PARAMOUNT TO ALL LIENS EXCEPT MUNICIPAL TAX LIENS. THEY MAY BE ENFORCED AS PROVIDED IN AS 29.53.200 - 29.53.390 FOR ENFORCEMENT OF PROPERTY TAX LIENS.

HISTORY (SEC. 2 CH 118 SLA 1972)

END OF DOCUMENT

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 1 OF 5
CHAPTER = 29.63
SECTION = 29.63.065
TITLE = 29

HEADINGS TITLE 29.
MUNICIPAL GOVERNMENT.
CHAPTER 63.
SPECIAL ASSESSMENTS AND SERVICE AREAS.
ARTICLE 1.

END OF DOCUMENT

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 1 OF 5
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 SECTION = 29.63.065
 TITLE = 29
 HEADINGS TITLE 29.
 MUNICIPAL GOVERNMENT.
 CHAPTER 63.
 SPECIAL ASSESSMENTS AND SERVICE AREAS.
 ARTICLE 1.
 SPECIAL ASSESSMENTS.
 CITATION SEC. 29.63.065.
 CATCH LINE
 EXEMPTION.

TEXT (A) THE REAL PROPERTY OWNED AND OCCUPIED BY A RESIDENT 65 YEARS OF AGE OR OVER, OR THE SPOUSE, WIDOW, WIDOWER, OR MINOR HEIR OF THE ORIGINAL APPLICANT, ON WHICH IS LOCATED ONLY THE OWNER'S PERMANENT ABODE THAT IS A SINGLE-FAMILY RESIDENCE, IS EXEMPT FROM (1) SPECIAL SEWER ASSESSMENTS LEVIED BY A HOME RULE OR GENERAL LAW MUNICIPALITY AFTER SEPTEMBER 2, 1975 AND (2) SPECIAL WATER ASSESSMENTS LEVIED BY A HOME RULE OR GENERAL LAW MUNICIPALITY AFTER SEPTEMBER 2, 1975. ONLY ONE EXEMPTION MAY BE

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 2 OF 5
 GRANTED WITH RESPECT TO THE SAME PROPERTY, AND, IF TWO OR MORE PERSONS ARE ELIGIBLE FOR AN EXEMPTION WITH RESPECT TO THE SAME PROPERTY, THE PARTIES SHALL DECIDE BETWEEN OR AMONG THEMSELVES WHICH SHALL RECEIVE THE BENEFIT OF THE EXEMPTION. REAL PROPERTY MAY NOT BE EXEMPTED UNDER THIS SUBSECTION WHICH THE MUNICIPALITY DETERMINES, AFTER NOTICE AND HEARING TO THE PARTIES CONCERNED, HAS BEEN CONVEYED TO THE APPLICANT PRIMARILY FOR THE PURPOSE OF OBTAINING THE EXEMPTION. THE DETERMINATION OF THE MUNICIPALITY IS APPEALABLE UNDER AS 44.62.560 44.62.570.

(B) AN EXEMPTION MAY NOT BE GRANTED UNDER THIS SECTION EXCEPT UPON WRITTEN APPLICATION FOR THE EXEMPTION ON A FORM PRESCRIBED BY THE STATE ASSESSOR FOR USE BY LOCAL ASSESSORS AND IN ACCORDANCE WITH THE FOLLOWING REQUIREMENTS:

(1) THE CLAIMANT MUST FILE THE INITIAL APPLICATION DURING THE PERIOD OF TIME BETWEEN THE DATE THE ASSESSMENT ROLL IS CERTIFIED AND THE TIME OF PAYMENT FIXED BY THE ASSEMBLY OR COUNCIL; WITHIN ONE YEAR OF THE DATE THE ASSESSMENT ROLL IS CERTIFIED THE ASSEMBLY OR COUNCIL FOR GOOD CAUSE SHOWN MAY WAIVE THE CLAIMANT'S FAILURE TO MAKE TIMELY INITIAL APPLICATION FOR THE EXEMPTION AND AUTHORIZE THE

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 3 OF 5
 ASSESSOR TO ACCEPT THE APPLICATION AS IF TIMELY FILED;
 (2) A CLAIMANT RECEIVING THE EXEMPTION MUST FILE WITH THE DEPARTMENT BY MARCH 15 OF EACH SUBSEQUENT YEAR A SEPARATE APPLICATION PROVING ELIGIBILITY AS OF JANUARY 1 IN ORDER TO RETAIN THE EXEMPTION; WITHIN THE SAME YEAR THE DEPARTMENT FOR GOOD CAUSE SHOWN MAY WAIVE THE CLAIMANT'S FAILURE TO MAKE TIMELY APPLICATION AND APPROVE THE APPLICATION AS IF TIMELY FILED;

(3) IF AN APPLICATION IS FILED WITHIN THE REQUIRED TIME UNDER THIS SUBSECTION AND IS APPROVED BY THE ASSEMBLY OR COUNCIL, THE EXEMPTION SHALL BE ALLOWED IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION; IF A WAIVER UNDER THIS SUBSECTION IS GRANTED AND THE APPLICATION FOR EXEMPTION APPROVED, THE AMOUNT OF ANY ASSESSMENT, PENALTY OR INTEREST WHICH THE CLAIMANT MAY HAVE ALREADY PAID ON THE ASSESSMENT SHALL BE REFUNDED; THE MUNICIPALITY MAY AT ANY TIME REQUIRE PROOF IN THE FORM CONSIDERED NECESSARY OF THE RIGHT AND

ROLL IS CERTIFIED AND THE TIME OF PAYMENT FIXED BY THE ASSEMBLY OR COUNCIL; WITHIN ONE YEAR OF THE DATE THE ASSESSMENT ROLL IS CERTIFIED THE ASSEMBLY OR COUNCIL FOR GOOD CAUSE SHOWN MAY WAIVE THE CLAIMANT'S FAILURE TO MAKE TIMELY INITIAL APPLICATION FOR THE EXEMPTION AND AUTHORIZE THE

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 3 OF 5

ASSESSOR TO ACCEPT THE APPLICATION AS IF TIMELY FILED;

(2) A CLAIMANT RECEIVING THE EXEMPTION MUST FILE WITH THE DEPARTMENT BY MARCH 15 OF EACH SUBSEQUENT YEAR A SEPARATE APPLICATION PROVING ELIGIBILITY AS OF JANUARY 1 IN ORDER TO RETAIN THE EXEMPTION; WITHIN THE SAME YEAR THE DEPARTMENT FOR GOOD CAUSE SHOWN MAY WAIVE THE CLAIMANT'S FAILURE TO MAKE TIMELY APPLICATION AND APPROVE THE APPLICATION AS IF TIMELY FILED;

(3) IF AN APPLICATION IS FILED WITHIN THE REQUIRED TIME UNDER THIS SUBSECTION AND IS APPROVED BY THE ASSEMBLY OR COUNCIL, THE EXEMPTION SHALL BE ALLOWED IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION; IF A WAIVER UNDER THIS SUBSECTION IS GRANTED AND THE APPLICATION FOR EXEMPTION APPROVED, THE AMOUNT OF ANY ASSESSMENT, PENALTY OR INTEREST WHICH THE CLAIMANT MAY HAVE ALREADY PAID ON THE ASSESSMENT SHALL BE REFUNDED; THE MUNICIPALITY MAY AT ANY TIME REQUIRE PROOF IN THE FORM CONSIDERED NECESSARY OF THE RIGHT AND AMOUNT OF AN EXEMPTION CLAIMED UNDER THIS SECTION.

(C) THE STATE SHALL REIMBURSE A HOME RULE OR GENERAL LAW MUNICIPALITY FOR THE SEWER AND WATER ASSESSMENT REVENUES WHICH IT

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 4 OF 5

WOULD RECEIVE BUT FOR THE OPERATION OF THIS SECTION.

REIMBURSEMENT UNDER THIS SUBSECTION IS A LIEN IN FAVOR OF THE STATE AGAINST THE PROPERTY EXEMPTED TO THE EXTENT OF THE ASSESSMENT AGAINST THE PROPERTY EXEMPTED. UPON RECORDATION IN THE RECORDING OFFICE OF THE DISTRICT IN WHICH THE PROPERTY EXEMPTED IS LOCATED THE LIEN IS PRIOR AND SUPERIOR TO OTHER LIENS AGAINST THE PROPERTY EXCEPT FOR GENERAL TAXES OR OTHER SPECIAL ASSESSMENTS AND MAY BE ENFORCED BY LIEN FORECLOSURE. THE LIEN BECOMES IMMEDIATELY DUE AND PAYABLE

(1) UPON SALE OR OTHER TRANSFER OF THE PROPERTY EXCEPT TO A SPOUSE, WIDOW, WIDOWER, OR MINOR HEIR; HOWEVER, IF THE PROPERTY IS TRANSFERRED TO A MINOR HEIR THE LIEN BECOMES DUE AND PAYABLE ON THE DATE THE MINOR HEIR REACHES THE AGE OF 25 YEARS; OR

(2) WHEN PROPERTY EXEMPTED UNDER (A)(1) OR (2) OF THIS SECTION RECEIVES MORE THAN ONE SEWER CONNECTION OR MORE THAN ONE WATER CONNECTION; OR

(3) WHEN THE CLAIMANT FAILS TO PROVE ELIGIBILITY UNDER (B)(2) OF THIS SECTION.

(D) IN THIS SECTION

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 5 OF 5

(1) "MINOR HEIR" MEANS A PERSON WHO, AT THE TIME OF TRANSFER OF THE PROPERTY, HAS NOT ATTAINED THE AGE OF 19 YEARS OR WHO, IF THE PERSON HAS NOT ATTAINED THE AGE OF 22 YEARS, IS A FULL-TIME STUDENT AT AN EDUCATIONAL INSTITUTION OR A MEMBER OF THE ARMED FORCES OF THE UNITED STATES.

(2) "REAL PROPERTY" INCLUDES, BUT IS NOT LIMITED TO, MOBILE HOMES, WHETHER CLASSIFIED AS REAL OR PERSONAL PROPERTY FOR MUNICIPAL TAX PURPOSES.

HISTORY (SEC. 1 CH 114 SLA 1975; AM SEC. 1 CH 215 SLA 1976; AM SEC. 23 CH 83 SLA 1979; AM SEC. 64 CH 59 SLA 1982; AM SEC. 19 CH 67 SLA 1983)

END OF DOCUMENT

AN ACT ALLOWING MUNICIPALITIES TO EXEMPT LAND FROM PROPERTY TAXES AND FROM SPECIAL ASSESSMENTS FOR FIRE PROTECTION SERVICE AND FIRE PROTECTION FACILITIES, AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: KOPONEN

CO-SPONSORS: DAVIS, LARSON, MILLER, MW, RINGSTAD, SUND, MARROU, HURLEY, FRANK TAYLOR

CURRENT STATUS: (S) C&RA

DATE		PAGE	ACTION
03/01/85	(H)	404	READ THE FIRST TIME
03/18/85	(H)	622	C&RA RPT W/CS 3DP 2NR
03/18/85	(H)	622	2 ZERO FISCAL NOTES
03/20/85	(H)	647	RLS TO CALENDAR 3/20/85
03/20/85	(H)	647	READ THE SECOND TIME
03/20/85	(H)	647	CSHB 253(C&RA) ADOPTED UNAN CONSENT
03/20/85	(H)	647	ADVANCED TO THIRD READING UNAN CONSENT
03/20/85	(H)	647	READ THE THIRD TIME
03/20/85	(H)	648	PASSED Y39 N- X1
03/20/85	(H)	648	EFFECTIVE DATE SAME AS PASSAGE

HB 253

MEASURE HISTORY

PAGE 02 OF 02

DATE		PAGE	ACTION
03/20/85	(H)	651	TRANSMITTED TO (S)
03/21/85	(S)	598	READ THE FIRST TIME C&RA RULES

**Municipal
Property
Exemptions
(fire
protection)**

HOUSE BILL NO. 253, by Reps. Koponen, Davis, Larson, M. W. Miller, Ringstad, Sund, Marrou and Hurley. Would allow a municipality, by ordinance, to exempt land from a tax for fire protection service and facilities and may levy the tax only on improvements, including personal property affixed to the improvements.

Amends AS 29.63 (Special Assessments and Service Areas) by adding a section providing for an optional exemption. The section states: "If an assessment under this chapter is for a fire protection facility, a municipality may exempt land and levy the assessment only on improvements, including personal property affixed to the improvements.

Provides Act takes effect January 1, 1986.

Introduced March 1 and referred to Community & Regional Affairs

Offered: 3/18/85
Referred: Rules

Original sponsors: Koponen, Davis,
Larson, et al

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 253 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act allowing municipalities to exempt land from
7 property taxes and from special assessments for fire
8 protection service and fire protection facilities;
9 and providing for an effective date."

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

11 * Section 1. AS 29.53.025 is amended by adding a new subsection to
12 read:

13 (h) A municipality may by ordinance partially or wholly exempt
14 land from a tax for fire protection service and fire protection facil-
15 ities and may levy the tax only on improvements, including personal
16 property affixed to the improvements.

17 * Sec. 2. AS 29.63 is amended by adding a new section to read:

18 Sec. 29.63.066. OPTIONAL EXEMPTION. If an assessment under this
19 chapter is for a fire protection facility, a municipality may exempt
20 land and levy the assessment only on improvements, including personal
21 property affixed to the improvements.

22 * Sec. 3. This Act takes effect January 1, 1986.

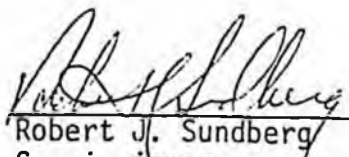
DEPARTMENT OF PUBLIC SAFETY
POSITION PAPER
HB 253 .

"An Act allowing municipalities to exempt land from property taxes and from special assessments for fire protection service and fire protection facilities; and providing for an effective date."

The Department of Public Safety supports the passage of this bill. It should facilitate the formation and financial support of fire service districts in areas where undeveloped land owners have resisted the creation of such districts, seeing little or no benefit for their raw land from the fire protection taxes paid.

Under the current system, certain areas unable to raise the required number of signatures on a ballot petition, have resorted to subscription fire protection. This has resulted in properties not subscribing being totally destroyed by fire. We understand that some owners were unaware of the requirement to subscribe.

Most of these areas are protected by volunteers who are willing to give their time to train and respond to emergencies. This bill may eliminate or reduce the additional duty of raising major funds for the acquisition and operation of fire and emergency services.


Robert J. Sundberg 3/12, 1985
Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HR 253
 Title: "An Act allowing municipalities to exempt land from property taxes."
 Sponsor: Rep. Kobonen
 Requestor: House C&RA
 Date of Request: 3/11/85

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: Fire Prevention

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Paul Conger
 Division: Administrative Services

Phone: 465-4338
 Date: 3/11/85

Approved by Commissioner: Michael Clemens
 Agency: Public Safety

Date: 3-11-85

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

7/1/84

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

March 15, 1985

POSITION PAPER

RE: HB 253

SPONSOR: Representative Koponen

Program Effects of Bill

Comments

Section 1

As we read Section 1 of the bill, it provides for the optional exemption of land from the fire protection portion of municipal property taxes.

It is our understanding the intent of Section 1 is to assist certain neighborhoods which contain combinations of subdivisions and large acreage tracts in providing fire protection for their residents at a reasonable cost. We strongly support that intent and join the proponents of the bill in their determination to resolve that problem.

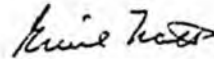
It is our position however, that fire protection for land is necessary to insure the preservation of agricultural crops, timber, grazing lands, livestock, and wildlife. To exempt such land from the obligation to pay for the fire protection service, and to require property improved with structures to assume the ensuing financial burden, would create a state of unfair taxation among municipal property owners.

In addition, we believe the adoption of that concept could trigger widespread litigation. We believe the concept which would allow the fire protection exemption would automatically extend to the police protection portion of the levy for the same reasons. We believe the same logic could also be found to apply in the areas of road maintenance, sewer and water maintenance and other municipal services.

HB 253
March 15, 1985
Page 2

Section 2

Section 2 of the bill optionally exempts the land of a fire protection facility from the levy of special assessments such as sewer and water improvement projects. The Department suggests Section 2 of the bill be amended to include the optional exemption of all property of such facilities rather than limiting it to the land only.



Emil Notti, Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 253
 Title: Property Exempt ---
 fire protection
 Sponsor: Koponen, Davis, Larson, etc.
 Requestor: _____
 Date of Request: March 7, 1985

FISCAL DETAIL

Agency Affected: Community & Regional Affairs
 Program Category Affected: _____
 Community Development
 BRU, Program or Subprogram(s) Affected: _____
 BRU: Local Government Assistance
 Training & Development

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
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-		

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-		

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Michael W. Worley
 Division: Municipal & Regional Assistance
 Approved by Commissioner: *Kevin Harte*
 Agency: Community & Regional Affairs

Phone: 465-4750
 Date: March 14, 1985
 Date: 3/15/85

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

7/1/84

RESOLUTION OF THE ALASKA CONFERENCE OF MAYORS
84-8

A RESOLUTION REQUESTING THE LEGISLATURE AND
GOVERNOR TO CHANGE AS 29.53.025 CONCERNING
OPTIONAL EXEMPTIONS

WHEREAS, the creation of fire service areas is essential to the well being of the citizens of the State of Alaska; and

WHEREAS, fire service areas are created primarily to protect improvements upon land; and

WHEREAS, resource development and processing such as agriculture in interior Alaska requires large parcels of land for cultivation; and

WHEREAS, resource development is important to diversify and stabilize the Alaska economy; and

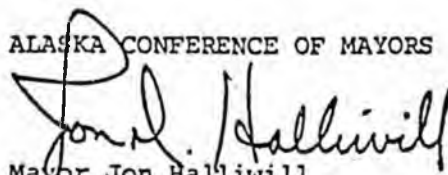
WHEREAS, the industries should not be penalized by not having proper fire protection due to large land holdings; and

WHEREAS, equity would dictate that the costs of fire protection be paid based on the value of the improvements being protected:

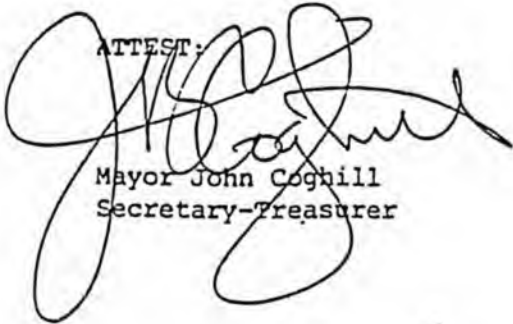
NOW, THEREFORE, BE IT RESOLVED by the Mayors' Conference that the Alaska State Legislature and the Governor be requested to amend AS 29.53.025 allowing municipalities to optionally exempt land values from fire service assessments.

ADOPTED this 16th day of November, 1984.

ALASKA CONFERENCE OF MAYORS


Mayor Jon Halliwill
President

ATTEST:


Mayor John Coghill
Secretary-Treasurer

RESOLUTION NO. 85-024

A RESOLUTION IN SUPPORT OF HOUSE BILL NO. 253,
"AN ACT ALLOWING MUNICIPALITIES TO EXEMPT LAND
FROM PROPERTY TAXES AND FROM SPECIAL ASSESSMENTS
FOR FIRE PROTECTION SERVICE . . ."

WHEREAS, the Fairbanks North Star Borough has a large portion of its population unprotected by Fire Service Districts; and

WHEREAS, the Fairbanks North Star Borough Fire Service Areas have had difficulty in getting total acceptance of proposals to create such Fire Service Districts, largely because larger land owners have not been able to be a part of the process; and

WHEREAS, the Fairbanks North Star Borough has supported differential land and improvement taxation for the past five years, and has investigated many potential taxation methods in order to provide safety and protection to areas of the Borough through equitable taxation; and

WHEREAS, the Assembly of the Fairbanks North Star Borough has reiterated its position during public meetings and public hearings in support of taxation only on improvements, including personal property affixed to the improvements upon the lands, and exemption of the assessment upon the land value. — local option

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the Fairbanks North Star Borough that we urge adoption of House Bill No. 253 to allow municipalities to exempt land from property taxes and from special assessments for fire protection services and fire protection facilities.

PASSED AND APPROVED THIS 14TH DAY OF MARCH, 1985.

Sandra Scott Sturgeon
Presiding Officer

ATTEST:

Mona Lisa Pruefer
Clerk of the Assembly

IMPACT OF EXEMPTING LAND VALUES FROM FSA TAXATION

1. Base Data - 1984 Assessment Rolls

<u>FSA</u>	<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>ADJUSTED IMPROVEMENT VALUE</u>	<u>TOTAL</u>	<u>ADJUSTED TOTAL</u>
Ester	10,433,746	13,498,254	11,931,966	23,932,000	22,865,712
Moose Creek	3,184,263	8,493,574	7,769,483	11,677,837	10,953,706
North Star	96,788,609	174,184,559	158,217,867	270,973,168	255,006,476
Steese	38,588,738	77,258,132	70,193,744	115,846,870	108,782,482
University	62,417,016	173,406,962	158,021,234	235,823,978	220,438,250

2. Tax Data - 1984

<u>FSA</u>	<u>MILL LEVY</u>	<u>TAX GENERATION LAND</u>	<u>TAX GENERATION ADJUSTED IMPROV.</u>	<u>TOTAL</u>
Ester	1	10,434	11,932	22,366
Moose Creek	1	3,184	7,789	10,953
North Star	1	96,789	158,218	255,007
Steese	2	77,177	140,387	217,564
University	2	124,834	316,042	440,876

3. Required mill rate to generate equal revenue with all land exempt

<u>FSA</u>	<u>MILL LEVY</u>	<u>YIELD</u>
Ester	1.9	22,671
Moose Creek	1.4	10,877
North Star	1.6	253,149
Steese	3.1	217,600
University	2.8	442,459

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revenue lost to the municipality by reason of the exemption authorized in those provisions may be reimbursed to the municipality by the state."

The 1977 amendment, in subsection (e), deleted "up to and including an assessed value limit determined no later than January 15 of each year by the commissioner of the Department of Community and Regional Affairs" from the end of the first sentence and deleted the former second

sentence, which read "The assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous year assessed values in the state."

The first 1980 amendment, added paragraph (7) of subsection (a) and subsection (j).

The second 1980 amendment, added paragraph (8) of subsection (a).

NOTES TO DECISIONS

Strict construction.

The courts must narrowly construe statutes granting tax exemptions. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Burden of showing eligibility for exemption. — A taxpayer claiming a tax exemption has the burden of showing that the property is eligible for the exemption. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Exclusive use for nonprofit religious, etc., purposes must be shown. In order to qualify for an exemption, the taxpayer must show not benefits, but exclusive use for nonprofit religious, charitable, cemetery, hospital or educational purposes. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

When the property in question is used even in part by nonexempt parties for their private business purposes, there can be no exemption. *Greater Anchorage Area Borough v. Sisters of Charity of House of Pro-*

vidence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Actual use rather than owner's use should be analyzed in determining eligibility for an exemption. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Office space rented to doctors engaged in private practice. — Office space in a building partially used exclusively for nonprofit hospital purposes, rented to doctors engaged in the private practice of medicine by a nonprofit charitable and religious corporation, was not exempt from taxation. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

While the use of office space by doctor-tenants in conducting their private practices does provide incidental benefits to the adjacent hospital, the office space is not used exclusively for hospital purposes. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Sec. 29.53.025. Optional exemptions and exclusions. (a) Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election. An exclusion or exemption authorized by this section may not exceed \$10,000 for any one residence.

(b) Municipalities may by ordinance

(1) classify boats and vessels for purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage; a tax based upon a tonnage valuation shall not exceed \$5 a year for a boat or vessel of less than five net tons and shall not exceed \$15 a year for a boat or vessel of more than five net tons;

(2) classify and exempt from taxation

(A) the household furniture over \$500 in value and the effects of the head of a family or a householder; and

(B) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes, provided that income derived from rental of such property does not exceed the actual cost to the owner of the use by the renter; and

(C) historic sites, buildings and monuments;

(D) land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c).

(c) The provisions of (a) of this section notwithstanding,

(1) a home rule or first or second class borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of a city within it, including but not limited to, excluding personal property from taxation, establishing exemptions, and extending the redemption period;

(2) a home rule or first class city shall have the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes, provided that the exemptions or exclusions have been adopted as to city taxes and further provided that the city appropriate to the borough sufficient money to equal revenues lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly without weighted voting;

(3) a home rule or general law city within an organized borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of the borough, including but not limited to exempting or partially exempting property from taxation.

(d) Exemptions or exclusions from property tax which have been granted by home rule municipalities in addition to exemptions authorized or required by law, and which are in effect on September 10, 1972 and not later withdrawn, are not affected by this Act.

(e) Municipalities may by ordinance classify and exempt or partially exempt from taxation privately owned land, wet land and water areas for which a scenic, conservation, or public recreation use easement is granted to a governmental body. To be eligible for a tax exemption, or partial exemption, the easement must be in perpetuity. However, the easement is automatically terminated before an eminent domain taking of fee simple title or less than fee simple title to the property so that the property owner is compensated at a rate which does not reflect the easement grant.

(f) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of

the natural features of the land or new maintenance, repair or renovation of an existing structure and if the alteration, maintenance, repair or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. No exemption may be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use within the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed or from the date of approval for the exemption by the local assessor, whichever is later.

(g) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to a single family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed or from the date of approval of an application for the exemption by the local assessor, whichever is later. (§ 2 ch 118 SLA 1972; am § 2 ch 1 FSSLA 1973; am § 1 ch 33 SLA 1975; am § 1 ch 111 SLA 1976; am § 1 ch 262 SLA 1976; am § 1 ch 95 SLA 1977; am § 31 ch 94 SLA 1980)

Effect of amendments. — The 1973 amendment added the second sentence of subsection (a).

The 1975 amendment added subsection (e).

The first 1976 amendment added paragraph (3) of subsection (c).

The second 1976 amendment added

paragraph (2)(D) of subsection (b).

The 1977 amendment added subsections (f) and (g).

The 1980 amendment deleted "adopted without weighted voting" near the beginning of paragraph (1) of subsection (c).

Sec. 29.53.035. Farm or agricultural lands. (a) Farm use lands included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use, and shall not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the farm use land for both full and true value and farm use value. Should the farm use land be sold, leased, or otherwise disposed of for uses incompatible with farm use or be converted to a use incompatible with farm use by the owner, the owner is liable to pay an amount equal to the additional tax at the current mill levy together with eight per cent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section for the preceding seven years. The balance of the payment shall be made to the city or borough.