

COMMITTEE REPORT
SENATE

FURTHER:

3/26/85

Date 3/26/85

Mr. President

The Committee on FINANCE considered SB 190

concerning the establishment, support, construction and maintenance of
publicly owned highways (to obtain wider and better road).

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 190 (Fin)
- new title
- same title and recommends "do pass"
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
5.0
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman _____

Chairman recommendation _____

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 4/12/85

REQUEST

Bill/Resolution No.: SB 190
 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
OPERATING						
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						
TOTAL OPERATING	0	5.0	5.5	6.0	6.6	7.2
CAPITAL	0					
REVENUE	0					

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND	0	5.0	5.5	6.0	6.6	7.2
FEDERAL FUNDS						
OTHER						
TOTAL	0	5.0	5.5	6.0	6.6	7.2

POSITIONS:

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



From The
**SENATE
FINANCE COMMITTEE**

DATE: 4/15/85
TO: Lynne
SUBJ: CS SB 190 (Fin)

Finance Committee
BY ~~F. FISCHER, ABOOD,
ELIASON, V. FISCHER,
ZIEGLER, ZHAROFF AND
COGHILL~~

Please prepare a Senate Finance Committee Substitute for SB 190, changing the effective date in Sec. 4 to JANUARY 1, 1986, as noted on page 2, line 21.

This bill was reported out of SFC at this morning's meeting and will be read across during the 11:00 a.m. floor session.

Please return to me asap.

Vicki
Cap Bldg, Rm 413
4935

90 (Fin)

STATE OF ALASKA

FIRST SESSION

residential property tax exemp-
ncy and reimbursement payments
widowers; and providing for an

TE OF ALASKA:

to read:

occupied as a permanent place of
e or over; (2) [OR BY A] dis-
t 60 years old who is the widow
or an exemption under (1) or (2)
ation of the assessed value of
may be granted for the same
re eligible for an exemption for
ecide 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
23 property was conveyed to the applicant primarily for the purpose of
24 obtaining the exemption. The determination of the assessor may be
25 appealed under AS 44.62.560 - 44.62.570.

26 * Sec. 2. AS 29.73.060(a) is amended to read:

27 (a) A resident of the state [65 YEARS OF AGE OR OLDER OR A
28 DISABLED VETERAN] who rents a perr ent place of abode is eligible for
29 a tax equivalency payment from the ate through the Department of

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

5

6 For an Act entitled: "An Act extending the residential property tax exemp-
7 tion and tax equivalency and reimbursement payments
8 to certain widows and widowers; and providing for an
9 effective date."

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

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

12 (e) The real property owned and occupied as a permanent place of
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
23 property was conveyed to the applicant primarily for the purpose of
24 obtaining the exemption. The determination of the assessor may be
25 appealed under AS 44.62.560 - 44.62.570.

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28 DISABLED VETERAN] who rents a permanent place of abode is eligible for
29 a tax equivalency payment from the state through the Department of

1 Community and Regional Affairs if the resident is

2 (1) at least 65 years old;

3 (2) a disabled veteran; or

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

7 * Sec. 3. AS 29.73.062(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 and is other-
10 wise eligible for a reimbursement payment from the state may receive a
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
14 on rents paid for residential property. A resident is eligible for a
15 payment if the resident is

16 (1) at least 65 years old;

17 (2) a disabled veteran; or

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

21 * Sec. 4. This Act takes effect ~~July 1, 1985.~~ ^{January 1, 1986}

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
5
6 For an Act entitled: "An Act extending the residential property tax exemp-
7 tion and tax equivalency and reimbursement payments
8 to certain widows and widowers; and providing for an
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18 property and, if two or more persons are eligible for an exemption for
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1 Community and Regional Affairs if the resident is
2 (1) at least 65 years old;
3 (2) a disabled veteran; or
4 (3) at least 60 years old and the widow or widower of a
5 person who was eligible for a payment under (1) or (2) of this sub-
6 section.

7 * Sec. 3. AS 29.73.062(g) 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 and is other-
10 wise eligible for a reimbursement payment from the state may receive a
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
14 on rents paid for residential property. A resident is eligible for a
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16 (1) at least 65 years old;
17 (2) a disabled veteran; or
18 (3) at least 60 years old and the widow or widower of a
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.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 3/15/85

REQUEST

Bill/Resolution No.: SB 190
 Title: Extending tax exemptions to certain widows & widowers
 Sponsor: P. Fischer, Abood, Eliason
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Community and 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)

OPERATING	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
100 PERSONAL SERVICES	0	25.4	26.7	28.0	29.4	30.9
200 TRAVEL						
300 CONTRACTUAL	0	.5	.5	.6	.6	.7
400 SUPPLIES	0	.2	.2	.2	.2	.2
500 EQUIPMENT	0	.8	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	0	5.0	5.5	6.0	6.6	7.2
800 MISCELLANEOUS						
TOTAL OPERATING	0	31.9	32.9	34.8	36.8	39.0

CAPITAL	0					
---------	---	--	--	--	--	--

REVENUE	0					
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	31.9	32.9	34.8	36.8	39.0
FEDERAL FUNDS						
OTHER						
TOTAL	0	31.9	32.9	34.8	36.8	39.0

POSITIONS:

FULL-TIME	0	1	1	1	1	1
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: 3/15/85

Approved by Commissioner: Kevin Nord
 Agency: Community and Regional Affairs

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

1.	POSITION TITLE Clerk Typist III for FY 86			RANGE/STEP 08/A	BARG. UNIT GGU	PAGE/LINE	COY.	APPROV.	DISAPP.
2.	TYPE OF POSITION PET	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL			ADDITION	JUSTIFICATION				
4.	TYPE OF EXPENDITURE			AMOUNT					
	1		2		3				
	PERSONAL SERVICES								
5.	Salary		19,570						
6.	Benefits		5,871						
7.	Supplemental Benefits								
8.	Fixed Benefits								
9.	TOTAL PERSONAL SERVICES		01		25,441				
10.	Travel		02		0				
11.	Contractual		03		500				
12.	Commodities		04		200				
13.	Equipment		05		800				
14.	Other								
15.	TOTAL COST				26,941				
	RECEIPT CODE			FUNDING SOURCE					
16.				Federal Receipts 1002					
17.				G.F. Match 1003					
18.				General Funds 1004					
19.				I-A Receipts 1005					
20.				Program Receipts 1028					
21.				Other					
				26.9					
FOR BSM USE ONLY KEY NUMBER _____									

This position will be needed in FY 86 to handle growing workload demands. With the changes in the tax exemption programs, proposed prorating of reimbursements for senior citizen/disabled veterans homeowners tax exemptions and the inclusion of disabled veterans and rural residents in tax relief programs.

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs
PROGRAM Community Development
Local Government Assistance
BRU _____
COMPONENT _____

FY 86

Page _____ of _____
Revised Date _____

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.

File w bill

Alaska State Legislature

Senate

Committee on Community and Regional Affairs



Official Business

Senator Edna DeVries, Chairman
Members
Senator Ferguson, Vice Chairman
Senator Coghill
Senator Sturgulewski
Senator V. Fischer

Pouch V
Juneau, Alaska 99811

March 25, 1985

To: Senator Jan Faiks, Co-Chairman
Senate Finance

From: Senator Edna DeVries, Chairman *Edna*
Senate Community/Regional Affairs

Subj: Senate Bill 190

Subject bill has passed out of C&RA and will be read across and referred to Finance tomorrow, March 26. My committee has added one amendment to the bill.

In comments from Legal Services relating to our committee amendment, it was suggested that the effective date of the bill be changed to January 1, 1986; specifically due to the fact that local government generally operates on a calendar year basis.

I agree that the effective date for SB 190 should be changed to January 1, 1986; and request that Finance so amend the bill. This has been discussed with the bill sponsor, Senator Paul Fischer.

cc: Senator Paul Fischer
C&RA Members

P.S. Also note that bill title change is included in our amendment; as per recommendation from Tam Cook, Legal Services.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 22, 1985

SUBJECT: Benefits for certain widows and widowers
(Senate Bill 190)

TO: Senator Edna DeVries

FROM: Tamara Brandt Cook *TBC*
Deputy Director
Division of Legal Services

Here is the amendment that you requested. It adds provisions to authorize payment of prorated portions of the benefits under the three programs dealt with in SB 190 if appropriations are not adequate to fully fund payments to all eligible recipients. Since these additions do not deal with benefits to widows and widowers as such, I have in this amendment, broadened the title of the bill to more accurately reflect the subject as it has been expanded.

In preparing this amendment I noticed that the effective date of this bill is tied to the fiscal year. Since all three programs amended in this bill involve benefits calculated according to rates of municipal taxation, the bill should become effective at the beginning of the tax year to avoid the administrative difficulties of calculating the level of benefits for half a year. I would recommend that the effective date be changed to January 1, 1986.

TBC:ojb
J13/016

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.

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

A M E N D M E N T

Offered in the SENATE

By the Community and Regional

TO: SB 190

Affairs Committee

Page 1, line 6:

Delete "extending" and insert "relating to"

Page 1, line 8:

Delete "to certain widows and widowers"

Page 1, after line 25, insert a new bill section to read:

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

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of (e) of this section. However, reimbursement will be made to a borough or city for revenue lost to it only to the extent that the loss exceeds an exemption that [WHICH] was granted by the borough or city, or that [WHICH] upon proper application by an individual would have been granted by the borough or city, under AS 29.53.025(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 sections accordingly.

Page 2, after line 6, insert a new bill section to read:

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

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

Renumber the following sections accordingly.

Page 2, after line 20, insert a new bill section to read:

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

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

Renumber the following section accordingly.

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

2/26/85

Date March 21 1985

Mr. President

The Committee on C&RA considered SB 190

extending the residential property tax exemption and tax equivalency and reimbursement payments to certain widows and widowers; efd.

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

- do pass
- do pass with attached amendment
- 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

John Stuzarski
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

Edna McVies
Chairman

No Pass
Chairman recommendation