

HPB

159 (FILE 3)-

SPONSOR

SUBSTITUTE

PUBLIC OPINION MESSAGE

Spu CLK

FEB 26 1988

DEAR: REPRESENTATIVE SPRINGER

NAME: JOHN NASH
TITLE:
ADDRESS: HC04 BOX 9220
CITY: PALMER ZIP: 99645
PHONE: 745-3790
BILL NO: HB 159

SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME
MESSAGE: WE INTENSIVELY FARM 220 FEE SIMPLE ACRES AND PAY PERSONAL PROPERTY TAX TO MATSU BOROUGH. I URGE DEFEAT OF SSHB159 WHICH WOULD REMOVE THE MUNICIPAL FARM TAX CREDIT. ARE MANY REASONS WHY THIS HAS BEEN BENEFICIAL: 1. LAND USED FOR FARMING REQUIRES LESS SERVICES; 2. AGRICULTURE IS A CONSERVATION OF AMERICA'S LAND BASE PROVIDING BOTH FOOD AND FIBER, A RESOURCE THAT IS BENEFICIAL TO OUR CITIES; 3. AG COMMUNITIES ARE STABLE, HAVE LESS PROBLEMS.

POMID: 14155804
DATE: 02/25/88
TIME: 15:58:04
LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES SENATORS

MENARD	KERTTULA
LARSON	SZYMANSKI
CATO	COGHILL
COLLINS	
HERRMANN	
ZAWACKI	

PUBLIC OPINION MESSAGE

DeA- for CRA
(20) SSB159
MAR - 1 1988

DEAR: REPRESENTATIVE SPRINGER

NAME: ED BOSTROM
TITLE: **
ADDRESS: P.O.BOX 56822
CITY: NORTH POLE
PHONE: 474-0857

ZIP: 99705

BILL NO: HB 159

SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME

MESSAGE: **LEGISLATIVE AFF. COMM. INTERIOR FARMERS & STOCK GROWERS ASSOC.

THE INTERIOR FARMERS AND STOCK GROWERS ASSOC. OPPOSES HB159. A FNSB ASSESSOR SAYS PASSAGE OF HB159 WOULD CAUSE "THIRTY FOUR FARMERS IN THE FNSB TO BE IN BIG TROUBLE". MUCH FARM LAND WOULD BE ASSESSED AT SUB-DIVISION RATES. GREEN-BELTS WOULD BE DESTROYED AND FARMERS WOULD BE DRIVEN FROM THEIR LAND.

FOMID: 07142212

DATE: 02/29/88

TIME: 14:22:12

LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

CATO
COLLINS
HERRMANN
ZAWACKI
BOYER
DAVIS
FRANK
KOPONEN
MILLER

COGHILL
FAHRENKAMP
FANNING

PUBLIC OPINION MESSAGE

for CRA

FEB 26 1988

DEAR: REPRESENTATIVE SPRINGER

NAME: LARRY DEVILBISS
TITLE:
ADDRESS: HCO4
CITY: PALMER ZIP: 99645
PHONE: 745-6591
BILL NO: HB 159
SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME
MESSAGE: AS A FARMER, THE TAXES THAT WOULD RESULT FROM THIS LEGISLATION
WOULD MAKE FARMING A NONPROFIT BUSINESS.

POMID: 14160040
DATE: 02/25/88
TIME: 16:00:40
LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES

LARSON
MENARD
CATO
COLLINS
HERRMANN
ZAWACKI

PUBLIC OPINION MESSAGE

DFAR: REPRESENTATIVE SPRINGER

FEB 15 1988 *SP/CRA*

NAME: RICHARD J. CARDA
TITLE:
ADDRESS: PO BOX 4553
CITY: EIELSON AFB ZIP: 99702
PHONE: 488-4018
BILL NO: HB 159
SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME
MESSAGE: HB 159 WILL COMPLETELY BANKRUPT AT LEAST THIRTY-FOUR FARMERS IN
THE FAIRBANKS AREA. ALASKAN FUR RANCHERS ARE AGAINST THIS BILL AND URGE
YOU TO VOTE AGAINST HB 159. EOM/MJO/C

POHID: 07133918
DATE: 02/12/88
TIME: 13:39:18
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES SENATORS

BOYER	COGHILL
DAVIS	FAHRENKAMP
FRANK	FANNING
KOPONEN	DUNCAN
MILLER	ELIASON
COTTEN	FISCHER
DAVIDSON	STURGULEWSKI
HERRMANN	ZHAROFF
HOFFMAN	
NAVARRE	
PEARCE	
SHULTZ	
SUND	

#	Date In	Doc. Type	Date	Subject	DESCRIPTION	From	Copied	Init
①	1-	Bill	1-29-88	SS HB 159				
②	1-29-88	FN	1-12-88	DCRA		DCRA	3	2
③	1-29-8	PP	1-29-8	Gov - ^{Transp.} Post Pap-		Gov	✓	3
④	2/9/88	PP	2/5/8	DCRA		Worley		
⑤ ^a	2/9/8	Articles	var	Newspaper articles (3)		DCRA - Baker		
⑥	2/9	Rev	2/8	Bill Review - Staff		DCH		
⑦	2/9	Booklet	FX 87	Tax Relief Programs ^{gold cover}		DCRA		
⑧	2/9	POM	2/2					
⑨	2/10	Teleg.	2/9	Telegram	exp. 159			
⑩	2/10	Amend	2/10	DCRA Amendment				
⑪	2/10	PP	-	Older Alaskans Com				
⑫	2/10			AML Policy Stmt				
⑬	2/10	Memo	2/10	AML PP - 2/10/88				
⑭	2/10	Test.	2/10	Testimony - Granite Helms				
A	2/10	(Min)		Min				
B	2/10	WR		WR				
⑮	2/29	Chart.		Requested figures \$10,000 increments				
⑯	2/29	Newspaper	Mar 88	"Senior Voice" article				
⑰ ^{or}	2/29	cones.		Consp. - d ltr, 7 POMs				
⑱	2/29	ea	2/29	AML PP.				
⑲	3/2	Ltr.						
⑳	3/2	POMs						
⑲								
⑰.1	3/2	CS		2/10/88				
C	3/2	WR						
D	3/2	(Min)						

① = Distributed, all files

(Ltr) = Master, Backup, Next Com. Files

STATE OF ALASKA THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

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JUNEAU, ALASKA 99811
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May, 1988

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

Mary Van Nimwegen

House C+RA	2-10-88	3:00 p.m.
" "	3-2-88	3:00 p.m.

BILL PREPARATION/ACTION*

Bill # CS SS HB 159 Date Referred: 1/29/88 Out: / /

Title: Relating Property Tax Exemptions to Income

Rules: Referrals: CRA FIN

CONTACTS:*****

Name	Organization Address	Phone	Date Contacted
<u>DCRA</u>	<u>FN ✓ DCRA</u> <u>PP ✓ Gov - DCRA</u>	<u>2/24</u>	<u>2nd weekly</u> <u>10,000 incr. from</u> <u>10,000 - 60,000 + etc of sup.;</u>
<u>Bob Parlett</u>	<u>AARP</u> <u>407 586-9696</u> <u>2066</u>	<u>2/8</u>	<u>[x 2/10]; Maxine Raffer SBG-1661 2/15 [3/2];</u>
<u>Scott Burgess</u>	<u>586-1325</u>	<u>2/8</u>	<u>[3/10]; 2/15 [3/2];</u>
<u>Iran Toland</u>	<u>OAL 465-3250</u>	<u>2/8</u>	<u>[x 2/10]; call w/</u> <u>2/15 [3/2];</u>
<u>Ellis - Rene Chapman</u>	<u>3704</u>	<u>2/8</u>	<u>[x 2/10]; 2/21 [3/2];</u>
<u>McKie Campbell</u>	<u>3810</u>	<u>2/8</u>	<u>[x 2/10]; 2/24 [3/2];</u>
<u>Bob Evans</u>	<u>3500</u>	<u>2/8</u>	<u>[x 2/10]</u>
<u>Patt Becker</u>	<u>4250</u>	<u>2/8</u>	<u>[x 2/10]; 2/24 [3/2];</u>

REMARKS: _____

ANALYSIS: _____ Completed: _____

MEETINGS:*****

Date	Action
<u>2/10/88</u>	<u>1st pub. hng. CS adopted</u>
<u>3/2/8</u>	<u>CS -</u>

SS

BILL PREPARATION/ACTION*

Bill # HB 159

Date Referred: / /

Out: / /

Title: _____

Referrals: _____

CONTACTS:*****

<u>Name</u>	<u>Organization</u> <u>Address</u>	<u>Phone</u> <u>Attend/Remarks</u>	<u>Date Contacted</u>
<u>Ed Bostrom</u>	<u>North Pole PA1</u> <u>(Gen. Dev. - Rep Davis) 1/26/8</u>	<u>474-0857</u>	<u>-2/25 [3/2];</u> <u>mag. 2/5 of [X] 2/10 [2/25 [3/2];</u>
<u>Sen Symanski</u>	<u>Royal Poppo</u> <u>497 E</u>	<u>1/25 [3/2];</u>	
<u>Rep. Husson - Lanza</u>		<u>2/25 [3/2];</u>	
<u>Mrs. Amos Burg</u>	<u>586-2747</u>		
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

REMARKS: _____

ANALYSIS: _____ Completed: _____

MEETINGS:*****

<u>Date</u>	<u>Action</u>
_____	_____
_____	_____
_____	_____
_____	_____

PUBLIC OPINION MESSAGE

Syr/CRA

DEAR: REPRESENTATIVE SPRINGER

NAME: ROSE PALMQUIST, PRES
TITLE: O.P.A.G.
ADDRESS: P O BOX 870294
CITY: WASILLA ZIP: 99687
PHONE: 376-0110
BILL NO: HB 159
SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME
MESSAGE: NOT ENOUGH IMPROVEMENT IN SSHB159 OVER ORIGINAL TO WARRANT ANY
SUPPORT.

POMID: 14121153
DATE: 03/02/88
TIME: 12:11:53
LIONAME: MAT-SU LIO

MAR - 3 1988

COPIES: REPRESENTATIVES

CATO
COLLINS
HERRMANN
ZAWACKI

go0508hB
Cook
2/16/88

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 159 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to exemptions from, deferments of,
7 and payments relating to, municipal property taxes;
8 and providing for an effective date."

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

10 * Section 1. AS 29.45.030(e) is amended to read:

11 (e) A property tax exemption on [THE] real property owned and
12 occupied as the primary residence and permanent place of abode by a
13 (1) resident 65 years of age or older; (2) disabled veteran; or (3)
14 resident at least 60 years old who is the widow or widower of a person
15 [WHO] qualified for an exemption under (1) or (2) of this subsection,
16 is computed according to the exemption percentage schedule set out in
17 this subsection [EXEMPT FROM TAXATION ON THE FIRST \$150,000 OF AS-
18 SESSED VALUE OF THE REAL PROPERTY]. A municipality may, in a case of
19 hardship, provide for a property tax exemption beyond the amount
20 provided for in the exemption percentage schedule set out in this
21 subsection [FIRST \$150,000 OF THE ASSESSED VALUE] in accordance with
22 regulations of the department. Only one exemption may be granted for
23 the same property and, if two or more persons are eligible for an
24 exemption for the same property, the parties shall decide between or
25 among themselves who is to receive the benefit of the exemption. Real
26 property tax may not be exempted under this subsection if the local
27 assessor determines, after notice and hearing to the parties, that the
28 property was conveyed to the applicant primarily for the purpose of
29 obtaining the exemption. The determination of the local assessor may

1 be appealed under AS 44.62.560 - 44.62.570. For the purpose of deter-
 2 mining the amount of the property tax exemption provided under this
 3 section, the exemption percentage is as follows:

<u>If the annual household income is</u>	<u>Then the property tax exemption percentage is</u>
<u>less than \$15,000</u>	<u>100</u>
<u>at least \$15,000 but less than \$20,000</u>	<u>85</u>
<u>at least \$20,000 but less than \$25,000</u>	<u>70</u>
<u>at least \$25,000 but less than \$30,000</u>	<u>55</u>
<u>at least \$30,000 but less than \$35,000</u>	<u>40</u>
<u>at least \$35,000 but less than \$40,000</u>	<u>25</u>
<u>at least \$40,000 but less than \$45,000</u>	<u>15</u>
<u>at least \$45,000 but less than \$50,000</u>	<u>10</u>
<u>\$50,000 or more</u>	<u>0</u>

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

16 (f) An exemption may not be granted under (e) of this section
 17 except upon written application for the exemption on a form approved
 18 by the state assessor for use by local assessors. The claimant must
 19 file the application no later than June 1 [JANUARY 15, OR A DATE PRO-
 20 VIDED BY ORDINANCE THAT IS NOT LATER THAN MARCH 31,] of the assessment
 21 year for which the exemption is sought. The governing body of the
 22 municipality for good cause shown may waive during a year the claim-
 23 ant's failure to make timely application for exemption for that year
 24 and authorize the local assessor to accept the application as if time-
 25 ly filed. The claimant must file a separate application for each as-
 26 sessment year in which the exemption is sought. If an application is
 27 filed within the required time and is approved by the local assessor,
 28 the local assessor shall allow an exemption in accordance with the
 29 provisions of this section. If a failure to file by June 1 [JANUARY

1 15, OR A DATE PROVIDED BY ORDINANCE THAT IS NOT LATER THAN MARCH 31,]
2 of the assessment year has been waived as provided in this subsection
3 and the application for exemption is approved, the amount of tax that
4 the claimant has already paid for the assessment year for the property
5 exempted must [SHALL] be refunded to the claimant. The local assessor
6 shall require proof in the form the local assessor considers necessary
7 of the right to and amount of an exemption claimed under (e) of this
8 section, and shall require a disabled veteran claiming an exemption
9 under (e) of this section to provide evidence of the disability rat-
10 ing. The local assessor may require proof under this section at any
11 time.

12 * Sec. 3. AS 29.45.030(h) is amended to read:

13 (h) Except as provided in (g) of this section, nothing in (e) -
14 (j) of this section affects senior citizen and disabled veteran [SIMI-
15 LAR] exemptions from property taxes granted by a municipality on
16 September 10, 1972, or prevents a municipality from granting senior
17 citizen and disabled veteran [SIMILAR] exemptions by ordinance as
18 provided in AS 29.45.050.

19 * Sec. 4. AS 29.45.030(i) is amended to read:

20 (i) In (e) - (i) of this section

21 (1) "disabled veteran" means a disabled person separated
22 from the military service of the United States under a condition that
23 is not dishonorable who is a resident of the state, whose disability
24 was incurred or aggravated in the line of duty in the military service
25 of the United States, and whose disability has been rated as 50 per-
26 cent or more by the branch of service in which that person served or
27 by the Veterans' Administration;

28 (2) "real property" includes but is not limited to mobile
29 homes, whether classified as real or personal property for municipal

1 tax purposes;

2 (3) "annual household income" means the total annual earned
3 and unearned income of persons in a household;

4 (4) "household" includes an applicant under (f) of this
5 section and the applicant's spouse, children, and grandchildren who
6 occupy the same property as the applicant as their primary residence
7 and permanent place of abode;

8 (5) "local assessor" means the assessor of a municipality.

9 * Sec. 5. AS 29.45.050(i) is amended to read:

10 (i) A municipality may by ordinance approved by the voters
11 provide for a property tax exemption beyond the amount provided for in
12 the exemption percentage schedule under AS 29.45.030(e) for [EXEMPT
13 FROM TAXATION THE ASSESSED VALUE THAT EXCEEDS \$150,000 OF] real prop-
14 erty owned and occupied as a permanent place of abode by a resident
15 who is

16 (1) 65 years of age or older;

17 (2) a disabled veteran; or

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

21 * Sec. 6. AS 29.45.060(a) is repealed and reenacted to read:

22 (a) A municipality may, by ordinance approved by the voters,
23 assess farm use land on the basis of full and true value for farm use.

24 * Sec. 7. AS 29.45.060(c) is amended to read:

25 (c) In this section "farm use" means the use of land for profit
26 for raising and harvesting crops, for the feeding, breeding, and man-
27 agement of livestock, for dairying, or another agricultural use, or
28 any combination of these. To be farm use land, the land must be in-
29 cluded in a farm unit and must not be dedicated to or used for nonfarm

1 purposes. The [THE] owner or lessee must be actively engaged in farm-
2 ing the land, and derive at least 10 percent of yearly gross income
3 from the land. This section does not apply to land for which the
4 owner has granted, and has outstanding, a lease or option to buy the
5 surface rights. A property owner who wishes [WISHING] to file for
6 farm use classification, but who has [HAVING] no history of farm-
7 related income, may submit a declaration of intent at the time of
8 filing the application with the local assessor, setting out the in-
9 tended use of the land and the anticipated percentage of income. An
10 applicant using this procedure shall file with the local assessor
11 before February 1 of the following year a notarized statement of the
12 percentage of gross income attributable to the land. Failure to make
13 the filing required in this subsection forfeits the exemption.

14 * Sec. 8. AS 29.45.060 is amended by adding a new subsection to read:

15 (f) If farm use land that was assessed on the basis of full and
16 true value for farm use before May 16, 1988, is leased, sold, or oth-
17 erwise disposed of by the owner for uses incompatible with farm use,
18 the owner is liable to pay an amount equal to the additional tax at
19 the current mill levy, together with eight percent interest for the
20 preceding seven years, as though the land had not been assessed for
21 farm use purposes. Payment by the owner must be made to the state to
22 the extent of its reimbursement of the municipality's revenue loss for
23 the preceding seven years. The balance of the payment must be made to
24 the municipality.

25 * Sec. 9. AS 29.45.060(b) and 29.45.060(e) are repealed.

26 * Sec. 10. This Act applies to assessment years beginning after Decem-
27 ber 1988.

28 * Sec. 11. AS 29.45.060(f), enacted in sec. 8 of this Act, is repealed.

29 * Sec. 12. Sections 1 - 10 of this Act take effect January 1, 1989.

* Sec. 13. Section 11 of this Act takes effect January 1, 1995.

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A M E N D M E N T

Offered in the HOUSE

By _____

TO: SSHB 159

Page 4, line 9, INSERT:

Sec. 5. AS 29.45.050(i) is amended to read:

(i) A municipality may by ordinance approved by the voters provide for a property tax exemption beyond the amount provided for in the exemption percentage schedule under AS 29.45.030(e) for [EXEMPT FROM TAXATION THE ASSESSED VALUE THAT EXCEEDS \$150,000 OF] real property owned and occupied as a permanent place of abode by a resident who is

(1) 65 years of age or older;

(2) a disabled veteran; or

(3) at least 60 years old and a widow or widower of a person who qualified for an exemption under (1)(2) of this subsection.

Renumber the following sections accordingly.

Page 5, line 16:

Delete "7" and insert "8".

Page 5, line 17:

Delete "9" and insert "10".

Page 5, line 18:

Delete "10" and insert "11".

File Contents

SSHB 159 - Relating Property Tax Exemption to Income

<u>No.</u>	<u>Description</u>
1.	Bill - SSHB 159
2.	Fiscal Note - DCRA/GOV
3.	Transmittal Letter from Governor
4.	DCRA - Position Paper
5a-c.	Newspaper articles (3)
6.	Bill Review - HCRA Staff, Harrison
7.	Booklet - <u>Tax Relief Programs</u>
8.	POM
9.	Telegram - Central AK Retired Teachers Association
10.	Housekeeping AMENDMENT requested for CS - by DCRA
11.	Position Paper - Older Alaskans Commission
12.	AML Policy Statement
13.	AML Position Paper, 2/10/88
14.	Testimony - Juanita Helms
15.	Chart (DCRA) - \$50,000-\$150,000 cap/\$10,000 increm.
16.	"Senior Voice" article, March 1988
17a-c.	Correspondence, 2 ltrs, 7 POMS
18.	AML Position Paper, 2/29/88

88 FULL FUNDING IS CALCULATED TO BE \$7,800,000
 (ALL VALUES HAVE BEEN INFLATED FROM FY 87/CY 86)

2/11/8

PROJECTED FUNDING WITH \$150,000 CAP

*5% Millage
 Revenue in 1988
 1988 - 89
 by value to city
 also same.*

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 150000	CAPPED FUNDING
				MR = 8.874
> 200001	\$154,822,476	488	\$73,189,236	
`200-175'	\$42,585,506	230	\$34,430,926	
`175-150'	\$72,778,774	433	\$67,921,117	
`150-125'	\$121,611,018	887	\$121,611,018	
`125-100'	\$135,219,576	1,194	\$135,219,576	
`100-75'	\$123,675,885	1,375	\$123,675,885	
`75-50'	\$76,136,664	1,183	\$76,136,664	
`50-25'	\$35,095,206	868	\$35,095,206	
`25-10'	\$8,636,697	413	\$8,636,697	
< 10000	\$1,101,293	153	\$1,101,293	
	\$771,663,094	7,242	\$677,017,618	\$6,488,483 (97.5)

6,325,763
 x 1.068

 6,755,915
 x 1.05

 7,093,711

FY 89

PROJECTED FUNDING WITH \$120,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 120000	CAPPED FUNDING
				MR = 8.874
> 200001	\$154,822,476	488	\$58,551,389	
` 200-175'	\$42,585,506	230	\$27,544,741	
` 175-150'	\$72,778,774	453	\$54,336,893	
` 150-125'	\$121,611,018	887	\$106,416,021	
` 125-120'	\$27,043,915	210	\$25,200,000	
` 120-100'	\$108,175,661	984	\$108,175,661	
` 100-75'	\$123,675,885	1,375	\$123,675,885	
` 75-50'	\$76,136,664	1,183	\$76,136,664	
` 50-25'	\$35,095,206	868	\$35,095,206	
` 25-10'	\$8,636,697	413	\$8,636,697	
< 10000	\$1,101,293	153	\$1,101,293	
	\$771,663,094	7,242	\$624,870,450	\$5,988,708

5,838,990.
 < 1.068
 6,236,041
 x 1.05
 6,547,843

PROJECTED FUNDING WITH \$100,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 100000	CAPPED FUNDING
				MR = 8.874
> 200001	\$154,822,476	488	\$48,792,824	
` 200-175'	\$42,585,506	230	\$22,953,951	
` 175-150'	\$72,778,774	453	\$45,280,744	
` 150-125'	\$121,611,018	887	\$88,680,017	
` 125-100'	\$135,219,576	1,194	\$119,410,717	
` 100-75'	\$123,675,885	1,375	\$123,675,885	
` 75-50'	\$76,136,664	1,183	\$76,136,664	
` 50-25'	\$35,095,206	868	\$35,095,206	
` 25-10'	\$8,636,697	413	\$8,636,697	
< 10000	\$1,101,293	153	\$1,101,293	
	\$771,663,094	7,242	\$569,763,999	\$5,460,573

5,324,059
 x 1.068
 5,686,095
 1.05
 5,970,400

PROJECTED FUNDING WITH \$80,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 80000	CAPPED FUNDING
				MR = 8.874
> 200001	\$154,822,476	488	\$39,034,259	
` 200-175'	\$42,585,506	230	\$18,363,161	
` 175-150'	\$72,778,774	453	\$36,224,596	
` 150-125'	\$121,611,018	887	\$70,944,014	
` 125-100'	\$135,219,576	1,194	\$95,520,000	
` 100-80'	\$98,940,708	1,100	\$88,000,000	
` 80-75'	\$24,705,177	275	\$24,705,177	
` 75-50'	\$76,136,664	1,183	\$76,136,664	
` 50-25'	\$35,095,206	868	\$35,095,206	
` 25-10'	\$8,636,697	413	\$8,636,697	
< 10000	\$1,101,293	153	\$1,101,293	
	\$771,633,094	7,242	\$493,761,067	\$4,732,167

4,613,863
 X 1.068
 4,927,606
 X 1.05
 5,173,986

PROJECTED FUNDING WITH \$60,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 60000	CAPPED FUNDING
				MR = 8.874
> 200001	\$154,822,476	488	\$29,275,695	
` 200-175'	\$42,585,506	230	\$13,772,370	
` 175-150'	\$72,778,774	453	\$27,168,447	
` 150-125'	\$121,611,018	887	\$53,208,010	
` 125-100'	\$135,219,576	1,194	\$71,640,000	
` 100-75'	\$123,645,885	1,375	\$82,500,000	
` 75-60'	\$45,681,998	710	\$42,600,000	
` 60-50'	\$30,454,666	473	\$30,454,666	
` 50-25'	\$35,095,206	868	\$35,095,206	
` 25-10'	\$8,636,697	413	\$8,636,697	
< 10000	\$1,101,293	153	\$1,101,293	
	\$771,633,094	7,242	\$395,452,385	\$3,789,984

3,695,234
 X 1.068
 3,946,510
 X 1.05
 4,143,836

PROJECTED FUNDING WITH \$40,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 40000	CAPPED FUNDING
> 200001	\$154,822,476	488	\$19,517,130	MR = 8.874
` 200-175'	\$42,585,506	230	\$9,181,580	
` 175-150'	\$72,778,774	453	\$18,112,298	
` 150-125'	\$121,611,018	887	\$35,472,007	
` 125-100'	\$135,219,576	1,194	\$47,764,287	
` 100-75'	\$123,675,885	1,375	\$54,989,137	
` 75-50'	\$76,136,664	1,183	\$47,312,734	
` 50-40'	\$14,038,082	347	\$13,880,000	
` 40-25'	\$21,057,124	521	\$21,057,124	
` 25-10'	\$8,636,697	413	\$8,636,697	
< 10000	\$1,101,293	153	\$1,101,293	
	\$771,663,094	7,242	\$277,024,286	\$2,554,979

Current Budget Fund in FY99 request level

2,588,605
 X 1.068
 2,764,630
 X 1.05
 2,902,862

PROJECTED FUNDING WITH \$20,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 20000	CAPPED FUNDING
> 200001	\$154,822,476	488	\$9,758,565	MR = 8.874
` 200-175'	\$42,585,506	230	\$4,590,790	
` 175-150'	\$72,778,774	453	\$9,056,149	
` 150-125'	\$121,611,018	887	\$17,736,003	
` 125-100'	\$135,219,576	1,194	\$23,882,143	
` 100-75'	\$123,675,885	1,375	\$27,494,568	
` 75-50'	\$76,136,664	1,183	\$23,656,367	
` 50-25'	\$35,095,206	868	\$17,359,709	
` 25-20'	\$2,936,477	140	\$2,800,000	
` 20-10'	\$5,700,220	273	\$5,700,220	
< 10000	\$1,101,293	153	\$1,101,293	
	\$771,663,094	7,242	\$143,135,808	\$1,371,802

1,337,507
 X 1.068
 1,428,457
 X 1.05
 1,499,880



Official Business

COMMITTEE:

HOUSE COMMUNITY & REGIONAL AFFAIRS

DATE: Wednesday, Feb. 10, 1988

SIGN-IN

Subject of meeting: (B)SSHB 159

*SSHB 159 Relating Property Tax Exemption to Income

NAME (PLS PRINT)	YOUR TITLE & ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
✓ Bob Pavitt	130 Howard St #205 Juneau, 99801	586-2066	AARP State Legislative Committee	yes
Rebecca Goodman	SENIOR VOICE 513 12th St. Juneau 99801	463-3085		NO
MAXINE RACE	1669 E. Wagoner Juneau 99801	586-1661		NO
✓ JULIANA HEIMS	Box 1267 FAIRBANKS	452-4761	FNSB	Yes
✓ GARY Lewis	Box 1608 Palmer	745-7638	AML	Yes
✓ Marla Isugs	144 W. Binkley Soldotna	443-3529	KPB	Yes
✓ MIKE WOLLEY	P.O. Box 311 JUNEAU	465-4787	OFFICE OF THE STATE ASSESSOR	YES
✓ Mrs. Dove Kull	GACOMMISSIONER		Older AK Comm.	Yes
✓ Rose Palmquist	AML Matsen Boy Assembly	376-0110		✓
✓ Joe Evans	AML Director 4741 Southpark Bluff Drive	345-3688	AML	Yes



Official Business

COMMITTEE:

HOUSE COMMUNITY & REGIONAL AFFAIRS

DATE: Wednesday, Feb. 10, 1988

SIGN-IN

Subject of meeting:

*SSHB 159 Relating Property Tax Exemption to Income

NAME (PLS PRINT)	YOUR TITLE & ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
------------------	----------------------	-------	--------------	-------------------------

Scott Burgess	AML	6-1325		Yes but may have to leave
e _____ committee name dated <u>None</u> OAC representative				

TESTIMONY
of
Marla Huss
Kenai Peninsula Borough

House Bill 159 - Senior Tax Exemption

House Community and Regional Affairs Committee

February 10, 1988

The administration of the KPB is opposed to Sponsor Substitute for House Bill 159. This opposition is on 2 fronts. First, we see problems with the concept of an income based senior citizen exemption. Second, even if that concept were warranted, we see problems in administration of such a program under the proposed legislation. A program of this type requires a senior citizen, and members of their household, to disclose financial information of a private nature. The savings anticipated by this proposal as compared to the existing program do not justify this invasion of privacy. The legislation itself fails to define "annual household income" which would be the basis of the exemption. Furthermore, if HB159 were enacted, the program would not be subject to a \$150,000 ceiling. There are problems associated with allowable exemptions of multiple parcels under the existing statute, that would be exacerbated by removal of that ceiling. There are also existing problems with residency determinations. SS HB 159 does not address these problems.

If the committee wishes to explore these problems now or at a future date, I would be happy to offer examples and further information.

SSHB 159

House CRA Committee 2/10/88

TESTIMONY

My name is Bob Pavitt, and I'm a member of the AARP Alaska State Legislative Committee.

The State Legislative Committee is scheduled to meet in Juneau next week and at that time we will adopt an official position on the Sponsor Substitute for House Bill 159.

During the interim, I was a member of the "working group" that pondered the issue of senior citizen property tax relief, and attempted to arrive at an equitable solution. That proved to be a difficult (if not impossible) task; and the bill that you have before you does not by a long shot adequately address the concerns of the 3 parties involved. Those parties include the current state administration (who cannot by any stretch of the imagination be considered supporters of the Senior Citizen Property Tax Relief Program); the municipalities (who don't like being mandated to provide this relief when the legislature underfunds the program), and the seniors themselves (whose property assessments have skyrocketed at the same time as they were learning to survive on a fixed income).

Because the State Legislative Committee has not yet taken a position on the sponsor substitute, I am not going to sit here and nit-pick individual sections of the bill, but I do want to say a few words on my personal feeling that it signals to me a radical change in philosophy and attitude toward our older Alaskans and their needs.

When the program began 16 years ago (which I might add, was well before the oil started to flow) it was considered good public policy to help keep seniors living independently in their homes, avoiding expensive institutionalization, and continuing to contribute to their communities socially and economically.

House CRA Committee Testimony re: SSHB 159 (continued)

The startling change in attitude reflected now seems to say that the whole thing is nothing but a welfare program that perhaps the state can shift over to the municipalities and the seniors themselves!

I sincerely hope that that is not reflective of the philosophy of the legislature or the people of Alaska.

*

BILL: HB 159
NAME: SSHB 159

07:10 PM 01/29/88

TITLE: "AN ACT RELATING TO EXEMPTIONS FROM, DEFERMENTS OF,
AND PAYMENTS RELATING TO, MUNICIPAL PROPERTY TAXES;
AND PROVIDING FOR AN EFFECTIVE DATE."

PRIME SPONSOR: RULES COMMITTEE

BY REQ OF THE GOVERNOR

CURRENT STATUS: (H) CRA

STATUS DATE: 01/29/88

03/02/87	(H)	366	READ THE FIRST TIME - REFERRAL(S)
03/02/87	(H)	366	C&RA THEN FINANCE
03/02/87	(H)	366	ZERO FISCAL NOTE PUBLISHED 3/2/87
01/29/88	(H)	2043	SPONSOR SUBSTITUTE INTRODUCED -REFERRALS
01/29/88	(H)	2043	CRA THEN FINANCE
01/29/88	(H)	2043	ZERO FISCAL NOTE PUBLISHED 1/29/88
01/29/88	(H)	2043	GOVERNOR'S TRANSMITTAL LETTER

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SSHB 159
PUBLISH DATE: HOUSE 1/29/88

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Community & Regional Affairs
 Title: "An act relating..to deferments & payments relating municipal property taxes" BRU: State Assessor
 Sponsor: Rules Committee Components: Senior Cit/Disabled Vet Tax Relief & Agriculture Land Deferment
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

**Funding for this bill appears in the Governor's budget bill.

Prepared by: Mike Worley, State Assessor Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 1/12/88
 Approved by Commissioner: [Signature] Date: 1-13-88
 Agency: Community & Regional Affairs

- Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1988

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a Sponsor Substitute for HB 159. This substitute bill deletes the amendments in the original bill which would have repealed the senior citizen and disabled veteran property tax exemptions, and replaces them with a new concept of exemptions based on need.

This concept provides a full exemption from property taxes for eligible homeowners who receive less than \$15,000 in annual household income. Those whose income falls between \$14,999 and \$50,000 qualify for a percentage of exemption which correlates to their level of household income. Eligible homeowners whose household income is \$50,000 or more annually do not qualify for the benefit.

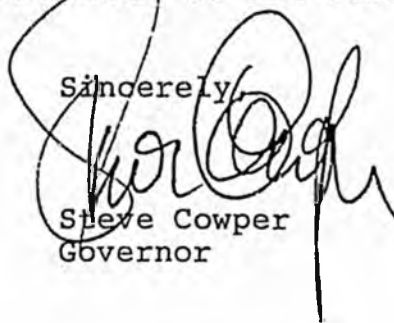
It is estimated that the total cost of this needs-based program will be about \$6,000,000, compared to the current cost of \$6,750,000 under the existing \$150,000 assessed value exemption limitation. Of that \$6,000,000, it is anticipated that appropriations will fund about 50 percent. Senior citizens and disabled veterans, through the payment of that portion of their property taxes which is not subject to exemption, will contribute about 25 percent of the cost of the program. Municipalities will have to absorb the remaining 25 percent of the cost. In the 1987 session, the legislature appropriated \$3,000,000 for municipal reimbursement of exemptions under this program.

The purpose of the property tax relief programs is to ensure that senior citizens and disabled veterans do not lose their homes as a result of an inability to pay property taxes. I believe that the concept in the attached bill addresses that intent directly, thereby improving upon the existing exemption programs. The approach set out in SS HB 159 will be a fair one for senior citizens and disabled veterans, and at the same time will substantially reduce the fiscal impact of property tax exemptions to municipalities across the state.

Section 5 of the original bill repealed the property tax equivalency program for senior citizen and disabled veteran renters. That program provided a companion benefit to the homeowners program. In order to maintain uniformity in the tax benefit programs, this sponsor substitute leaves the property tax equivalency program in place.

Sections 5 -- 8, 10, and 12 of the attached sponsor substitute concern the agricultural land use deferment program. As in the original bill, SSHB 159 changes the deferment benefit from a state-mandated tax benefit to one that may be provided for by a municipality at the municipality's option. The state will be under no further obligation to fund the agricultural land use deferment program. The only continuing responsibility the state will have for this program will be to monitor it until December 31, 1994, primarily so that the state can recoup reimbursements it has already paid under the program.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name and title.

Steve Cowper
Governor

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

④ SSNB 159
STEVE COWPER, GOVERNOR

- P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

February 5, 1988

POSITION PAPER

RE: Sponsor Substitute for HB 159

SPONSOR: Rules Committee by Request of the Governor

Program Effects of Bill

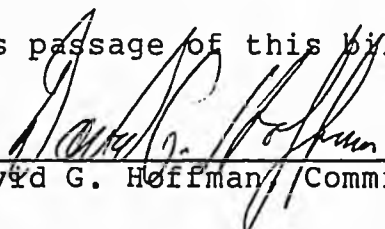
The major focus of this substitute bill is to replace the current Senior Citizen/Disabled Veteran real property tax exemption program, which now exempts the first \$150,000 of assessed value from real property tax, with an exemption program based upon an income formula. The bill sets out an exemption percentage schedule based on annual household income. Eligible homeowners who receive less than \$15,000 in annual household income will receive a 100 percent tax exemption. Those whose household income falls between \$15,000 and \$50,000 qualify for a percentage of exemption based upon their level of household income. Applicants whose annual household income exceeds \$50,000 do not qualify for any benefit under this schedule.

The purpose of this tax relief program is to help insure that Senior Citizens and qualifying Disabled Veterans do not lose their homes as a result of an inability to pay property taxes. This bill will allow the program to fulfill this purpose, and, at the same time, substantially reduce the fiscal impact of the program on municipalities across the State.

Sections 5 - 8, 10 and 12 of this sponsor substitute are unchanged from the original bill and deal with the agricultural land use deferment program.

Comments

The Department strongly supports passage of this bill.



David G. Hoffman, Commissioner

opinion

Anchorage Daily News



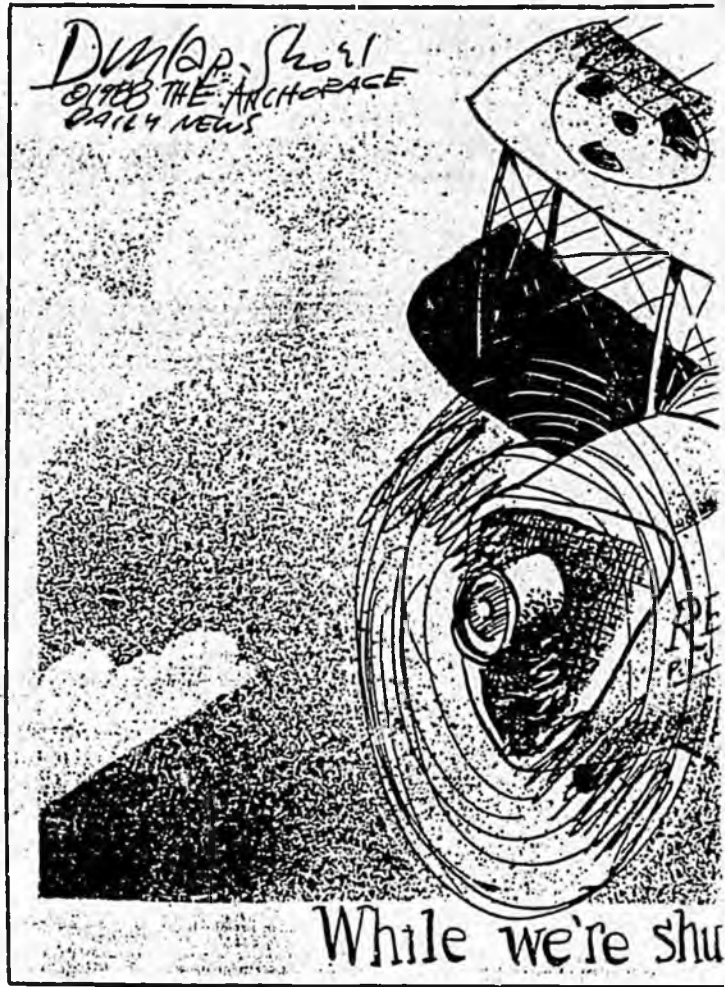
Winner, 1976 Pulitzer Prize Gold Medal for Public Service
Gerald E. Grilly
Publisher

Howard Weaver
Managing Editor

Michael Carey
Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983
Lawrence Fanning, Editor and Publisher 1967 to 1971

Founded in 1946 by Norman C. Brown



To trim a tax break

In politics, good ideas often go nowhere because they hit a small but influential group in the pocketbook. A case in point: Gov. Steve Cowper's call to cut the cost of the property tax break the state gives to senior citizens.

Under his proposal, seniors making less than \$15,000 a year would get a full exemption. A sliding-scale tax break would be offered to those with incomes up to \$50,000, where all assistance is cut off.

Last session, Gov. Cowper's call to repeal the senior property tax exemption went nowhere. His new proposal probably won't find much more favor. Many senior citizens vigorously oppose using a needs test in programs that benefit them — and they have political clout.

The seniors' property tax break does have a laudable goal: making sure house-rich, cash-poor seniors are not driven from homes because they can't pay taxes. And there are good arguments for exempting all seniors. Such a program is easy to administer, and it doesn't carry the "welfare" stigma of a needs-based approach.

But Alaska can't afford to be as generous as in the past. With money in short supply, there's no reason to give tax breaks to wealthy seniors.

It's true, the money saved by this measure is small — less than a million dollars a year. But as the legendary Sen. Everett Dirksen once said: A million here, a million there and pretty soon you're talking real money.

A golf cart won't get

During a recent trip to California, I saw a luxury vehicle that was unlike any I've seen before.

It had a flawless paint job, comparable to any Mercedes or BMW, except that the dark blue finish had tiny gold flecks, giving it the look of a star-filled sky on a clear night.

I looked inside and saw that the upholstery was of the finest soft calf skin. The same leather covered the steering wheel. The dashboard and other interior trim appeared to be teak wood.

There was an air conditioner, built-in color TV and stereo, refrigerator, bar, telephone, cigarette lighter, side and rearview mirrors, and turn signals.



mike royko

golf cart for what it was the single most disgusting play of materialistic ostention I had ever seen — owner strolled up.

I was surprised. I would have guessed that some-

Of church and state

When a religious group delivers government-funded services, sticky problems can arise. The church's



Lena Sexton

It was pure fun when Ron Maggle Webb, Dottie Englund, owner of Pleasant Valley Animal

Tax plan based on household income

by Rebecca Goodman

Proposed legislation which would make the senior citizens property tax exemption program income-based is now under review by the Department of Law following a series of working group sessions in the Department of Community and Regional Affairs.

The draft legislation calls for graduated levels of tax exemptions to be given Alaska's senior homeowners based on annual household income.

If approved by the legislature, the income-based exemption plan would replace the current tax exemption program which grants 100 percent tax exemption up to a "cap" of \$150,000 on the assessed value of a senior's home.

"The proposed legislation provides a needs-based schedule using total household income as a qualifier for the exemption," said State Assessor Mike Worley of the Department of Community and Regional Affairs who organized the working group on the bill.

Under the draft plan, 100 percent property tax exemption would be extended to a senior homeowner who has a total annual household income (unadjusted) of \$15,000 or less.

At the upper end of the proposed income schedule, senior homeowners whose total annual household income amounted to \$50,000 or more would receive no exemption under the plan. (See chart page 18.)

"No income of any kind, earned or unearned, would be exempt from this proposal," said Worley. "Total annual household income would be defined as total income from every member of that household. It would include all annual receipts from everyone residing in that home."

During a working group session in early December, Bob Evans, legislative liaison to Gov. Steve Cowper, expressed support for the draft legislation and said the governor had reviewed it and was "comfor-

page 18 please

Change 'inactive' waiting list policy

just where I am in my own apartment, so I told 'em, 'no thanks.'

When Weaver decided not to enter the Anchorage home's residential section, her name was removed from their "active" waiting list and placed into an "inactive" waiting list file.

"The folks at the home were real careful to explain to me that it was my responsibility to reapply to the home man-

ager and put in a new, updated application as soon as I changed my mind about moving in," Weaver said.

She has not yet reapplied, but said she would "do it in a minute" if she thought she really wanted to move into the home.

Weaver admitted that although having her name placed on the "inactive" waiting list gave her no guarantees or priorities for moving into

the home, it did give her a sense of security — albeit a false one.

"I knew that somewhere my name and old application were on file and that made me feel safe, like I was keeping all my options open without having to really decide what I wanted to do next year," Weaver said.

"But, you know, it seems kind of silly to even have an

page 9 please

for better care

Tax plan based on household

from page 1

table" with the plan. Several others raised concerns about the proposed bill.

"I don't believe you're going to be able to accurately ascertain what total household income is," said R. W. "Bob" Pavitt of the American Association of Retired Persons legislative committee.

"Even if it could be determined, there may be members in a senior's household — adult children or others — who are not contributing in any way to ease the tax burden of that property. If an income schedule is to be imposed, then the income considered should be the senior homeowner's income alone, not everyone else's in the household."

Pavitt also expressed concerns about the "arbitrariness" of the proposed income schedule. "While I'm sure these breakdowns worked out nicely on the computer, I'm not too sure they'll work out meaningfully in the real world. I am glad to see that hardship provisions in the statutes would still apply for those who might need that additional assistance."

Worley admitted the proposed income schedule was based not on research data, but on some broad assumptions. "It's not based on any known information because we have no information relating seniors' household incomes to assessed values of those homes," Worley explained.

"We made the assumption that the legislature would continue to approve that same appropriation into the future.

At the same time we also wanted to get the cost of the program down to about \$6 million.

"By including this income schedule in the program, it works out to be a 50-25-25 program — the state kicks in 50 percent of the payment for the program, municipalities pay 25 percent of the share of the program, and seniors make a 25 percent payment to the program. It seemed the fairest way to handle it," Worley said.

Burgess reminded the group the \$3 million appropriated for the program "is not a magic number."

"As we move forward I'd like to see us stop talking about \$3 million and start talking about shared responsibilities," Burgess said. "We should be talking about percentages and sharing the program. It's up to the legislature to commit itself to this program. It will grow even with caps placed on it," he added.

State records support Burgess' comments on program growth.

In 1986 — the last year of the original property tax exemption program — 6,569 senior

homeowners applied for exemptions totaling about \$6.3 million.

In 1987 — the first tax year in which the \$150,000 tax "cap" was fully in place — 7,800 senior homeowners in Alaska applied for property tax exemptions. These totaled about \$6.7 million despite the cap.

State officials have speculated that without the tax cap in place, the "cost" of the senior property tax exemption program in 1987 could have topped \$7.5 million.

For now, it remains uncertain whether the draft legislation will be introduced as a new bill or treated as a committee or sponsor substitute for House Bill 159. Considered politically unpopular by both seniors and legislators, HB 159, introduced by Cowper in mid-session last year, called for the total repeal of senior tax relief programs.

A review and final draft of the proposed income-based tax exemption legislation is expected to be issued by the Department of Law in early January.

What do you think?

What do you think of the newly proposed income-based tax exemption plan now under review in the Department of Law?

If you'd like to comment on the proposed income schedule or the definition of "total annual household income," or tell how the plan might affect you, write to: State Assessor's Office, Department of Community and Regional Affairs, Box BH, Juneau, AK 99811.

We would like to offer you the opportunity to support the Anchorage Senior Center . . . without spending any additional money!

Senior Voice Jan '88

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port Bur- program year of the x exemp- 69 senior

A review and final draft of the proposed income-based tax exemption legislation is expected to be issued by the Department of Law in early January.

What do you think?

Do you think of the newly proposed tax exemption plan now under Department of Law? Do you want to comment on the proposed income definition of "total annual household income" or tell how the plan might affect the State Assessor's Office, Department of Law and Regional Affairs, Box BH, Juneau, Alaska 99801.

How income-based tax plan would affect you

If your total annual household income is:

Then the percentage of property tax exemption you would receive is:

less than \$15,000	100%
\$15,001 to \$20,000	85%
\$20,001 to \$25,000	70%
\$25,001 to \$30,000	55%
\$30,001 to \$35,000	40%
\$35,001 to \$40,000	25%
\$40,001 to \$45,000	15%
\$45,001 to \$50,000	10%
\$50,001 or more	0%

For example: Mrs. W. has an estimated total annual household income of \$17,500, so 85 percent of her property taxes on her \$145,000 home in Juneau would be exempt. Her property tax bill would be about \$217. Taxes would be calculated as follows: \$145,000 x 10 mills (the average millage rate in Juneau) equals \$1,450. Mrs. W. would be exempt from paying 85 percent of this because of her income category. Her tax payment would be 15 percent of \$1,450, or \$217.50.

WARNING

Senior Voice is mailed to you each month via 3rd class mail. If you move without notifying us of

the opportunity to Senior Center . . . with- money!

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matter in 1986. Also confirmed were Larry Dinneen as port director and Faye Alexey as interim director of the Loussac Library. The assembly confirmed Chiel last week, but attached a reconsideration to the decision after Assemblywoman Heather Flynn questioned whether Chiel misled the panel in a rezoning issue in Stuckagain Heights. The question turned on whether antennas, a ski slope and an airstrip Chiel had

of perception, judgment calls, semantics." Chiel, who responded angrily, Flynn mornu fled w "I v did I c lead th "I a able to about tl "My

However, Alexiev was the backing of the Anchorage Library Advisory usly called and librari- ber. p position advisory search for however, to apply ld be one ed by the t.



Fred Chiel

5-c SSNB 159

ANC DAILY NEWS

Kenai refuses to end tax break for seniors

By RONNIE CHAPPELL
Daily News reporter

SOLDOTNA — The Kenai Peninsula Borough Assembly Tuesday refused to repeal the unlimited property tax exemption now given senior citizens and disabled veterans.

Last year, those exemptions cost other borough taxpayers more than \$400,000. A dozen Peninsula homesteaders testified against repeal of the tax break.

Most described themselves as land rich but cash poor.

"You put 30 years into building a home and yet we find other people trying to grab it away from us," said Wallace Sidback of Nikiski. "This is a good way to do it because there are an awful lot of folks who can't pay the additional tax you want to impose on us."

Many homesteaders can't afford to subdivide their

land, and even if they could, the market is so poor that few would be able to sell enough lots to pay their taxes or to cover the cost of surveying it, said Elmer Gaede of Soldotna. "It doesn't make any sense. I see no justification for this at this time."

Others said the assembly should not tamper with the exemption for residents 65 years old and older that was approved by voters only two years ago.

The state is supposed to reimburse the borough for the cost of exempting the first \$150,000 of appraised value on a senior citizen's home. Last year, the borough received only 26 percent of the money to which it was entitled. As a result, the borough had to spend an additional \$330,000 on the program.

The borough also exempts that portion of the value in

excess of \$150,000. Last year, 705 people applied for the tax break. Fewer than 120 had property appraised at more than \$150,000.

"There are problems with this program," said Kalifornsky Assemblyman Pat O'Connell. "We are giving an unlimited tax exemption. In some cases it's up to \$900,000. We don't know if they even live in the state. They don't pay a dime of taxes and nobody's checking."

The repeal proposal proved so unpopular that even its sponsor, Soldotna Assemblyman David Carey, voted against it. Carey said he introduced the measure because it afforded senior citizens a chance to defend the tax break now instead of in April or May, when dozens of special interest groups are pressuring the assembly for money.

police report

Man suffers shooting

A 42-year-old Anchorage man was shot in the buttocks as he stepped from his truck at Ninth Avenue and Karluk Street Monday evening. He was treated at a hospital and released. Police say they are investigating the incident but there are few details.

Suspect charged with sexual abuse

A 23-year-old Shaktoolik man has been charged with sexually abusing a pre-teen girl. Gerald J. Bekoalok was arrested last Wednesday and charged with one count of sexual abuse of a minor in the first degree, the Alaska State Troopers reported.

3 survive plane crash into lake

The pilot of a Cessna airplane and two passengers survived a crash into Iliamna Lake Sunday afternoon. Pilot Gerald Anelon, 32, his wife, Glendora, and Alex Trefon Sr. were all transported to Anchorage by Medevac, Alaska State Troopers said. Anelon and Trefon were seriously injured and Mrs. Anelon suffered minor injuries.

Daily News staff report

NORMAL: Elementary school consistently finds itself ranked average in r

Continued from Page C-1

"I don't know if I'd think of us as average," said Colleen Stevens, Gladys Wood principal. She half-smiled, half-grimaced and wrinkled

the day for sixth-graders in Willa Holzheimer's class. The class looks perfectly normal. The walls of her classroom are covered with construction paper portraits of Columbus,

"The Wump World." She has all eyes and ears — except for the brief few seconds when Robble and Wesley kick each other under the table. Buddy bonding.

"The teachers are nice. Yeah, all of them. Nope, never had a bad one." When Gladys Wood opened in 1971, the neighborhood that gave it students was much

ents who have to work long and harder for a living. They to help with homework short. School taxes are sometimes all they can afford pay for their children's edu-



Alaska State Legislature

SSHB 159

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

To: Representative Henry Springer, Chairman
HCRA

From: HCRA Staff - Harrison

Subject: Bill Review
SSHB 159 - "An Act relating to exemptions from, deferments of, and payments relating to, municipal property taxes; and providing for an effective date." [Rules by Req. of Gov.]

Date: February 8, 1988

* Section 1. AS 29.45.030(e) is amended to read:

(e) A property tax exemption on [THE] real property owned and occupied as the primary residence and permanent place of abode by a (1) resident 65 years of age or older; (2) disabled veteran; or (3) resident at least 60 years old who is the widow or widower of a person [WHO] qualified for an exemption under (1) or (2) of this subsection, is computed according to the exemption percentage schedule set out in this subsection [EXEMPT FROM TAXATION ON THE FIRST \$150,000 OF ASSESSED VALUE OF THE REAL PROPERTY]. A municipality may, in a case of hardship, provide for a property tax exemption beyond the amount provided for in the exemption percentage schedule set out in this subsection [FIRST \$150,000 OF THE ASSESSED VALUE] in accordance with regulations of the department.

Current law:

AS 29.45.030 (e) The real property owned and occupied as the primary residence and permanent place of abode by a (1) resident 65 years of age or older; (2) disabled veteran; or (3) resident at least 60 years old who is the widow or widower of a person who qualified for an exemption under (1) or (2) of this subsection, is exempt from taxation on the first \$150,000 of the assessed value of the real property.

Comments:

SSHB 159 concept provides a full exemption from property taxes for eligible homeowners who receive less than \$15,000 in annual household income. A percentage of exemption is applied to those whose income falls between \$14,999 and \$50,000. Eligible homeowners whose household income is \$50,000 or more annually do not qualify for property tax exemption benefit. This bill attempts to provide a new concept to property tax exemptions for eligible recipients based upon annual household income percentage levels.

AS 29.45.030(e) proposed amendments speak directly to a property tax exemption based upon a tax exemption percentage schedule in case of hardship a municipality may provide for a property tax exemption beyond the amount provided for in the exemption percentage schedule stated herein. Local assessor is required to help make determinations on applications for exemptions and the timeliness thereof.

AS 44.62.560 Judicial Review (a) through (e) relate to final administrative orders that interested parties may file with the court.

AS 44.62.570 Scope of Review (a) through (i) relate to the scope and interest of an appeal for review by interested parties.

* Section 2. AS 29.45030(f) is amended so the claimant must file the application no later than June 1 of the assessment year it is sought. January 15, or a date set by ordinance that is not later than March 31, of assessment year is deleted. Line 29, page 2 setting June 1 rather than January 15, is provided based upon previous changes requested in this bill.

Page 3, line 5, the word "must" is added while "shall" is deleted. This is considered clean-up language in the bill.

* Section 3. AS 29.45.030(h) specifically spells out senior citizens and disabled veterans while deleting the word "similar" in this section.

AS 29.45.050 relates to optional exemptions and exclusions by municipalities.

* Section 4. AS 29.45.030(i) added to this section to conform to previous inclusions brings into line terminology in lines 2 through 8 on page 4.

Line 2, page 4, defines "annual household income" as the total annual earned and unearned income of persons in a household.

Line 4, page 4, defines those that are included in a household.

Line 8, page 4, "local assessor" means the assessor of a municipality.

* Section 5. AS 29.45.060(a) is repealed and reenacted to read:
(a) A municipality may, by ordinance approved by the voters, assess farm use land on the basis of full and true value for farm use.

* Section 6. AS 29.45.060(a) is amended to read: ...To be farm use land, the land must be included in a farm unit and must not be dedicated to or used for nonfarm purposes. [See attached Section of 29.45.060(a) of current law.]

The rest of the changes in Section 6, are considered "cleanup" language.

* Section 7. AS 29.45.060 is amended by adding a new subsection to read:

(f) If farm use land that was assessed on the basis of full and true value for farm use before May 16, 1988, is leased, sold, or otherwise disposed of by the owner for uses incompatible with farm use, the owner is liable to pay an amount equal to the additional tax at the current mill levy, together with eight percent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner must be made to the state to the extent of its reimbursement of the municipality's revenue loss for the preceding seven years. The balance of the payment must be made to the municipality.

* Section 8. AS 29.45.060(b) and (e) are repealed.
Please see attached copy of repealed sections.

* Section 9. This Act applies to assessment years beginning after December 1988.

* Section 10. AS 29.45.060(f), enacted in sec. 7 of this Act, is repealed.

* Section 11. Sections 1 - - 9 of this Act take effect January 1, 1989.

* Section 12. Section 10 of this Act takes effect January 1, 1995.

Comments: Section 10 of this Act with effective date would spell the end of the state's interest in phasing out farm use land exemptions.

OTHER COMMENTS: The sponsor's intent and purpose of this bill is to assure continued property tax relief for qualified individuals so they do not lose their homes as a result of an inability to pay property taxes.

It is the intent of the bill to base property tax exemptions on a need basis. Those individuals whose income is above the exemption line will be required to pay a part of the property tax. Such payments would amount to approximately 25 percent of the cost of the program. It is stated that municipalities would absorb 25 percent of the cost of the program. The remaining portion of the program which is estimated at 50 percent would be funded from appropriations.

The sponsor indicated that the estimated cost of this needs-based program will be about \$6 million, compared to the current cost of \$6,750,000 under existing \$150,000 assessed value exemption limitation.

The Fiscal Note (DCRA) reflects zero impact so as not to duplicate the \$3 million already in the Governor's budget.

Attachment

(a) → Sec. 29.45.060. Farm or agricultural land. (a) Farm use land 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 may not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the land for both full and true value and farm use value. If the land is sold, leased, or otherwise disposed of for uses incompatible with farm use or 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 percent 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 municipality.

(b) → (b) An owner of farm use land must, to secure the assessment under this section, apply to the assessor before May 15 of each year in which the assessment is desired. The application shall be made upon forms prescribed by the state assessor for the use of the local assessor, and shall include information that may reasonably be required to determine the entitlement of the applicant. If the land is leased for farm use purposes, the applicant shall furnish to the assessor a copy of the lease bearing the signatures of both lessee and lessor along with the completed application. The applicant shall furnish the assessor a copy of the lease covering the period for which the exemption is requested.

(c) In this section "farm use" means the use of land for profit for raising and harvesting crops, for the feeding, breeding, and management of livestock, for dairying, or another agricultural use, or any combination of these. To be farm use land, the owner or lessee must be actively engaged in farming the land, and derive at least 10 percent of yearly gross income from the land. This section does not apply to land for which the owner has granted, and has outstanding, a lease or option to buy the surface rights. A property owner wishing to file for farm use classification having no history of farm-related income may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the land and the anticipated percentage of income. An applicant using this procedure shall file with the assessor before February 1 of the following year a notarized statement of the percentage of gross income attributable to the land. Failure to make the filing required in this subsection forfeits the exemption.

(d) In the event of a crop failure by an act of God the previous year, the owner or lessee may submit an affidavit affirming that 10 percent of gross income for the past three years was from farming.

(e) → (e) Subject to legislative appropriations for the purpose, the state shall reimburse a borough or city, as appropriate, for the property tax revenues lost to it by the operation of this section. (§ 12 ch 74 SLA 1985)

THIS PUBLICATION HAS BEEN REMOVED FROM THE FILE. IT IS AVAILABLE THROUGH OTHER LIBRARIES THROUGHOUT THE STATE.

TAX RELIEF PROGRAMS



ALASKA DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
MUNICIPAL & REGIONAL ASSISTANCE DIVISION

STEVE COWPER, GOVERNOR

8 SS HB 159

PUBLIC OPINION MESSAGE

FEB 2 - 1988
CR

DEAR: REPRESENTATIVE SPRINGER

NAME: ROGER LABER
TITLE:
ADDRESS: 319 RIVERSIDE DR
CITY: SOLDOTNA ZIP: 99669
PHONE: 262-9797
BILL NO:
SUBJECT: PROPERTY TAX EXEMPTION

MESSAGE: PLEASE DEFEAT COWPER'S PROPOSAL CONCERNING SENIOR CITIZENS & DISABLED VETERANS PROPERTY TAX EXEMPTION. EXEMPTIONS KEEP CITIZENS IN PRIVATE HOMES INSTEAD OF EXPENSIVE PIONEER HOMES. RESIDENCY REQUIREMENTS SHOULD BE ESTABLISHED LIKE THE PERMANENT FUND. KEEP PEOPLE WITH MONEY IN ALASKA. LIKE TOURISM, COMMUNITIES WANT THESE CITIZENS. EXEMPTIONS AND PERMANENT FUND ADVERTISE ALASKA.

POMID: 13095109
DATE: 02/02/88
TIME: 09:51:09
LIONAME: SOLDOTNA LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BYKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FAMNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MENARD	MILLER	JOSEPHSON
NAVARRE	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

A M E N D M E N T

⑩ SSHB 159

Offered in the HOUSE

By _____

TO: SSHB 159

Page 4, line 9, INSERT:

Sec. 5. AS 29.45.050(i) is amended to read:

(i) A municipality may by ordinance approved by the voters provide for a property tax exemption beyond the amount provided for in the exemption percentage schedule under AS 29.45.030(e) for [EXEMPT FROM TAXATION THE ASSESSED VALUE THAT EXCEEDS \$150,000 OF] real property owned and occupied as a permanent place of abode by a resident who is

(1) 65 years of age or older;

(2) a disabled veteran; or

(3) at least 60 years old and a widow or widower of a person who qualified for an exemption under (1)(2) of this subsection.

Renumber the following sections accordingly.

Page 5, line 16:

Delete "7" and insert "8".

Page 5, line 17:

Delete "9" and insert "10".

Page 5, line 18:

Delete "10" and insert "11".

(11) SSHB 159

Older Alaskans Commission

Box C
Juneau, Alaska 99811-0209
907/465-3250

POSITION PAPER
Bill No. SSHB 159

Sponsor Substitute for House Bill No. 159 replaces the original bill which had proposed elimination of the state funded portion of the senior and disabled citizen exemption from municipal property taxes on the person's residence. The bill also further defines the tax exemption available for farm use land.

The Older Alaskans Commission is primarily interested in the residential exemption section. SSHB 159 now proposes to create a partial, variable exemption for seniors and disabled persons, dependent on the level of the property owner's income. Homeowners with a "household income" over \$50,000 would be entitled to no exemption, and homeowners with lesser incomes would receive greater percentages of exemption from taxation. Homeowners with less than \$15,000 income would be the only ones to be totally, or 100%, exempted from taxation.

The 1986-1988 State Plan of the Older Alaskans Commission supports all programs, and adequate funding for those programs, which enable older Alaskans to remain in their own homes.

The Commission has taken the position that seniors who are property rich but tax poor should be provided tax exemptions that will assist them to continue living in their own homes. In addition, the Commission believes that older Alaskans who are financially able should contribute to the tax base of their communities. This bill intends to achieve this goal.

The Older Alaskans Commission supports the general concept of SSHB 159, but believes that there are several amendments needed to make the bill serve its true purpose, and to make the bill capable of simple and uniform implementation by all municipal taxing authorities.

First, the hardship exemption referred to in lines 18--22, page 1, must include a definition of "hardship" and at least some general guidelines on methods for municipalities to use in deciding hardship cases. The Commission urges that a definition of hardship be added in Section 4 as follows:

Insert at page 4, after line 8: (6) "hardship" includes, but is not limited to a situation where a homeowner's tax bill is greater than two percent of the applicant's gross household income, or where the homeowner has experienced catastrophic increases in vital expenses or severe reduction in income since the period used for determination of the household income.

Second, the definitions of "annual household income" and "household" do not seem equitable in their present form. Household includes all relatives of the applicant related by marriage or descent, but does not include siblings or other blood relatives. Perhaps even more troubling, the calculation of "annual household income" lumps together the earned and unearned incomes of all defined persons sharing a household, but does not divide that income by the number of persons, nor take into account any special expenses or needs of those household members.

Under this scenario, a low-income senior homeowner who shares the home with a daughter and four children, perhaps themselves receiving public assistance, could have a joint "annual household income" that puts them in the same exemption bracket as a single homeowner with a \$30,000 income. Obviously, the income in the first household is divided to meet the needs of many more people than the income of the second homeowner.

Multi-generational sharing of a home may be an economic necessity or a family or cultural choice, but it does not in itself ensure adequate disposable income to pay the property taxes. Also, the income of other household members is not always legally, or even morally, available to the homeowner to assist with taxes.

The Commission urges that the "annual household income" definition be amended to include some apportionment of income between all the persons in the home, perhaps based on division by a full share for each adult and a half-share for each child.

In addition, the Commission feels strongly that a simple method for determining income should be included in the bill,

so that each municipality uses the same method, one that is not an undue burden on either the tax officials nor the applicant. The Commission urges the use of the adjusted gross income figure reported to the IRS in the prior calendar year. The Commission recognizes that this figure would not capture all income, such as tax free bond income, nor all major deductions, but the adjusted gross figure is the most simple way for tax assessors to get verifiable information on which to determine income.

The Commission's third concern relates to the requirements for "primary residence" (Sec. 1 (e), line 12).

The Commission staff has talked to several tax assessor offices which suggested that the definition of "primary residence" be tightened up to conform to the residency and allowable absences requirements in the Longevity Bonus statute. At the current time, the Bonus program allows no more than a 90 day continuous absence from the state, per year, in order to maintain residency. If a homeowner does not choose to reside in the Alaska-located home at least nine months a year, the home should not qualify as "the primary residence and permanent place of abode," under this bill.

The Commission's final concern relates to the primary residency requirement and its impact on a small number of senior or disabled homeowners who experience extended stays in long term care nursing institutions. The Commission urges an amendment assuring that those individuals receive the same exemptions despite extended absences from their primary residence due to institutionalization. Even if the residence is rented, the income may not be enough to cover taxes, especially if the homeowner uses the rental income toward payment of the homeowner's care expenses.

In communicating this concern to the Department of Community and Regional Affairs, the Commission has learned that the fiscal impact of such an amendment would be minimal. The Commission also acknowledges that these types of situations have been handled on the local level and are usually approved if the institutionalized senior intends to return home. However, a clear statutory directive would ensure that all persons receive equal consideration from municipalities throughout the state.

The Older Alaskans Commission supports this bill, but urges the amendments discussed above. We feel that these

amendments involve policy choices that should not be left to the regulatory process, but should be made by the legislature.

APPROVED:

DK

Dove Kull, Chair
Legislative Committee
Older Alaskans Commission

Date: _____

REVIEWED:

J.M.A.

John M. Andrews, Commissioner
Department of Administration

Date: 2/10/88

Alaska Municipal League Policy Statement

1988



Adopted at the Business Meeting
of the 37th Annual Local Government Conference
of the
ALASKA MUNICIPAL LEAGUE
Anchorage, Alaska
November 13, 1987

D. LOCAL TAXES

1. Limitations on Tax Levying Authority: The League opposes any efforts by the State that would reduce local tax bases, limit local tax-levying authority, or adversely affect the marketability of municipal bonds.

2. State-Mandated Exemptions:

a. The League opposes the imposition of state-mandated exemptions of certain classes of property, individuals, organizations, or commodities from the application of taxes unless full compensation is made for revenues lost due to these exemptions. If the reimbursements for state-mandated exemptions are not fully funded, currently or in the future, the exemptions should be repealed.

b. The League supports a reasonable and equitable solution which would substantially diminish the current fiscal impact to municipalities caused by the operation of the senior citizen/disabled veterans property tax exemption program.

3. Payments In-Lieu: The League endorses the establishment of a program for payment in-lieu-of taxes for improved state property and state public corporation lands within a municipality.

4. Right to Tax: The League opposes any further state effort to levy a property tax that would infringe upon the rights of local governments to levy the same rate of tax as levied on other property within the taxing jurisdiction.

5. Waiver of Tax Collection: The League endorses legislation to permit the waiver of collection of taxes when collection costs exceed taxes due.

6. Removal of Sales Tax Limit: The League endorses the repeal of the sales tax limit contained in Title 29.

7. Tax Liability for Certain State Agency Properties: The League supports legislation to require payment of property taxes by state agencies for real property owned by the agency for investment purposes.

8. Local Taxes: The League endorses legislation that would amend AS 29.45.050(j), permitting a local option exemption from property taxes for inventory used in the in-state manufacture of product.

9. Disclosure of Real Property Transaction Values: The League urges that, should the Alaska Legislature enact any form of legislation requiring disclosure of real property transaction values, such legislation also require that these disclosures be shared with the local municipalities.

Alaska
MUNICIPAL
League

(13) SSB 159

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

February 10, 1988

MEMORANDUM

TO: AML Board of Directors

FROM: AML Taxation and Finance Legislative Subcommittee

SUBJECT: HB 159

After study of the complexities and administrative burdens of proposed changes both on local government and on Senior Citizens and Disabled Veterans, it is the position of this committee that:

1. Current legislation remain in effect.
2. Residency requirements similar to the Longevity Bonus Program be included.
3. Exemption be limited to the abode and parcel to which it is attached.
4. That if the state-mandated exemption is not fully funded, it should be repealed.
5. If the program is repealed by the State, it should only be optional to municipalities through vote of the people.

The committee also does not support changes proposed in the Farm Use Assessment program. Again, it is the AML's position that state mandated programs be funded or repealed. If repealed, local option to continue the program must be decided by vote of the people.



Alaska State Legislature

Please enter into the record my testimony to the House DCRA
committee name

committee on SSHB 159, dated 2/10/88
bill/subject

I'm concerned about the level of labor that would be necessary to be accountable for this. I've heard this called a "Job's Bills".

The solution is full funding or local option. If the state is going to take credit for this largesse, they should pay the bill.

Signed: Juanita Glenn
Testifier

FAIRBANKS NORTH STAR BOROUGH
Representing (Optional)

PO Box 1267 FAIRBANKS, AK 99701
Address

452-4761
Phone No.

FEBRUARY 25, 1988

The following are funding levels of the Homeowners Program given a range of full funding caps from \$150,000 to \$50,000, in increments of \$10,000.

PROJECTED FUNDING WITH \$150,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 150000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$73,189,236		
` 200-175'	\$42,585,506	230	\$34,430,926		
` 175-150'	\$72,778,774	453	\$67,921,117		
` 150-125'	\$121,611,018	887	\$121,611,018		CAPPED FUNDING
` 125-100'	\$135,219,576	1,194	\$135,219,576		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$123,675,885		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
<10000	\$1,101,293	153	\$1,101,293		
	\$771,663,094	7,242	\$677,017,618	\$6,488,483	\$7,094,280 =====

PROJECTED FUNDING WITH \$140,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 140000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$68,309,954		
` 200-175'	\$42,585,506	230	\$32,135,531		
` 175-150'	\$72,778,774	453	\$63,393,042		
` 150-140'	\$48,644,407	325	\$45,500,000		CAPPED FUNDING
` 140-125'	\$72,966,611	561	\$72,966,611		
` 125-100'	\$135,219,576	1,194	\$135,219,576		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$123,675,885		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		
\$771,663,094		7,242	\$662,170,459	\$6,346,189	\$6,938,701 =====

PROJECTED FUNDING WITH \$130,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 130000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.504	
> 200001	\$154,822,476	488	\$68,309,954		
` 200-175'	\$42,585,506	230	\$32,135,531		
` 175-150'	\$72,778,774	453	\$53,393,042		
` 150-130'	\$97,288,814	709	\$92,170,000		CAPPED FUNDING
` 130-125'	\$24,322,204	177	\$24,322,204		
` 125-100'	\$135,219,576	1,194	\$135,219,576		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$123,675,885		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		
\$771,663,094		7,242	\$660,196,052	\$6,327,266	\$6,918,011 =====

PROJECTED FUNDING WITH \$120,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 120000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$58,551,389		
` 200-175'	\$42,585,506	230	\$27,544,741		
` 175-150'	\$72,778,774	453	\$54,336,893		
` 150-125'	\$121,611,018	887	\$106,440,000		CAPPED FUNDING
` 125-120'	\$27,043,915	200	\$24,000,000		
` 120-100'	\$108,175,661	994	\$108,175,661		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$123,675,885		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		
				\$5,977,438	\$6,535,521 =====

PROJECTED FUNDING WITH \$110,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 110000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$53,672,107		
` 200-175'	\$42,585,506	230	\$25,249,346		
` 175-150'	\$72,778,774	453	\$49,808,819		
` 150-125'	\$121,611,018	887	\$97,548,019		CAPPED FUNDING
` 125-110'	\$81,131,854	716	\$78,760,000		
` 110-100'	\$54,087,902	478	\$54,087,902		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$123,675,885		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		
				\$5,786,502	\$6,326,759 =====

PROJECTED FUNDING WITH \$100,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 100000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$48,792,824		
` 200-175'	\$42,585,506	230	\$22,953,951		
` 175-150'	\$72,778,774	453	\$45,280,744		
` 150-125'	\$121,611,018	887	\$88,680,017		CAPPED FUNDING
` 125-100'	\$135,219,576	1,194	\$119,410,717		
` 100-75'	\$123,675,885	1,375	\$123,675,885		x .975 x 1.068 x 1.05
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		

	\$771,663,094	7,242	\$569,763,999	\$5,460,573	\$5,970,399 =====

PROJECTED FUNDING WITH \$90,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 90000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$43,913,542		
` 200-175'	\$42,585,506	230	\$20,658,556		
` 175-150'	\$72,778,774	453	\$40,752,670		
` 150-125'	\$121,611,018	887	\$79,812,016		CAPPED FUNDING
` 125-100'	\$135,219,576	1,194	\$107,469,645		
` 100-90'	\$49,470,354	499	\$44,910,000		x .975 x 1.068 x 1.05
` 90-75'	\$74,205,531	875	\$74,205,531		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		

	\$771,663,095	7,242	\$532,691,820	\$5,105,276	\$5,581,930 =====

PROJECTED FUNDING WITH \$80,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 80000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$39,034,259		
` 200-175'	\$42,585,506	230	\$18,363,161		
` 175-150'	\$72,778,774	453	\$36,224,596		
` 150-125'	\$121,611,018	887	\$70,944,014		CAPPED FUNDING
` 125-100'	\$135,219,576	1,194	\$95,520,000		x .975 x 1.068 x 1.05
` 100-80'	\$98,940,708	1,100	\$88,000,000		
` 80-75'	\$24,705,177	275	\$24,705,177		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		

	\$771,633,094	7,242	\$493,761,067	\$4,732,167	\$5,173,985 =====

PROJECTED FUNDING WITH \$70,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 70000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$34,154,977		
` 200-175'	\$42,585,506	230	\$16,067,766		
` 175-150'	\$72,778,774	453	\$31,696,521		
` 150-125'	\$121,611,018	887	\$62,076,012		CAPPED FUNDING
` 125-100'	\$135,219,576	1,194	\$83,587,502		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$96,250,000		
` 75-70'	\$15,227,333	190	\$13,300,000		
` 70-50'	\$60,909,331	992	\$60,909,331		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		

	\$771,663,094	7,242	\$442,875,305	\$4,244,481	\$4,640,768 =====

PROJECTED FUNDING WITH \$60,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	% OF 60000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$29,275,695		
`200-175'	\$42,585,506	230	\$13,772,370		
`175-150'	\$72,778,774	453	\$27,168,447		
`150-125'	\$121,611,018	887	\$53,208,010		CAPPED FUNDING
`125-100'	\$135,219,576	1,194	\$71,640,000		x .975 x 1.068 x 1.05
`100-75'	\$123,645,885	1,375	\$82,500,000		
`75-60'	\$45,681,998	710	\$42,600,000		
`60-50'	\$30,454,666	473	\$30,454,666		
`50-25'	\$35,095,206	868	\$35,095,206		
`25-10'	\$8,636,697	413	\$8,636,697		
<10000	\$1,101,293	153	\$1,101,293		
				\$3,789,984	\$4,143,836 =====

PROJECTED FUNDING WITH \$50,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	% OF 50000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$24,396,412		
`200-175'	\$42,585,506	230	\$11,476,975		
`175-150'	\$72,778,774	453	\$22,640,372		
`150-125'	\$121,611,018	887	\$44,340,009		CAPPED FUNDING
`125-100'	\$135,219,576	1,194	\$59,705,358		x .975 x 1.068 x 1.05
`100-75'	\$123,675,885	1,375	\$68,750,000		
`75-50'	\$76,136,664	1,183	\$59,150,000		
`50-25'	\$35,095,206	868	\$35,095,206		
`25-10'	\$8,636,697	413	\$8,636,697		
<10000	\$1,101,293	153	\$1,101,293		
				\$3,213,415	\$3,513,435 =====

Senior Voice

010993 51000
 PATTI BECKER
 COMMUNITY & REGIONAL AFFAIRS
 POUCH BM
 JUNEAU AK 99811

110 SS HB 159

March 88



Ketchikan Daily News/Hell Anderson

A bygone era comes alive at the Ketchikan Pioneers' Home as residents enjoy a gala "Showboat" theme dinner. Festivities in Ketchikan, as well as dinners in four other Pioneers' Homes, were sponsored by Alacom. Story page 5.

Tug-of-war with Juneau Pioneers' Home continues

by Rebecca Goodman
 As the February 29 deadline approaches for private companies to submit proposals to the state for operation of the new Juneau Pioneers' Home, state officials are standing firm on their decision to keep to the original qualification standards outlined in the request for proposal. "Several of the potential offerors requested that we lower the minimum qualification standards, but we're not going to do it," said Mary Jo Jeans, director of the Division of Pioneers' Benefits in the Department of Administration. "We did make a few amendments to the RFP (request for proposal), but we did not

want to compromise the quality of care in order to allow a few more private contractors to bid," Jeans said. Not everyone is happy with the state's decision. Some firms interested in bidding to operate the Juneau home have complained that the state made the qualifying standards "too complex" and that no private contractor — no matter how qualified — could meet the state's expectations. The five firms who have expressed interest in operating the Juneau home include: ARA Services, a private for-profit, national management services firm (with Alaskan headquarters in Fair-

banks), which currently provides food services in Juneau's Bartlett Hospital and in all five of Alaska's Pioneers' Homes; Lutheran Health Systems, a private nonprofit, national health care services corporation (founded but no longer affiliated with the Lutheran Church), which operates Heritage Place skilled nursing facility and Central Peninsula Hospital in Soldotna; Denali Center and Fairbanks Memorial Hospital in Fairbanks; Kodiak Island Hospital and nursing facility; and Valdez Community Hospital; St. Ann's Nursing Home, Inc., a private nonprofit local health care facility (founded by the Sisters of St. Ann), which operates a 45-bed skilled and intermediate nursing care facility in Juneau; Southeast Alaska Region-

al Health Corporation, a private nonprofit health corporation, which operates Mt. Edgecumbe Hospital in Sitka and several health facilities and clinics throughout Southeast Alaska; and Statewide Services, a private for-profit, multi-national management services corporation (state headquarters in Anchorage), which operates food service contracts throughout Alaska and health care service and other contracts outside Alaska. Given the state's refusal to change the request for proposal to suit the bidders, some of the five potential bidders may choose not to submit bids February 29.

During public testimony on the bill, Rose Palmquist, president of the Alaska Pioneers' Home Association, said she was "convinced" that "people who may need the most help might fall into the middle-income levels on the scale," said Rep. Virginia Collins (R-Anchorage). "This bill might be creating a greater hardship for middle-income seniors who are just holding their own in this economy. I'm really uncomfortable with that."

by Rebecca Goodman
 Calling it an "administrative nightmare" and "unfair" public policy, House lawmakers in mid-February killed a bill aimed at making the senior property tax exemption program income-based. The defeated bill — SS HB159 — sponsored by Gov. Steve Cowper, was designed to replace current tax laws which give seniors 100 percent exemptions from taxes on their homes, up to \$150,000 of assessed value. Under Cowper's plan, seniors with household incomes of \$15,000 or less would have received full property tax exemptions. Seniors with annual household incomes of \$50,000 or more would have received no exemptions. Those with household incomes between \$15,000 and \$50,000 would have received a sliding-scale exemption depending upon income level. Administration officials said the plan could have saved the state as much as \$1 million. However, lawmakers in the House Community and Regional Affairs committee said they doubted whether the bill would save any money. "Administrators for this program are going to have an administrative nightmare on their hands trying to determine a retiree's total annual household income a year to the next," said Rep. Jim Zawacki (R-Goodwood). "Frankly, I can see no cost savings coming out of this bill." But Mike Worley, primary author of Cowper's legislation and state assessor within the Department of Community and Regional Affairs, told lawmakers he was certain the plan could work and would not require any more administrative manpower at the municipal level. "I agree there will be problems and that it is an undesirable thing that we have to examine people's incomes, but I feel those problems can be overcome," Worley said. Lawmakers were unconvinced. "People who may need the most help might fall into the middle-income levels on the scale," said Rep. Virginia Collins (R-Anchorage). "This bill might be creating a greater hardship for middle-income seniors who are just holding their own in this economy. I'm really uncomfortable with that."

During public testimony on the bill, Rose Palmquist, president of the Alaska Pioneers' Home Association, said she was "convinced" that "people who may need the most help might fall into the middle-income levels on the scale," said Rep. Virginia Collins (R-Anchorage). "This bill might be creating a greater hardship for middle-income seniors who are just holding their own in this economy. I'm really uncomfortable with that."

Chugiak page 1

Grieving page 1

OAC appointees page 2

Senate bill calls for housing inventory, study

Nearly everyone agrees adequate senior housing is a major concern for both low-income and moderate-income older Alaskans. But up to now no study in Alaska has identified which housing alternatives would best meet the needs and desires of seniors.

A bill introduced in late February by Sen. Jim Duncan (D-Juneau) would begin to remedy the problem by laying the groundwork for a housing inventory and comprehensive

survey of senior housing needs.

Senate Concurrent Resolution 50 would direct the Department of Administration to work with the Older Alaskans Commission and other appropriate state agencies to identify housing alternatives, provide an inventory of existing housing and provide projections for future senior housing needs.

"I sponsored this resolution to focus attention on what I think is an area of critical need

in the housing continuum for senior citizens in Alaska," Duncan said.

alternative housing situations should be developed...

Duncan

"I believe the time has come to address the need for inter-

mediate care facilities and more housing alternatives for seniors in this state.

"Because our seniors are a valuable resource to this state and we all want them to live out their lives with as much dignity and independence as possible, alternative housing situations should be developed which respond to their needs and desires," Duncan added.

Co-sponsored by senators Mike Szymanski (D-Anchorage) and Jay Keritula (D-

Palmer), SCR 50 directs the Department of Administration to report their findings to the legislature and governor by January 15, 1988, with detailed, comprehensive recommendations for the legislative and executive actions required to provide housing arrangements.

Duncan expressed optimism for passage of the bill. It has been assigned to just one committee — State Affairs — and has no funding requirement attached.

Resolution asks for state-run Pioneers' Homes system

In the wake of recent efforts to "privatize" the new Juneau Pioneers' Home facility, Sen. Jay Keritula (D-Palmer) has introduced Senate Concurrent Resolution 47, which asks the governor to direct that all Pioneers' Homes be operated by the state rather than by private contractors.

Keritula said one reason he introduced the bill is his concern for maintaining quality care and service within the five-home system.

"I'm very much opposed to private contracting in all state

facilities," Keritula said. "The state has none of the necessary inspection programs in place to allow for appropriate oversight of these facilities. My concern is that if we continue to go this route toward privatization we're going to see a significant lessening of quality in the services," Keritula said.

Since the mid-1970s he has been collecting news articles about nursing homes outside of Alaska and their problems with contracted services, Keritula told *Senior Voice*.

"There have been and continue to be appalling abuses. What it says is: Profit motives don't serve the motive to provide good care," Keritula warned.

"It may very well cost less to operate one of the homes by a private contractor, but if the same standards of care are applied it probably wouldn't

cost less to privatize," he said. Keritula's bill has been assigned to three senate committees. It has no funding requirement.

Tax plan shot down

from page 1
dent of Older Persons Action Group, told lawmakers seniors are nearly 100 percent opposed to any needs test.

"The benefits the state derives from seniors are enough of a factor that you need to consider the disadvantages of enacting this legislation," Palmquist said.

"We feel that if you tightened up the residency requirements (spelling out primary place of abode) in the current program, you would probably get by with a \$6 million program," she added.

Demand for the senior tax relief program currently amounts to about \$6.7 million. Last year the legislature appropriated \$3 million for the program.

"I think it would be good to pass this back to the administration," Rep. Zawacki told the group. "So little of the state budget goes to seniors, I'm sure they could find \$3 million more to fund this program."

"Bob Pavitt, member of the state legislative committee of the American Association of Retired Persons, said Cowper's bill "signals a radical change in attitude toward older Alaskans. Sixteen years ago it was considered good public policy to offer tax relief to seniors. Now, the administration says the whole thing's nothing but a welfare program."

Pavitt told lawmakers, "If you respect what these people have done, and if you've devised this as good public policy, then you don't look at how much a person makes."

Testimony from Joe Evans, director of the Alaska Municipal

League, warned that a needs-based bill would require the establishment of "local IRS" (Internal Revenue Service) in order to track and screen retirees' tax returns.

"It goes beyond that, too," Evans said. "The state often seems to want to forget about our citizens at the other end of the age spectrum. This kind of public policy puts seniors on the back burner, gives seniors the back hand. This really comes down to a policy issue. We need to keep seniors in this state. I don't think this bill serves public policy."

"We administrators on the local level want to see these programs adequately funded by the state," Evans said.

Following testimony, Rep. Heinrich Springer, (D-Nome), chair of the House Community and Regional Affairs committee, called Cowper's needs-based plan dead.

But Springer called the \$3 million shortfall facing the senior tax relief program a serious matter requiring further scrutiny.

"Why if we came down to \$125,000 from the \$150,000 tax cap?" he asked. "If it's true that we cannot find the money to fully fund this program, then maybe we should have the guts to stand up and say we'll go down to a \$125,000 tax cap plan. That might be more palatable than a needs-based plan," he said.

At *Senior Voice* press time another hearing on the senior property tax exemption issue had been tentatively set for March 2 by the House Community and Regional Affairs committee.

In Fairbanks spring takes off like a shot!



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(17a) SSHB159

for / CRA

P.O. Box 8345
Nikiski, Alaska 99635
Feb. 22, 1988

Representative Heinrich Springer
P.O. Box V
Juneau, Alaska 99811

Dear Mr. Springer:

→ At the Kenai Peninsula Retired Teachers Association
meeting on February 20, the members unanimously
directed me to write you. Our members are
→ opposed to SS-HB 159 regarding a needs
based property tax exemption. We strongly
urge that this bill not be passed.

Sincerely,
Annad. Ritter
Secretary KPRTA

Copy sent to:
Governor Steve Cooper

(176) SSHB 159

Please see that the following House Committees receive a copy of this: ~~Community & Regional Affairs~~ Finance, Rules

We have also been asked to see that Senator Fred Zharoff receives a copy.

FEB 17 1988

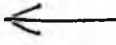
February 16, 1988

Honorable Cliff Davidson
Alaska State Legislature
House of Representatives
P.O. Box V
Juneau, Alaska 99811

RE: SS HB 159 Regarding Property Tax Exemption

Dear Representative Davidson:

At the Pioneers of Alaska Kodiak Igloo #18 and Auxiliary #17 February 11 regular meeting, the members approved a motion to send a letter to the Legislature asking that the provisions regarding property tax exemption for senior citizens be left as they are. The motion was in response to the changes proposed by SS HB 159. The Pioneers in Kodiak oppose a needs-based approach to the exemption.



Sincerely,

Jim Duros
Secretary, Igloo #18

Nancy E. Jones
Secretary, Auxiliary #17

PUBLIC OPINION MESSAGE

fr/CLA

DEAR: REPRESENTATIVE SPRINGER

FEB 15 1988

NAME: GEORGE A MITCHELL

TITLE:

ADDRESS: 537 E FERN ST

CITY: PALMER

ZIP: 99645

PHONE: 745-8160

BILL NO: HB 159

SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME

MESSAGE: URGE A "NO" VOTE, AS THIS WOULD BE VERY DETRIMENTAL TO THE ALREADY HURTING AGRICULTURE INDUSTRY. THE SAVINGS TO THE STATE AND THE BOROUGHS ARE NOT GREAT ENOUGH TO RISK THE ADVERSE EFFECTS ON AGRICULTURE IN ALASKA.

POMID: 14091538

DATE: 02/12/88

TIME: 09:15:38

LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MEHARD	MILLER	JOSEPHSON
NAVARRE	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

fr/CLA

DEAR: REPRESENTATIVE SPRINGER

FEB 12 1988

NAME: OLSON FARMS: MANVIL, BEULAH, ARNOLD,

TITLE: HAROLD, AND KAREN LEE

ADDRESS: S R BOX 2990

CITY: WASILLA

ZIP: 99687

PHONE: 376-5777

BILL NO: HB 159

SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME

MESSAGE: WE URGE YOU TO MAKE NO CHANGE IN THE PRESENT FARM USE PLAN FOR TAX EXEMPTION PURPOSES. WE HAVE USED THIS PLAN SINCE ITS BEGINNING AND SEE NOTHING WRONG WITH IT. FARMERS NEED AND APPRECIATE THIS AID. THANK YOU.

POMID: 14112335

DATE: 02/11/88

TIME: 11:23:35

LIONAME: MAT-SU LIO

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ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MEHARD	MILLER	JOSEPHSON
NAVARRE	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

(7 poms)
17c
SSH 159

PUBLIC OPINION MESSAGE

9

DEAR: REPRESENTATIVE SPRINGER

FEB 12 1988

NAME: DELON BROWN
 TITLE:
 ADDRESS: POB 799
 CITY: PALMER ZIP: 99645
 PHONE: 745-4272
 BILL NO: HB 159
 SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME
 MESSAGE: I DISSAPPROVE OF BILL SSHB 159 AND ITS CONTENTS. I RECOMMEND THAT WE KEEP AND FUND AS-29 AND ITS CURRENT LANGUAGE. EACH YEAR MILLIONS OF DOLLARS FROM THESE FARMS ARE RECIRCULATED WITHIN THE STATE AND BOROUGHES. WHICH ADDS JOBS AND PROMOTES LOCAL HIRE. THOUSANDS OF TOURISTS VIEW AG OF THE MAT-SU AND FAIRBANKS AREAS. EACH YEAR SEVERAL GROUPS FROM OUTSIDE PUT TOGETHER BUS TOURS DESTINED FOR ALASKA.

POMID: 14105021
 DATE: 02/11/88
 TIME: 10:50:21
 LIONAME: MAT-SU LIO

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ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MENARD	MILLER	JOSEPHSON
NAVARRE	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

2

DEAR: REPRESENTATIVE SPRINGER

NAME: JERRY GIAUQUE
 TITLE: PRESIDENT, AK FARMERS & STOCKGROWERS
 ADDRESS: POB 1722
 CITY: PALMER ZIP: 99645
 PHONE: 745-4017
 BILL NO: HB 159
 SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME
 MESSAGE: THE ALASKA FARMERS AND STOCKGROWERS ASSOCIATION 1988 RESOLUTION PLATFORM WAS ADOPTED BY THE GENERAL ASSEMBLY ON 11/20/1987. RESOLUTION #15 OPPOSES HB 159 AND URGES THE LEGISLATURE TO FUND THE TAX DIFFERENTIAL ON AGRICULTURAL LANDS TO MUNICIPALITIES AS ESTABLISHED UNDER A.S. 29. THIS ONLY AMOUNTS TO \$345,000.00.

POMID: 14134643
 DATE: 02/10/88
 TIME: 13:46:43
 LIONAME: MAT-SU LIO

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ADAMS	BARNES	ABOOD
BOUCHEP	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MENARD	MILLER	JOSEPHSON
NAVARRE	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SPRINGER

Sp/CRB

NAME: PAULA GIAUQUE

TITLE:

ADDRESS: POB 1722

CITY: PALMER

PHONE: 745-4017

ZIP: 99645

BILL NO: HB 159

SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME

MESSAGE: I OPPOSE SSHB 159 AND URGE THE LEGISLATURE TO FUND THE TAX DIFFERENTIAL OF \$345,000.00 ON AGRICULTURAL LAND AS PROVIDED FOR UNDER A.S. 29. AGRICULTURE CONTRIBUTES TO THE ECONOMY, ATTRACTS TOURISTS AND PROVIDES EMPLOYMENT. AGRICULTURE WOULD BE HURT WITHOUT THIS FUNDING.

POMID: 14135509

DATE: 02/16/88

TIME: 13:55:09

LIONAME: MAT-SU LIO

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ADAMS	BARNES
BOUCHER	BOYER
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COLLINS	COTTEN
DAVIDSON	DAVIS
DONLEY	ELLIS
FRANK	FURNACE
GOLL	GRUENBERG
GRUSSENDORF	HANLEY
HERRMANN	HOFFMAN
HUDSON	KOPONEN
LARSON	MARTIN
MENARD	MILLER
NAVARRÉ	PEARCE
PETTYJOHN	PHILLIPS
POURCHOT	RIEGER
SHULTZ	SUND
SWACKHAMMER	TAYLOR
ULMER	WALLIS
ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SPRINGER

Sp/CRB

FEB 12 1988

NAME: DOUG WITTE

TITLE:

ADDRESS: POB 1142

CITY: PALMER

PHONE: 745-4308

ZIP: 99645

BILL NO: HB 159

SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME

MESSAGE: I AM BASICALLY OPPOSED TO THIS BILL, IN PARTICULAR SECTIONS 4 & 5. I URGE THE LEGISLATURE TO FUND A.S. 29

POMID: 14084444

DATE: 02/12/88

TIME: 08:44:44

LIONAME: MAT-SU LIO

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ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MENARD	MILLER	JOSEPHSON
NAVARRÉ	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYHANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

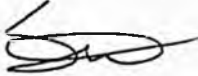
Alaska
MUNICIPAL
League

(18) SSB 159

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

TO: Representative Henry Springer, Chair
Members of the House Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: February 29, 1988

SUBJECT: SSB 159 - Exemptions etc. from municipal property taxes

After studying of the potential costs, complexities and administrative burdens on local governments and on senior citizens and disabled veterans proposed in Sponsor Substitute for HB 159, the Alaska Municipal League does not support SSB 159. The proposed legislation does not provide a reasonable and equitable solution to funding shortfalls under the existing statutes, and provides no assurances that the current fiscal impact resulting from the shortfalls will be diminished in the future. The AML supports the state program of reasonable property tax relief to encourage senior citizens and disabled veterans to remain in Alaska; however, such support is based on the Legislature fully reimbursing municipalities for the revenues lost as a result of the state-mandated program. Without full funding of the current program or legislative changes that substantially reduce or offset the losses to local revenues as a result of funding shortfalls, the Legislature should repeal the program. } ←

If the Legislature believes in the program and wishes it to continue, then the program should be fully funded. The program has been underfunded since 1986 and the municipalities have been forced to provide the exemption without full reimbursement for three years. Municipalities are currently paying for more than half of the state-mandated program shortfall plus the administrative expenses. During these three years municipal assistance and revenue sharing program funding has also decreased. The Governor has requested only \$3 million for FY 89, while the Department of Community and Regional Affairs estimates the cost to be \$6,750,000. SSB 255, currently in House Rules, recognizes the shortfall and includes the full amount.

In addition, if the existing program is to stay in effect, the AML would request changes to the existing program to tighten it up. Residency requirements are needed to insure the benefit accrues to those intended. For example, residency requirements such as those under the Longevity Bonus program are suggested. Also, it should be clarified that the exemption is limited to the individual's primary residence and the single underlying parcel i.e. not contiguous parcels.

If the state-mandated, property tax, exemption programs are not fully funded by the State, then the Legislature should repeal the programs. In repealing the programs, the Legislature should allow municipalities the option, with the vote of the local voters, of continuing to provide a similar program. Any repeal should recognize the fact that exemptions must be filed by January 15 of each year; therefore, if the Legislature decides to repeal the program this session, FY 89 funding of \$6.75 million is still necessary to offset the exemptions already given by municipalities.

Sponsor Substitute for HB 159 reflects a great amount of time and effort by State Assessor Mike Worley to revise the program under current statutes to reduce the costs to municipalities without repealing the program as originally proposed by the original HB 159; however, the substitute does not propose acceptable changes. The AML was involved in the discussions to determine if suggested changes would significantly and equitably reduce the fiscal impacts on local governments caused by under-funding by the State. In summary, the proposal is not acceptable because:

1. The proposed changes would recognize and legislate a municipal share in the state-mandated program.
2. While under the proposal, the municipalities' burden may be reduced to 25% of the current cost of the program, the proposal is based on the assumptions is that the Legislature will fund 50% of the program costs (currently funding less than 50%) and that the proposed sliding scale will reduce the cost to the State and municipalities by 25%. With the continued "subject to legislative appropriation" language and expected growth in eligibility and, therefore, the cost of the program, the municipalities will continue to be required to pick up any shortfalls in funding. As an aside, a suggestion by AML that the exemption be granted on a pro rata basis equal to the percentage of full funding by the State was rejected as technically not possible.
3. The proposed sliding scale is potentially awkward and intrusive. The administration of the program will be more complex and the increased burden and cost will fall, as it does now, on the municipalities.

Again, the AML does not support the Sponsor Substitute for HB 159. The AML urges the Legislature to continue the current program by fully funding it and making minor changes to close unintended loopholes. If the Legislature is unwilling to fully fund the state-mandated program, then the AML requests that the Legislature fully fund the program for FY 89, repeal the program effective January 1, 1989, and allow municipalities the option of continuing a similar program at the local level if approved by the local voters. Thank you.

FEB 22 1988

PIONEER WOMEN OF ALASKA

AUXILIARY NO. 1
NOME, ALASKA

D-11-1

Sp / CRA

19

SSAB 159

Box 1175
Nome, Alaska 99762

February 17, 1988

Representative Heinrich Springer
P.O. Box V
Juneau, Alaska 99811

Dear Henry,

Pioneer Auxiliary No. 1 of Nome endorses and supports the following bills which will be considered by the House of Representatives during the current session:

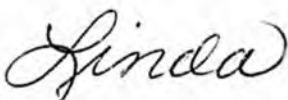
The Longevity Bonus Annuity Program. Auxiliary No. 1 is in favor of Senate Bill 56 as passed. We do NOT support a program based on need.

Tax exemption for Senior Citizens as now is effect. We do not support a tax exemption program based on need.

A State Operated Pioneer Home system with admission NOT based on need.

Thank you for listening to our concerns.

Sincerely yours,



Linda E. Conley
Secretary

011072 X0888 FB
 COMMISSIONER'S OFFICE
 COMMUNITY & REGIONAL AFFAIRS
 POUCH B COMM
 JUNEAU AK 99811

MRAD
 DEPT. OF COMMUNITY
 AND REGIONAL AFFAIRS

Kenai reaffirms senior tax break

by Ronnie Chappel
 SOLDOTNA
 The Kenai Peninsula Borough Assembly has refused to repeal the unlimited property tax exemption now given senior citizens and disabled veterans.

Last year, those exemptions cost other borough taxpayers more than \$400,000. A dozen peninsula homesteaders testified against repeal of the tax break.

Most described themselves as land rich but cash poor. "You put 30 years into building a home and yet see other people trying to grab it away from us," said Wallace Sidback of Nikiski. "This is a good way to do it because there are an awful lot of folks who can't pay the additional tax you want to impose on us."

Many homesteaders can't afford to subdivide their land, and even if they could, the market is so poor that they would be able to sell enough lots to pay their taxes or to cover the cost of surveying.

Others said the assembly should not tamper with the exemption for residents 65 years old and older that was approved by voters only two years ago.

The state is supposed to reimburse the borough for the cost of exempting the first \$150,000 of appraised value on a senior citizen's home. Last year, the borough received only 26 percent of the money to which it was entitled. As a result, the borough had to spend an additional \$330,000 on the program.

The borough also exempts that portion of the value in excess of \$150,000. Last year, 705 people applied for the tax break. Fewer than 120 had property appraised at more than \$150,000.

"There are problems with this program," said Kalfornsky Assemblyman Pat O'Connell. "We are giving an unlimited tax exemption. In some cases it's up to \$900,000. We don't know if they even live in the state. They don't pay a

The high cost of Alaskan care

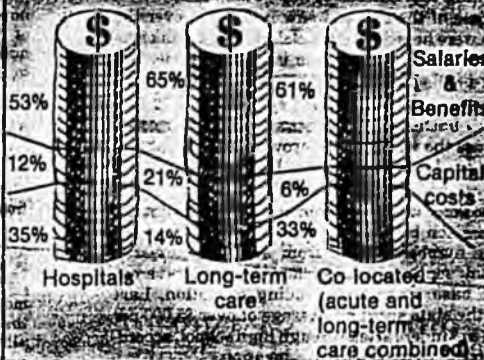
by Rebecca Goodman
 A new study released by the Health Association of Alaska indicates cost of living and facility occupancy rates are among the key factors driving Alaska's health care costs.

The report, "A Study of the Factors Influencing Acute and Long Term Care Health Costs in Alaska," was prepared by the Health Association of Alaska and presented in mid-January to the Governor's Interim Commission on Health Care by John J. Peschek, vice president of Medical Reimbursement Advisors, a Washington-based firm.

Peschek, who has spent the past six years providing health care financial consulting services in Alaska, told health care commissioners the major forces affecting the state's health care costs include cost of living, occupancy rates, number of beds and age of health care facility, location, and diversity of services.

"Alaska's cost of living is much higher than the national average," Peschek told commissioners. "The wage adjustment factor used by Medicare for Alaska is 56 percent higher than the national average. In Anchorage, supplies, food and utilities are 25 percent above the national average and it is much higher in rural areas."

Where the money goes



Source: Study of the Factors Influencing Acute and Long Term Health Costs in Alaska, 1988.

Peschek pointed to the labor-intensive nature of health services as one reason salaries and benefits comprise the highest cost component for all the state's care facilities.

"Since health care is so much directed toward personal care of patients, a high percentage of cost of each facility goes toward salaries and benefits," Peschek said.

In Alaska's long term care facilities, an average of 65 percent of the facilities' costs is expended for salaries and benefits; 21 percent of the cost goes for capital expenses; and 14 percent is for food, utilities, supplies, and some therapeutic



Elda Cashen of Juneau in new Juneau Pioneers' Home.

Making of a Pioneers' Home, 1988

Until now each of the five nursing home residence facilities that make up Alaska's unique Pioneers' Home system have been operated and managed by the state of Alaska.

Spurred by lawmakers and an administration eager to trim the system's \$20 million-plus operating budget, the state is on a fast track to use private-sector management for the new Juneau Pioneers' Home.

If private management works right at the Juneau home some suggest it could become the future course for existing homes in Sitka, Palmer, Fairbanks, Anchorage and Ketchikan.

But will the Juneau experiment in privatization work?

Has the state done enough to assure quality of care under privatization at the \$7.3 million Juneau home?

Find out what older Alaskans and state officials are saying about the privatization experiment in a special report, "The making of a Pioneers' Home, 1988," beginning on page 11.

Feb-88

Senior Voice

Ryan Air offers a Senior Citizen Discount of 20%.

THE BWC is fast and reliable so you get where you're going in a timely

Professional CALL NOW

2 day car rental
Restrictions apply

Restrictions apply

Senior directories in the mail

If you're a senior citizen in Fairbanks with a leaky radiator, an elder in Aniak who needs senior meals or an older Alaskan in Anchorage who needs a nursing home, the newly published "Alaska's Senior Citizens' Guide" can help you.

About 4,000 copies of the free booklet have been mailed to seniors across the state, and another 16,000 will be in the mail in early February.

The yellow-covered, 54-page guide contains the names of businesses offering senior discounts, as well as information on senior services and programs in communities throughout Alaska. It was produced as a collaborative effort by Anchorage Telephone Utility/GTE; the Older Alaskans Commission and Older Persons Action Group (OPAG).

The booklet is the first complete publication of senior information in Alaska to appear since 1985. OPAG published a similar directory annually for about four years with city and state grants but

was forced to discontinue publication for lack of funds.

When ATU/GTE began offering telephone book yellow pages advertisers a special logo to denote senior discounts, talks about a joint directory venture began.

"We'd been asking for some time what we could do for the community," said Bonnie Hurst, ATU/GTE spokesperson. "This seemed like a natural."

Not only does it help seniors find their way to discounts and services, it helps business people reach their targeted audience, she explained.

For the new guide, OPAG compiled and edited information about services, programs and organizations. ATU/GTE used their computer to sort yellow-page listings throughout the state to find where senior discounts were offered. They also provided typesetting and printing for the 30,000 copies.

The Older Alaskans Commission partially funded OPAG's work on the project

and paid for mailing 20,000 booklets to every senior on the Longevity Bonus list and the Senior Voice mailing list.

"There will be overlap on the lists, and some homes may receive as many as three booklets," explained Dave Herndon, OPAG executive director. "We're hoping those who have extras will share them with their friends."

Copies also have been mailed to all legislators and many government officials.

In the past fewer than 9,000 copies were produced each year, and many who requested directories were turned away. The larger press run should mean everyone who wants a copy of the current guide can get one, Herndon said.

Anyone who hasn't received a copy of the guide by mid-February can call OPAG toll free at 800-478-1059 (in Anchorage, 276-1059).

Need tax help?

The 1988 American Association of Retired Persons (AARP) Tax-Aide Program will again offer free income tax counseling and tax preparation for older and low-income persons through April 15.

Tax-Aide volunteers attend an intensive training course taught by Internal Revenue Service personnel and are required to pass a written test on tax code revisions affecting older taxpayers before they are assigned to a site.

Tax counselors also make home visits to the handicapped and shut-ins.

AARP will have volunteers at tax sites in Anchorage, Fairbanks, Kenai, Juneau, Soldotna and Talkeetna.

Anchorage volunteers will be at the Anchorage Senior Center (258-7823) and Older Persons Action Group (276-1059) each Thursday and Friday February 4 through April 15.

Receptionists at both tax sites will have information on hours.

Kenai reaffirms senior tax

from page 1
dime of taxes and nobody's checking."

The repeal proposal proved so unpopular that even its sponsor, Soldotna Assembly

man David Carey, voted against it. Carey said he introduced the measure because it afforded senior citizens a chance to defend the tax break now instead of in April or May,

when dozens of special interest groups are pressuring the assembly for money.

Reprinted from Anchorage Daily News



Sunrise Bakery