

**HB**

**66**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

*mt*

DATE: 4/13/93

FURTHER: *see no file*

DATE TURNED INTO OFFICE: 4-26-93

The Finance Committee considered **CS FOR HOUSE BILL NO. 66(FIN) am**

"An Act relating to an exemption from and deferral of municipal property taxes for certain primary residences, to property tax equivalency payments for certain residents, to the determination of full and true value of taxable property in a municipality; and providing for an effective date."

and recommends:

replace with 5 CS CS HB 66 (FINANCE)

- same title
- new title
- technical title change (HB only)

or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_

attaches amendment(s) *& may do pass*

adopts \_\_\_\_\_ Letter of Intent

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

do pass

do not pass

no recommendation

individual recommendations

*4/21/93*

*[Signature]*

**NEW FISCAL NOTES**

**PREVIOUS FISCAL NOTES**

	Department	Date	Zero	Fiscal
<i>Uats</i>	DC & RA (Home)	4/21/93		1,109,520
	DC & RA (Rent)	4/21/93		162,294
<i>Srs</i>	DC & RA (Home)	4/21/93	<input checked="" type="checkbox"/>	
	DC & RA (Rent)	4/21/93	<input checked="" type="checkbox"/>	

Department	Date	Zero	Fiscal
DOA	12-8-92	<input checked="" type="checkbox"/>	
DOE	3-26-93	<input checked="" type="checkbox"/>	

Appropriation No Fiscal Note

**DO PASS:**

*Tom Kelly - as amended*  
*Steve Rai*  
*Best thing*

**OTHER RECOMMENDATIONS:**

*do not pass*

1. *[Signature]*  
 Co-Chair: Signature/Recommendation

2. *[Signature]*  
 Co-Chair: Signature/Recommendation

# FISCAL NOTE

No. 4  
 Bill Version: CSHB 66 (FIN)  
 (H) Publish Date: 3/26/93

STATE OF ALASKA

**1993 LEGISLATIVE SESSION**

Revision Date: 3-26-93  
 Title: An act relating to municipal property tax exemptions  
certain residences and to property tax equivalency payment  
 Sponsor: Governor  
 Requestor: House Finance

Department Affected: Education  
 BRU: K-12  
 Component: Foundation Program

COMPONENT SERIAL NO. 141

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0	0	0-(3,655.9)	0-(3,802.1)	0-(3,954.2)	0-(4,112.4)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0-(3,655.9)</b>	<b>0-(3,802.1)</b>	<b>0-(3,954.2)</b>	<b>0-(4,112.4)</b>

CAPITAL						
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REVENUE FUND SOURCE:						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0	0	0-(3,655.9)	0-(3,802.1)	0-(3,954.2)	0-(4,112.4)
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0-(3,655.9)</b>	<b>0-(3,802.1)</b>	<b>0-(3,954.2)</b>	<b>0-(4,112.4)</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

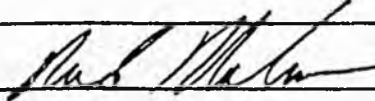
Estimate of current year (FY93) impact: \$ \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

See Attached.

Prepared by: Eddy Jeans  
 Division: School Finance

Phone: 465-8685  
 Date: 3-26-93

Approved by Commissioner:   
 Agency: Education

Jerry Covey  
 Date: 3-26-93

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Page \_\_\_\_\_ of \_\_\_\_\_

Attachment for CSHB 66(FIN)

Assumes a 4% annual increase after FY95 due to estimated property value increase. Fiscal note contains a range of savings from zero to (3,655.9) in FY96 because of the amendment in Section 1(a) which states "However, the value of property exempted under AS 29.45.052 may not be included in the determination". This amendment allows each municipality to voluntarily participate in the exemption of property owned by senior citizens and disabled veterans. Properties covered by the optional deferral and property not exempted from taxation will be included in the full value determination.

Under the foundation program, AS 14.17.025, property that is included in the municipalities full value determination increases a district's required local contribution while decreasing the state general fund obligation.

Revision Date: 4/21/93  
Title: "An Act relating to property tax  
exemptions..."  
Sponsor: Rules  
Requestor: Governor

Dept. Affected: Community & Regional Affairs  
BRU: Senior Citizens/Disabled Veterans  
Component: Homeowners' Property Tax  
Exemption (Disabled Veterans)  
COMPONENT SERIAL NO. 653

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	\$1,109,520	\$1,298,138	\$1,531,803	\$1,822,845	\$2,223,872	\$2,668,645
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>\$1,109,520</b>	<b>\$1,298,138</b>	<b>\$1,531,803</b>	<b>\$1,822,845</b>	<b>\$2,223,872</b>	<b>\$2,668,645</b>

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	\$1,109,520	\$1,298,138	\$1,531,803	\$1,822,845	\$2,223,872	\$2,668,645
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>\$1,109,520</b>	<b>\$1,298,138</b>	<b>\$1,531,803</b>	<b>\$1,822,845</b>	<b>\$2,223,872</b>	<b>\$2,668,645</b>

POSITIONS:

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

Estimate of current (FY93) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

As the law currently exists, municipalities are required to fund the balance of the program not funded by the state. Full funding for this program is approximately 13 million, however, at the current state general fund level of 2838.8 (21.8% of full funding amount), municipalities are required, by statute, to fund the balance. This places an extreme hardship on municipalities who are already faced with declining revenues. Under the current proposal, the exemption would be retained only for disabled veterans. This fiscal note reflects the estimated funding needed to fully fund the disabled veteran aspect of this program.

Prepared by: Remond Henderson Phone: 465-4708

Division: Administrative Services Date: 4/21/93

Approved by Commissioner: Don K. Angell Deputy Commissioner Date: 4/21/93

Agency: Community & Regional Affairs

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Revision Date: 4/21/93  
Title: "An Act relating to property tax  
exemptions..."  
Sponsor: Rules  
Requestor: Senate Finance Committee

Dept. Affected: Community & Regional Affairs  
BRU: Senior Citizens/Disabled Veterans  
Component: Renters Equivalency Rebate  
(For Disabled Veterans)  
COMPONENT SERIAL NO. 654

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	\$162,294	\$189,884	\$224,063	\$266,634	\$325,293	\$390,352
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>\$162,294</b>	<b>\$189,884</b>	<b>\$224,063</b>	<b>\$266,634</b>	<b>\$325,293</b>	<b>\$390,352</b>

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	\$162,294	\$189,884	\$224,063	\$266,634	\$325,293	\$390,352
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>\$162,294</b>	<b>\$189,884</b>	<b>\$224,063</b>	<b>\$266,634</b>	<b>\$325,293</b>	<b>\$390,352</b>

POSITIONS:

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

Estimate of current (FY93) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

The Renters Rebate program for disabled veterans was instituted in order to treat disabled veterans, who pay rent for their homes, on an equitable basis with disabled veterans who owned homes in terms of property tax relief. Since the Homeowners' program for disabled veterans is to be retained under the current proposal, this fiscal note reflects the funding necessary to fully fund the disabled veterans aspect of the Renter's Equivalency Rebate program.

Prepared by: Remond Henderson Phone: 465-4708  
Division: Administrative Services Date: 4/21/93  
Approved by Commissioner: [Signature] Deputy Commissioner Date: 4/21/93  
Agency: Community & Regional Affairs

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# FISCAL NOTE

Revision Date: 4/21/93 Dept. Affected: Community & Regional Affairs  
 Title: "An Act relating to property tax exemptions..." BRU: Senior Citizens/Disabled Veterans  
 Component: Homeowners' Property Tax Exemption (For Seniors)  
 Sponsor: Rules  
 Requestor: Governor COMPONENT SERIAL NO. 653

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL						
REVENUE FUND SOURCE:						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

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

Estimate of current (FY93) impact \$ none

**ANALYSIS:** (Attach a separate page if necessary)  
 As the law currently exists, municipalities are required to fund the balance of the program not funded by the state. Full funding for this program is approximately 13 million, however, at the current state general fund level of 2838.8 (21.8% of full funding amount), municipalities are required, by statute, to fund the balance. This places an extreme hardship on municipalities who are already faced with declining revenues. Therefore, the department proposes to delete the funding for this program and support legislation which would make the program a local option of the municipalities.  
**NOTE:** This fiscal impact is reflected in the proposed FY94 operating budget.

Prepared by: Remond Henderson Phone: 465-4708  
 Division: Administrative Services Date: 4/21/93  
 Approved by Commissioner: [Signature] Deputy Commissioner Date: 4/20/93  
 Agency: Community & Regional Affairs

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FISCAL NOTE

No. 1  
 Bill Version: HB 66  
 (H) Publish Date: 1/15/93

STATE OF ALASKA  
 1993 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: An act relating to municipal tax exemptions  
 Sponsor: Rules Committee  
 Requestor: Governor

Department Affected: Administration  
 BRU: Div. of Pioneers' Benefits  
 Component: Central Office  
 COMPONENT SERIAL NO. 34

Expenditures/Revenues:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

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

Estimate of current year (FY93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)  
 There is no fiscal impact on programs in the Division of Pioneers' Benefits

Prepared by: Dennis L. DeWitt, Director  
 Division: Pioneers' Benefits

Phone: 465-4400  
 Date: 12/28/92

Approved by Commissioner: Nancy Bear Usura  
 Agency: Administration

Date: 12/28/92

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4-21-93  
SF moved  
Adopted

8-GH1032NM  
Cook  
4/20/93

SENATE CS FOR CS FOR HOUSE BILL NO. 66(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

*re-amend.  
adopted*

FOR AN ACT ENTITLED

*a municipal option for*

1 "An Act relating to ~~an~~ exemption from and deferral of municipal property taxes  
2 for certain primary residences, to property tax equivalency payments for certain  
3 residents, to the determination of full and true value of taxable property in a  
4 municipality; and providing for an effective date."

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

6 \* Section 1. AS 14.17.140(a) is amended to read:

7 (a) To determine the amount of local effort under AS 14.17.025 and to aid the  
8 department and the legislature in planning, the Department of Community and  
9 Regional Affairs, in consultation with the assessor for each district, shall determine the  
10 full value of the taxable real and personal property in each city or borough district.  
11 If there is no local assessor or current local assessment for a district, then the  
12 Department of Community and Regional Affairs shall make the determination of full  
13 value from information available. In making the determination, the Department of  
14 Community and Regional Affairs shall be guided by AS 29 45.110. However, the

1 value of property exempted under AS 29.45.052 may not be included in the  
2 determination. The determination of full value shall be made by October 1 and sent  
3 by certified mail, return receipt requested, on or before that date to the president of the  
4 school board in each district. Duplicate copies shall be sent to the commissioner. The  
5 governing body of a borough or city that is a school district may obtain judicial review  
6 of the determination. The superior court may modify the determination of the  
7 Department of Community and Regional Affairs only upon a finding of abuse of  
8 discretion or upon a finding that there is no substantial evidence to support the  
9 determination.

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

11 (e) The real property owned and occupied as the primary residence and  
12 permanent place of abode by a resident who is (1) a [RESIDENT 65 YEARS OF  
13 AGE OR OLDER; (2)] disabled veteran; or (2) [(3) RESIDENT] at least 60 years old  
14 and [WHO IS] the widow or widower of a person who qualified for an exemption  
15 under (1) [OR (2)] of this subsection, is exempt from taxation on the first \$150,000  
16 of the assessed value of the real property. A municipality may, in case of hardship,  
17 provide for exemption beyond the first \$150,000 of assessed value in accordance with  
18 regulations of the department. Only one exemption may be granted for the same  
19 property and, if two or more persons are eligible for an exemption for the same  
20 property, the parties shall decide between or among themselves who is to receive the  
21 benefit of the exemption. Real property may not be exempted under this subsection  
22 if the assessor determines, after notice and hearing to the parties, that the property was  
23 conveyed to the applicant primarily for the purpose of obtaining the exemption. The  
24 determination of the assessor may be appealed under AS 44.62.560 - 44.62.570.

25 \* Sec. 3. AS 29.45.040(a) is amended to read:

26 (a) A resident of the state who rents a permanent place of abode is eligible for  
27 a tax equivalency payment from the state through the department if the resident is:

28 (1) [AT LEAST 65 YEARS OLD;

29 (2)] a disabled veteran; or

30 (2) [(3)] at least 60 years old and the widow or widower of a person  
31 who was eligible for payment under (1) [OR (2)] of this subsection.

1 \* Sec. 4. AS 29.45.040(d) is amended to read:

2 (d) If two or more persons occupy a residence as tenants, not all of whom are  
3 eligible for a tax equivalency payment under this section, the assessor shall determine  
4 equitable partial payments to be made to the eligible tenants. However, a tax  
5 equivalency payment to an eligible applicant may not be reduced because the spouse  
6 [IS LESS THAN 65 YEARS OF AGE OR] is not a disabled veteran. If all occupants  
7 in a residence are eligible for a tax equivalency payment under this section, the  
8 occupants shall decide between and among themselves who [WHICH] shall receive  
9 payment.

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

11 (i) A municipality may by ordinance approved by the voters exempt from  
12 taxation the assessed value that exceeds \$150,000 of real property owned and occupied  
13 as a permanent place of abode by a resident who is

14 (1) [65 YEARS OF AGE OR OLDER;

15 (2)] a disabled veteran, including a person who was disabled in the line  
16 of duty while serving in the Alaska Territorial Guard; or

17 (2) [(3)] at least 60 years old and a widow or widower of a person who  
18 qualified for an exemption under (1) [OR (2)] of this subsection.

19 \* Sec. 6. AS 29.45 is amended by adding new sections to read:

20 Sec. 29.45.052. OPTIONAL EXEMPTION FOR CERTAIN RESIDENCES.

21 (a) The real property owned and occupied as the primary residence and permanent  
22 place of abode by a resident of the state who is (1) 65 years of age or older; or (2) at  
23 least 60 years old and the widow or widower of a person who qualified for an  
24 exemption under former AS 29.45.030(e)(1) before the effective date of this Act or  
25 under (1) of this subsection, is exempt from taxation on the first \$150,000 of assessed  
26 value unless the municipality by ordinance rejects this exemption.

27 (b) If the municipality rejects the exemption under (a) of this section, the  
28 municipality may by ordinance exempt from taxation all or part of the assessed value  
29 of the real property described in (a) of this section. The exemption under this  
30 subsection may be based upon economic hardship as provided in the ordinance.

31 (c) Only one exemption may be granted under (a) or (b) of this section to a

1 qualified resident for one property annually. If two or more persons are eligible for  
2 an exemption for the same property, the parties shall decide between or among  
3 themselves who is to receive the benefit of the exemption. Real property may not be  
4 exempted under this section if the assessor determines, after notice and hearing to the  
5 parties, that the property was conveyed to the applicant primarily for the purpose of  
6 obtaining the exemption. The determination of the assessor may be appealed under  
7 AS 44.62.560 - 44.62.570.

8 (d) In this section, "real property" includes mobile homes, whether classified  
9 as real or personal property for municipal tax purposes.

10 Sec. 29.45.054. OPTIONAL DEFERRAL FOR CERTAIN RESIDENCES. (a)  
11 Payment of taxes on all or part of the assessed value of real property may be deferred  
12 by ordinance if the property is owned and occupied as the primary residence and  
13 permanent place of abode by a resident of the state who is (1) 65 years of age or  
14 older; or (2) at least 60 years old and the widow or widower of an individual who  
15 qualified for an exemption under former AS 29.45.030(e)(1) before the effective date  
16 of this Act or for a deferral under (1) of this subsection. The deferral may be based  
17 upon economic hardship as provided in the ordinance. The taxes become due when  
18 the property ceases to be owned by the resident who qualified for the deferral or the  
19 spouse if the spouse also qualified for a deferral. A municipality may not charge  
20 interest upon taxes deferred under this section for the deferral period. Only one  
21 deferral may be granted to a qualified resident for one property annually. If two or  
22 more persons are eligible for a deferral for the same property, the parties shall decide  
23 between or among themselves who is to receive the benefit of the deferral. Payment  
24 of taxes may not be deferred under this section if the assessor determines, after notice  
25 and hearing to the parties, that the property was conveyed to the applicant primarily  
26 for the purpose of obtaining the deferral. The determination of the assessor may be  
27 appealed under AS 44.62.560 - 44.62.570.

28 (b) In this section, "real property" includes mobile homes, whether classified  
29 as real or personal property for municipal tax purposes.

30 \* Sec. 7. This Act takes effect January 1, 1994.

8-GH1032N  
Cook  
4/15/93

SENATE CS FOR CS FOR HOUSE BILL NO. 66(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to an exemption from and deferral of municipal property taxes  
2 for certain primary residences, to property tax equivalency payments for certain  
3 residents, to the determination of full and true value of taxable property in a  
4 municipality; and providing for an effective date."

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

6 \* Section 1. AS 14.17.140(a) is amended to read:

7 (a) To determine the amount of local effort under AS 14.17.025 and to aid the  
8 department and the legislature in planning, the Department of Community and  
9 Regional Affairs, in consultation with the assessor for each district, shall determine the  
10 full value of the taxable real and personal property in each city or borough district.  
11 If there is no local assessor or current local assessment for a district, then the  
12 Department of Community and Regional Affairs shall make the determination of full  
13 value from information available. In making the determination, the Department of  
14 Community and Regional Affairs shall be guided by AS 29.45.110. However, the

1        value of property exempted under AS 29.45.052 may not be included in the  
2        determination. The determination of full value shall be made by October 1 and sent  
3        by certified mail, return receipt requested, on or before that date to the president of the  
4        school board in each district. Duplicate copies shall be sent to the commissioner. The  
5        governing body of a borough or city that is a school district may obtain judicial review  
6        of the determination. The superior court may modify the determination of the  
7        Department of Community and Regional Affairs only upon a finding of abuse of  
8        discretion or upon a finding that there is no substantial evidence to support the  
9        determination.

10       \* Sec. 2. AS 29.45.030(h) is amended to read:

11                (h) Nothing [EXCEPT AS PROVIDED IN (g) OF THIS SECTION,  
12                NOTHING] in (i) [(e) - (j)] of this section affects similar exemptions from property  
13                taxes granted by a municipality on September 10, 1972, or prevents a municipality  
14                from granting similar exemptions by ordinance as provided in AS 29.45.050.

15       \* Sec. 3. AS 29.45.030(k) is amended to read:

16                (k) The department shall adopt regulations to implement the provisions of [(g)  
17                AND] (j) of this section.

18       \* Sec. 4. AS 29.45 is amended by adding new sections to read:

19                Sec. 29.45.052. OPTIONAL EXEMPTION FOR CERTAIN RESIDENCES.

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

26                (b) If the municipality rejects the exemption under (a) of this section, the  
27                municipality may by ordinance exempt from taxation all or part of the assessed value  
28                of the real property described in (a) of this section. The exemption under this  
29                subsection may be based upon economic hardship as provided in the ordinance.

30                (c) Only one exemption may be granted under (a) or (b) of this section to a  
31                qualified resident for one property annually. If two or more persons are eligible for

1 an exemption for the same property, the parties shall decide between or among  
2 themselves who is to receive the benefit of the exemption. Real property may not be  
3 exempted under this section if the assessor determines, after notice and hearing to the  
4 parties, that the property was conveyed to the applicant primarily for the purpose of  
5 obtaining the exemption. The determination of the assessor may be appealed under  
6 AS 44.62.560 - 44.62.570.

7 (d) In this section,

8 (1) "disabled veteran" means a disabled person separated from the  
9 military service of the United States under a condition that is not dishonorable, whose  
10 disability was incurred or aggravated in the line of duty in the military service of the  
11 United States, and whose disability has been rated as 50 percent or more by the branch  
12 of service in which that person served or by the Department of Veterans' Affairs;

13 (2) "real property" includes mobile homes, whether classified as real  
14 or personal property for municipal tax purposes.

15 Sec. 29.45.054. OPTIONAL DEFERRAL FOR CERTAIN RESIDENCES. (a)  
16 Payment of taxes on all or part of the assessed value of real property may be deferred  
17 by ordinance if the property is owned and occupied as the primary residence and  
18 permanent place of abode by a resident of the state who is (1) 65 years of age or  
19 older; (2) a disabled veteran; or (3) at least 60 years old and the widow or widower  
20 of an individual who qualified for an exemption under former AS 29.45.030(e) or for  
21 a deferral under (1) or (2) of this subsection. The deferral may be based upon  
22 economic hardship as provided in the ordinance. The taxes become due when the  
23 property ceases to be owned by the resident who qualified for the deferral or the  
24 spouse if the spouse also qualified for a deferral. A municipality may not charge  
25 interest upon taxes deferred under this section for the deferral period. Only one  
26 deferral may be granted to a qualified resident for one property annually. If two or  
27 more persons are eligible for a deferral for the same property, the parties shall decide  
28 between or among themselves who is to receive the benefit of the deferral. Payment  
29 of taxes may not be deferred under this section if the assessor determines, after notice  
30 and hearing to the parties, that the property was conveyed to the applicant primarily  
31 for the purpose of obtaining the deferral. The determination of the assessor may be

1 appealed under AS 44.62.560 - 44.62.570.

2 (b) In this section,

3 (1) "disabled veteran" means a disabled person separated from the  
4 military service of the United States under a condition that is not dishonorable, whose  
5 disability was incurred or aggravated in the line of duty in the military service of the  
6 United States, and whose disability has been rated as 50 percent or more by the branch  
7 of service in which that person served or by the Department of Veterans' Affairs;

8 (2) "real property" includes mobile homes, whether classified as real  
9 or personal property for municipal tax purposes.

10 \* Sec. 5. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(i),  
11 29.45.040, and 29.45.050(i) are repealed.

12 \* Sec. 6. This Act takes effect January 1, 1994.

Back-up

# Alaska State Legislature

Senate Majority Leader  
Chair, Judiciary Committee  
Vice Chair, Community &  
Regional Affairs

Member, State Affairs Committee  
Committee on Committees  
Western States Legislative Forestry Task Force  
Legislative Council



State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3873  
Fax: (907) 465-3922

352 Front Street  
Ketchikan, Alaska 99901  
(907) 225-8008  
Fax: (907) 225-0713

*Senator Robin L. Taylor*

## MEMORANDUM

**TO:** Senator Drue Pearce  
Senator Steve Frank

**FROM:** Senator Robin L. Taylor *R.L.T.*

**DATE:** 4/12/93

**REF:** Draft Committee Substitute - SB 102 *HB 66*

\*\*\*\*\*

Since the possibility exists that SB 102 will become the vehicle for addressing the municipal property tax exemptions, I would hope the Finance Committee will consider adopting the attached substitute.

The CS adds language addressing some of the concerns raised by Ketchikan Gateway Borough Assembly Member Dennis McCarty in the attached letter. The draft CS adds a new Sec. 5, with the new language beginning on line 30, page 3 and concluding on line 6, page 4. The title has also been amended to allow for this additional language.

Mr. McCarty has reviewed the changes and worked with the drafter at my request.

*see revised amendment*

*Amendment #1  
HB 66*

AMENDMENT

SENATE FINANCE  
COMMITTEE

Amendment Number: ①

Bill Number: HB 66

Sponsor: \_\_\_\_\_ Date: 4/24/93

Logged In By: Arm

BY: Sen. Taylor  
TO: CSNB 66 (FIN) am

On Page 4, Line 6, insert new Sec. 5 as follows  
and renumber remaining sections

AS 29.45.050(b) is amended to read:

(b) A municipality may by ordinance

(1) classify boats and vessels for the purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage;

(2) classify and exempt from taxation

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

(B) historic sites, buildings, and monuments;

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

(3) exempt personal property from taxation;

(4) exempt business inventories from taxation;

(5) classify as to type and exempt or partially exempt any or all types of motor vehicles from taxation;

(6) exempt or partially exempt from taxation mobile home parks and recreational vehicle parks;

(7) exempt or partially exempt from taxation parking lots;

(8) exempt or partially exempt from taxation real property used for greenbelts;

(9) exempt or partially exempt from taxation for a period not to exceed three years that portion of the increase in assessed value of real property attributable to an improvement made to a historical building.

# MEMORANDUM

## State of Alaska

Department of Community  
and Regional Affairs

TO: Senator Drue Pearce  
Co-Chair House Finance

DATE: April 15, 1993

FILE NO: HB 66/S(FIN)/4-15

THRU:

TELEPHONE:(907) 465-4700

FROM: Bruce R. Geraghty *BRG*  
Deputy Commissioner

SUBJECT: CS HB 66(FIN) am  
Hearing Request and  
Backup Information

Please schedule CS HB 66(FIN) am at your earliest convenience.

Attached you will find:

- 1) DCRA Position Paper;
- 2) DCRA Sectional Analysis;
- 3) A Bill History of Legislative Action; and
- 4) Numerous spreadsheets requested by previous House committees.

Considering the diligent pace the Senate has undertaken to complete it's work this session, if there is further manipulation of the data contained in the spreadsheets that you consider helpful in your deliberations, please contact me as soon as possible.

Thank you.

STATE OF ALASKA  
DEPARTMENT OF COMMUNITY  
& REGIONAL AFFAIRS

POSITION PAPER

Bill No.: CS HB 66(FIN) am

DCRA FN: Zero

Sponsor: Governor

Position: Support

**Title:** An Act relating to an exemption from and deferral of municipal property taxes for certain residences, to property tax equivalency payments for certain residents, to the determination of full and true value of taxable property in a municipality; and providing for an effective date.

The legislature created the mandatory senior citizens/disabled veterans property tax exemption program in 1973. However, since 1985 the legislature has failed to fully refund to communities the raising costs of this mandated exemption. This results in higher property taxes being paid by other citizens within municipalities to make up the difference.

The total value exempt assessed value of senior citizens/disabled veterans in Alaska for tax year 1992 is \$883.5 million. The exempted tax amount of this value is \$13.7 million. The legislature provide only 20% of the exempted tax amount, or \$2.8 million for tax year 1992. This means local communities made up the difference of \$10.9 million. In the Municipality of Anchorage the underfunded amount for this program was \$5.6 million and in the Fairbanks North Star Borough it was \$1.3 million. There are also similar effects in the Mat-Su Borough, Juneau, Petersburg, Wrangell, Kenai, and Nome among others. The estimated cost of the property tax exemption program in FY 94 is \$15.4 million.

The renters rebate program which is repealed by this legislation was established in 1976 as a means of providing the same benefit to seniors and disabled veterans that rent their residence. The rebate program in FY 93 was funded at 85% of those eligible. The estimated cost of the renters rebate program in FY 94 is \$1.3 million.

Considering these funding histories and the decline in state revenues, the department has identified these programs for elimination at the state level. Funding for these programs was omitted from the departments FY 94 budget submission. CS HB 66(FIN) am makes these programs local options and adds

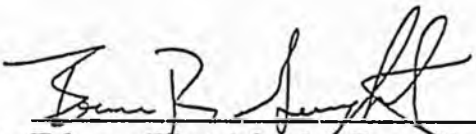
an additional tool, optional property tax deferrals.

The department strongly supports making the senior citizens/disabled veterans property tax exemption available to municipalities as an optional local tax exemption program. Encouraging seniors citizens and disabled veterans to remain in their own residences within the community, is an issue best handled at the local level. Local governments are in the best position to evaluate the needs of their population with regard to local property taxation issues.

The property tax deferral option is a new concept introduced to the bill in the House Health Education and Social Services Committee. The department supports this concept as long as "deferral" is totally optional to municipalities as a taxation tool, with maximum flexibility for municipalities to implement a deferral program by ordinance tailored to their local situation. Both the Alaska Municipal League and the Older Alaskans Commission have testified in support of the deferral option. CS HB 66(FIN) am contains the language appropriate to maximizing flexibility.

In light of the legislative funding history and declining state revenues, the administration prefers continuation of the senior citizen/disabled veterans property tax exemption, implemented and supported at the local level.

We encourage your favorable consideration for passage of CS HB 66 (FIN) am.

  
for Edgar Blatchford Commissioner

4-15-93  
Date

**DIVISION OF LEGAL SERVICES**

**LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA**

(907) 465 3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

MEMORANDUM

April 20, 1993

**SUBJECT:** Optional Tax Exemption (SCS CSHB 66(FIN))

**TO:** Senator Steve Frank, Co-chair  
Senate Finance Committee

**FROM:** Tamara Brandt Cook  
Director *TBC*

In the most recent draft of SCS CSHB 66(FIN) Sec. 6 provides for a tax exemption on the first \$150,000 of assessed value of certain residential property which a municipality may reject by ordinance. You have asked whether the municipality may, under this draft, exempt less than \$150,000 of the assessed value of the property or more than that amount.

Under AS 29.45.052(b), if a municipality adopts an ordinance rejecting the tax exemption provided for under subsection (a), the municipality may by ordinance also ". . . exempt from taxation all or part of the assessed value of the real property described in (a) of this section." So, a municipality may, by rejecting the exemption under subsection (a) and adopting an ordinance providing for an exemption under subsection (b), exempt less than \$150,000 of the assessed value of the residential property that is the subject of this section or more than that amount.

TBC:gc  
93-356.glc



**Section 3.** Repeals DCRA's authority to adopt regulations to implement AS 29.45.030(g), the existing mandatory exemption reimbursement provision; this provision is repealed by Section 5 of this Act. In this section, (j) refers to the Department of Public Safety, and its regulatory authority regarding senior citizens motor vehicle registration tax exemption.

**Section 4.** Adds two new sections to AS 29.45.

The first section, AS 29.45.052, **OPTIONAL EXEMPTION FOR CERTAIN PRIMARY RESIDENCES**, gives specific authority for municipalities to grant senior citizens, disabled veterans, or their widows or widowers, an exemption from property taxation by municipal ordinance. This ordinance may be based on economic hardship. There may only be one exemption for the same property. Transfer of a property for the purpose of receiving the exemption is prohibited. The section also includes an appeals process where a dispute results from a possible conveyance of a property for the purpose of obtaining the exemption.

Disabled veteran is defined as a veteran with a 50% disability incurred as a result of military service.

Real Property is defined to include mobile homes.

AS 29.45.054. **OPTIONAL DEFERRAL FOR CERTAIN RESIDENCES.** This section allows a municipality to defer taxes on the assessed value on real property owned and occupied as a primary residence and permanent place of abode by a senior citizen, disabled veteran or their widow or widower. The taxes become due when the property ceases to be owned by the resident, or spouse, who qualified for the deferral. A municipality may not charge interest on taxes deferred under this section for the deferral period. The ordinance adopting the deferral may be based on economic hardship. Only one deferral may be granted to a qualified resident for one property annually. Conveyance of a property for the purposes of obtaining the deferral is prohibited. Judicial appeal is provided for, when a dispute results from the local assessors decision not to grant a deferral due to determining that conveyance of the property took place for the purposes of obtaining the deferral.

Disabled veteran is defined as a veteran with a 50% disability incurred as a result of military service.

Real property is defined to include mobile homes.

Section 5. Repeals all aspects of the state mandated property tax exemption and renters rebate for senior citizens and disabled veterans.

The specific sections repealed are:

1. Under AS 29.45.030. REQUIRED EXEMPTIONS. (mandated exemptions statute)

AS 29.45.030(a)(6): The real property of senior citizens and disabled veterans as conditioned in (e) [see next summary].

AS 29.45.030(e) : Defines the mandatory senior citizen and disabled veterans property tax exemption on the first \$150,000 of assessed value.

AS.29.45.030(f) : Prescribes for municipalities the application process and the municipal waiver of untimely filed application authority.

AS.29.45.030(g) : Provides the conditions governing the states reimbursement of municipalities for revenues lost due to the mandatory senior citizens and disabled property tax exemption. Explicitly stating that "If appropriations are not sufficient to fully fund reimbursements under this subsection, the amount available shall be distributed pro rata among eligible municipalities."

AS.29.45.030(i) : This subsection contains definitions of disabled veterans and real property.

2. AS.29.45.040 : PROPERTY TAX EQUIVALENCY PAYMENTS,  
This is commonly referred to as the renters rebate program. This program is also pro rata relative to legislative appropriation;

3. Under AS.29.45.050. OPTIONAL EXEMPTIONS AND EXCLUSIONS.

AS.29.45.050(i) :This subsection grants authority for municipalities to, by ordinance approved by the voters, exempt from taxation the assessed value exceeding \$150,000 of senior citizen and disabled veterans.

Section 6. Establishes effect date of January 1, 1994.

STATE OF ALASKA  
DEPARTMENT OF COMMUNITY  
& REGIONAL AFFAIRS

A History of Legislative Action

CS HB 66(FIN) am

Senior Citizens/Disabled Veterans Local Property Tax  
Exemption and Deferral

House Community and Regional Affairs Committee.

Deleted language that Legislative Legal Services and Department of Law, determined to be unnecessary.

House Health, Education and Social Services Committee.

Added local property tax deferral option.

House Finance Committee.

Added definitive language that allows the municipal ordinance adopting property tax exemptions and/or deferrals to include economic hardship as a qualification criteria.

House Floor Amendment.

Language on page 3, line 20 through lines 23, was changed to reflect that municipalities could not charge interest upon taxes deferred. Language was also added here to reflect the intent that the deferral went with the qualified property owner, rather than the property. This allows a qualified property owner to sell a property, pay the deferred taxes on the sold property and still qualify for a deferral on another property.

Passed House on Reconsideration April 2, 1993, Y22, N17, E1

**Senior Citizen and Disabled Veteran  
Property Tax Exemption Programs  
Department of Community and Regional Affairs**

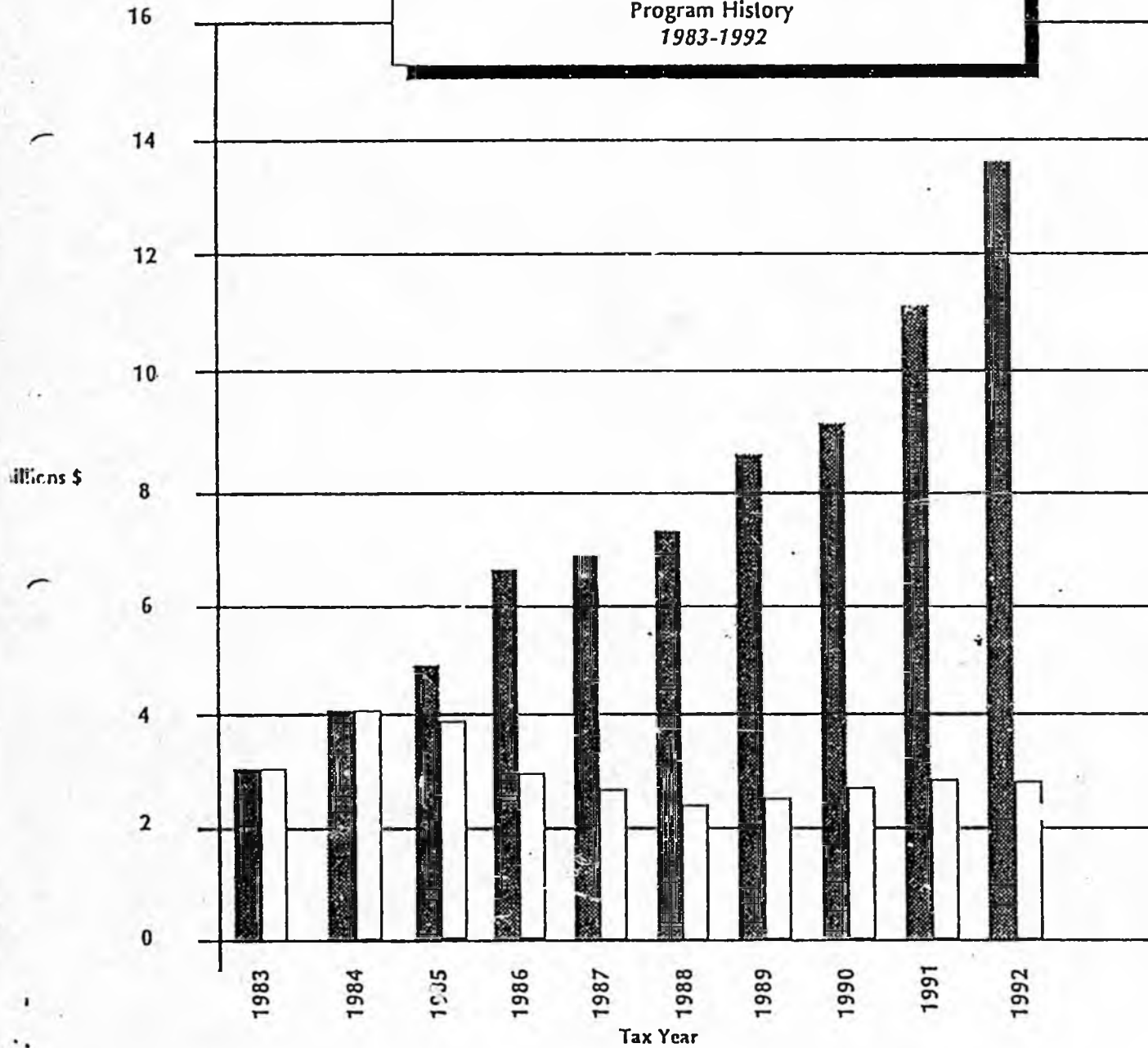
**Property Tax Exemption Program**

Created in 1974, the Senior and Disabled Veteran Property Tax Exemption Program exempts senior citizens (65 years of age or older) and disabled veterans (with a 50% or greater service-related disability) from payment of property tax on the first \$150,000 of assessed valuation of the applicant's permanent place of abode. Program participants apply each year directly to the municipality in which they seek a tax exemption. The effected municipalities compile annual reports of exempted applicants, exempted assessed values and exempted tax amounts. Based on these figures, the municipalities apply to the Department for reimbursement for property tax revenues lost due to this state-mandated program. After the submitted applications are audited and certified, the Department issues warrants to the municipalities. If taxes exempted under this program exceed funding appropriation levels, the State issues payments on a prorated basis. This has been the case since FY 86. In FY 93, state funding covered about 20% of the reimbursement requests submitted by municipalities.

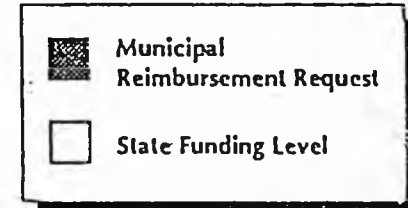
**Senior Citizen/Disabled Veteran Property Tax Equivalency Program**

This program was created in 1976 as a companion program to the property tax exemption program. The program rebates eligible applicants for that portion of their yearly rent on their permanent place of abode that goes toward the payment of real property taxes. Applicants must be at least 65 years of age or disabled veterans and rent property that is subject to a local property tax. Rent rebate payments are calculated as one percent of the local mill rate times the total annual rent. Applicants apply directly to the Department and payments are issued to each eligible applicant. Rebate payments are prorated if program costs exceed the annual program appropriation. The renter rebate program has exceeded funding levels since 1986. In FY 93 applicants will each receive about 85% of the amount calculated by formula.

**Senior Citizen/Disabled Veteran Property Tax Exemption  
Program History  
1983-1992**



Tax Yr.	State Funding Level	Municipal Reimbursement Request
1983	3,146,618	3,146,618
1984	4,005,075	4,005,075
1985	3,985,567	4,577,451
1986	2,770,300	6,325,763
1987	2,622,969	6,753,663
1988	2,519,344	7,464,557
1989	2,542,803	8,627,081
1990	2,557,900	9,585,192
1991	2,838,800	11,293,150
1992	2,838,800	13,669,469



Senior Citizen/Disabled Veteran Property Tax Exemption Program FY 93/TY 92

BOROUGH	TY91/FY92 NUMBER OF APPLICANTS APPROVED	TY92/FY93 NUMBER OF APPLICANTS APPROVED	TY91/FY92 TOTAL ASSESSED VALUE EXEMPT	TY92/FY93 TOTAL ASSESSED VALUE EXEMPT	TY91/FY92 TOTAL TAX EXEMPT	TY92/FY93 TOTAL TAX EXEMPT	TY91/FY92 PRORATED PAYMENT	TY92/FY93 PRORATED PAYMENT	TY91/FY92 REIMBURSE- MENT SHORTAGE	TY92/FY93 REIMBURSE- MENT SHORTAGE	TY91/FY92 AVERAGE EXEMPT VALUE PER APP.	TY92/FY93 AVERAGE EXEMPT VALUE PER APP.	TY91/FY92 AVERAGE TAX PER APP.	TY92/FY93 AVERAGE TAX PER APP.	% INCREASE/ DECREASE IN PROGRAM COST
Municipality of Anchorage	4,325	4,751	330,769,989	409,111,032	5,856,157	7,082,897	1,421,809	1,470,937	4,234,348	5,611,960	76,479	86,111	1,308	1,491	0.20
Bristol Bay Borough	14	13	784,857	880,203	3,923	4,401	986	914	2,937	3,487	56,047	67,708	280	339	0.11
Fairbanks North Star Borough	1,306	1,379	82,932,034	88,472,935	1,402,124	1,665,069	352,457	345,792	1,049,667	1,319,276	63,501	62,707	1,074	1,207	0.16
Haines Borough	101	110	7,326,875	8,278,375	58,263	71,402	14,646	14,828	43,617	56,574	72,543	75,258	577	649	0.18
City & Borough of Juneau	698	714	67,004,000	73,804,100	923,516	1,017,742	232,148	211,359	691,369	806,383	95,994	103,367	1,323	1,425	0.09
Kenai Peninsula Borough	1,035	1,108	74,518,204	88,848,599	855,781	1,007,552	215,121	209,243	640,660	798,309	71,998	80,008	827	909	0.15
Ketchikan Gateway	452	436	36,090,974	38,087,600	439,797	509,577	110,553	105,826	329,244	403,751	83,932	87,357	1,023	1,169	0.14
Kodiak Island Borough	206	181	15,591,524	16,464,204	133,778	127,227	33,628	26,422	100,150	100,805	74,601	90,982	640	703	-0.05
Matanuska-Susitna Borough	1,133	1,249	79,829,563	97,234,600	1,320,466	1,633,159	331,930	339,166	988,536	1,293,994	70,459	77,850	1,165	1,308	0.19
North Slope Borough	20	22	1,133,642	1,188,570	20,644	20,946	5,189	4,350	15,455	16,596	56,682	54,026	1,032	952	0.01
City & Borough of Sitka	201	226	20,098,445	23,012,580	120,531	138,025	30,313	28,664	90,278	109,361	99,992	101,826	600	611	0.13
<b>Borough Subtotal</b>	<b>9,472</b>	<b>10,189</b>	<b>716,079,907</b>	<b>843,182,798</b>	<b>10,935,040</b>	<b>13,277,997</b>	<b>2,748,780</b>	<b>2,757,501</b>	<b>8,186,261</b>	<b>10,520,496</b>	<b>75,600</b>	<b>82,754</b>	<b>1,154</b>	<b>1,303</b>	<b>0.18</b>
<b>CITIES</b>															
CORDOVA	40	41	2,947,465	3,121,040	20,909	34,331	5,256	7,130	15,653	27,201	73,687	76,123	523	837	0.39
CRAIG	11	20	782,478	1,382,282	4,741	8,294	1,192	1,722	3,549	6,571	71,134	69,114	431	415	0.43
DILLINGHAM	23	23	2,663,130	2,648,830	9,321	11,920	2,343	2,475	6,978	9,444	115,788	115,167	405	518	0.22
EAGLE	5	6	299,540	317,550	300	318	75	68	224	252	59,908	52,925	60	53	0.06
NENANA	19	21	937,666	918,542	11,533	11,298	2,899	2,346	8,634	8,952	49,351	43,740	607	538	-0.02
NOME	77	76	5,018,169	4,996,402	56,455	46,217	14,191	9,598	42,263	36,619	65,171	65,742	733	608	-0.22
PELICAN	5	5	254,750	254,750	1,401	1,401	352	291	1,049	1,110	50,950	50,950	280	230	0.00
PETERSBURG	133	135	12,619,436	13,216,531	126,194	132,165	31,722	27,447	94,472	104,718	94,883	97,900	949	979	0.05
SKAGWAY	38	38	2,511,267	2,635,253	20,216	18,390	5,082	3,819	15,134	14,571	66,086	69,349	532	484	-0.10
UNALASKA	4	4	285,500	265,940	3,363	3,133	845	651	2,518	2,482	71,375	66,485	841	783	-0.07
VALDEZ	37	38	2,343,968	2,809,747	38,084	55,314	9,573	11,487	28,511	43,826	63,350	73,941	1,029	1,456	0.31
WHITTIER	7	6	137,400	124,400	687	622	173	129	514	493	19,629	20,733	90	104	-0.10
WRANGELL	104	106	6,563,021	6,922,290	56,020	58,935	14,082	12,239	41,938	46,696	63,106	65,305	539	556	0.05
YAKUTAT	11	11	722,400	742,650	8,886	9,135	2,235	1,897	6,652	7,238	65,673	67,514	808	830	0.03
<b>CITIES SUBTOTAL</b>	<b>514</b>	<b>530</b>	<b>38,086,190</b>	<b>40,356,207</b>	<b>358,110</b>	<b>391,472</b>	<b>90,020</b>	<b>81,299</b>	<b>268,089</b>	<b>310,173</b>	<b>74,098</b>	<b>76,144</b>	<b>697</b>	<b>739</b>	<b>0.09</b>
<b>FY 93 STATEWIDE TOTAL</b>	<b>9,986</b>	<b>10,719</b>	<b>754,166,097</b>	<b>883,539,005</b>	<b>11,293,150</b>	<b>13,669,469</b>	<b>2,838,800</b>	<b>2,838,800</b>	<b>8,454,350</b>	<b>10,830,669</b>	<b>75,522</b>	<b>82,427</b>	<b>1,131</b>	<b>1,275</b>	<b>0.21</b>
<b>FISCAL YR. FUNDING LEVELS</b>							<b>2,838,800</b>	<b>2,838,800</b>							
<b>FF SHORTAGE</b>							<b>(FY92 Shortage)</b>	<b>(FY93 Shortage)</b>							
							<b>Prorating %</b>	<b>0.25137362</b>	<b>0.207674488</b>						

Effect of HB66 on school foundation funding when providing tax exemption for disabled veterans only

Municipality	1992 Full Value Determination	1992 SC/DV Exempt Value	1992 DV Exempt Value	1992 SC Exempt Value	Total Full Value with DV Exempt Value Excluded	Existing Required Millage		Required Millage		Additional Contribution wo/DV Exempt Value	% Change
						Equivalency Contribution W/SC/DV Exempt Value	Equivalency Contribution	Equivalency Contribution with only DV Exemption	Equivalency Contribution		
Aleutians East Borough	\$86,859,000	0	\$0	\$0	\$86,859,000	\$347,436	\$347,436	\$347,436	\$347,436	\$0	0.00%
Municipality of Anchorage	\$11,256,384,640	\$409,111,032	\$43,808,744	\$365,302,288	\$11,621,686,928	\$45,025,539	\$46,486,748	\$46,486,748	\$46,486,748	\$1,461,209	1.25%
Bristol Bay Borough	\$173,673,500	\$880,203	\$0	\$880,203	\$174,553,703	\$694,694	\$698,215	\$698,215	\$698,215	\$3,521	0.20%
Cordova	\$151,877,040	\$3,121,040	\$0	\$3,121,040	\$154,998,080	\$607,508	\$619,992	\$619,992	\$619,992	\$12,484	0.81%
Craig	\$50,954,200	\$1,382,282	\$91,060	\$1,291,222	\$52,245,422	\$203,817	\$208,982	\$208,982	\$208,982	\$5,165	0.99%
Dillingham	\$121,235,100	\$2,648,830	\$0	\$2,648,830	\$123,883,930	\$484,940	\$495,536	\$495,536	\$495,536	\$10,595	0.86%
Fairbanks North Star Borough	\$3,256,294,590	\$86,472,935	\$1,847,423	\$84,625,512	\$3,340,920,102	\$13,025,178	\$13,363,680	\$13,363,680	\$13,363,680	\$338,502	1.01%
Galena	\$19,865,100	0	\$0	\$0	\$19,865,100	\$79,860	\$79,860	\$79,860	\$79,860	\$0	0.00%
Haines Borough	\$122,749,700	\$8,278,375	\$100,200	\$8,178,175	\$130,927,875	\$490,999	\$523,712	\$523,712	\$523,712	\$32,713	2.49%
Hoonah	\$22,813,100	0	\$0	\$0	\$22,813,100	\$91,252	\$91,252	\$91,252	\$91,252	\$0	0.00%
Hydaburg	\$5,736,300	0	\$0	\$0	\$5,736,300	\$22,945	\$22,945	\$22,945	\$22,945	\$0	0.00%
City & Borough of Juneau	\$1,566,985,160	\$73,804,100	\$3,125,000	\$70,679,100	\$1,637,664,260	\$6,267,941	\$6,550,657	\$6,550,657	\$6,550,657	\$282,716	1.72%
Kake	\$16,851,200	0	\$0	\$0	\$16,851,200	\$67,805	\$67,805	\$67,805	\$67,805	\$0	0.00%
Kanal Peninsula Borough	\$3,465,369,120	\$88,648,599	\$2,388,950	\$86,259,649	\$3,551,628,769	\$13,861,476	\$14,206,515	\$14,206,515	\$14,206,515	\$345,039	0.97%
Ketchikan Gateway Borough	\$933,887,400	\$38,087,600	\$645,400	\$37,442,200	\$971,329,600	\$3,735,550	\$3,885,318	\$3,885,318	\$3,885,318	\$149,769	1.54%
Klawock	\$14,793,800	0	\$0	\$0	\$14,793,800	\$59,175	\$59,175	\$59,175	\$59,175	\$0	0.00%
Kodiak Island Borough	\$829,302,700	\$16,464,204	\$814,525	\$15,649,679	\$844,952,379	\$3,317,211	\$3,379,810	\$3,379,810	\$3,379,810	\$62,599	0.74%
Lake & Peninsula Borough	\$68,423,800	0	\$0	\$0	\$68,423,800	\$273,695	\$273,695	\$273,695	\$273,695	\$0	0.00%
Matanuska-Susitna Borough	\$2,020,623,780	\$97,234,600	\$8,431,100	\$88,603,500	\$2,109,427,280	\$8,082,495	\$8,437,709	\$8,437,709	\$8,437,709	\$355,214	1.67%
Nenana	\$15,112,200	\$918,542	\$26,548	\$891,994	\$16,004,194	\$60,449	\$64,017	\$64,017	\$64,017	\$3,568	2.22%
Nome	\$126,631,300	\$4,986,402	\$112,400	\$4,884,002	\$131,515,302	\$506,525	\$526,061	\$526,061	\$526,061	\$19,536	1.48%
North Slope Borough	\$12,537,472,080	\$1,188,570	\$0	\$1,188,570	\$12,538,660,650	\$5,014,989	\$5,015,464	\$5,015,464	\$5,015,464	\$475	0.00%
Northwest Arctic Borough	\$326,931,100	0	\$0	\$0	\$326,931,100	\$1,307,724	\$1,307,724	\$1,307,724	\$1,307,724	\$0	0.00%
Pelican	\$13,922,600	\$254,750	\$0	\$254,750	\$14,177,350	\$55,690	\$56,709	\$56,709	\$56,709	\$1,019	0.72%
Petersburg	\$186,577,700	\$13,216,531	\$325,450	\$12,891,081	\$199,468,781	\$746,311	\$797,875	\$797,875	\$797,875	\$51,564	2.58%
City & Borough of Sitka	\$517,476,500	\$23,012,580	\$129,000	\$22,883,580	\$540,360,080	\$2,069,906	\$2,161,440	\$2,161,440	\$2,161,440	\$91,534	1.69%
Skagway	\$76,393,200	\$2,635,253	\$120,400	\$2,514,853	\$78,908,053	\$305,573	\$315,632	\$315,632	\$315,632	\$10,059	1.27%
St. Mary's	\$4,459,300	0	\$0	\$0	\$4,459,300	\$17,837	\$17,837	\$17,837	\$17,837	\$0	0.00%
Tanana	\$11,245,600	0	\$0	\$0	\$11,245,600	\$44,982	\$44,982	\$44,982	\$44,982	\$0	0.00%
Unalaska	\$331,802,860	\$265,940	\$0	\$265,940	\$332,068,800	\$1,327,211	\$1,328,275	\$1,328,275	\$1,328,275	\$1,064	0.03%
Valdez	\$1,146,257,830	\$2,809,747	\$136,950	\$2,672,797	\$1,148,930,627	\$1,375,509	\$1,378,717	\$1,378,717	\$1,378,717	\$3,207	0.03%
Wrangell	\$132,997,300	\$6,922,290	\$0	\$6,922,290	\$139,919,590	\$531,989	\$559,678	\$559,678	\$559,678	\$27,689	1.98%
City & Borough of Yakutat	\$19,957,200	\$72,650	\$0	\$72,650	\$20,699,850	\$79,829	\$82,799	\$82,799	\$82,799	\$2,971	1.44%

SFC File

HB66

# Municipality of Anchorage



P.O. BOX 196650  
ANCHORAGE, ALASKA 99519-6650

TOM FINK,  
MAYOR

April 20, 1993

Anchorage Delegation  
Alaska State Legislature  
State Capitol Building  
Juneau, Alaska 99801

Re: SCS CS HB 66(FIN) Municipal Property Tax Exemptions

Dear Anchorage Legislator:

The Municipality of Anchorage opposes SCS CS HB 66, Municipal Property Tax Exemptions, in its current form. We support repealing the Senior Citizens and Disabled Veterans Property Tax Exemption as long as the legislature refuses to fully fund the program. Currently, this exemption is a State mandated program, to be funded by the Legislature each fiscal year.

We support making this program local option. However, under SCS CS HB 66, the Legislature would set up a program for municipalities, rather than allowing us to structure our own program. This would require us to repeal the program, versus enacting a program. As you know, enacting a program is much easier than repealing one. We feel that each community has the right to decide: a) if it can afford an exemption program, b) how the program should be structured, and c) who is eligible for such a program.

The approach under SCS CS HB 66, seems to be similar to leaving the current law on the books, but simply not funding the program. The essential difference is that the political onus is shifted to local governments from the State legislature.

We ask that you amend this legislation to repeal the existing state exemption, and allow local government to enact its own program if desired.

Sincerely,

Tom Fink  
Mayor

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To: DRUE PEARCE	From: ANNE WILLIAMS	
Co.	Co.	
Dept.	Phone: 343-4467	
Fax: 465-2864	Fax #:	