

**HB**

**24**



## REPRESENTATIVE ERIC CROFT

### Sponsor Statement

House Bill 24 would use a revolving loan fund from the Alaska Housing Finance Corporation to pay for the current senior property tax exemption mandated in statute AS 29.45.030.

This legislation was prompted by cries from municipalities that the exemption was an unfunded mandate from the Legislature. With the current political and fiscal realities of Alaska's oil revenue future, this exemption has indeed remained unfunded. This exemption is reasonable and appropriate; Alaska's seniors should be exempt from the first \$150,000 value of their houses not only because many are on limited incomes but because the value of their houses has risen in the many years they have resided in the state. In practice though, by not acknowledging the state's fiscal obligation to this statute, we are shortchanging local communities.

Recently, proposals have been put forth to make that exemption a local option for communities. With more attention to this exemption, I believe HB 24 will create solutions beneficial to seniors, local communities and the state.

I urge your support for HB 24.





## REPRESENTATIVE ERIC CROFT

### Memorandum

To: Representative Andrew Halcro, Chair  
Community and Regional Affairs Committee

From: Rep. Eric Croft *Eric Croft*

Re: HB 24 Relating to Senior Property Tax Exemptions

Date: 5/5/99

I am requesting a hearing for HB 24 before your committee. As you know, the senior property tax exemption in Alaska has been an issue of contention among the public, legislators and municipalities. In answer to that unfunded mandate, some have proposed eliminating the exemption. This would be a substantial hardship to Alaska's seniors. Instead of eliminating this exemption, HB 24 would create a new revolving funding source that would lift the burden off municipalities. I believe it is an appropriate response to a complex and difficult issue.

I believe a hearing would allow this issue to come under insightful and educational discussion. I have included a sponsor statement for your information.



# FISCAL NOTE

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
 Title: An Act relating to reimbursement to a BRU: Local Gov't Assistance  
municipality for certain property tax ... Component: State Assessor  
 Sponsor: REPRESENTATIVES Croft, Kemplen  
 Requestor: House CRA Committee COMPONENT SERIAL NO. 673

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY04	FY 05
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	27,114.7	29,826.2	32,808.8	36,089.7	39,698.6	43,668.5
<b>TOTAL OPERATING</b>	<b>27,114.7</b>	<b>29,826.2</b>	<b>32,808.8</b>	<b>36,089.7</b>	<b>39,698.6</b>	<b>43,668.5</b>

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	27,114.7	29,826.2	32,808.8	36,089.7	39,698.6	43,668.5
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>27,114.7</b>	<b>29,826.2</b>	<b>32,808.8</b>	<b>36,089.7</b>	<b>39,698.6</b>	<b>43,668.5</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY99) impact \$ none

**ANALYSIS:** (Attach a separate page if necessary)

This legislation provides for funding of the Senior Citizen's/Disabled Veterans Property Tax Exemption municipal reimbursement program using receipts from the Alaska Housing Finance Corporation. The projected program funding needs for the next six years reflect an estimated 10% yearly increase, based on program history over the previous six years.

Prepared by: Yvonne Chase, Acting Director Phone: 465-4709  
 Division: Division of Administrative Services Date: 5/10/99  
 Approved by Commissioner: *Mike Durin* Date: 5/10/99  
 Agency: Community & Regional Affairs

# FISCAL NOTE

**STATE OF ALASKA**  
**1999 LEGISLATIVE SESSION**

**BILL NO. HB24**

Revision Date/Time (Note if correction) 5/10/99 Dept. Affected Revenue  
 Title AHFC Fund: Reimburse BRU Revenue Operations  
Senior Citizen Property Tax Component AHFC Operations  
 Sponsor Representative Croft  
 Requester House C&RA Component Serial No. 110

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	27,114.7	29,826.2	32,808.8	36,089.7	39,698.6	43,668.5
<b>TOTAL OPERATING</b>	<b>27,114.7</b>	<b>29,826.2</b>	<b>32,808.8</b>	<b>36,089.7</b>	<b>39,698.6</b>	<b>43,668.5</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1103 AHFC Corporate Receipts	27,114.7	29,826.2	32,808.8	36,089.7	39,698.6	43,668.5
<b>TOTAL</b>						

Estimate of current year (FY99) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Section 1 requires that the amount necessary to fund the Senior Citizen Property Tax Exemption "shall" be transferred from the Alaska Housing Finance revolving fund. Estimated amounts of the transfer are shown above based on the assumptions of DCRA.

This legislation does not address the method by which such a transfer would be conducted in consideration of AHFC's bond ratings, financial health, or the impact on other programs administered or paid for by AHFC. As such, the potential for loss of revenue to the corporation is unknown at this time.

Prepared by John Bitney Phone 330-8445  
 Division Alaska Housing Finance Corporation Date/Time \_\_\_\_\_  
 Approved by Wilson L. Condon Date 5/10/99  
 Commissioner \_\_\_\_\_  
 Agency Department of Revenue

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