

SB

267

GARY WILKEN

SENATOR
Fairbanks

Interim:
1851 Fox Ave.
Fairbanks, Alaska 99701
Tel: 451-5501 (from Fbks)
Tel: (907) 465-3709 (outside Fbks)
Fax: (907) 465-4714



During Session:
State Capitol Building
Juneau, Alaska 99801-1182
Tel: 451-5501 (from Fbks)
Tel: (907) 465-3709 (outside Fbks)
Fax: (907) 465-4714
Website: www.garywilken.com
E-Mail: Senator.Gary.Wilken@legis.state.ak.us

SPONSOR STATEMENT

Senate Bill 267 Senior Widow(er) Property Tax Exemption

Senate Bill 267 extends the senior or disabled veteran property tax exemption to a widow or widower of an eligible resident. Under current law, a resident 65 years of age or older is exempt from property taxation on the first \$150,000 of the assessed value of the person's primary residence. Unfortunately if the eligible resident dies, the remaining spouse is denied the benefit of the previous exemption unless the spouse is at least 60 years old.

Coping with the loss of a love one as well as the accompanying loss of financial security is difficult enough without the added burden of increase property taxes. Senate Bill 267 permits a widow or widower of a qualified applicant to remain eligible for the senior or disabled veteran property tax exemption regardless of age until the individual remarries. This legislation helps make a difficult situation a little bit easier.

As the residence in question is already exempted from taxation, Senate Bill 267 will have negligible impact on a municipality. However, this legislation will have a huge impact on the effected individual. Please join me in endorsing and supporting this legislation.

A handwritten signature in cursive script, appearing to read "Gary Wilken", is located below the main text of the statement.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Sec. 29.45.040. Property tax equivalency payments. (a) A resident of the state who rents a permanent place of abode is eligible for a tax equivalency payment from the state through the department if the resident is:

- (1) at least 65 years old;
- (2) a disabled veteran; or
- (3) at least 60 years old and the widow or widower of a person who was eligible for payment under (1) or (2) of this subsection.

(b) For purposes of determining the amount of a payment to an eligible person, the department shall calculate at the rate of one percent per mill a property tax equivalent percentage for each municipality that levies a property tax. The property tax equivalent percentage applied to the annual rent charged to the applicant equals the property tax equivalency payment payable under this section.

(c) To obtain a tax equivalency payment the eligible resident must apply to the department for payment for the preceding year by January 15 of each year on forms and in the manner prescribed by the department. The department for good cause shown may waive an applicant's failure to make timely application for a tax equivalency payment and accept the application as if timely filed. Each applicant shall submit with the application rental receipts or, if rental receipts are not available, other evidence satisfactory to the department for determination of the fact of payment of rent and the amount paid. A disabled veteran shall submit with the application evidence of the disability rating.

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for a tax equivalency payment under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. However, a tax equivalency payment to an eligible applicant may not be reduced because the spouse is less than 65 years of age or is not a disabled veteran. If all occupants in a residence are eligible for a tax equivalency payment under this section, the occupants shall decide between and among themselves which shall receive payment.

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

(f) In this section "disabled veteran" has the meaning given in AS 29.45.030(i). (§ 12 ch 74 SLA 1985; am §§ 3, 4 ch 91 SLA 1985)

Revisor's notes. — The amendment made to (a) of this section by § 3, ch. 91, SLA 1985 was enacted as an amendment to AS 29.73.060(a). Chapter 74, SLA 1985 enacted AS 29.45.040 and repealed AS 29.73.060. The effective date of both 1985 Acts is January 1, 1986. The legislature's intent to amend the

tax equivalency provisions has been recognized by treating the amendment to AS 29.73.060(a) as an amendment to (a) of this section. Subsection (e) of this section was enacted as AS 29.73.060(f) and renumbered in 1985. Subsection (f) of this section was enacted as (e) and renumbered in 1985.

Sec. 29.45.045. Reimbursement payments. [Repealed, § 6 ch 70 SLA 1986.]

Sec. 29.45.046. River habitat protection tax credit. (a) Unless prohibited by municipal charter, a municipality may by ordinance provide for a river habitat protection credit to be applied to offset a portion of the property taxes due on land, or an interest in land taxable under this chapter, upon which an improvement has been constructed that aids in

- (1) protecting a river from degradation of fish habitat due to public or private use; or
- (2) restoring riparian fish habitat along or in a river that has been damaged by land use practices.

(b) The amount of a river habitat protection credit shall be based upon a percentage of the verifiable costs of the improvement and may not exceed 50 percent of the total amount of taxes levied upon the land or upon the taxable interest in the land during a single tax year, but the credit may be granted for more than one year. If the credit is granted for more than one year and the land or taxable interest in the land is conveyed, the portion



ALASKA STATE LEGISLATURE

SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

Senator Bert K. Stedman, Chair

Official Business

Senator Tom Wagoner, Vice-Chair
Senator Kim Elton
Senator Georgianna Lincoln
Senator Gary Stevens

State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-3922

MEMORANDUM

DATE: March 26, 2004
TO: Senator Gary Stevens
FROM: Senator Bert Stedman
SUBJECT: CSSB 267 (CRA)

Attached please find a Work Draft for the conceptual amendment to SB 267 you made during Wednesday's Community & Regional Affairs Committee.

The conceptual amendment as I understood it, was to amend the language so that municipalities have the ability to "opt-out" of the broadened senior property tax exemption this bill institutes. In other words, unless a municipality enacts an ordinance to the contrary, the new exemption would be in effect.

As amended, the language of the bill becomes a bit more confusing, but I believe this CS achieves your intent. I would appreciate your comments or concurrence before passing the bill on to the Finance Committee. Thank you.

WORK DRAFT

WORK DRAFT

WORK DRAFT

23-LS1332D
Kurtz
3/25/04

CS FOR SENATE BILL NO. 267(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR WILKEN

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the mandatory exemption from taxation of real property used as the**
2 **primary residence of the widow or widower of a resident 65 years of age or older and the**
3 **widow or widower of a disabled veteran, to eligibility for tax equivalency payments for a**
4 **widow or widower of a resident 65 years of age or older and for a widow or widower of a**
5 **disabled veteran, and to tax exemptions that may be optionally allowed by**
6 **municipalities to those widows and widowers."**

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

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

9 (e) The real property owned and occupied as the primary residence and
10 permanent place of abode by a (1) resident 65 years of age or older; (2) disabled
11 veteran; or (3) resident [AT LEAST 60 YEARS OLD] who is the widow or widower
12 of a person who qualified for an exemption under (1) or (2) of this subsection and has
13 not remarried, is exempt from taxation on the first \$150,000 of the assessed value of

WORK DRAFT

WORK DRAFT

23-LS1332D

1 the real property. However, a municipality that levied a tax on real property
2 before January 1, 2005, may by ordinance, instead of providing the exemption in
3 (3) of this subsection, exempt a widow or widower of a person who qualified for
4 an exemption under (1) or (2) of this subsection and who is at least 60 years of
5 age, regardless of whether that individual has remarried. A municipality may, in
6 case of hardship, provide for exemption beyond the first \$150,000 of assessed value in
7 accordance with regulations of the department. Only one exemption may be granted
8 for the same property and, if two or more persons are eligible for an exemption for the
9 same property, the parties shall decide between or among themselves who is to receive
10 the benefit of the exemption. Real property may not be exempted under this
11 subsection if the assessor determines, after notice and hearing to the parties, that the
12 property was conveyed to the applicant primarily for the purpose of obtaining the
13 exemption. The determination of the assessor may be appealed under AS 44.62.560 -
14 44.62.570.

15 * Sec. 2. AS 29.45.040(a) is amended to read:

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

18 (1) [AT LEAST] 65 years of age or older [OLD];

19 (2) a disabled veteran; or

20 (3) [AT LEAST 60 YEARS OLD AND] the widow or widower of a
21 person who was eligible for payment under (1) or (2) of this subsection and has not
22 remarried.

23 * Sec. 3. AS 29.45.040 is amended by adding a new subsection to read:

24 (g) Notwithstanding (a)(3) of this section, a widow or widower of a person
25 who qualified for a payment under (a)(1) or (2) of this section is eligible for a tax
26 equivalency payment under this section if the widow or widower

27 (1) is at least 60 years of age; and

28 (2) resides in a municipality that levied a tax on real property before
29 January 1, 2005, and that has elected under AS 29.45.030(e) to exempt from property
30 tax the real property owned and occupied as the primary residence and permanent
31 place of abode of a widow or widower of a person who qualified for an exemption

WORK DRAFT

WORK DRAFT

23-LS1332D

1 under AS 29.45.030(e)(1) or (2) and who is at least 60 years of age, regardless of
2 whether that individual has remarried.

3 * Sec. 4. AS 29.45.050(i) is amended to read:

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

7 (1) 65 years of age or older;

8 (2) a disabled veteran, including a person who was disabled in the line
9 of duty while serving in the Alaska Territorial Guard; [OR]

10 (3) [AT LEAST 60 YEARS OLD AND] a widow or widower of a
11 person who qualified for an exemption under (1) or (2) of this subsection and has not
12 remarried; or

13 (4) a widow or widower of a person who qualified for an
14 exemption under (1) or (2) of this subsection, who is at least 60 years of age,
15 regardless of whether that individual has remarried, and who is entitled to the
16 \$150,000 exemption under AS 29.45.030(e) and municipal law.



ALASKA STATE LEGISLATURE

SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

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Senator Georgianna Lincoln
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State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-3922

*March 24, 2004
1:30 – 3:30 PM
Fahrenkamp 203*

AGENDA

I. Call To Order

II. New Business

SB 267 Widow(er) Property Tax Exemption

Sponsor Testimony:

Senator Gary Wilken, (R-Fairbanks) District E

Invited Testimony:

Wynola Possenti, Fairbanks

Public Testimony

III. Adjourn



ALASKA STATE LEGISLATURE

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State Capitol, Room 30
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Phone: (907) 465-4989
Fax: (907) 465-3922

TO: Senate Secretary

FROM: Senator Bert K. Stedman

DATE: March 18, 2004

SUBJECT: C&RA Committee Schedule Week of March 22nd, 2004

The following is the schedule for the Senate Committee on Community & Regional Affairs for the week of March 22nd, 2004:

Mar 22 nd	Monday	Fahrenkamp 203	1:30 PM
		NO MEETING SCHEDULED	
Mar 24 th	Wednesday	Fahrenkamp 203	1:30 PM
+*		SB 267 SENIOR WIDOW PROPERTY TAX EXEMPTION	
		BILLS PREVIOUSLY HEARD	
Mar 26 th	Friday	Fahrenkamp 203	1:30 PM
		NO MEETING SCHEDULED	

+ Teleconferenced
* First Hearing
= Previously Heard

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Alaska State Legislature

Senate

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MEMORANDUM

TO: Senator Bert Stedman, Chairman
Community and Regional Affairs Committee

FROM: Gary Wilken

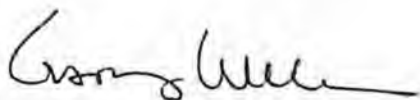
DATE: March 4, 2004

RE: Senate Bill 267, *Senior Widow(er) Property Tax Exemption*

I respectfully request that Senate Bill 267, *Senior Widow(er) Property Tax Exemption*, be scheduled for a hearing before the Senate Community and Regional Affairs Committee

Senate Bill 267 extends the senior or disabled veteran property tax exemption to a widow or widower of an eligible resident. Coping with the loss of a love one is difficult enough without the added burden of increase property taxes. Senate Bill 267 helps make a difficult situation a little bit easier.

Thank you for your cooperation and assistance in scheduling a hearing.



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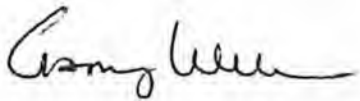
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SENATE COMMITTEE REPORT First Committee of Referral

DATE: 1/16/04

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 4/1/04

Community and Regional Affairs Committee considered SENATE BILL NO. 267

SB 267 SENIOR WIDOW(ER) PROPERTY TAX EXEMPTION

"An Act relating to the exemption from taxation of real property used as the primary residence of the widow or widower of a resident 65 years of age or older, and to tax equivalency payments for the widow or widower of a resident 65 years of age or older."

and recommends:

- be replaced with _____ CS SB 267 (CRA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:	
<input type="checkbox"/> Same Title	
<input checked="" type="checkbox"/> New Title	
House Bill:	
<input type="checkbox"/> Same Title	
<input type="checkbox"/> Technical Title Change	
<input type="checkbox"/> New Title w/ SCR # _____	

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Revenue	3/24/04			X	
DCED	3/24/04			X	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>Thomas D. Wagner</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
CHAIR: <i>[Signature]</i>			✓	

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 267
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Property Tax Exemptions for Senior RDU Revenue Programs & Services
Widow(er)s Component Tax Division
Sponsor Senator Wilken
Requester Sen Community & Regional Affairs Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would have no fiscal impact to the operation of the Department of Revenue's Tax Division.

Prepared by: Steve Porter, Deputy Commissioner Phone 465-2302
Division Department of Revenue Date/Time 3/24/04 10:33 AM
Approved by: Steve Porter, Deputy Commissioner Date 3/24/2004
Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 267
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title Senior Widow(er) Property RDU Comm Assist & Ec Dev (405)
Tax Exemption Component Community Advocacy
Sponsor Senator Wilken Component No. 2703
Senate Community & Regional Affairs

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill clarifies the exemption currently authorized for widows and widowers of senior citizens and disabled veterans who receive the property tax exemption. Currently, state law requires the widow or widower to be 60 years of age in order to continue to receive the exemption. This bill removes that requirement and authorizes the exemption to continue until the widow/widower remarries.

This legislation has no direct fiscal impact on the operations of the department.

Prepared by: Gene Kane, Director Phone (907) 269-4580
Division: Community Advocacy Date/Time 3/24/04 8:51 AM
Approved by: Edgar Blatchford, Commissioner Date 3/24/2004
Agency: Department of Community & Economic Development