

HB

27

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB27
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Municipal Property Tax Exemption RDU Comm Assist & Ec Dev (405)
For Police Homes Component Community Advocacy
 Sponsor Chenault, Gruenberg, Lynn
 Requester House Community & Regional Affairs Component No. 2703

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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 ()						
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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						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation permits a municipality by ordinance to offer an optional exemption, not to exceed \$10,000 of the assessed value of real property, from municipal property taxes on certain residences of law enforcement officers. This legislation has no impact on the operations of the division.

Prepared by: Athena Logan, Local Government Specialist Phone 907.269.4540
 Division: Community Advocacy Date/Time 2/14/05 11:40 AM
 Approved by: Edgar Blatchford, Commissioner Date 2/14/2005
 Agency: Commerce, Community & Economic Development

The Community and Regional Affairs Committee will come to order.

Let the record reflect that it is _____ am, January ,2005.

Let the record reflect is we have a quorum. Members present are

- Representative Thomas
- Representative LeDoux
- Representative Kott ✓ ATT
- Representative Neuman
- Representative Cissna ✓ ATT
- Representative Salmon

Today we will hear HB 27 Municipal Property Tax Exemption for Police Homes and HB 121 Service Areas in Second Class Boroughs.

First we will take up HB 27.

(Make sure someone moves to adopt the CS before continuing)

Do I hear a motion to move CS HB 27 C&RA?

(The motion should be "I move CS HB 27 C&RA with accompanying fiscal note and individual recommendations".)

Now we'll hear HB 121. (I gather Kaci is carrying this one)

(Motion: I move HB 121 from committee with individual recommendations. *accompanying fiscal note*)

Mountain View Community Council
Resolution _____

A RESOLUTION SUPPORTING THE PASSAGE OF HB 27

WHEREAS, neighborhoods are safer when law enforcement officers live, as well as work, within them, because crime rates decrease,

WHEREAS, for these reasons, Mountain View would benefit if more law enforcement officers lived in Mountain View,

WHEREAS, HB 27 would encourage law enforcement officers to live in Mountain View by changing state law to allow municipalities to adopt ordinances giving law enforcement officers a tax exemption on part of the property value of their primary permanent residence, if their residence is in a designated area in need of special assistance for urban development, neighborhood revitalization or law enforcement,

WHEREAS, HB 27 currently would exempt \$10,000 in assessed valuation, a tax savings of only about \$150 annually per residence, hardly enough to attract law enforcement officers to move into designated neighborhoods, but the Community Council understands an amendment will be offered to increase the exemption to \$150,000 annually, a tax savings of about \$2250 per residence, which will provide much more encouragement for police officers to live in such neighborhoods,

WHEREAS, the Community Council believes a few police officers may well take advantage of such a program, particularly in conjunction with federal programs that provide low cost loans to law enforcement officers who live in areas that need additional protection,

WHEREAS, the annual cost to the Anchorage Municipality should be no more than \$22,500, if ten officers take advantage of the program, but the cost savings to Anchorage residents will far outweigh that, if even a few major crimes are deterred and lives and property are saved,

WHEREAS, the presence of law enforcement officers' homes will also increase property values in such neighborhoods and encourage economic and residential growth, both of which will increase the municipal tax base,

WHEREAS, the Community Council understands that the mayor, the chief of police, and the Anchorage Police Department Employees Association support this legislation, but that the Anchorage Municipal Assembly has not yet taken a position on it.

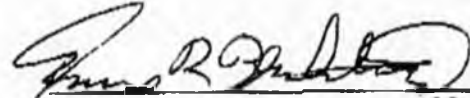
NOW THEREFORE BE IT RESOLVED by the Mountain View Community Council:


That the Council supports the passage of HB 27 and any similar legislation that would encourage law enforcement officers to live in areas needing additional police protection,

That the Council supports an amendment increasing the tax exemption in the bill from \$10,000 to \$150,000 of assessed valuation per residence, and

That the Council urges the Anchorage Municipality to pass an ordinance implementing HB 27 as soon as possible after the bill has passed.

Passed at Anchorage, Alaska this 14th day of March 2005 by the Mountain View Community Council.


Name


Title

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 27(CRA), Draft Version "F"

- 1 Page 1, line 6:
- 2 Delete "\$10,000"
- 3 Insert "\$150,000"

24-LS0182\F

Cook

2/14/05

CS FOR HOUSE BILL NO. 27(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES CHENAULT AND GRUENBERG, Lynn

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to an optional exemption from municipal property taxes on certain
2 residences of law enforcement officers."

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

4 * Section 1. AS 29.45.050 is amended by adding a new subsection to read:

5 (s) A municipality may by ordinance designate an area within its boundaries
6 that is an eligible area and exempt from taxation an amount not to exceed \$10,000 of
7 the assessed value of real property within the area that is owned and occupied as the
8 primary permanent place of abode by a law enforcement officer. If two or more
9 individuals are eligible for an exemption for the same property under this subsection,
10 not more than two exemptions may be granted. A municipality that adopts an
11 ordinance under this subsection may not request state funds to cover any loss of
12 revenue to the municipality caused by the ordinance. The ordinance must include a
13 definition of "law enforcement officer." The ordinance must also define "eligible
14 area" to mean an area

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(1) that meets the eligibility requirements under a federal program of special assistance for urban development, neighborhood revitalization, or law enforcement, without regard to whether an application for the federal assistance on behalf of the area has been made or whether the area has actually received or is receiving the federal assistance;

(2) with a statistically higher occurrence of crime than the municipality as a whole; or

(3) that meets the requirements of (1) and (2) of this subsection.



Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6350 • Telephone: (907) 343-4431 • Fax: (907) 343-4499 <http://www.muni.org>

Mayor Mark Begich

Office of the Mayor

February 14, 2005

The Honorable Max Gruenberg
Alaska State House
State Capitol, Room 112
Juneau, AK 99801-1182

Dear Max,

Thank you for your introduction of House Bill 27, which seeks to improve public safety in Alaska communities where high rates of crime may occur. My administration and the Municipality certainly applaud the intent behind this legislation and are prepared to work with you and your colleagues in the Legislature to make Anchorage and other communities safer. As you know, Anchorage already encourages police officers to drive their police cruisers home to increase the physical presence of police officers on our neighborhood streets.

I have asked the appropriate city departments – the Anchorage Police Department and the Property Tax Assessor - to review the legislation for its specific impact on Anchorage. APD welcomes the intent of the legislation.

Our assessor has identified some concerns you may wish to address as the legislation is considered. As currently written, the bill would provide a modest tax incentive of only about \$150 to encourage a police officer to live in a neighborhood affected by this bill. It is certainly debatable whether an incentive of that size will have the desired affect, so you may wish to increase that.

You may know the Anchorage Assembly is scheduled to consider a resolution supporting this bill at its February 15th meeting. It is sponsored by Assembly Chair Dick Traini.

Again, thank you for working to make our neighborhoods safer.

Sincerely,

Mark Begich
Mayor

Community, Security, Prosperity

Sponsor Statement and Sectional Analysis HB 27 – Municipal Property Tax Exemption

Sponsor Statement

The purpose of the bill is to encourage law enforcement officers to purchase homes and live in high crime areas. It allows municipalities to pass an ordinance giving an exemption up to \$10,000 of assessed valuation for a permanent residence of a law enforcement officer who lives in a high crime area.

Sectional Analysis

A municipality is a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough or as a unified municipality. The municipality may, by ordinance, designate certain areas in which permanent residences owned and occupied by law enforcement officers are exempted from taxation up to \$10,000 of assessed value.

The areas so designated must be areas prescribed under a federal program in need of special assistance for urban development, neighborhood revitalization or law enforcement. There is no requirement that such a program actually be utilized in order to meet this requirement. In the alternative, the areas may be delineated on the basis of crime statistics maintained by the municipality.

The municipality may not request state funds to cover any shortfall created by this ordinance.

The municipality is given the latitude to define the term "law enforcement officer" by ordinance.

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Submitted by: Assemblymember TRAINI
Prepared by: Department of Assembly
For reading: February 15, 2005

ANCHORAGE, ALASKA
AR NO. 2005-27

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY
SUPPORTING PASSAGE OF HB 27, A BILL TO ALLOW MUNICIPAL
GOVERNMENTS TO PROVIDE A PROPERTY TAX INCENTIVE TO POLICE
OFFICERS**

WHEREAS, a police officer who lives in the neighborhood where he or she works develops an important sense of ownership in the community they serve; and

WHEREAS, an officer living in a neighborhood brings not only a sense of stability and credibility to an area stereotyped as "high-crime", but also makes officers more accessible to citizens; and

WHEREAS, Police officers are more likely to see signs of trouble developing in their neighborhoods before a problem occurs, allowing preventative solutions to be found; and

WHEREAS, police officers who live in high crime neighborhoods can serve as a bridge between the community and law enforcement, curbing fear and building trust and understanding; and

WHEREAS, many communities across the United States use various forms of incentives to encourage officers to live in the communities in which they work; and

WHEREAS, House Bill 27, a measure which would allow municipal governments to grant a modest tax exemption to officers who purchase and reside in a home in a high crime area, is being considered by the Alaska Legislature.

NOW, THEREFORE, the Anchorage Assembly resolves;

Section 1: That the Assembly supports passage of HB 27 to allow a Municipality to offer a tax incentive to police officers who reside in high crime areas.

Section 2: That copies of this resolution shall be provided to the members of the Alaska State Legislature and to the Governor upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2005.

Chair

ATTEST:

Municipal Clerk

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Submitted by: Assemblymember TRAINI
Prepared by: Department of Assembly
For reading: February 15, 2005

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