

HB

305

<TARGET><BILL>HB 305</BILL><SUBJECT>HB
305</SUBJECT><COMM>HCRA27</COMM></TARGET>

ALASKA STATE LEGISLATURE

Juneau

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Anchorage

716 W. 4th Avenue
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Representatives Berta Gardner and Lindsey Holmes

Sponsor Statement

HB 305

Property Tax Fairness Act

In 2006, the Legislature significantly broadened the definition of religious property by including exemptions for the residence of "an educator in a private religious or parochial school." This legislation also expanded the definition of "minister," broadened the ordination standard for ministers, and made these tax exemptions mandatory for all Alaska municipalities – creating another unfunded mandate.

On passage, the 2006 law was recognized as inherently unfair in mandating that all property taxpayers subsidize church-owned housing for religious teachers. The new law was controversial and wildly unpopular. A subset of teachers receives a mandated tax exemption when others do not.

House Bill 305, the "Property Tax Fairness Act," removes the religious teacher exemption, and returns the religious tax exemption of a residence back to "the residence of a bishop, priest, rabbi, minister, or religious official of a recognized religious organization;" The proposed bill does not interfere with the broad support for tax exemptions for the homes of religious officials.

Please join us in passage of this legislation to provide Alaskans with property tax fairness. If you have any questions, please contact Representative Gardner's staff, Kevin Harun at 465-4930 or Kevin_Harun@legis.state.ak.us.



LEGISLATIVE RESEARCH SERVICES

Alaska State Legislature
Division of Legal and Research Services
State Capitol, Juneau, AK 99801

(907) 465-3991 phone
(907) 465-3908 fax
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Memorandum

TO: Representative Berta Gardner
FROM: Tim Spengler, Legislative Analyst
DATE: February 7, 2012
RE: Property Tax Exemptions for Religious Educator Housing
LRS Report 12.180

You asked about property tax exemptions for church-owned residences occupied by religious educators. Specifically, you wanted to know how many such exemptions occur across the state and the dollar value of the exemptions. Additionally, you wanted to know if any municipalities or school districts in Alaska provide their own tax exemptions for teacher housing.

As you are aware, in 2006 a law was enacted in Alaska in which the definition of property tax exemptions was broadened to include church-owned property occupied by religious educators. This provision is codified at AS 29.45.030 (b)(1).

Alaska State Assessor, Steve Van Sant, informs us that five church-owned dwellings in Anchorage and five in Kenai are exempted from property tax under this provision.¹ The properties in Anchorage are all owned by the Anchorage Baptist Temple, which oversees the Anchorage Christian Schools. This entity offers pre-kindergarten through high school programs. The exempted properties in Kenai are owned by Alaska Christian College, which is a part of the Evangelical Covenant Church of Alaska. The residences in Anchorage and Kenai are the only church-owned properties in the state to receive this particular exemption.²

Mr. Van Sant was unable to provide the dollar value of the exemptions because these dwellings have not been assessed for a number of years. If we assume that each residence could be assessed at \$200,000, the dollar value for the Anchorage Baptist Temple exemptions—for church-owned dwellings occupied by religious educators—would be around \$15,000 a year, and the Alaska Christian College exemptions would amount to about \$9,000 a year. The reason for the differing amounts is that the mill rate is higher in Anchorage than that in Kenai.

No municipalities or school districts in Alaska provide their own tax-exempt housing to educators, according to Mr. Van Sant.

We hope this is helpful. If you have questions or need additional information, please let us know.

¹ Steve Van Sant can be reached at (907) 269-4605.

² Steve Van Sant was unable (given our time constraints) to ascertain whether a few remote communities have church-owned residences occupied by religious educators. He noted, however, that he would be extremely surprised if these communities have such properties.



LAWS OF ALASKA

2006

Source
SCS CSHB 334(FIN)

Chapter No.

AN ACT

Relating to a mandatory exemption for certain residences owned by a religious organization, to an exemption from and deferral of municipal property taxes for certain types of deteriorated property, and to an optional deferral of municipal property taxes on certain primary residences owned and occupied by individuals with incomes at or below federal poverty guidelines for the state.

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

THE ACT FOLLOWS ON PAGE 1

Enrolled HB 334

AN ACT

1 Relating to a mandatory exemption for certain residences owned by a religious organization,
2 to an exemption from and deferral of municipal property taxes for certain types of
3 deteriorated property, and to an optional deferral of municipal property taxes on certain
4 primary residences owned and occupied by individuals with incomes at or below federal
5 poverty guidelines for the state.

6

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

8 (b) In (a) of this section, "property used exclusively for religious purposes"
9 includes the following property owned by a religious organization:

10 (1) the residence of an educator in a private religious or parochial
11 school or a bishop, pastor, priest, rabbi, minister, or religious order of a recognized
12 religious organization; for purposes of this paragraph, "minister" means an
13 individual who is

14

1 (A) ordained, commissioned, or licensed as a minister
2 according to standards of the religious organization for its ministers; and

3 (B) employed by the religious organization to carry out a
4 ministry of that religious organization;

5 (2) a structure, its furniture, and its fixtures used solely for public
6 worship, charitable purposes, religious administrative offices, religious education, or a
7 nonprofit hospital;

8 (3) lots required by local ordinance for parking near a structure defined
9 in (2) of this subsection.

10 * Sec. 2. AS 29.45.050(o) is amended to read:

11 (o) A municipality may by ordinance partially or totally exempt all or some
12 types of deteriorated property from taxation for up to 10 years beginning on or any
13 time after the day substantial rehabilitation, renovation, demolition, removal, or
14 replacement of any structure on the property begins. A municipality may by ordinance
15 permit deferral of payment of taxes on all or some types of deteriorated property for
16 up to five years beginning on or any time after the day substantial rehabilitation,
17 renovation, demolition, removal, or replacement of any structure on the property
18 begins. However, if the entire ownership of property for which a deferral has been
19 granted is transferred, all tax payments deferred under this subsection are immediately
20 due, and the deferral ends. Otherwise, deferred tax payments become due as
21 specified by the municipality at the time the deferral is granted [, OR, IF
22 OWNERSHIP OF ANY PART OF THE PROPERTY IS TRANSFERRED, ALL
23 TAX PAYMENTS ARE IMMEDIATELY DUE]. The amount deferred each year is a
24 lien on that property for that year. Only one exemption and only one deferral may be
25 granted to the same property under this subsection, and, if an exemption and a deferral
26 are granted to the same property, both may not be in effect on the same portion of the
27 property during the same time. An ordinance adopted under this subsection must
28 include specific eligibility requirements and require a written application for each
29 exemption or deferral. An application for a deferral must specify when payment of
30 taxes for each year of deferral will become due, together with an explanation of
31 the reasons for each proposed date for consideration by the municipality. In this

1 subsection, "deteriorated property" means real property that is commercial property
2 not used for residential purposes or that is multi-unit residential property with at least
3 eight residential units, and that meets one of the following requirements:

4 (1) within the last five years, has been the subject of an order by a
5 government agency requiring environmental remediation of the property or requiring
6 the property to be vacated, condemned, or demolished by reason of noncompliance
7 with laws, ordinances, or regulations;

8 (2) has a structure on it not less than 15 years of age that has
9 undergone substantial rehabilitation, renovation, demolition, removal, or replacement,
10 subject to any conditions prescribed in the ordinance; or

11 (3) is located in a deteriorating or deteriorated area with boundaries
12 that have been determined by the municipality.

13 * Sec. 3. AS 29.45 is amended by adding a new section to read:

14 **Sec. 29.45.052. Tax deferral for primary residences.** (a) A municipality may
15 by ordinance provide for the deferral of all taxes on property that is owned, in whole
16 or in part, by an individual

17 (1) who occupies and has occupied the property for at least 10
18 consecutive years as the individual's primary residence; and

19 (2) whose income is at or below federal poverty guidelines for the state
20 set by the United States Department of Health and Human Services.

21 (b) An individual must apply for each year that a deferral is sought and supply
22 proof of eligibility for the deferral for that year in accordance with requirements set
23 out in the ordinance that authorizes the deferral. Taxes for a year that are deferred do
24 not become payable until ownership of the property is transferred from the individual
25 who obtained the deferral. A municipality that provides for a deferral of property taxes
26 under this subsection may not impose interest on the taxes deferred between the time
27 the deferral is granted and the time the taxes become payable.

28 * Sec. 4. Section 2, ch. 8, SLA 1999, as amended by sec. 1, ch. 102, SLA 2002, and by sec.
29 4, ch. 140, SLA 2004, is repealed.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 305
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB305-DCCED-DCRA-02-03-12 Dept. Affected DCCED
 Title MUNI. PROP.TAX EXEMPTION: RELIGIOUS ORGS Appropriation Community and Regional Affairs
 Allocation Community and Regional Affairs
 Sponsor Representative Gardner
 Requester House Community & Regional Affairs OMB Component Number 2879

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

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Estimated **SUPPLEMENTAL (FY12) operating costs** 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version

Prepared by Scott Ruby, Director
 Division Community and Regional Affairs
 Approved by JoEllen Hanrahan, Director Administrative Services
Commerce, Community, and Economic Development

Phone (907) 269-4569
 Date/Time 2/3/2012 4:00pm
 Date 2/3/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 305

Analysis

Bill Summary: This bill amends the definition of "property used exclusively for religious purposes" in statute by removing some currently authorized uses.

There would be no fiscal impact to the Division if this legislation was enacted.

Public Comments Emailed to Representative Berta Gardner on HB 305

From: Rev. Glenn C. Petersen [<mailto:centrev@gci.net>]
Sent: Wednesday, February 01, 2012 4:46 PM
To: Rep. Berta Gardner
Subject: church tax exemptions

Representative Gardner,
As a pastor of the Lutheran (ELCA) church for 35 years, perhaps you might welcome my adding 2 cents to the conversation about property taxes on church-owned properties.

First, if it is to merit a tax exemption, it really should be church owned and have church use. Typically, that would mean property that has the sanctuary, education wing, parking lot, etc.
Also, a church-owned parsonage, for housing the pastor of the congregation and his/her family, would apply.

In our tradition, the pastor is the person responsible for teaching and preaching the word and administering the sacraments. Tax exemption for housing teachers that are much like public school teachers seems to stretch fairness beyond reason. Ordaining people to serve as custodians of a church building or to run the sound and light system for church services makes no sense whatsoever. It's a scam! That's my 2 cents.

Rev. Glenn C Petersen
Central Lutheran
Anchorage

From: Paige Hodson [<mailto:paigeh@alaska.net>]
Sent: Tuesday, January 31, 2012 9:27 AM
To: Rep. Berta Gardner
Subject: RE: Berta's Briefings - Introduction of the "Property Tax Fairness Act"

Hi Berta,

I am not one of your constituents, but am receiving your newsletter.

I fully support yours and Rep. Holmes efforts on this legislation.

I served on the MOA Board of Equalization for approximately 15 years and was very upset when the Prevo-special-legislation was rammed through to supercede existing assessment law.

Thank you for trying to correct this unfair situation.

Paige R. Hodson, SRA
903 W. Northern Lights Blvd., Suite 220
Anchorage, AK 99503
(907) 274-8258 phone; (907) 274-8259 fax
paigeh@alaska.net
<http://paigehodsonappraisal.appraiserxsites.com/>

Fro

m: Gwen Gregory [<mailto:apawesternstates@ak.net>]
Sent: Thursday, February 02, 2012 9:54 AM
To: Rep. Berta Gardner
Subject: HB305

Hello Berta,

I am a constituent of yours and wish to tell you that I am wholly in support of your efforts to introduce this bill #305, changing the way tax exemption has been allowed for certain housing. While I am in support of exemption for churches and pastor housing, to include teachers' residence of private schools, (or others they select) should not be the burden of the public. I am not singling out ABT, I feel it should apply to any religious institution. I want to let you know I totally support you on this. Please move forward, and if there are other contacts I can send this message to I would like you to let me know who they are and I will voice my opinion to them also (whether they are for or against).

Thank you very much,

Gwendolyn Gregory
5916 Mego
District 24

Proud to say I have participated in my right to vote since I moved to Alaska in 1978! (even the boring ones!)

From: Mary Ann Brockway [<mailto:maron@aci.net>]

Sent: Monday, January 30, 2012 9:27 PM

To: Rep. Berta Gardner

Subject: Property Tax Fairness Act

Thank you for your newsletter. I completely agree with the Property Tax Fairness Act that you are introducing and hope that you can get it passed.

Mary Ann Brockway
4800 Kupreanof St.
Anchorage, AK 99507

From: Barbara Garner [mailto:bebg42@ak.net]
Sent: Monday, January 30, 2012 10:48 PM
To: Rep. Berta Gardner
Subject: Religious Tax Exemptions

Hi Berta,

Please add my name to the list revoking tax exemptions for religious based teacher housing. That includes also maintenance, other non-certified, non-ordained employees within the church.

I'm curious: do other AK church-based schools own their teachers' homes? Do they too receive the exemption?

In the Tudor - Lake Otis area there are a handful of buildings housing small religious groups. I assume they have a small membership. If building is owned by the church, I'd guess they do not pay property tax, such as the Rescue Mission's R-3 lots north of Tudor.

What about the buildings that are leased, rented to a church group? Wouldn't think it likely, but do the property owners receive a different tax base for housing a religious organization?

Suspect these are questions for the MOA tax office.

-Barbara Garner

From: Tam Agosti-Gisler [<mailto:tamaq@qci.net>]

Sent: Tuesday, January 31, 2012 9:55 PM

To: Rep. Berta Gardner

Subject: Re: Berta's Briefings - Introduction of the "Property Tax Fairness Act"

Thank you! Tam Agosti-Gisler

From: Angela [<mailto:stormyweather@gci.net>]

Sent: Monday, January 30, 2012 9:00 PM

To: Rep. Berta Gardner

Subject: RE: Berta's Briefings - Introduction of the "Property Tax Fairness Act"

I agree, we need to put an end to the exemptions for religious teachers.

Angela Helms

From: Dave Catchpole [<mailto:dcatchpole@gcl.net>]

Sent: Thursday, February 02, 2012 9:31 AM

To: Rep. Berta Gardner

Cc: Rep. Mike Doogan; Rep. Charisse Millett; Sen. Kevin Meyer; Sen. Hollis French

Subject: HB 305

Dear Representative Gardner,

I applaud your action to introduce HB 305 and stop this cheating of Anchorage residents by Jerry Prevo. I'm outraged at the way this charlatan continues to improperly get tax breaks in the name of religion. You may recall how he enlisted the aid of then Senate President, Ben Stevens, to have then Senator Lyda Green amend an unrelated House Bill, supported by then Senator Con Bunde, while the latter was out of the room, to expand Prevo's property tax exemptions to include just about anybody associated with the running of his church. That action was a total disgrace which, unfortunately has never been fixed – probably because of lack of attention – and I still have copies of the several emails that I wrote to Con Bunde about it. The perpetrator on behalf of Prevo was of course Glenn Clary, an Administrator at the Anchorage Baptist Temple, using his influence as Treasurer of the Alaska Republican Party. Perhaps now there is sufficient anger from Anchorage residents that the Legislature can reverse its previous action and return the law to exempt only one person/property per church/ministry from property taxes. Let Prevo and co choose who gets it, but ensure that not more than one person/property does. This kind of cheating of the local community does not bode well, and the Legislature should fix it as soon as possible.

I wrote to my Senator, Kevin Myer, on this back on January 19th, but as yet have not received a reply, so I don't know his position on this. One would hope that he supports fair play on property taxes.

Sincerely,

David Catchpole

From: Leland Wilson [<mailto:leewilson@gci.net>]

Sent: Monday, January 30, 2012 8:01 PM

To: Rep. Berta Gardner

Subject: Property tax fairness

Thanks Berta for addressing the inherent unfairness of that law passed in 2006. I certainly hope the 2 committees and the legislature understands the burden that exemption puts on every other property taxpayer in the municipality.

Lee Wilson

leewilson@gci.net

From: Tim Pearson / Brian Chen [<mailto:timandbrian@mindspring.com>]
Sent: Monday, January 30, 2012 6:48 PM
To: Rep. Berta Gardner
Subject: Re: Berta's Briefings - Introduction of the "Property Tax Fairness Act"

Hi Berta,

I think you've hit the nail on the head about the teachers. Why are some teachers treated differently than others is a great point. Please reverse "Prevo's Law" passed a few years ago. I wish this could be taken one step further. Why should I, an individual, have to pay for city services used by churches? My best interests would be served by all churches paying property tax just like any other business. Let the members of the church give donations to the church if they want to help their individual church defray the cost due the city on property taxes. I wonder how much lower my taxes would be if everyone (including churches) paid their fair share.

There you have it... my 2cents worth,
Tim Pearson

From: Helen Allen [<mailto:akgranny1@gci.net>]
Sent: Wednesday, February 01, 2012 2:29 PM
To: Rep. Berta Gardner
Subject: Property Tax Fairness Act

As described in your recent e-mail, I would support this legislation.

Helen Allen
4208 Needle Circle
Anchorage, AK 99508

From: Tricia Franklin [<mailto:tricia@qci.net>]
Sent: Monday, January 30, 2012 7:11 PM
To: Rep. Berta Gardner
Subject: Property Tax Fairness Act Feedback

Thank-you Berta!

It is a step in the right direction to put a stop to tax exemptions for teachers at religious institutions. I would support further measures that do not allow ANY tax exemptions for religious properties. I find it offensive that this exemption is so often and easily abused, especially by the largest and richest congregations in town. Adding the exemption for religious teachers in 2006 has pushed the exemptions far beyond the original intent. As you have said, it is not fair. Many religious organizations in Alaska are money making businesses that can easily afford to pay municipal taxes on their investment properties. As a homeowner, I am tired of financing religious business by paying their taxes.

Your proposal sets a reasonable limit. It is a start. Thank-you!

Tricia Franklin
3000 Emory St
Anchorage, AK

From: Sharon Zandman-Zeman [mailto:sharon_zz@hotmail.com]

Sent: Monday, January 30, 2012 8:00 PM

To: Rep. Berta Gardner

Subject: RE: Berta's Briefings - Introduction of the "Property Tax Fairness Act"

Stay righteous! You're doing a great job. Thanks!

From: Herbert Berkowitz [<mailto:herberg@gci.net>]
Sent: Thursday, February 02, 2012 7:30 AM
To: Rep. Berta Gardner
Subject: Good Job!

Berta,

Kathryn and I totally agree with your proposal in the Legislature to take away the property tax exemption of property owned by churches and occupied by teachers. We wish it were politically feasible to go much further than that.

Herb Berkowitz

From: Robert Auth [<mailto:authrm@gci.net>]

Sent: Wednesday, February 01, 2012 11:41 AM

To: Rep. Berta Gardner

Subject: Re: Berta's Briefings - Introduction of the "Property Tax Fairness Act"

Dear Berta Gardner,

Thank you so much for introducing this legislation. Some religious institutions do a good deal of good in the community. And some prey on their followers, the public and tax payers. I agree with your attempt to ensure a bit more fairness into the system. I also think that religious leader's homes should lose their tax exemptions when the property hits a certain amount of value. Why should a religious leader be living in a mansion anyway?

Margaret Auth

From: Linda Kaye Harter [<mailto:anch2020@gmail.com>]

Sent: Friday, February 03, 2012 2:40 PM

To: Rep. Berta Gardner

Subject: Re: House Bill 305

On Feb 3, 2012, at 1:36 PM, "Linda Kaye Harter" <anch2020@gmail.com> wrote:

I wholeheartedly endorse Reps. Gardner and Holmes efforts in House Bill 305..it's long overdue.

EVERYONE enjoys police, fire, roads, snow removal, etc., etc.....we ALL should pay our fair share.

Linda Kaye Harter

From: Kris N. Anderson [<mailto:def90@gci.net>]
Sent: Thursday, February 02, 2012 12:17 AM
To: Rep. Berta Gardner
Subject: HB 305

Anchorage, AK

Dear Representative Gardner:

Thank you so very much for introducing HB 305! I know it takes a lot of guts to do that, I sincerely admire and support you for doing so.

It's high time these religious zealot freeloaders begin to pay their own way instead of leaching off of a struggling society.

Let me know if I can be of service to you.

Sincerely,

Kris N. Anderson (Mr.)
2860 W. 80th
Anchorage, AK 99502
def90@gci.net
907.248.4600
907.764.0833

From: Elizabeth.Burdette

Sent: Tuesday, January 31, 2012 7:30 AM

To: Rep. Berta Gardner

Subject: Re: Berta's Briefings - Introduction of the "Property Tax Fairness Act"

Berta, I agree with you. I do believe that the religious teacher exemption should be eliminated. Thank you.

Beth Burdette
Anchorage, Alaska

. FYI, I am a 50% disabled vet and I do get the tax exemption for the Vets.

"Our collective lineage nurtures individual power."

From: Kirk Hastain [<mailto:khastain@gmail.com>]
Sent: Tuesday, January 31, 2012 4:59 PM
To: Rep. Berta Gardner
Subject: Repeal abusive tax breaks for Relig. Prop.

We agree that it is time for tax fairness. We think all properties should pay something.

All non-profits included.

Kirk & Linda

From: LauraB [<mailto:meanqueens@yahoo.com>]

Sent: Tuesday, January 31, 2012 5:25 AM

To: Rep. Berta Gardner

Subject: Re: Berta's Briefings - Introduction of the "Property Tax Fairness Act"

I support the Property Tax Fairness Act. Thank you for your work, Laura Baldwin

From: Mary Ann Brockway [<mailto:maron@gci.net>]

Sent: Monday, January 30, 2012 9:27 PM

To: Rep. Berta Gardner

Subject: Property Tax Fairness Act

Thank you for your newsletter. I completely agree with the Property Tax Fairness Act that you are introducing and hope that you can get it passed.

Mary Ann Brockway
4800 Kupreanof St.
Anchorage, AK 99507

From: Double Fours [<mailto:eighthehardway@yahoo.com>]

Sent: Tuesday, January 31, 2012 1:15 PM

To: Rep. Berta Gardner

Subject: Re: Berta's Briefings - Introduction of the "Property Tax Fairness Act"

Hello Berta,

I agree with you but I think your legislation does not go far enough. Fair would be if a church is only allowed exemption on one property just like every citizen is.

While I support the purpose of churches, I do not support their being able to mass huge fortunes and for their pastorage to live like kings when there are thousands here in Anchorage alone who are homeless.

Leonard Lamb

-----Original Message-----

From: Glenn Clary [mailto:gclary@ancbt.org]

Sent: Thursday, January 26, 2012 1:48 PM

To: Sen. John Coghill; Sen. Bettye Davis; Sen. Fred Dyson; Sen. Dennis Egan; Sen. Johnny Ellis; Sen. Hollis French; Sen. Cathy Giessel; Sen. Lyman Hoffman; Sen. Charlie Huggins; Sen. Albert Kookesh; Sen. Lesil McGuire; Sen. Linda Menard; Sen. Kevin Meyer; Sen. Joe Paskvan; Sen. Donny Olson; Sen. Tom Wagoner; Sen. Bert Stedman; Sen. Gary Stevens; Sen. Joe Thomas; Sen. Bill Wielechowski; Rep. Alan Austerman; Rep. Mike Chenault; Rep. Sharon Cissna; Rep. Mia Costello; Rep. Alan Dick; Rep. Mike Doogan; Rep. Bryce Edgmon; Rep. Anna Fairclough; Rep. Eric Feige; Rep. Neal Foster; Rep. Les Gara; Rep. Carl Gatto; Rep. Max Gruenberg; Rep. David Guttenberg; Rep. Mike Hawker; Rep. Bob Herron; Rep. Lindsey Holmes; Rep. Kyle Johansen; Rep. Craig Johnson; Rep. Reggie Joule; Rep. Scott Kawasaki; Rep. Wes Keller; Rep. Beth Kerttula; Rep. Bob Lynn; Rep. Bob Miller; Rep. Charisse Millett; Rep. Cathy Munoz; Rep. Mark Neuman; Rep. Kurt Olson; Rep. Pete Petersen; Rep. Lance Pruitt; Rep. Berta Gardner; Rep. Dan Saddler; Rep. Paul Seaton; Rep. Bill Stoltze; Rep. Bill Thomas; Rep. Steve Thompson; Rep. Chris Tuck; Rep. Peggy Wilson; Rep. Tammie Wilson

Cc: Glenn Clary

Subject: Property tax exemptions

Dear Alaska Legislator,

The following is a response from Dr. Jerry Prevo concerning recent questions about religious tax exempt properties. He requested that I forward this information to you.

I will be in Juneau, February 1-4, if you need further information about the historical timeline concerning tax exemptions for property owned by religious organizations.

Glenn Clary
907-952-2281
gclary@ancbt.org

To Whom It May Concern:

The Anchorage Baptist Temple is not against paying property taxes. ABT pays more than \$45,000 a year in taxes on approximately 14 pieces of property. With legal counsel ABT has requested tax exemptions on properties that qualify.

Because of an inquiry by the Anchorage Daily News, the Anchorage Baptist Temple hired two law firms and asked them to look at its' tax exempt properties. Both attorneys were asked to determine if ABT had improperly asked for tax exemptions and if so how to make it right. If there was a problem, I wanted to clear it up before the Daily News made it an issue.

Both law firms advised ABT they believed the church was in compliance with the law. The Daily News quotes one attorney saying ABT is in compliance and attached is a letter from the other law firm's attorney saying he believes we are in compliance. Of course the final decision will be made by the city's tax assessor. ABT has been cooperating with that office's inquiries.

ABT believes it has properly requested tax exemptions based on legal counsel. It seems this issue comes up about every time "special rights" for homosexuals comes up in our city which is coming up in April. If passed, these "special rights" for homosexuals will take away the rights of religious groups, churches, organizations, businesses, religious people, and individuals. I have opposed "special rights" for what the Bible calls immoral behavior since the 70's. It seems these recent accusations are again a move to diminish my opposition to these "special rights".

ABT feels they are fortunate in that the city's tax assessors' office will be looking for the facts rather than fodder to write a newspaper story and if the church's legal counsel has been mistaken, we look forward to correcting any discrepancies and paying any taxes due.

Pastor Jerry Prevo

Attorney Kevin Clarkson was our attorney quoted in the paper that we were in compliance with the tax exempt law. Kevin has done work for the Republican Party.

The other attorney's letter is below. Attorney Amodio has done work for the Democratic Party. We thought it was important to have an opinion from both to eliminate any accusations of political favor.

REEVES AMODIO LLC

ATTORNEYS AT LAW

December 30, 2011

To the congregation of the Anchorage Baptist Temple:

Pastor Prevo came to me on Dec 22, 2011 and asked me to look into way the church has been handling its tax exempt properties. He understood the Anchorage Daily News was planning to attack him regarding the church's handling of tax exempt properties. He asked me to look at the situation to see if he or the church had done anything wrong and, if so, what needed to be done to make it right. After reviewing the situation and relevant material, I believe that Pastor Prevo and the church have acted properly and in accordance with law regarding the church's tax exempt properties. I do not believe he or the church has done anything improperly or contrary to law. I am preparing a more detailed letter explaining my conclusions that Pastor Prevo and the church are free to release to whoever they think appropriate.

Sincerely,

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Terry Harvey

From: Daniel Repasky <akdanr@hotmail.com>
Sent: Tuesday, February 07, 2012 12:05 PM
To: Terry Harvey
Subject: HB 305

I am in support of the HB 305. The fact that religious institutions are exempted at all is a testament to the Founders of our Nation and their understanding of Society, at that time. Now, in today's society, the religious institutions have taken on a whole new form. With the special status written into law back in 2006, we find ourselves supporting people who work as teachers, janitors, and sound and lighting personnel for mega-churches getting exemptions for the property they live in while enjoying all the benefits that our property taxes support. I object.

The Church itself and the attending parking should be exempted. As should be the parsonage (a single facility) for that Church. The schools, nursery buildings, gymnasiums and various other property not specific to the practice of the religion should not be so covered. It was disheartening to learn that the Anchorage Baptist Temple had circumvented the tax laws by unwritten agreements made with its employees, allowing these individuals to build equity in property they did not own and that the Church did not pay taxes upon by calling them ministers. Likewise, its private schools and nursery facility should not be exempted. Or, all nursery and schools should receive the same status.

It seems to me that the financial aspects of the religious practices of a few churches are established not to serve the interests of the religion, but to further the business goals of the Church. When those business and religious goals being supported by all citizens, it is wrong. Each of us have the right to participate in our Church. We tithe, or not, as we see fit. By the perversion of the religious exemption for property taxes other citizens are "forced" to support the teachings and practices of a church for which they may fundamentally oppose. That, most certainly, is wrong.

Finally, there are those in our society who do not believe that a higher power even exists, yet they, too, must in some small part pay for these religious institutions. Let's minimize this exemption so that in years ahead we have a defined process whereby any religious institution get s a precise exemption, or do away with it totally.

Thank you.
Daniel Repasky
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