

HB

164

<TARGET><BILL>HB 164</BILL><SUBJECT>HB
164</SUBJECT><COMM>HMLV28</COMM></TARGET>

**Alaska Legislature
Representative Charisse Millett**

Session:
State Capitol Building, Room 403
Juneau, AK 99801
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MEMORANDUM

Charisse Millett

To: Co-chairs Gabrielle LeDoux and Neil Foster, House Military and Veterans Affairs Committee
From: Rep. Charisse Millett
Subject: HB 164 Hearing Request
Date: Thursday, March 14, 2013

Please schedule a hearing on House Bill 164 at your earliest convenience. The legislation allows municipalities to grant a property tax exemption to the widow or widower of a person killed while in military service to the United States.

The necessary documents are included with this hearing request.

Jeff Turner is the staffer assigned to this legislation and he can be reached at (907) 465-6588.

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District 24

Version: 28-LS0635\A

Sponsor Statement – HB 164

"An Act authorizing municipalities to exempt from taxation, by ordinance approved by the voters in the municipality, the real property that is the primary residence of a resident who is at least 60 years of age and the widow or widower of a person who was killed while in the military service of the United States; and providing for an effective date."

The death of an active duty military member killed in service is devastating to the family left behind and the community of all Alaskans. The surviving spouse quickly discovers that the subsequent loss of income places the family home in jeopardy.

House Bill 164 will provide a measure of financial relief by allowing voters in a municipality the ability to grant a property tax exemption on the first \$150,000 of assessed value. The home must be the primary residence of the surviving spouse and occupied no less than 185 days each year. When the surviving spouse remarries the exemption expires.

Military families contribute in countless ways to the social fabric of our state but the high cost of living here forces military families to sell their home or even move away. By granting a moderate amount of tax relief they have the financial ability to stay and remain a part of the community.

HB 164 will be considered by the House Military and Veterans Affairs and Community and Regional Affairs Committees.

Prepared on March 14, 2013

HOUSE BILL NO. 164

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE MILLETT

Introduced: 3/13/13

Referred:

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing municipalities to exempt from taxation, by ordinance approved by**
2 **the voters in the municipality, the real property that is the primary residence of a**
3 **resident who is at least 60 years of age and the widow or widower of a person who was**
4 **killed while in the military service of the United States; and providing for an effective**
5 **date."**

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

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

8 (e) The real property owned and occupied as the primary residence and
9 permanent place of abode by a resident who is (1) 65 years of age or older; (2) a
10 disabled veteran; or (3) at least 60 years of age and the widow or widower of a person
11 who qualified for an exemption under (1) or (2) of this subsection is exempt from
12 taxation on the first \$150,000 of the assessed value of the real property. A
13 municipality may by ordinance approved by the voters grant the exemption under this

1 subsection to the widow or widower under 60 years of age of a person who qualified
2 for an exemption under (2) of this subsection or to a resident who is at least 60 years
3 of age and the widow or widower of a person who was killed while in the military
4 service of the United States. A municipality may, in case of hardship, provide for
5 exemption beyond the first \$150,000 of assessed value in accordance with regulations
6 of the department. Only one exemption may be granted for the same property, and, if
7 two or more persons are eligible for an exemption for the same property, the parties
8 shall decide between or among themselves who is to receive the benefit of the
9 exemption. Real property may not be exempted under this subsection if the assessor
10 determines, after notice and hearing to the parties, that the property was conveyed to
11 the applicant primarily for the purpose of obtaining the exemption. The determination
12 of the assessor may be appealed under AS 44.62.560 - 44.62.570.

13 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

15 **RETROACTIVITY.** Section 1 of this Act is retroactive to January 1, 2013.

16 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).

ENERGY CO-CHAIR
CHARISSE MILLETT

R - ANCHORAGE (HD24)

HOUSEMAJORITY.ORG/MILLETT



PRESS RELEASE

CAPITOL ROOM 403

JUNEAU: 465-3879
ANCHORAGE: 269-0222

NEW BILL WILL HELP MILITARY WIDOWS STAY IN THEIR HOMES
HB 164 creates tax exemption for spouses of fallen military members

Wednesday, March 13, 2013, Juneau, Alaska – Families of military members killed during service to their country will find it easier to keep their home with legislation introduced today by Rep. Charisse Millett, R-Anchorage.

“This is the least we can do for the family of a fallen military member,” Millett said. “The spouse left behind not only deals with the grief of losing their loved one, but due to the loss of income he or she also struggles to keep the family home. This legislation eases the financial burden during that difficult time.”

House Bill 164 allows local governments to grant a partial property tax exemption on a home owned by the widow of a military member. Last year the voters in the Municipality of Anchorage widely approved a ballot proposition granting the exemption on the first \$150,000 of assessed value.

The legislation only applies to the primary residence. The surviving spouse must be at least 60 years old, an Alaska resident for at least one year before receiving the exemption and be living in the home for a minimum of 185 days per year. It expires once the surviving spouse remarries. If passed, the bill will be retroactive to January 1, 2013.

Without the legislation, some military families would have to leave Alaska. HB 164 gives them the opportunity to stay and remain a valued part of our community.

HB 164 has been referred to the House Military and Veterans’ Affairs committee and the Community and Regional Affairs committee for review.

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For more information, contact Representative Millett at 465-3879.

From: Theresa M Dayton
Sent: Thursday, March 14, 2013 11:09 AM
Subject: Re: HB 164 Letter of Support

As the widow of the late SMSgt Thomas E. Cicardo, Alaska Air National Guard, who died 28, July 2010, my world was turned upside down. Besides the death of my beloved husband, the 2nd greatest impact was financial. I whole-heartedly support HB 164 as there is a need to assist those who are the surviving spouses.

Of the 5 widows created from the 2 Military air craft crashed in 2010, 2 widows have permanently moved away from Alaska. I know that for one it was partially due to the cost of living here.

Most Military are families, the death of the Military spouse, in the Line of Duty, leaves this terrible, sudden emotional & financial impact that as much as we think we are prepared for it is still greater that you can imagine.

For a few years the Military puts you in a Survivor status, & your benefits pretty much don't change but at the end of the 3rd year, after the spouse's death, you are put in Retired Status & the out of pocket cost for the same benefits increases by as much as 300%. Yet the pension payments from DFAS only increase by \$10 a month/year & eventually those payments stop.

By passing this Bill, Alaska would saying to the families of the Fallen, thank you for sacrifice & we are here & would like you to make Alaska your home!

Sincerely,
Theresa M. Dayton

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: HB 164
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB164-DCCED-DCRA-03-15-13
Title: PROPERTY TAX EXEMPTION/MILITARY
WIDOW(ER)
Sponsor: MILLETT
Requester: House Military and Veterans Affairs

Department: Department of Commerce, Community and
Economic Development
Appropriation: Community and Regional Affairs
Allocation: Community and Regional Affairs
OMB Component Number: 2879

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates					
			FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
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 (Operating Only)

None								
Total	0.0	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 (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No

If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Scott Ruby, Director
Division: Community and Regional Affairs
Approved By: JoEllen Hanrahan, Director
Administrative Services Division

Phone: (907)269-4569
Date: 03/15/2013 10:30 PM
Date: 03/16/13

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. HB164

Analysis

This bill would amend existing statutes regarding mandatory exemptions for senior citizens and disabled veterans by adding widows or widowers of a person who was killed while in the military service of the United States as eligible participants.

Existing statutes require the state to reimburse a borough or city for the real property tax revenues lost to it by the implementation of tax exemptions. If passed, this additional exemption would also be reimbursable by the state. However, statutes provide that if appropriations are not sufficient to fully fund reimbursements the amount available shall be distributed pro-rata among eligible municipalities. The state in the past has not fully funded reimbursement for existing municipal tax exemptions.

There is no anticipated fiscal impact to the Division of Community and Regional Affairs from this bill.