

USB

73

<TARGET><BILL>SB 73</BILL><SUBJECT>SB  
73</SUBJECT><COMM>SSTA28</COMM></TARGET>

# SENATE COMMITTEE REPORT

DATE: 3/27/13

FURTHER: Rules  
 DATE TURNED  
 IN TO OFFICE: 4/9/13

**State Affairs Committee** considered SENATE BILL NO. 73

## SB 73-PROPERTY TAX EXEMPTION/MILITARY WIDOW(ER)

"An Act authorizing municipalities to exempt from tax, by ordinance approved by the voters in the municipality, the real property that is the primary residence of a resident who is 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."

and recommends:

- be replaced with CS SB 73 ( STA )  Same Title [ ] New Title
- [ ] adopt previous CS \_\_\_\_\_ ( \_\_\_\_\_ ) [ ] Same Title [ ] New Title
- [ ] attached amendment(s)
- [ ] adopt \_\_\_\_\_ Letter of Intent
- [ ] further referral to \_\_\_\_\_ Committee

| Dept Abbr. |     |
|------------|-----|
| ADM        | LWF |
| CED        | LAW |
| COR        | LEG |
| CRT        | MVA |
| EED        | DNR |
| DEC        | DPS |
| DFG        | REV |
| GOV        | DOT |
| DHS        | UA  |

| NEW FISCAL NOTE(S) |        |        |      |      |
|--------------------|--------|--------|------|------|
| Dept.              | Fiscal | Indet. | Zero | FN # |
|                    |        |        |      |      |
|                    |        |        |      |      |
|                    |        |        |      |      |
|                    |        |        |      |      |
|                    |        |        |      |      |

| PREVIOUS FISCAL NOTE(S) |        |        |      |      |
|-------------------------|--------|--------|------|------|
| Dept.                   | Fiscal | Indet. | Zero | FN # |
| CED                     |        |        | ✓    | 1    |
|                         |        |        |      |      |
|                         |        |        |      |      |
|                         |        |        |      |      |
|                         |        |        |      |      |

[ ] APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | PRINTED LAST NAME | DO PASS | DO NOT PASS | NO REC | AMEND |
|---------------------------------|-------------------|---------|-------------|--------|-------|
|                                 | Cophill           |         |             | ✓      |       |
|                                 | Bessel            |         |             | ✓      |       |
|                                 |                   |         |             |        |       |
|                                 |                   |         |             |        |       |
| CHAIR:                          | Dyson             | ✓       |             |        |       |

# Alaska State Legislature



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## **Senator Kevin Meyer** Senate District L

### **SPONSOR STATEMENT SENATE BILL 73**

Senate Bill 73 allows a property tax exemption on the first \$150,000 of the assessed value on real property owned and occupied as the primary residence and permanent place of abode for those who are at least 60 years old and the widow or widower of a person who was killed while in the military service of the United States.

Currently, by ordinance approved by the voters, municipalities may grant this property tax exemption to the following groups of people:

1. A resident who is 65 years of age or older,
2. A disabled veteran,
3. A resident who is at least 60 years of age and is a widow or widower of a person who was 65 years of age or was a disabled veteran, and
4. A resident under 60 years of age who is a widow or widower of a disabled veteran.

The survivors of those killed while in military duty of the United States face not only grief in the loss of their loved one while they served their country, but often they also face extreme financial difficulties. While we currently allow exemptions for those military veterans who have become disabled and their surviving spouse, we offer no such similar exemption for the survivors of those who have made the ultimate sacrifice.

Under this legislation, municipalities will be able to allow voters to elect whether or not to include this often forgotten group of individuals in the tax code, and help them to remain in their homes and remain in Alaska.

I encourage your support on SB 73.

**CS FOR SENATE BILL NO. 73(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

**BY THE SENATE STATE AFFAIRS COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATOR MEYER**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to a municipal property tax exemption for real property that is the**  
2 **primary residence of certain widows and widowers; and providing for an effective**  
3 **date."**

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

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

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

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1 serving as a member of the United States armed forces or as a member of the  
2 National Guard. A municipality may, in case of hardship, provide for exemption  
3 beyond the first \$150,000 of assessed value in accordance with regulations of the  
4 department. Only one exemption may be granted for the same property, and, if two or  
5 more persons are eligible for an exemption for the same property, the parties shall  
6 decide between or among themselves who is to receive the benefit of the exemption.  
7 Real property may not be exempted under this subsection if the assessor determines,  
8 after notice and hearing to the parties, that the property was conveyed to the applicant  
9 primarily for the purpose of obtaining the exemption. The determination of the  
10 assessor may be appealed under AS 44.62.560 - 44.62.570. In this subsection,  
11 "widow or widower" means a person whose spouse has died and who has not  
12 remarried. A municipality shall determine the eligibility requirements and  
13 application procedure for an optional exemption provided under this subsection.

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

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

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

28-LS0631\c  
Bullard  
4/4/13

**CS FOR SENATE BILL NO. 73( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-EIGHTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): SENATOR MEYER**

**A BILL**  
**FOR AN ACT ENTITLED**

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8 disabled veteran; or (3) at least 60 years of age and the widow or widower of a person  
9 who qualified for an exemption under (1) or (2) of this subsection is exempt from  
10 taxation on the first \$150,000 of the assessed value of the real property. A  
11 municipality may by ordinance approved by the voters grant the exemption under this  
12 subsection to the widow or widower under 60 years of age of a person who qualified  
13 for an exemption under (2) of this subsection or to a resident who is the widow or  
14 widower of a person who dies from a service-connected cause sustained while

1 servng as a member of the United States armed forces or as a member of the  
2 National Guard. A municipality may, in case of hardship, provide for exemption  
3 beyond the first \$150,000 of assessed value in accordance with regulations of the  
4 department. Only one exemption may be granted for the same property, and, if two or  
5 more persons are eligible for an exemption for the same property, the parties shall  
6 decide between or among themselves who is to receive the benefit of the exemption.  
7 Real property may not be exempted under this subsection if the assessor determines,  
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28-LS0631\U  
Bullard  
3/20/13

**CS FOR SENATE BILL NO. 73( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-EIGHTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): SENATOR MEYER**

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8 disabled veteran; or (3) at least 60 years of age and the widow or widower of a person  
9 who qualified for an exemption under (1) or (2) of this subsection is exempt from  
10 taxation on the first \$150,000 of the assessed value of the real property. A  
11 municipality may by ordinance approved by the voters grant the exemption under this  
12 subsection to the widow or widower under 60 years of age of a person who qualified  
13 for an exemption under (2) of this subsection or to a resident who is the widow or  
14 widower of a member of the armed forces of the United States who dies because

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of illness or injury suffered while serving on active duty service, or complications relating to the treatment of the illness or injury suffered while serving on active duty service of the United States. A municipality may, in case of hardship, provide for exemption beyond the first \$150,000 of assessed value in accordance with regulations of the department. Only one exemption may be granted for the same property, and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560 - 44.62.570. In this subsection, "widow or widower" means a person who has lost the person's spouse to death and has not remarried.

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

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

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

# Fiscal Note

State of Alaska  
2013 Legislative Session

Bill Version: CSSB 73(CRA)  
Fiscal Note Number: 1  
(S) Publish Date: 3/27/13

Identifier: SB73-DCCED-DCRA-03-15-13  
Title: PROPERTY TAX EXEMPTION/MILITARY  
WIDOW(ER)  
Sponsor: MEYER  
Requester: Senate Community and Regional 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        | Included in | Out-Year Cost Estimates |            |            |            |            |
|------------------------|---------------|-------------|-------------------------|------------|------------|------------|------------|
|                        | Appropriation | Governor's  |                         |            |            |            |            |
| OPERATING EXPENDITURES | Requested     | FY2014      | FY 2015                 | FY 2016    | FY 2017    | FY 2018    | FY 2019    |
| Personal Services      |               |             |                         |            |            |            |            |
| Travel                 |               |             |                         |            |            |            |            |
| Services               |               |             |                         |            |            |            |            |
| Commodities            |               |             |                         |            |            |            |            |
| Capital Outlay         |               |             |                         |            |            |            |            |
| Grants & Benefits      |               |             |                         |            |            |            |            |
| Miscellaneous          |               |             |                         |            |            |            |            |
| <b>Total Operating</b> | <b>0.0</b>    | <b>0.0</b>  | <b>0.0</b>              | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Fund Source (Operating Only)**

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Positions**

|           |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |

|                           |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|
| <b>Change in Revenues</b> |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|

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: | <u>Scott Ruby, Director</u>             | Phone: | (907)269-4569       |
| Division     | <u>Community and Regional Affairs</u>   | Date:  | 03/15/2013 10:30 PM |
| Approved By: | <u>JoEllen Hanrahan, Director</u>       | Date:  | 03/16/13            |
|              | <u>Administrative Services Division</u> |        |                     |

**FISCAL NOTE ANALYSIS #1**

**STATE OF ALASKA  
2013 LEGISLATIVE SESSION**

**BILL NO. CSSB 73(CRA)**

**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.



March 27, 2013

AMERICAN CIVIL  
LIBERTIES UNION OF  
ALASKA  
1037 W. Fireweed, Suite 207  
Anchorage, AK 99503  
(907) 258-0044  
(907) 258-0288 (fax)  
[WWW.AKCLU.ORG](http://WWW.AKCLU.ORG)

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GALEN PAINE, Sitka  
BRIAN SPARKS, Sitka  
JUNE PINNELL-STEPHENS, Fairbanks  
TONY STRONG, Douglas

EMMA HILL, Anchorage  
STUDENT ADVISOR

The Honorable Fred Dyson, Chair  
The Honorable Cathy Giessel, Vice-Chair  
Senate State Affairs Committee  
Alaska State Senate  
State Capitol  
Juneau, AK 99801

via email: [Sen.Fred.Dyson@akleg.gov](mailto:Sen.Fred.Dyson@akleg.gov)  
[Sen.Cathy.Giessel@akleg.gov](mailto:Sen.Cathy.Giessel@akleg.gov)

Re: **Senate Bill 73 – ACLU Review**  
**Inclusion of Same-Sex Domestic Partners**

Chair Dyson and Vice-Chair Giessel:

Thank you for the opportunity to submit written testimony regarding Senate Bill 73, a bill relating to property tax exemptions for the widow or widower of a person who was killed while in the military service.

The American Civil Liberties Union of Alaska represents thousands of members and activists throughout the State of Alaska who seek to preserve and expand individual freedoms and civil liberties guaranteed under the United States and Alaska Constitutions. SB 73 sensibly and compassionately addresses the special needs of Alaska's military families. However, the ACLU would request that the Senate State Affairs Committee make a minor amendment to this important legislation to recognize those military families headed by same-sex domestic partners.

We would be happy to work with you or the Committee to answer any questions you might have.

///

**Equal Treatment of Domestic Partners**

Pursuant to the Alaska Supreme Court’s ruling in *Alaska Civil Liberties Union v. State of Alaska, Municipality of Anchorage*, 122 P.3d 781 (Alaska 2005) (“*AkCLU v. State*”), military families headed by same-sex domestic partners are entitled to those benefits accorded to families headed by opposite-sex married couples.

The Alaska Supreme Court established that same-sex domestic partners must be treated on equal footing with married couples in the provision of government benefits. The Court held that differential treatment violated the Equal Protection Clause of the Alaska State Constitution, since individuals “in committed same-sex relationships are absolutely denied any opportunity to obtain [government] benefits, because [they] are barred by law from marrying their same-sex partners in Alaska or having any marriage performed elsewhere recognized in Alaska.” *AkCLU v. State*, 122 P.3d at 788.

Please note that, in reaching this conclusion, the Court found that treating same-sex couples differently from heterosexual married couples with respect to employment benefits was unconstitutional *and did not survive even the most minimal level of constitutional scrutiny. Id.* at 783, 786–87.

**Authorization for Municipal Exemption of Taxation on \$150,000 of Home’s Assessed Value**

Under SB 73:

. . . A municipality may by ordinance approved by the voters grant the exemption under this subsection to the widow or widower under 60 years of age of a person who qualified for an exemption under (2) of this subsection or to 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.

This language should be amended to reflect the Supreme Court’s decision in *AkCLU v. State*.

By revising the Bill to include, where applicable, “same-sex domestic partner,” the Alaska State Legislature would avoid creating a constitutional conflict with the Alaska Supreme Court’s ruling in *AkCLU v. State*. Moreover, the Legislature will appropriately recognize and honor all military families, including those which were headed by couples in committed same-sex partnerships.

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**Repeal of “Don’t Ask, Don’t Tell”**

Further, following the repeal of “Don’t Ask, Don’t Tell,” the United States military is quickly moving to ensure that all soldiers, sailors, airmen, and Marines – no matter their sexual orientation – are treated with the dignity and respect that their service to country deserves.

We would expect no less from the Alaska Legislature.


**Conclusion**

We hope that the Senate State Affairs Committee will consider our comments on SB 73.

Please feel free to contact the undersigned should you require any additional information. And, again, we are happy to answer informally any questions that Members of the Committee may have.

Thank you again for the opportunity to share our concerns.

Sincerely,

  
Jeffrey Mittman  
Executive Director  
ACLU of Alaska

cc: Senator John Coghill, [Sen.John.Coghill@akleg.gov](mailto:Sen.John.Coghill@akleg.gov)  
Senator Bert Stedman, [Sen.Bert.Stedman@akleg.gov](mailto:Sen.Bert.Stedman@akleg.gov)  
Senator Bill Wielechowski, [Sen.Bill.Wielechowski@akleg.gov](mailto:Sen.Bill.Wielechowski@akleg.gov)  
Sponsor – Senator Kevin Meyer, [Senator.Kevin.Meyer@akleg.gov](mailto:Senator.Kevin.Meyer@akleg.gov)

## Senate Bill 73 - CHANGES

| Version     | Section           | Language Changes/Additions  |
|-------------|-------------------|---|
| 28-LS0631\A | 1 AS 29.45.030(e) | <b>ORIGINAL:</b> Resident that 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.  |
| 28-LS0631\U | 1 AS 29.45.030(e) | <b>CHANGED TO:</b> Resident who is the widow or widower of a member of the armed forces of the United States who dies because of illness or injury suffered while serving on active duty service, or complications relating to the treatment of the illness or injury suffered while serving on active duty service of the United States. |
| 28-LS0631\U | 1 AS 29.45.030(e) | <b>ADDED:</b> In this subsection, “widow or widower” means a person who has lost the person’s spouse to death and has not remarried.  |

## Ken Truitt

---

**From:** Edra Morledge  
**Sent:** Friday, April 05, 2013 4:08 PM  
**To:** Ken Truitt; Sharon Long; Rynnieva Moss; Darwin Peterson; Michelle Sydeman  
**Subject:** SB 73 - State Affairs Committee  
**Attachments:** SB 73 AG Answers.pdf; SB 73 CS 28-LS0631C.pdf

Hello,

Last week the Senate State Affairs committee heard SB 73, relating to property tax exemptions for the surviving spouse of military service members. Committee members had several questions that they requested the bill sponsor address through the Department of Law. Attached is the memo from the department which addresses each of the questions asked. Also attached is a committee substitute which I believe addresses those questions. Would you please (or the appropriate staff member), see if these changes address the issues brought forth by your bosses? If there are additional questions/concerns, I would be happy to come down and chat.

In short, our CS resolves the issues listed below:

**1. Does the legislation remove local control in providing this property tax exemption?**

No. As confirmed by the department, page 1 lines 10-11, this legislation provides that "A municipality may by ordinance approved by the voters..."

**2. Does this legislation include National Guard members?**

Yes. While we believe it included National Guard members in the previous CS, we have specifically added them to the language so there is no question.

**3. Does this legislation include Coast Guard members?**

Yes. The department confirmed that Coast Guard members are considered part of the U.S. military, and part of the armed forces.

**4. How is the term "active duty" interpreted in Alaska?**

We have removed the term "active duty" from our legislation as a qualifier, and replaced it with "a person who dies from a service-connected caused sustained while

serving as a member of the United States armed forces or as a member of the National Guard,” thus removing the questionable term.

5. **Would this legislation allow the spouse of service members who are killed in a recreational, off-duty-related, or suicide-related death, to be eligible for this exemption?**

No. We believe the change in language as listed in number 4 above, removes the question of whether or not those types of deaths would be eligible.

6. **Would there need to be a “threshold” or “proportionality” between an illness or injury as it relates to a deceased service member’s service and their illness or injury in order to qualify their spouse for this exemption?**

Because we removed the words “injury or illness,” and replaced it with the language “service-connected cause sustained while serving as a member of the United States armed forces...”, we believe this clarifies that any illness or injury that causes the death would need to be directly related to their service. In addition, the department states in their memo that “any dispute about whether an individual should receive an exemption would be between the department and the municipality.”

7. **Would the bill sponsor consider adding the language from the last sentence of AS 29.45.050(s): “The ordinance must include requirements for determining eligibility for the exemption and a procedure for applying for the exemption.”**

We have added the following language to the bill: “A municipality shall determine the eligibility requirements and application procedure for an optional exemption under this subsection.” Because the Municipality of Anchorage has already passed their ordinance to allow this exemption and it did not include a “procedure for applying,” there is some question as to whether or not the ordinance on the MOA books would be implementable under the language in AS 29.45.050(s), or if the ordinance could be modified since it was already voter-approved as is.

Please let me know as soon as you can if there are any comments, questions or concerns on this bill. Thank you!

*Edra Morledge*  
Staff to Senator Meyer  
Alaska Legislature

Capitol Building, Room 518

Juneau, AK 99801

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*If you would like to be added to **Senator Kevin Meyer's** Legislative Update email list, reply to this email with "**Newsletter**" in the subject line.*

# STATE OF ALASKA

SEAN PARNELL  
GOVERNOR

DEPARTMENT OF LAW  
OFFICE OF THE ATTORNEY GENERAL

LABOR & STATE AFFAIRS  
1031 WEST 4<sup>th</sup> AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 269-6612  
FAX: (907) 258-4978

April 1, 2013

The Honorable Fred Dyson, Chair – Senate State Affairs Committee  
Alaska State Capitol Room 121  
Juneau, AK 99801

Re: CSSB 73 (CRA) questions

Senator Dyson:

This is in response to several questions you asked our office regarding CSSB 73(CRA) after last week's Senate State Affairs Committee meeting. The questions and our answers follow.

- 1. Does this language remove local control? In other words, if a municipality does NOT pass an ordinance by popular vote would it be subjected to provide this exemption anyway? Does this language only mandate the exemption if and when voters pass an ordinance?**

Short answer: The language in current law and as proposed in CSSB 73(CRA) does not remove local control. Certain property tax exemptions are currently optional in AS 29.45.030(e) and under the control of the municipality to provide for them. A municipality will retain local control over allowing for the current optional exemptions and the new exemptions provided for in the current version of CSSB 73(CRA).

Discussion: AS 29.45.030 establishes the criteria as to types and categories of property required to be exempt--in whole or in part--from general municipal taxation. AS 29.45.030(e), in its current form, has both mandatory and optional provisions. One, a municipality is *required* to exempt from taxation the first \$150,000 of the assessed value of

“[t]he real property owned and occupied as the primary residence and permanent place of abode by a resident who is (1) 65 years of age or older; (2) a disabled veteran; or (3) at least 60 years of age and the widow or

widower of a person who qualified for an exemption under (1) or (2) of this subsection...”

This provision is mandatory on a municipality that levies a property tax without exception.

Two, AS 29.45.030(e) “allows” a municipality, if it has an ordinance approved by the voters, to extend the property tax exemption for the widow or widower of a disabled veteran to a widow or widower who is “under” 60 years of age. This is an optional exemption.

Three, AS 29.45.030(e) “allows” a municipality, in a case of hardship, to provide for property tax exemption beyond the first \$150,000 of assessed value in accordance with regulations of the department. This is also an optional exemption.

The proposed additional language to AS 29.45.030(e) in CSSB 73(CRA) would “allow” a municipality, if it has an ordinance approved by the voters, to extend the \$150,000 assessed value property tax exemption to:

“a resident who is the widow or widower of a member of the armed forces of the United States who dies because of illness or injury suffered while serving on active duty service, or complications relating to the treatment of the illness or injury suffered while serving on active duty service of the United States.”

If CSSB 73 (CRA) passes, this language would create an additional optional exemption that would require voter approval.

The fact that the existing optional exemption language is under a statute that provides for required exemptions, does not automatically convert an optional exemption to a mandatory exemption. The language in AS 29.45.030(e) makes clear as to what is mandatory and what is optional. Under rules of statutory construction, statutes are to be read and interpreted to effectuate their purpose.

You also ask about AS 29.45.050, which sets out specific optional taxation exemptions and exclusions. Of particular note is AS 29.45.050(s), which provides for an optional municipal property tax exemption but the exemption is limited to the:

“widow or widower of a member of the armed forces of the United States injured serving on active duty while eligible for hostile fire or imminent danger pay who dies because of the injury or complications related to the injury or its treatment.”

This is a narrower class of beneficiaries than proposed in AS 29.45.030(e) in CSSB 73(CRA). The optional exemption in AS 29.45.050(s) may be a partial or whole value exemption of the assessed value of property and this exemption is not tied to the first \$150,000 of assessed value of the property in AS 29.45.030(e).

**2. How is the term “active duty” interpreted in our state statutes? Is there a standard definition? Are members of the National Guard considered on active duty? Are Coast Guard members on active duty?**

With regard to United States military service, there is no definition or interpretation of “active duty” in the Alaska Statutes. Although numerous references are made to active duty status in various contexts, the term is not defined in the Alaska Statutes.

Under federal law, active duty means:

“full-time duty in the active military service of the United States. Such term includes full-time training duty, annual training duty, and attendance, while in the active military service, at a school designated as a service school by law or by the Secretary of the military department concerned. Such term does not include full-time National Guard duty.”<sup>1</sup>

The Coast Guard is part of the United States military, and members of the Coast Guard are part of the armed forces of the United States.<sup>2</sup> Therefore, the same definition applies to them as well.

Members of the National Guard are not generally on active duty. As stated above, the definition of active duty excludes even full time National Guard duty. However, National Guard members can be called to active duty by the secretary of defense under 10 U.S.C. § 12301(d). Additionally, members of the Alaska National Guard, as part of the organized militia of Alaska can be called to active state service by the governor.<sup>3</sup> However, SB 73 as written, applies only to the armed forces of the United States, and therefore would not apply to a member of the militia called to state service.

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<sup>1</sup> 10 U.S.C. § 101(d)(1).

<sup>2</sup> 10 U.S.C. § 101(a)(4).

<sup>3</sup> AS 26.05.070.

3. **How would the AG's office interpret the section that reads "who dies because of an illness or injury suffered while serving on active duty service, or complications relating to the treatment of the illness or injury suffered while serving..."? Would it be interpreted that the injury or illness is a direct result of the requirements associated with their military service, or would this apply to a service member who suffers a recreational accident on a weekend (or car accident, etc.)? Would suicide be included?**

In Alaska the courts interpret statutes "according to reason, practicality, and common sense, considering the meaning of the statute's language, its legislative history, and its purpose." The courts "adopt 'the rule of law that is most persuasive in light of precedent, reason, and policy.'"<sup>4</sup>

Based on the language of the bill, we would interpret it to apply to all members of the armed forces who die as a result of illness or injury suffered while on active duty. This would include a person who dies in a recreational accident or car accident that occurs when the person is momentarily off duty. The federal statutes do often make distinctions between injuries suffered by active duty military personnel in the line of duty and those not suffered in the line of duty.<sup>5</sup> Because this bill makes no such distinction, it would presumably apply to all members of the armed forces who die because of an injury or illness suffered while on active duty, whether or not that the incident occurs in the line of duty. Because the bill makes no distinction between a member of the armed forces who dies by suicide and a member of the armed forces who dies by any other means, the bill would apply to a member who dies by suicide as well.

4. **If an injury or illness while on active duty means "directly related to the requirements of their active duty service," would the state argue that a particular threshold be met, i.e., could a widow/er argue that they qualify for the exemption because their spouse died as a result of a recreational skiing accident while serving in Alaska, because they would not have been skiing otherwise in Alaska (base assignment)? Would the state argue that a particular causality would need to exist between the requirements of their service and the cause of the injury/illness? How would that proportionality be measured?**

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<sup>4</sup> *RCTEC Services v. Cummings*, 295 P.3d 916 (Alaska 2013)(Internal citations omitted).

<sup>5</sup> *See, e.g.* 10 U.S.C. § 1076(a)(2)(C)(Medical care for dependents of members of military killed in the line of duty).

It is unlikely that the State would be in a position to argue about this statute at all. The statute provides that a municipality may allow a property tax exemption for the primary residence of some individuals. For the exemption to apply, a municipality would first have to adopt an appropriate ordinance, and any dispute about whether an individual should receive an exemption would be between the individual and the municipality.

Nonetheless, as currently written the State would not advance the position that there needs to be any connection or causality between a person's service and their injury/illness. As written, the bill would apply to any person who dies because of an injury or illness suffered while serving on active duty, whether or not that injury or illness was related to their duty, or suffered in the line of duty.

- 4a. Another example for question #4: If a service member is exposed to carcinogens as a direct result of their active duty service, and after leaving service live for 30 (or 2 or 15 or 40, etc.) more years and develop cancer and die as a result, how would the state interpret the language in the bill? Would there have to be a "likelihood" that the exposure during service caused the cancer and death, or would there have to be "direct evidence," etc.?**

This would be a factual question. If the taxing authority and an individual seeking the tax exemption could not resolve the question, it would probably end up in court, to be resolved by a trier of fact. Additionally, a municipality could provide some standards for dealing with this issue in the ordinance adopting the exemption. The easiest way to resolve these questions would be to piggyback off any military determination of the person's status. If for purposes of military benefits, the United States government agrees that a particular death was the result of an illness or injury sustained while on active duty, that determination could be controlling here as well.

#### **Follow Up Questions:**

- 5. Does SB 73 create anything new that isn't already covered by AS 29.45.050(s)? Section 050 provides wholly optional/discretionary exemptions that municipalities may enact. SB 73 seeks to put what looks to be an almost identical discretionary exemption, but within an otherwise mandatory statute (AS 29.45.030);**

Yes, CSSB 73 (CRA) creates something new that is not already covered by AS 29.45.050(s). CSSB 73(CRA) expands the available exemption to the widow or widower of any person who dies as a result of injury or illness sustained while on active duty, whether or not that person was eligible for hostile fire or imminent danger pay.


6. **Related to question 1 below and to the above, an observation more than anything else—it seems confusing to put discretionary language in an otherwise mandatory statute (AS 29.45.030). However, SB 73 just tacks on to existing discretionary language within subsection (e). I think the nut of question 1 below arises from this generally confusing construction found in AS 29.45.030(e).**

As noted in response to the first question, there are both mandatory and optional provisions in AS 29.45.030(e) and they are distinctly set out in the subsection. Each part of subsection (e) relates to the initial exemption from taxation for first \$150,000 assessed value of “the real property owned and occupied as the primary residence and permanent place of abode by a resident” and specifies which persons are given the exemption as a mandatory exemption; and specifies those who may receive it as an optional exemption. While some may find it confusing to have mandatory exemptions and optional exemptions in the same subsection, it does not violate rules of statutory construction. It would be up to the legislature to decide if moving the optional provisions to another section in AS 29.45 is desirable or necessary.


Respectfully,

MICHAEL C. GERAGHTY  
ATTORNEY GENERAL

By:

  
Erling Johansen  
Assistant Attorney General

And:

  
Thomas Dosik  
Assistant Attorney General

cc: The Honorable Kevin Meyer, Alaska Senate  
Heather Brakes, Office of the Governor

MV/tjd

# Alaska State Legislature



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## Senator Kevin Meyer Senate District L

TO: Senator Dyson, Chair  
Senate State Affairs Committee

FROM: Senator Kevin Meyer *Km*

DATE: April 5, 2013

RE: Senate Finance Committee

On April 2, 2013, the Senate State Affairs committee heard SB 73, relating to property tax exemptions for the surviving spouse of military service members. Committee members had several questions that they wanted addressed. Attached is a memo from the Department of Law that addresses the questions and concerns. Also attached is a committee substitute which I believe we have fixed to address those questions. If my staff or I can provide any additional information, please don't hesitate to contact my office.

In short, our CS resolves the issues listed below:

**1. Does the legislation remove local control in providing this property tax exemption?**

No. As confirmed by the department, page 1 lines 10-11, this legislation provides that "A municipality may by ordinance approved by the voters..."

**2. Does this legislation include National Guard members?**

Yes. While we believe it included National Guard members in the previous CS, we have specifically added them to the language of the new CS so there is no question.

**3. Does this legislation include Coast Guard members?**

Yes. The department confirmed that Coast Guard members are considered part of the U.S. military, and part of the armed forces.

**4. How is the term “active duty” interpreted in Alaska?**

We have removed the term “active duty” from our legislation as a qualifier, and replaced it with “a person who dies from a service-connected cause sustained while serving as a member of the United States armed forces or as a member of the National Guard,” thus removing the questionable term.

**5. Would this legislation allow the spouse of service members who are killed in a recreational, off-duty-related, or suicide-related death, to be eligible for this exemption?**

No. We believe the change in language as listed in number 4 above, removes the question of whether or not those types of deaths would be eligible.

**6. Would there need to be a “threshold” or “proportionality” between an illness or injury as it relates to a deceased service member’s service and their illness or injury in order to qualify their spouse for this exemption?**

Because we removed the words “injury or illness,” and replaced it with the language “service-connected cause sustained while serving as a member of the United States armed forces...”, we believe this clarifies that any illness or injury that causes the death would need to be directly related to their service. In addition, the department states in their memo that “any dispute about whether an individual should receive an exemption would be between the department and the municipality.”

**7. Would the bill sponsor consider adding the language from the last sentence of AS 29.45.050(s): “The ordinance must include requirements for determining eligibility for the exemption and a procedure for applying for the exemption.”**

We have added the following language to the bill: “A municipality shall determine the eligibility requirements and application procedure for an optional exemption under this subsection.” Because the Municipality of Anchorage has already passed their ordinance to allow this exemption and it did not include a “procedure for applying,” there is some question as to whether or not the ordinance on the MOA books would be implementable under the language in AS 29.45.050(s), or if the ordinance could be modified since it was already voter-approved as is.

If my staff or I can provide any additional information, please don’t hesitate to contact my office. You can reach my staff, Edra Morledge, at 465-6874.

**Election Summary Report**  
**2012 Regular Election - MOA**  
**Summary For Areawide, All Counters, All Races**

Date:04/20/12  
Time:15:52:43  
Page:4 of 4

Registered Voters 198512 - Cards Cast 71099 35.82%

Num. Report Precinct 121 - Num. Reporting 121 100.00%

| PROPOSITION 3 - PARKS REC |              |         |  |
|---------------------------|--------------|---------|--|
| AREA WIDE                 |              | Total   |  |
| Number of Precincts       | 121          |         |  |
| Precincts Reporting       | 121          | 100.0 % |  |
| Times Counted             | 71099/198512 | 35.8 %  |  |
| Total Votes               | 69690        |         |  |
| <b>YES</b>                | 42031        | 60.31%  |  |
| <b>NO</b>                 | 27659        | 39.69%  |  |

| PROPOSITION 8 - ANNEXATION |       |         |  |
|----------------------------|-------|---------|--|
| IN                         |       | Total   |  |
| Number of Precincts        | 3     |         |  |
| Precincts Reporting        | 3     | 100.0 % |  |
| Times Counted              | 561/0 |         |  |
| Total Votes                | 501   |         |  |
| <b>YES</b>                 | 322   | 64.27%  |  |
| <b>NO</b>                  | 179   | 35.73%  |  |

| PROPOSITION 3 - PARKS REC |              |         |  |
|---------------------------|--------------|---------|--|
|                           |              | Total   |  |
| Number of Precincts       | 105          |         |  |
| Precincts Reporting       | 105          | 100.0 % |  |
| Times Counted             | 58814/166682 | 35.3 %  |  |
| Total Votes               | 57655        |         |  |
| <b>YES</b>                | 35611        | 61.77%  |  |
| <b>NO</b>                 | 22044        | 38.23%  |  |

| PROPOSITION 8 - ANNEXATION |     |         |  |
|----------------------------|-----|---------|--|
| OUT                        |     | Total   |  |
| Number of Precincts        | 3   |         |  |
| Precincts Reporting        | 3   | 100.0 % |  |
| Times Counted              | 9/0 |         |  |
| Total Votes                | 9   |         |  |
| <b>YES</b>                 | 4   | 44.44%  |  |
| <b>NO</b>                  | 5   | 55.56%  |  |

| PROPOSITION 4 - ANC    |              |         |  |
|------------------------|--------------|---------|--|
| MEDICAL/TRANSPORTATION |              | Total   |  |
| Number of Precincts    | 121          |         |  |
| Precincts Reporting    | 121          | 100.0 % |  |
| Times Counted          | 71099/198512 | 35.8 %  |  |
| Total Votes            | 69246        |         |  |
| <b>YES</b>             | 45942        | 66.35%  |  |
| <b>NO</b>              | 23304        | 33.65%  |  |

| PROPOSITION 5 - EQUAL RIGHTS |              |         |  |
|------------------------------|--------------|---------|--|
|                              |              | Total   |  |
| Number of Precincts          | 121          |         |  |
| Precincts Reporting          | 121          | 100.0 % |  |
| Times Counted                | 71099/198512 | 35.8 %  |  |
| Total Votes                  | 70431        |         |  |
| <b>YES</b>                   | 30208        | 42.89%  |  |
| <b>NO</b>                    | 40223        | 57.11%  |  |

| PROPOSITION 6 - DEFINITION OF PUBLISH |              |         |  |
|---------------------------------------|--------------|---------|--|
|                                       |              | Total   |  |
| Number of Precincts                   | 121          |         |  |
| Precincts Reporting                   | 121          | 100.0 % |  |
| Times Counted                         | 71099/198512 | 35.8 %  |  |
| Total Votes                           | 65366        |         |  |
| <b>YES</b>                            | 44512        | 68.10%  |  |
| <b>NO</b>                             | 20854        | 31.90%  |  |

| PROPOSITION 7 - PROPERTY TAX EXEMPTION |              |         |  |
|--|--------------|---------|--|
|  |              | Total   |  |
| Number of Precincts                    | 121          |         |  |
| Precincts Reporting                    | 121          | 100.0 % |  |
| Times Counted                          | 71099/198512 | 35.8 %  |  |
| Total Votes                            | 69130        |         |  |
| <b>YES</b>                             | 53952        | 78.04%  |  |
| <b>NO</b>                              | 15178        | 21.96%  |  |



## *ANCHORAGE MUNICIPAL BALLOT REVIEW April 3, 2012*

**On Tuesday, April 3, 2012,** qualified voters within the Municipality of Anchorage will:

- Elect a Mayor and three School Board members. There are no Assembly seats up for election on this ballot.
- Vote area-wide on four bond propositions (Props 1-4), one Charter amendment (Prop. 6) and three ballot propositions (Props. 5, 7, and 8). Voters residing in some service areas will also elect members to their respective service area boards.

This Ballot Review lists the names of the Mayoral and School Board candidates and office sought, as well as information about the ballot propositions.

**More information?** The Municipality will also publish the list of polling places, the list of service area candidates, the ballot propositions, and current bonded indebtedness in the Anchorage Daily News on Monday, April 2, 2012, and on the Municipality's web site ([www.muni.org/elections](http://www.muni.org/elections)).

**Who may vote?** Anyone who was registered to vote in Alaska by March 4, 2012, and who has lived within the Municipality of Anchorage for at least 30 days.

**When do I vote:** Vote on Tuesday, April 3, 2012, between 7:00 a.m. and 8:00 p.m.

**Where do I vote?** If you have your social security number or voter identification number (on your voter registration card), call the State's automated Polling Place locator at 269-8683 to find your polling place. You may also type your street address at MyNeighborhood ([neighborhood.muni.org](http://neighborhood.muni.org)) and select Political from the pull-down menu. Or you may call the Municipal Clerk's Office at 243-VOTE (243-8683), State Elections Office at 522-Vote (522-8683), or the League of Women Voters at 274-8477.

**Absentee voting in person or by mail or fax:** If you know you will be unable to vote at your polling place on election day or wish to vote early, you may cast an absentee ballot in person (beginning March 19, 2012), through the mail, or by fax. Applications for absentee by mail ballots or absentee by fax ballots must be received by the Clerk's Office by 5:00 p.m. Tuesday, March 27, 2012. Applications are available at [www.muni.org/elections](http://www.muni.org/elections) or call 243-VOTE (243-8683).

In person absentee voting begins March 19, 2012. Locations and hours of operation are listed below.

| In-person Absentee Voting Locations  | Dates   | Hours  |
|--|---|--|
| <p><b>Anchorage City Hall</b><br/>           632 West 6<sup>th</sup> Avenue, 2<sup>nd</sup> Floor, Suite 250<br/>           Anchorage (907) 243-VOTE (8683)<br/>           All ballots will be available at this location.</p> | <p>March 19 – April 2, 2012<br/>           Monday through Friday<br/> <i><b>This location is not open on Election Day.</b></i></p>  | <p>8:00 am to 5:00 pm</p>  |
| <p><b>Z. J. Loussac Library</b><br/>           3600 Denali Street, 1<sup>st</sup> Floor<br/>           Anchorage (907) 243-VOTE (6383)<br/>           All ballots will be available at this location.</p>                      | <p>March 19 – April 2, 2012<br/>           Monday through Saturday<br/>           Sunday, April 1, 2012<br/>           Monday, April 2, 2012<br/> <i><b>This location is not an absentee voting location on Election Day.</b></i></p> | <p>10:00 am to 6:00 pm<br/>           12:00 pm to 5:00 pm<br/>           10:00 am to 5:00 pm</p> |
| <p><b>Chugiak Senior Center</b><br/>           22424 North Birchwood Loop<br/>           Chugiak (907) 243-VOTE (8683)</p>   | <p>March 26 – April 2, 2012<br/>           Monday through Friday<br/> <i><b>This location is not open on Election Day.</b></i></p>  | <p>8:30 am to 5:00 pm</p>  |
| <p><b>Anchorage International Airport</b><br/>           Domestic Terminal – car rental area<br/>           Anchorage (907) 243-VOTE (8683)<br/>           All ballots will be available at this location.</p>                 | <p><b>Election day ONLY</b><br/>           Tuesday, April 3, 2012</p>   | <p>7:00 am to 8:00 pm</p>  |
| <p><b>University of Alaska Anchorage</b><br/>           3211 Providence Drive – Campus Center<br/>           Anchorage (907)243-VOTE (8683)<br/>           All ballots will be available at this location.</p>                 | <p><b>Election day ONLY</b><br/>           Tuesday, April 3, 2012</p>   | <p>7:00 am to 8:00 pm</p>  |

**Voting by personal representative:** If you are unable to go to the polls due to age, serious illness or a disability, you may have a personal representative pick up and deliver a ballot to you. The ballot should be picked up at the voter's precinct. Anchorage voters hospitalized on Election Day may request delivery of a ballot by an elections official by calling 343-4311 by 10:00 a.m. on election day. Call the Clerk's Office at 343-4311 or 243-VOTE (8683) for more information on these options.

**Voting on Service Area bonds:** Bond-related projects such as roads and parks are organized into service areas with various geographic boundaries; only taxpayers in those service areas pay for the bonded projects. However, the law requires what is called the “full faith and credit” of the Municipality, which means that a bond proposition in a service area must be approved by a majority of voters throughout the Municipality as well as by a majority of voters in the service area.

For example, all qualified voters vote on the Anchorage road (ARDSA) bonds but only taxpayers in the ARDSA Anchorage Bowl Parks and Recreation) pay for them. In this election, this applies to Propositions 2 (ARDSA - roads), and 3 (APRSA - Parks). Other bond related projects, like Prop. 1 (Career and Technical Education Upgrades) and Prop. 4 (Emergency Medical Service and Public Transportation) are funded area-wide and paid for by all Anchorage taxpayers.

**On the Web:** The Ballot Review is available on the League of Women Voters’ web page at [www.lwvanchorage.org](http://www.lwvanchorage.org)

**Candidates:** Qualified voters residing in the Municipality of Anchorage may vote for a candidate listed by filling in the oval next to the name or write in the name of a person qualified to hold that office *and* fill in the oval next to the name. All are 3 year terms ending in 2015. The Mayoral race requires a 40% plus 1 vote majority. School Board members are elected at large but to designated seats, meaning each represents all areas of the Municipality. All School Board candidates win with a simple majority. Candidates’ names appear in a random alphabetical order on the ballot.

**MAYOR:** Jacob Seth Kern, Paul Honeman, Bruce J Lemke, Bob Lupo, Phil Isley, Dan Sullivan

**School Board:**

**Seat E:** David Nees, Kathleen Plunkett

**Seat F:** Richard Wanda, Tam Agosti-Gisler

**Seat G:** Natasha Von Imhof, Starr Marsett

\*\*\*\*\*

**PROPOSITION 1: (AO 2011-119(S) - \$59,077,000 EDUCATIONAL CAPITAL IMPROVEMENT BONDS**

The bonds would pay a portion of the costs of additions to and renewal of career facilities at 13 schools. The project currently qualifies for a state grant of \$21,000,000 based on \$9,132,000 of the issuance which is not eligible for State debt reimbursement. The Projects qualify for 70% State debt reimbursement on \$31,205,000 of the issuance, 60% State debt reimbursement on \$18,240,000 of the issuance and no State debt reimbursement is allowed on \$500,000 of the issuance. State reimbursement is subject to annual legislative appropriation. More information about these bonds is available at [www.asdk12.org/bonds](http://www.asdk12.org/bonds) or 742-4153.

Without State reimbursement for debt service, for property assessed at \$100,000, estimated annual costs are \$14.67 to retire the debt. If the State chooses to make the full reimbursement on the eligible \$49,445,000, the estimated annual cost to retire the debt would be \$6.53 per \$100,000 assessed value. State reimbursement is subject to annual Legislative appropriation.

**Property owners throughout the Municipality would be taxed for these bonds.**

To be voted on by qualified voters residing in the Municipality of Anchorage.

**Projects expected to be funded include, but are not limited to:**

| <u>Project</u>  | <u>Estimated Cost</u> |
|---|-----------------------|
| <b>Career &amp; Technical Education (CTE) Improvements:</b>   | <b>\$23,765,000</b>   |
| <ul style="list-style-type: none"> <li>• <b>Career &amp; Technical Education Upgrades:</b> Bartlett, Chugiak, East, South, and West High Schools, Begich, Central, Gruening, Hanshew, Mirror Lake, Romig, and Wendler Middle Schools, and Polaris K-12 School</li> <li>• <b>West High School – Romig Middle School</b> campus STE design and construction</li> </ul>  |                       |
| <b>District Building Life Extension Projects</b>  | <b>23,280,000</b>     |
| <ul style="list-style-type: none"> <li>• <b>Electrical Projects:</b> Central, Gruening, and Mirror Lake Middle Schools, Abbott Loop, Aurora, Campbell, Eagle River, Huffman, Inlet View, Mountain View, Rabbit Creek, Ravenwood, Scenic Park, Susitna, and Ursa Major Elementary Schools</li> <li>• <b>Roof upgrades and replacements:</b> Chugiak High School, Aurora, O’Malley, Rabbit Creek, Spring Hill, Susitna, and Turnagain Elementary Schools.</li> </ul>                                |                       |
| <ul style="list-style-type: none"> <li>• <b>Mechanical projects:</b><br/> <b>HVAC and Water/Wastewater systems:</b> Stellar Secondary School, Hanshew Middle School, Bear Valley, College Gate, Mountain View, Nunaka Valley, Spring Hill, Susitna and Turnagain Elementary Schools<br/><br/> <b>General building renewal and site projects:</b> Chugiak, Dimond and West High Schools, Central Middle School, Bayshore, Gladys Wood, Mt. Iliamna, and Wonder Park Elementary Schools.</li> </ul> |                       |
| <b>Service High School Matching Grant:</b>  | <b>9,132,000</b>      |
| Mandatory match to receive a \$21,000,000 state grant for renovation.   |                       |
| <b>Design Project:</b>  | <b>2,900,000</b>      |
| <ul style="list-style-type: none"> <li>• Girdwood K-8 School Design: Infrastructure upgrades, addition of square Footage for gymnasium, classrooms and support areas.</li> <li>• Airport Heights Elementary School planning and design</li> </ul>   |                       |

**PROPOSITION 2 – (AO 2012-3) - \$27,472,000 ANCHORAGE BOWL ROADS AND DRAINAGE SERVICE AREA BONDS**

These bonds would pay for road construction, roadway safety improvements, drainage collection and treatment, and related capital improvements in the Anchorage Bowl Roads and Drainage Service Area (ARDSA). The ARDSA **includes** much of the Anchorage Bowl. It **does not include** Girdwood, Eagle River/Chugiak, and most of the Hillside.

For property in the ARDSA assessed at \$100,000, estimated annual costs are \$8.68 to retire the debt and \$2.33 to pay for new annual operations and maintenance (O&M) costs. The new O&M costs would increase the Municipal tax cap by up to \$580,000.

**Only property owners in the ARDSA would be taxed for these bonds. There would be no cost to property owners in Girdwood, Indian, Bird Creek, Eagle River/Chugiak, and most of the Hillside.** However, the full faith and credit of the Municipality must guarantee the bonds. Consequently, passage requires approval by voters residing in the ARDSA as well as by voters in the entire Municipality.

To be voted on by qualified voters residing in the Municipality of Anchorage.

**Projects expected to be funded Include, but are not limited to:**

| <u>Project</u>  | <u>Estimated Cost</u> | <u>Estimated Annual Operating and Maintenance</u> |
|---|-----------------------|---|
| 100 <sup>th</sup> Ave. extension – Phase II – Minnesota Dr to C St.           | \$2,100,000           | \$ 48,000   |
| 35 <sup>th</sup> Ave. and McRae Rd upgrade – Wisconsin St to Spenard Rd       | 4,675,000             | 108,000   |
| Anchorage signal, system signage, and safety improvements                     | 650,000               | 15,000  |
| ARDSA road and drainage system rehabilitation                                 | 600,000               | 12,000  |
| Arlene Dr/Pelican Dr/Pelican Cir/Kingfisher Dr area Road reconstruction (RID) | 5,200,000             | 109,000   |
| Drainage retention pilot project development                                  | 250,000               | -   |
| Flooding, glaciation, and drainage matching program                           | 1,000,000             | 22,000  |
| Intersection safety and congestion relief matching program                    | 1,000,000             | 20,000  |
| Major outfall disconnect  | 250,000               | 5,000   |
| Misc. culvert replacement for flood hazard reduction                          | 200,000               | 4,000   |
| Northwood Street maintenance facility improvements                            | 360,000               | -   |
| Paint striper equipment purchase  | 400,000               | -   |
| Pavement rehab matching program   | 4,000,000             | 84,000  |
| Pedestrian safety and rehab matching program                                  | 87,000                | 2,000   |
| Penland Pkwy surface rehab/drainage – Airport Heights Rd to Bragaw St         | 4,000,000             | 92,000  |
| Recycled asphalt pavement (RAP) and chip seal upgrades                        | 1,000,000             | 21,000  |
| Spenard Rd reconstruction Phase II – Hillcrest Dr to Benson Blvd              | 1,400,000             | 32,000  |
| Northwood Street maintenance fuel station facility                            | 300,000               | 6,000   |

**PROPOSITION 3 - (AO 2012-5) - \$2,750,000 ANCHORAGE BOWL PARKS AND RECREATION BONDS**

These bonds would be used to improve, construct or maintain parks, trails and recreational facilities in the Anchorage Parks and Recreation Service Area (APRSA). The APRSA **includes** most of the Anchorage Bowl and most of the Hillside. The APRSA **does not include** Eagle River/Chugiak, Birchwood, Peters Creek, Girdwood, Indian, Bird Creek and portions of Glen Alps, Rabbit Creek and Bear Valley.

For property in the APRSA assessed at \$100,000, estimated annual costs are \$0.57 to retire the debt and an annual increase in the municipal tax cap of \$0.35 to pay for annual operation and maintenance costs (O&M). The new O&M costs would increase the tax cap up to \$96,200 annually.

**Only property owners in the APRSA would be taxed for these bonds. There would be no cost to property owners in Eagle River/Chugiak, Birchwood, Peters Creek, Girdwood, Indian, Bird Creek, and portions of Glen Alps, Rabbit Creek, and Bear Valley.** However, the full faith and credit of the Municipality must guarantee the bonds. Consequently, passage requires approval by voters residing in the APRSA as well as by voters in the entire Municipality.

To be voted on by qualified voters residing in the Municipality of Anchorage.

**Projects expected to be funded include, but are not limited to:**

|   | <u>Project<br/>Amount</u> | <u>Total<br/>O&amp;M</u> |
|---|---------------------------|--------------------------|
| Coastal Trail surface & safety Improvements                                 | \$1,250,000               | \$88,000                 |
| Cuddy Park oval rink and playground-for-all improvements                    | 250,000                   | 18,000                   |
| Dempsey Anderson Ice Arena  | 450,000                   | --                       |
| Greenbelt trail bridge rehabilitation – fixing/replacing<br>falling bridges | 450,000                   | 35,000                   |
| Kincaid LED trail lighting & safety improvements                            | 250,000                   | 18,000                   |
| Anchorage Veterans’ Memorial At Delaney Park                                | 100,000                   | 7,000                    |

**PROPOSITION 4 - (AO 2012-5) - \$1,588,000 AREAWIDE EMERGENCY SERVICES AND PUBLIC TRANSPORTATION CAPITAL IMPROVEMENT BONDS**

These bonds would provide areawide public safety and transit improvements, including replacing ambulances and support vehicles, bus stop and transit building improvements.

For property assessed at \$100,000, estimated annual costs are \$0.39 to retire the debt and an increase in the Municipal Tax Cap of \$0.02 to pay for additional annual operation and maintenance costs. The additional O&M costs would increase the municipal tax cap by up to \$6,000.

To be voted on by qualified voters residing in the Municipality of Anchorage.

Property owners throughout the Municipality would be taxed for these bonds.

Projects expected to be funded include, but are not limited to:

|   | <u>Project<br/>Amount</u> | <u>Total<br/>O&amp;M</u> |
|---|---------------------------|--------------------------|
| • Bus stop improvements                 | \$79,000                  | \$6,000                  |
| • Capital maintenance/vehicle overhaul  | 43,000                    |                          |
| • Improvements to existing fleet        | 50,000                    |                          |
| • ITS/automated operating systems       | 20,000                    |                          |
| • Management Information System         | 10,000                    |                          |
| • MICU Ambulance replacement program    | 520,000                   |                          |
| • Para transit/transit vehicle program  | 96,000                    |                          |
| • Support vehicles                      | 20,000                    |                          |
| • Transit fleet expansion/replacement   | 110,000                   |                          |
| • Transit – roof, remodel, improvements | 640,000                   |                          |

**PROPOSITION 5: ANCHORAGE EQUAL RIGHTS INITIATIVE**

Proposition 5 is an initiative that asks “shall current Municipal Code sections providing legal protections against discrimination on the basis of race, color, sex, religion, national origin, marital status, age, physical disability, and mental ability be amended to include protections on the basis of sexual orientation or transgender identity.”

**PROPOSITION 6: (AO 2012-11) SHALL THE ANCHORAGE MUNICIPAL CHARTER SECTION 17.13, DEFINITION OF “PUBLISH” BE AMENDED TO READ AS FOLLOWS:**

*(underlined text is new, capitalized and blocked text is deleted)*

“Publish means to cause to be posted on a municipal website designated for public notices [PRINTED AT LEAST ONCE IN ONE NEWSPAPER OF GENERAL CIRCULATION WITHIN THE MUNICIPALITY OF ANCHORAGE,] the matter required by law to be published. Unless otherwise provided by the assembly posting shall be maintained for seven consecutive days. The assembly shall provide for additional modes of dissemination.”

**PROPOSITION 7: (AO 2012-1) -- PROPERTY TAX EXEMPTIONS TO WIDOWS AND WIDOWERS OF PEOPLE KILLED IN MILITARY SERVICE**

Proposition 7 would allow amendment of Anchorage Municipal Code section 12.15.015, Real Property Tax Exemptions, to grant a real property tax exemption on the first \$150,000 of assessed value to an eligible widow or widower of a person killed in United States Military service. .

If approved, the exemption would not take effect until AS 29.45.030(e) is amended by the Alaska Legislature to authorize this exemption.

**PROPOSITION 8: (AO2-12-9): APPROVING ANNEXATION OF PORTIONS OF LOMA ESTATES SUBDIVISION TO THE SOUTH GOLDENVIEW RURAL ROADS SERVICE AREA, EFFECTIVE RETROACTIVE TO JANUARY 1, 2012.**

Proposition 8 would alter the South Goldenview Rural Road (RRSA) boundaries by annexing Loma Estates Subdivision Block 1 Lot 6A, Block 1 Lot 7, Block 1 Lot 8, Block 2 Lot 1, Block 2 Lot 2), Block 2 Lot 3A , Block 2 Lot 5, Block 3 Lot 5), and Block 3 Lot 11 to the South Goldenview RRSA and by amending Anchorage Municipal Code Section 27.30.700 accordingly, effective retroactive to January 1, 2012.

Property owners in the referenced Loma Estates Subdivision will incur an increase in property taxes beginning with the tax year 2012.

**To be voted on by qualified voters in the South Goldenview RRSA and the Loma Estates Subdivision.**

**BONDED INDEBTEDNESS:**

*The current General Obligation (G.O.) bonded indebtedness of the Municipality of Anchorage, including authorized but un-issued bonds, based on bonds outstanding as of December 31, 2011, is as follows:*

| <b>General Obligation Bonds</b> | <b>General Purpose</b> | <b>School</b> | <b>Total</b>    |
|---------------------------------|------------------------|---------------|-----------------|
| Issued and Outstanding          | \$484,630,000          | \$643,535,000 | \$1,128,165,000 |
| Authorized but Un-issued        | \$63,486,000           | \$ 25,845,000 | \$89,331,000    |
| Total                           | \$548,116,000          | \$669,380,000 | \$1,217,496,000 |
| Bonds Paid off in 2011          | \$26,050,000           | \$57,665,000  | \$83,715,000    |

| <b>Debt Service Payments</b>                 | <b>Principal</b> | <b>Interest</b> | <b>Total</b>  |
|--|------------------|-----------------|---------------|
| <i>To be made in 2012 on all G. O. bonds</i> | \$89,445,000     | \$52,672,480    | \$142,117,480 |

*The League of Women Voters of Anchorage, which prepared this Ballot Review, is a non-partisan organization that promotes political responsibility through informed and active participation in government.*

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# Proposition 7 on April Ballot Touches Military Widows' and Widowers' Lives

KTVA

By Alexis Fernandez

Story Created: Mar 30, 2012 at 8:06 AM AKST

Story Updated: Mar 30, 2012 at 8:06 AM AKST

ANCHORAGE - For most people, home is where the heart is. And for Theresa Dayton it's no different, even without her other half. Dayton's husband Master Sergeant Tom Cicardo with the Alaska Air National Guard, was one of four killed in a C-17 crash that happened back in July of 2010 on Joint Base Elmendorf-Richardson.

Since then, life has been anything but easy, especially financially. "To live on 20 percent of the income that I had prior to his death is an incredible feat," said Theresa Dayton, widow of Cicardo. Dayton works part-time, and receives a monthly military stipend that will run out in five years. She won't qualify for her husband's pension until she's 62.

She's one of many widows or widowers who struggle to keep their homes. "It's the only thing I have left that was his," she said. Dayton is supporting Proposition 7 on the April municipal ballot, which would give a widow or widower of a person killed while on active duty a property tax exemption on the first \$150,000 of their home.

Assemblymen Dick Traini thinks the proposition is important so people who call Anchorage home won't be forced to leave. "There's a few people this will affect every year; the vast majority of people here either live on base or rent or lease, because they don't know if they're going to stay here," said Traini.

Anchorage Assembly Chair Debbie Ossiander said the measure is too broad and could end up costing taxpayers a lot more in the long run. But for Dayton it's not about the money. "My family lives on this street, my sister and my brother live on this street, and so I have family right here," she said.

If the proposition is passed on Tuesday, it will still have to be approved by the Alaska Legislature before it can go into effect.

## Ken Truitt

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**From:** Edra Morledge  
**Sent:** Monday, April 08, 2013 10:37 AM  
**To:** Ken Truitt  
**Subject:** FW: SB 73 - State Affairs Committee

Ken,

Below is the response from the Municipality of Anchorage's Assessor in support of the bill. He'll be calling into meeting tomorrow at about 9:15. Thanks

Edra

Begin forwarded message:

From: "McGee, Marty" <[McGeeDM@ci.anchorage.ak.us](mailto:McGeeDM@ci.anchorage.ak.us)<mailto:McGeeDM@ci.anchorage.ak.us>>  
Date: April 5, 2013, 4:38:10 PM AKDT  
To: "Harrington, Shalon" <[HarringtonS@ci.anchorage.ak.us](mailto:HarringtonS@ci.anchorage.ak.us)<mailto:HarringtonS@ci.anchorage.ak.us>>  
Cc: "Mahoney, Lucinda M." <[MahoneyLM@muni.org](mailto:MahoneyLM@muni.org)<mailto:MahoneyLM@muni.org>>  
Subject: RE: SB 73 - State Affairs Committee

Read the AG opinion and the attached below comments. I do not know the answer to item 7 just as they do not know the answer about requiring a new vote.

I think that all of the issues have been addressed to my satisfaction. I don't see a problem with Anchorage creating an application process or in the general administration of this exemption. In other exemptions we have used language like "application must be made on a form prescribed by the assessor". This removes ambiguity about what "the Municipality" means.

I have no further questions on this bill and I have no objection to its passage in this form.

**Edra Morledge**

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**Subject:** FW: letter of support

**From:** Theresa M Dayton [<mailto:tmdayton@gci.net>]

**Sent:** Thursday, March 21, 2013 11:34 AM

**To:** Edra Morledge

**Subject:** 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 SB 73 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 for one it was partially do 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