

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

1 2 2 3 HCRA REVENUE SHARING - HB 4 1223

Volunteer Fire Departments	Pop.	Entitlement	COLA	Total Entitlement	Prorated Entitlement 88.7125	Prepayments	Final Payments	Volunteer Fire Departments	Pop.	Entitlement	COLA	Total Entitlement	Prorated Entitlement 88.7125	Prepayments	Final Payments	
Akutan	70	525	138	663	588	308	200	Metlakatla	1,119	8,393	-0-	8,393	7,446	-0-	7,446	
Arctic Village	127	960	324	1,284	1,139	-0-	1,139	Minto	184	1,380	466	1,846	1,638		1,638	
Atka	81	608	160	768	681	-0-	681	Myers Chuck	39	293	-0-	293	260	3	87	
Beaver	92	DID NOT SUBMIT APPLICATION							Nelson Lagoon	43	DID NOT SUBMIT APPLICATION					
Belkofski	58	DID NOT SUBMIT APPLICATION							Nenana	280	2,100	709	2,809	2,492	-0-	2,492
Birch Creek	40	300	45	345	306	173	133	Noatak	261	DID NOT SUBMIT APPLICATION						
Chalkyitsik	52	APPLICATION DENIED							Nome	252	1,890	567	2,457	2,180	-0-	2,180
Chignik	52	DID NOT SUBMIT APPLICATION							Northway Village	198	DID NOT SUBMIT APPLICATION					
Chignik Lake	134	APPLICATION DENIED							Pelican	31	233	17	250	222	-0-	222
Circle	45	DID NOT SUBMIT APPLICATION							Perryville	101	DID NOT SUBMIT APPLICATION					
Copper Center	433	DID NOT SUBMIT APPLICATION ON TIME							Petersburg	488	DID NOT SUBMIT APPLICATION					
Cordova	445	3,338	501	3,839	3,406	1,667	1,939	Pitka's Point	84	DID NOT SUBMIT APPLICATION						
Crooked Creek	107	803	271	1,074	953	-0-	953	Rampart	64	480	162	642	570	-0-	570	
Delta Junction	725	5,438	816	6,254	5,548	3,327	2,421	Saint George Island	176	1,320	347	1,667	1,479	-0-	1,479	
Dot Lake	83	DID NOT SUBMIT APPLICATION							Shagway	48	360	77	437	343	-0-	343
Glennallen	1,152	8,640	1,296	9,936	8,814	4,968	3,846	Steelmule	121	DID NOT SUBMIT APPLICATION						
Gulkana	75	DID NOT SUBMIT APPLICATION							Stevens Village	80	APPLICATION DENIED					
Iliamna	112	DID NOT SUBMIT APPLICATION ON TIME							Telida	32	240	81	321	285	-0-	285
Ignikuk	358	2,670	801	3,471	3,079	1,712	1,367	Tot	854	6,405	961	7,366	6,535	3,683	2,852	
Klukwan	145	DID NOT SUBMIT APPLICATION							Tri-Valley (Healy)	716	5,370	1,817	7,187	6,371	2,523	3,848
Koliganah	144	1,080	384	1,464	1,210	-0-	1,210	Tuntutuliak	240	1,800	580	2,380	2,076	1,097		
Longmead	200	APPLICATION DENIED							Twin Hills	76	570	150	720	639	-0-	639
Levelock	95	713	177	890	798	-0-	798	Yakutat	174	945	71	1,016	901	-0-	901	
Monte Vista	80	DID NOT SUBMIT APPLICATION							TOTAL VFD's		54,854	10,733	67,587	59,959		

*file*  
*Revenue -*  
*Sharing*

April 13, 1979

C  
O  
P  
Y

The Honorable Donald E. Gilman  
Mayor of the Kenai Peninsula Borough  
Box 850  
Soldotna, Alaska 99669

Dear Mayor Gilman:

RE: STATE REVENUE SHARING PROGRAM

In response to your telephone inquiry, the Kenai Peninsula Borough is not eligible for health facility funding under the State Revenue Sharing Program since the Borough does not have or exercise the power of health service on an areawide, non-area wide, or service area basis. If your municipality were interested in obtaining State shared revenue for a mental health center located in the Central Kenai Peninsula Service Area, it would have to assume that power. Please refer to 19 AAC 30.020(8), which states that an applicant is eligible for payment under the Health Facility category provided it has and exercises the power of health service. This regulation was adopted in accordance with AS 43.13.040.

Should the Borough be interested in pursuing the expansion of the Central Peninsula Service Area's powers to include health, this would need to be accomplished by July 1, 1979 for eligibility under the FY 1980 State Revenue Sharing Program.

Please advise, if this office can provide additional information.

Sincerely,

Palmer McCarter  
Director

Pmc:MF:jh

cc: Central Peninsula Mental Health Association  
The Honorable Hugh Malone  
✓ The Honorable Pat O'Connell

# Alaska State Legislature



PATRICK M. O'CONNELL  
REPRESENTATIVE  
DISTRICT 13

ROUTE 2, BOX 743  
SOLDOTNA, ALASKA 99669  
(907) 262-4216

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811

## House of Representatives

April 11, 1979

Mr. Larry C. Farnen  
City Manager, City of Homer  
P.O. Box 335  
Homer, Alaska 99603

Dear Mr. Farnen:

With reference to your letter of March 29, 1979 and the enclosed copy of Resolution 79-7, it appears that SB 16 is not going anywhere in this session of the Legislature. The bill has been in the Senate Community and Regional Affairs Committee since it was introduced on the first day of the session.

I might point out that HB 192 which deals with the entire area of revenue sharing and which in its present form would increase state aid for local road maintenance to \$2,500 as you request, has been in the House Community and Regional Affairs Committee. I am a member of that committee and it has held considerable hearings this session on HB 192, but in reality, it is also very questionable whether HB 192 will see further action this session. I suspect there will be one last push to increase the over-all funding level of municipal revenue sharing, and if such a push materializes, I will most certainly give it my strongest support.

Very respectfully,

Patrick M. O'Connell  
Representative

POC:mcrs

Larry C. Farnen, Manager  
City of Homer  
Post Office Box 335  
Homer, Alaska 99603

Dear Mr. Farnen:

With reference to your letter of March 29, 1979 together with City of Homer Resolution 79-7, it appears that Senate Bill 16 is not going anywhere in this session of the legislature. The bill has been tied up in Senate Community & Regional Affairs committee since it was introduced on the first day of the session.

I might point out that the House Committee & Regional Affairs Committee, of which I am a member, has held considerable hearings this session on HB 192, which deals with the entire area of revenue sharing and which in its present form would increase state aid to local road maintenance to the \$2,500 level you request in City of Homer Resolution 79-7. ~~XXXXXXXXXX~~ <sup>In reality</sup> it is also very questionable whether HB 192 will see further action this session, as the legislature at this time is rapidly drawing to a close. I suspect there will be one last push to increase the over-all funding level of municipal revenue sharing, and if such a push materializes I will most certainly give it my strongest support.

Very respectfully,



BOX 335

HOMER, ALASKA 99603

## CITY OF HOMER

March 29, 1979

Honorable Patrick M. O'Connell  
 House of Representatives  
 202 Assembly  
 Juneau, Ak. 99811

Dear Pat:

I have enclosed a copy of Resolution 79-7 which the Homer City Council adopted March 27, 1979. The Resolution states Council's support of Senate Bill No. 16.

*Increasing State Aid  
 to local governments for  
 Road maintenance* Very truly yours,  
*Larry C. Farnen*

Larry C. Farnen  
 City Manager

LCF/rao

Enclosure (1)

CITY OF HOMER  
HOMER, ALASKA

RESOLUTION 79-7

A RESOLUTION SUPPORTING SENATE BILL NO. 16 - "AN ACT INCREASING STATE AID TO LOCAL GOVERNMENTS FOR ROAD MAINTENANCE; AND PROVIDING FOR AN EFFECTIVE DATE."

WHEREAS, a real need exists in the City of Homer for better road maintenance, and

WHEREAS, it is in the best interest of the public to travel on well maintained roads, and

WHEREAS, Senate Bill No. 16, if enacted, would provide additional State funds to local cities for road maintenance,

NOW THEREFORE, BE IT RESOLVED, that the Common Council of the City of Homer, Alaska supports Senate Bill 16, and urges the enactment of the Bill.

DATED at Homer, Alaska, this 27th day of March, 1979.

CITY OF HOMER

  
\_\_\_\_\_  
Leo Rhode, Mayor

ATTEST:

  
\_\_\_\_\_  
Becky O'Neill, City Clerk

H B

4

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

<sup>4</sup>  
2/2/81

(5)

Date: March 12, 1981

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HE 4

"An Act providing for reimbursement of taxes paid to a municipality for real property owned and occupied as a permanent place of abode; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

\_\_\_\_\_  
*Long*  
*W. L. ...*  
*John G. ...*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
 \_\_\_\_\_  
 (signatures of Rep Randolph)  
 \_\_\_\_\_  
 \_\_\_\_\_

CHAIRMAN

AMENDMENT

OFFERED IN THE HOUSE:

By: HOUSE C&RA Committee

To: Committee Substitute HOUSE BILL No. 4

SENATE BILL No. \_\_\_\_\_

PAGE: 3

LINE: 9

After "utilities" add: <sup>and</sup> ~~of~~ other services.

*psd. unanimously*

AMENDMENT

OFFERED IN THE HOUSE:

By: 38 274

To: 111 HOUSE BILL No. 4

SENATE BILL No. \_\_\_\_\_

PAGE: 3

LINE: 9

*with the same title as*  
*\* on the 11/11/00*

Introduced: 2/4/81  
Referred: Community & Regional  
Affairs and Finance

BY MILLER, DUNCAN, BROWN, BEIRNE,  
BETTISWORTH, BUCHHOLDT, FULLER,  
GARDINER, HURLBERT, MARTIN, MEEKINS,  
MOSS, PHILLIPS, ROGERS, SMITH, ZHAROFF,  
ABOOD, CLOCKSIN AND GRUSSENDORF -

1 IN THE HOUSE

2 HOUSE BILL NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for reimbursement of taxes paid to a  
7 municipality for real property owned and occupied as a  
8 permanent place of abode; and providing for an effective  
9 date."

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

11 \* Section 1. AS 29.53 is amended by adding new sections to read:

12 ARTICLE 6. REIMBURSEMENT OF PROPERTY TAXES.

13 Sec. 29.53.500. REIMBURSEMENT OF TAX ON PERMANENT PLACE OF ABODE.

14 During each calendar year, a resident is eligible to receive reimbursement  
15 for taxes paid to a municipality for real property owned and  
16 occupied as his permanent place of abode if he

17 (1) applies to the Department of Revenue for reimbursement;

18 and

19 (2) presents proof that the property taxes were paid.

20 Sec. 29.53.510. DUTIES OF DEPARTMENT OF REVENUE. The Department  
21 of Revenue shall

22 (1) adopt regulations under the Administrative Procedure Act  
23 (AS 44.62) establishing procedures for applying for reimbursement of  
24 property taxes under AS 29.53.500;

25 (2) annually request the legislature for appropriations for  
26 reimbursements under AS 29.53.500; and

27 (3) pay the reimbursements authorized by AS 29.53.500 from  
28 annual appropriations made for that purpose.

29 \* Sec. 2. AS 44.25.020 is amended by adding a new paragraph to read:

1 (5) administer the program of reimbursement to residents for  
2 property taxes paid for a permanent place of abode (AS 29.53.500 -  
3 29.53.510).

4 \* Sec. 3. This Act is retroactive to January 1, 1980, and authorizes  
5 reimbursement of property taxes paid for a permanent place of abode after  
6 December 31, 1979.

7 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
8 070(c).

balance of the proceeds may be submitted. Notice is sufficient under this subsection if mailed to the former owner at his last address of record. Upon presentation of a proper claim, the municipality shall remit the excess to the former record owner. A claim for the excess filed after six months of the date of sale is forever barred. (§ 2 ch 118 SLA 1972; am § 7 ch 48 SLA 1977)

Effect of amendment. — The 1977 amendment: added subsection (b).

### Article 3. City Property Tax.

Sec. 29.53.410. Limited property taxing power for second class cities.

Applied in *North Slope Borough v. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).*  
*Solo Petroleum Corp., Sup. Ct. Op. No. 534 (1978).*

### Article 4. Borough Sales and Use Taxes.

Section

- 415. Sales and use tax
- 420. Referendum, adoption and modification

Sec. 29.53.415. Sales and use tax. (a) A borough may levy and collect a sales tax not exceeding six percent on sales or rents, and on services made within the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance. (am § 3 ch 127 SLA 1980)

Effect of amendment. — The 1980 amendment substituted "six" for "three" in the first sentences of subsection (a).

As the rest of the section was not affected by the amendment, it is not set out.

Evolutionary development of present language of subsection (a). — See *Liberati v. Bristol Bay Borough, Sup. Ct. Op. No. 1735 (File No. 3365), 584 P.2d 1115 (1978).*

Subsection (a) of this section permits a selective sales tax. *Liberati v. Bristol Bay Borough, Sup. Ct. Op. No. 1735 (File No. 3365), 584 P.2d 1115 (1978).*

This section states no limits on what may be exempted. *Liberati v. Bristol Bay Borough, Sup. Ct. Op. No. 1735 (File No. 3365), 584 P.2d 1115 (1978).*

And there is nothing in the statute which expressly requires a general

tax. *Liberati v. Bristol Bay Borough, Sup. Ct. Op. No. 1735 (File No. 3365), 584 P.2d 1115 (1978).*

The term "sales tax" carries no connotation of generality. *Liberati v. Bristol Bay Borough, Sup. Ct. Op. No. 1735 (File No. 3365), 584 P.2d 1115 (1978).*

An effective implied collection power exists in the right to sue the collecting party for the tax moneys owed. *Fairbanks N. Star Borough v. Howard, Sup. Ct. Op. No. 2036 (File No. 4575), 608 P.2d 32 (1980).*

A real property lien is beyond the scope of what may be "necessarily or fairly implied in or incident to" the authority to collect a sales tax. *Fairbanks N. Star Borough v. Howard, Sup. Ct. Op. No. 2036 (File No. 4575), 608 P.2d 32 (1980).*

Sec. 29.53.420. Referendum, adoption and modification. (a) The assembly shall hold a referendum vote on the question of enacting a sales tax or increasing the rate of levy of sales taxes. Borough sales tax propositions may be presented only once in any 12-month period. A sales tax proposition may be submitted to the voters at a regular or special election or at a general election of the state.

(b) If the proposition receives a majority of the votes cast, the assembly may enact the sales tax or increase the rate of the sales tax as a levy upon buyers, sellers, or both. The sales tax is collected at the time of sale or at the time of payment in credit transactions and transmitted to the borough. (§ 2 ch 118 SLA 1972; am § 4 ch 127 SLA 1980)

HB 4 →

29.53.500 Reimbursement of Property Taxes.  
510 Duties / Dept. Revenue

Effect of amendment. — The 1980 amendment inserted "enacting a sales tax or increasing the rate of" in the first sentence of subsection (a), added the third sentence of subsection (a), and inserted "the sales tax or increase the rate of" in the first sentence of subsection (b).

Chapter 58. Municipal Debt.

Article

8. Miscellaneous Provisions (§§ 29.58.300 — 29.58.350)

Article 1. Revenue Anticipation Notes.

Section

- 10. Borrowing in anticipation of revenue
- 20. Issuance of notes
- 30. (Repealed)

Sec. 29.58.010. Borrowing in anticipation of revenue. A municipality of the state which is authorized to incur indebtedness may borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues for that year but all debt so contracted shall be paid before the end of the next fiscal year. Revenue anticipation notes may be issued as evidence of the borrowing. (§ 2 ch 118 SLA 1972; am § 1 ch 88 SLA 1974)

Effect of amendment. — The 1974 amendment divided the section into two sentences, and in the first sentence, deleted "in a fiscal year" following "may borrow money," substituted "any fiscal year" for "that fiscal year," "the revenues" for "taxes and estimated revenues," and "that year" for "the fiscal year," and added "but all the debt so contracted shall be paid before the end of the next fiscal year" to the end. The amendment also, in the second sentence, substituted "Revenue anticipation notes may be issued" for "and may issue its revenue anticipation notes."

Sec. 29.58.020. Issuance of notes. The governing body of a municipality may, by ordinance or resolution, authorize the issuance of revenue anticipation notes and prescribe the form and details of the notes and the manner of their execution. The governing body of the

municipality may delegate to the notes from time to time ordinance or resolution which (§ 2 ch 118 SLA 1972; am § 5

Effect of amendment. — The amendment deleted the third sentence

Sec. 29.58.030. Issuance of notes. Repealed by § 3 ch 83 SLA 1977

Editor's note. — The repealed derived from § 2, ch. 118, SLA 1972

Article 3. General

Section

180. Payment

Sec. 29.58.180. Payment. A municipality are pledged for general obligation bonds. The bonds are in default of payment of the principal and interest. (§ 7 ch 94 SLA 1977)

Effect of amendment. — The amendment added the language "to pay or secure the payment" to the second sentence of subsection (a). As the rest of the section affected by the amendment, it is out.

Chapter 94, SLA 1977, re both state and local taxation violate Alaska Const., art. which requires every bill to be one subject. North Slope Borough Petroleum Corp., Sup. Ct. Op.

Article

Section

- 200. Revenue bonds
- 210. Forms and terms
- 220. Payment

Sec. 29.58.200. Revenue bonds. A municipality may, by ordinance or resolution, construct, improve and upon a revenue-producing project payable solely from unpledged bonds are issued.



Rep. Ben Grussendorf  
Chairman  
465-3870

# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

Summary - HB 4- by Miller etc.

"An Act providing for reimbursement of taxes paid to a municipality for real property owned and occupied as a permanent place of abode; and providing for an effective date."

This bill allows a property owner to be reimbursed by the state for taxes paid to a municipality for "real property owned and occupied as his permanent place of abode."

The taxpayer must:

- 1). apply to the Dept. of Revenue for reimbursement;  
and
- 2). present proof that the property taxes were paid.

The bill directs the Dept. of Revenue to adopt regulations establishing procedures for applying for reimbursement, to annually request the legislature to appropriate funds for reimbursement, and to pay the reimbursements. These provisions are added as new sections 500 and 510 to AS 29.53, Municipal Assessment and Taxation.

This Act is retroactive to January 1, 1980 and authorizes reimbursement of property taxes paid for a permanent place of abode after December 1, 1979. Also provides immediate effective date.

# MEMORANDUM

# State of Alaska

TO Marie Matsuno  
Deputy Commissioner

DATE February 17, 1981

FILE NO:

TELEPHONE NO:

FROM: Terry Earley   
State Assessor

SUBJECT: House Bill #4

The staff of the House Community and Regional Affairs Committee has requested that we comment on House Bill #4.

House Bill #4 would require that the Department of Revenue reimburse residents for property taxes paid on their permanent place of abode.

The Bill would also require that the taxpayer must file an application and present proof of taxes paid.

Although I have not seen the fiscal note proposed by the Department of Revenue, I know that the processing of approximately 100,000 applications and warrants has to be expensive from an administrative standpoint.

It would seem to make a lot more sense to exempt the taxpayer in some manner and provide for state reimbursement to municipalities if in fact total exemption of abodes is desired.

We feel that total exemption of residential property is a less than desirable approach to property tax relief. It discriminates against non-owner occupied residences, apartment dwellers, and business owners. But more seriously than that it also will result in less local control and also less local interest in municipal government, even in this state where taxpayer awareness is more profound than in any other. Taxpayer awareness and interest wanes when financial considerations do not exist. Letting the taxpayer vote on rather than increase tax levies to support a service is a sure fire way to determine if that service is necessary.

Finally, removing the total tax burden will increase the demand for services. If local municipal services are free the demand for existing and new services will rise dramatically!

"How about an indoor pool and recreation center in every neighborhood. If its free why not?"

The above comments may be an exaggeration but they tend to prove a point.

Our additional concerns revolve around communities that by choice have opted for heavy reliance on other taxes, primarily sales tax.

All second class cities, many first class cities and several boroughs rely very heavily on sales tax. For example the City and Borough of Sitka levies

only a 3.5 mill property tax, but collects a 4% sales tax. Residents of the City of Fairbanks are currently paying a 5% sales tax. It would seem reasonable to allow these communities a choice of the kind of tax to be reduced. Also many of the first and second class cities do not have sufficient local tax resources to provide minimal services. It would seem reasonable if a substantial amount of state money is going to be distributed, to help provide municipal services, that those poorer communities be given a choice.

In conclusion it would be our recommendation that legislation be passed increasing state appropriations to all municipalities and they be allowed to exercise maximum flexibility in determining the use to which those increased revenues are put.

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811

February 20, 1981

The Honorable Ben F. Grussendorf  
Chairman  
House Community and Regional  
Affairs Committee  
Room 104 - Capitol Building  
Juneau, Alaska

Re: House Bill No. 4

Dear Mr. Grussendorf:

House Bill No. 4, an Act providing for reimbursement of taxes paid to a municipality for real property owned and occupied as a permanent place of abode, was introduced in the House on February 4, 1981 and was referred to the House Community and Regional Affairs and Finance Committees.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Donald Barnes, Deputy Director, Administrative Services Division of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson  
Special Assistant

cc: The Honorable Samuel R. Cotten  
Chairman  
House Finance Committee

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Donald Barnes, Deputy Director  
Administrative Services Division  
Department of Revenue

## Positions - FY 81:

1. Two PPT Systems Analysts, four months each, to design and program refunds = 26.4
2. Four PPT clerical, four months each, and two PPT clerical, three months each, to process applications and payments. One PPT clerical, four months, to answer inquiries and telephone = 45.4
3. Overtime and shift differential = 9.6

## Contractual:

Data Processing Chargeback = 44.9

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 4  
 Title Reimbursement of Taxes Paid to a Municipality for Real Property Owned  
 Requested by Community & Regional Affairs Committee Date 2-4-81

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ General Government \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_ Administration & Support, Management Services \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

COSTS OF ADMINISTRATION

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	81.4	50.3	54.3	58.6	63.3	68.4
200 TRAVEL						
300 CONTRACTUAL	63.8	38.0	41.0	44.3	47.8	51.6
400 COMMODITIES	1.0	1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>146.2</b>	<b>89.3</b>	<b>96.4</b>	<b>104.1</b>	<b>112.4</b>	<b>121.4</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	146.2	89.3	96.4	104.1	112.4	121.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME	1/3mm	8/21mm	8/21mm	8/21mm	8/21mm	8/21mm
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assumption:

1. 100,000 Applicants.
2. FY 81 funding to be requested by supplemental with residuals carrying into FY 82 to complete initial processing.

(continued on next page)

IV. DATE 2-20-81

PREPARED BY \_\_\_\_\_  
 AGENCY \_\_\_\_\_  
 PHONE \_\_\_\_\_

*Donald Barnes*  
 Donald Barnes  
 Revenue  
 2313

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

## Positions - FY 81:

1. Two PPT Systems Analysts, four months each, to design and program refunds - 26.4
2. Four PPT clerical, four months each, and two PPT clerical, three months each, to process applications and payments. One PPT clerical, four months, to answer inquiries and telephone - 45.4
3. Overtime and shift differential - 9.6

## Contractual:

Data Processing Chargeback - 44.9

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution: No. HB 4  
 Title Reimbursement of Taxes Paid to a Municipality for Real Property Owned  
 Requested by Community & Regional Affairs Committee Date 2-4-81

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ General Government \_\_\_\_\_  
 BRU, Program, or Subprograms, Affected Administration & Support, Management Services  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES ~~XXXXXXXXXXXX~~ (Millions of Dollars)

NEEDED APPROPRIATIONS FOR REIMBURSEMENTS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND	82.0	82.0	82.0	82.0	82.0	82.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 2-20-81 PREPARED BY Donald Berman  
 AGENCY Revenue  
 PHONE 2313  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)



# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf  
Chairman  
465-3870

Pouch V  
State Capitol  
Juneau, Alaska 99811

### M E M O R A N D U M

TO: Rep. Fuller, Chairman  
All Members of House Bush Caucus

Date: April 16, 1981

FROM: Rep. Grussendorf, Chairman  
House Community & Regional Affairs

RE: Tax Legislation Regarding Local Governments

The following list of attached legislation in regard to local government taxation and municipal aid programs has been summarized for your review. They are listed in numerical order and, to date, this is a complete representation of the municipal tax legislation that has been reviewed by the C&RA Committee and introduced in the House:

#### HOUSE BILLS

##### CSHB 4 (Fin)

"An Act relating to municipal taxes and state aid for municipal tax reduction; and providing for an effective date."

PRESENT STATUS - 4/14/81 House Rules

##### CSHB 190 (C&RA)

"An Act relating to state aid to municipalities and to Native village governments; and providing for an effective date."

PRESENT STATUS - 3/18/81 House Finance

##### CSHB 367 (C&RA)

"An Act relating to state aid for municipal sales and use tax relief; and providing for an effective date."

PRESENT STATUS - 4/14/81 House Finance

#### SENATE BILLS

##### House CSSB 125 (C&RA)

"An Act making supplemental appropriations to the Department of C&RA and the Department of Revenue for programs which provide state financial assistance to municipalities and other recipients; and providing for an effective date."

PRESENT STATUS - 4/15/81 Signed by Governor



# Alaska State Legislature

## House of Representatives

Committee on

*Community & Regional Affairs*

Rep. Ben Grussendorf

Chairman

465-3870

Bush Caucus Memo

Page 2

Municipal Tax Legislation

Pouch V

State Capitol

Juneau, Alaska 99811

CSSB 168(Fin)am

"An Act relating to state assistance for capital projects; and providing for an effective date."

PRESENT STATUS - 4/2/81 House C&RA

There are also two bills that were reviewed by the House C&RA Committee relating to the retirement of general obligation school bonds. These bills are HB 416, the authorization legislation and CSHB 311 (C&RA), the appropriation legislation. The special appropriation included in CSHB 311 to retire the municipalities outstanding general obligation bonds for schools is \$287,616,000. These bills were passed out of the House C&RA Committee on 4/10/81 and are currently in the House Finance Committee.

This legislation, if passed would have a major impact on municipal property tax and sales and use tax reductions.

Cook ✓

Original sponsors: Miller, Duncan,  
Brown, et al

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 4 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing relief from property taxes to resi-  
7 dent owners and renters who occupy a permanent place  
8 of abode; and providing for an effective date."

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

10 \* Section 1. AS 29.53 is amended by adding new sections to read:

11 ARTICLE 6. REIMBURSEMENT OF PROPERTY TAXES.

12 Sec. 29.53.500. REIMBURSEMENT OF TAX ON PERMANENT PLACE OF ABODE.

13 During each calendar year, a resident is eligible to receive reimburse-  
14 ment for taxes paid to a municipality for real property owned and  
15 occupied as his permanent place of abode if he

16 (1) applies to the Department of Community and Regional  
17 Affairs for reimbursement; and

18 (2) presents proof that the property taxes were paid.

19 Sec. 29.53.510. DUTIES OF DEPARTMENT. The Department of Community  
20 and Regional Affairs shall

21 (1) adopt regulations under the Administrative Procedure Act  
22 (AS 44.62) establishing procedures for applying for reimbursement of  
23 property taxes under AS 29.53.500;

24 (2) annually request the legislature for appropriations for  
25 reimbursements under AS 29.53.500;

26 (3) pay the reimbursements authorized by AS 29.53.500 from  
27 annual appropriations made for that purpose;

28 (4) prescribe and furnish an application form for applying  
29 for reimbursement of property taxes under AS 29.53.500 which contains a

1 statement of eligibility and a certification of residency in substan-  
2 tially the following form:

3 I certify that I am a state resident on the date of this  
4 application and that my claim for reimbursement is based on  
5 taxes paid to a municipality that were levied on my permanent  
6 place of abode during the year \_\_\_\_\_. I also understand that  
7 a false claim of residency or eligibility to receive reim-  
8 bursement for taxes is a criminal offense.

9 \_\_\_\_\_  
10 (signature of individual)

11 Sec. 29.53.520. DEFINITION. In AS 29.53.500 - 29.53.520 "abode"  
12 means a dwelling, a dwelling unit in a multiple unit dwelling or, if a  
13 building is used for commercial purposes and as a dwelling, the portion  
14 of the building used as a dwelling; and, as determined by the local  
15 assessor, includes lots and outbuildings or a portion of lots and  
16 outbuildings necessary to convenient use of the dwelling, limited to  
17 not more than one acre if the dwelling is located in an urban area or  
18 five acres if the dwelling is located in a rural area;

19 \* Sec. 2. AS 29.73.060(a) is amended to read:

20 (a) <sup>Applicant</sup> A [resident] of the state [65 YEARS OF AGE OR OLDER] who rents  
21 a permanent place of abode is eligible for tax equivalency payments  
22 from the state through the Department of Community and Regional Affairs.

23 \* Sec. 3. AS 29.73.060(c) is amended to read:

24 (c) To obtain tax equivalency payments the eligible resident must  
25 apply to the Department of Community and Regional Affairs (DEPARTMENT)  
26 for payment for the preceding year by March 1 [JANUARY 15] of each year  
27 on forms and in the manner prescribed by the department. Each applicant  
28 shall submit with the application rental receipts or, if rental receipts  
29 are not available, other evidence satisfactory to the department for

determination of the fact of payment of rent and the amount paid.

\* Sec. 4. AS 29.73.060(d) is amended to read:

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for tax equivalency payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. [HOWEVER, TAX EQUIVALENCY PAYMENTS TO AN ELIGIBLE APPLICANT MAY NOT BE REDUCED BECAUSE THE SPOUSE IS LESS THAN 65 YEARS OF AGE.] If all occupants in a residence are eligible for tax equivalency payments under this section, the occupants shall decide between and among themselves which shall receive payment.

\* Sec. 5. AS 29.73.060 is amended by adding a new subsection to read:

f [(e)] The Department of Community and Regional Affairs shall prescribe and furnish an application form for applying for tax equivalency payments which contains a statement of eligibility and a certification of residency in substantially the following form:

I certify that I <sup>was residing</sup> ~~am a state resident~~ on the date of this application and that my claim for a tax equivalency payment is based upon rent paid for my permanent place of abode during the year \_\_\_\_\_. I also understand that a false claim of residency or eligibility to receive a tax equivalency payment is a criminal offense.

\_\_\_\_\_  
(signature of individual)

\* Sec. 6. This Act is retroactive to January 1, 1980, and authorizes reimbursement of property taxes paid for a permanent place of abode after December 31, 1979, and tax equivalency payments for rent paid on a permanent place of abode after December 31, 1979.

\* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-070(c).

March 3, 1981

To: Tony

From: Norman

Subject: Community and Regional Affairs Committee  
March 4, 1981

Today we put in for an amendment to HB 4 which would provide for sales tax relief. The idea is pretty interesting and we can see where it will go. However, it probably will not be ready for a day or two. So if you are interested in putting it in simply say during the hearing tomorrow, if necessary, that you have an amendment and would like the committee to hold the bill while it is being drafted. Further, there are two communities in District 17 which are not second class cities and therefore cannot have a sales tax. They are Tuntutuliak and Oscarville. Further, Akiak, Aniak, Lower Kalskag, Tuluksak, and Upper Kalskag also appear not to have sales taxes even though they could impose them. Therefore, it is really a judgment call on this one as it would be giving money to some villages and not others. Of course, on the other hand, as Lyman put it, it would mean relief for those who in fact have paid. If the property tax people are going to be getting some relief and the relief is for taxes paid then the villages which do not pay taxes should not have too much to complain about.

As for SB 125 am the issues are a bit different. It appears that the bill would greatly increase the amount of money to be received by the municipalities eligible for revenue sharing. There are two funding mechanisms, revenue sharing and municipal assistance. The supplemental budget would increase both of these and there would be benefits for District 17 villages. The percentages of increase as shown in the computer printouts is misleading because the increase is based upon three factors: 1) in 1980 the revenue sharing formulas were changed to make a minimum of \$25,000 per municipality, so for villages with small populations the \$25,000 was a big increase and correspondingly the increases for these villages are high; 2) there was a hold harmless clause which grandfathered in existing levels if the new levels would be lower, therefore Anchorage did not go down; and 3) there is no cost of living adjustment in Title 29, chapter 88. This gets complicated and I do not know much about it, but the gist of the situation is that once the Municipal Tax Resource Equalization formula is worked out there is not area cost adjustment for those areas with higher costs. You might want to ask a question about this. The question could be as follows:

If an area cost adjustment was placed within the Municipal Tax Resource Equalization formula what would be the difference in the amounts of entitlements to the municipalities? This assumes that the increased entitlements based upon the supplemental grant would increase the amounts of money to be paid to the rural municipalities.

page 2

Presently, the only area cost adjustments made are contained within chapter 89 dealing with State Aid for Miscellaneous Municipal Purposes - specifically for roads and hospitals. However, as I understand it, for the revenue stabilization program there is not area cost of living differential built in. As you can imagine, once the differential is eliminated, the amount of money to the rural areas diminishes as it simply costs more to do the same amount, etc.



# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf  
Chairman  
465-3870

Pouch V  
State Capitol  
Juneau, Alaska 99811

The C&RA Committee met at 8:30 A.M. on February 23, 1981, with the following members present:

Tony Vaska  
Dick Randolph  
Pat O'Connell  
Bernard Bylsma  
Ben Grussendorf, Chairman

The bill to be considered for this particular meeting was HB 4, dealing with direct tax relief. The bill is sponsored by Mike Miller, Russ Meekins and Jim Duncan, all three of whom testified. Mr. Miller gave a brief outline of the bill stating that this bill would pump \$106,000,000 into the economy because it was being paid directly to the taxpayers. He also offered a possible substitute to the bill as an amendment or addendum which included a renter rebate since renters indirectly pay property tax albeit through a landlord. Mr. Duncan supported Mr. Miller's testimony by saying that this bill does not eliminate a municipalities "machinery" to collect taxes as that wouldn't be wise. Senior citizens already get tax rebates so this particular rebating "machinery" is already operative. Mr. Meekins testified that this bill would GUARANTEE taxes go down. The individual has no control over property taxes which tend to be VERY inflationary. In the past, money has been given to municipalities, but no one has ever reduced taxes....they just rise maybe not so rapidly. Mr. Meekins said that this bill would make the tax retroactive for this current year. He added that the Senate bill merely returns the money to municipalities.

Mr. Randolph: This seems to be creating new state bureaucracy to handle rebates. Wouldn't it be simpler to let the municipalities handle it?

Mr. Miller: The municipal bonding ability is erased if the municipalities simply wipe out property taxes. We propose having the people pay the taxes, then get a rebate. This leaves the bonding ability intact.

Mr. Meekins: This also allows the public to keep a check on the municipal spending--it does not give them a blank check to keep raising taxes because the "state is going to pay the bill." Businesses are not having their property taxes eliminated, therefore keeping an additional check on the municipalities--it does not give them the key to the state treasury.



# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf  
Chairman  
465-3870

Pouch V  
State Capitol  
Juneau, Alaska 99811

Page 2, C& RA meeting, Febr. 23, 1981

Mr. Vaska: This gives no one an incentive to lower taxes--why wouldn't they increase them?

Mr. Meekins: Property tax payers will still continue to watch since they will be paying the taxes and then having them returned--creating a cash flow situation that they will watch. Also the business people will definitely be aware since they are still having to pay their entire tax bill.

Mr. Vaska: Is there any financial help for unorganized boroughs? The state is subsidizing the boroughs, why not help for unorganized boroughs?

Mr. Miller: This is a tax relief bill--not a financial return to the citizen ergo: if you don't pay taxes, no return! How can you tie other aid via this bill?

Mr. Vaska: There's still no incentive to lower taxes!

Mr. Miller: The business community will put pressure on the assembly to keep taxes low.

Mr. Meekins: Property tax is the real issue of this bill.

Mr. Randolph: Why is there no reduction in business taxes? I know businesses are collectors, not payors, but why no relief?

Mr. Miller: We are already biting off a big chunk! It is probably more a political factor more than anything. Businesses will profit--from the \$106,000,000 being pumped into the economy.

Mr. O'Connell: There are two fiscal notes with this bill, one for reimbursements, one for administrative costs. The property tax remains the same through 1986, why? There is nothing here on possible impacts of municipalities switching sales taxes to property taxes because the state will be rebating property taxes.



# Alaska State Legislature

## House of Representatives

### Committee on

Rep. Ben Grussendorf  
Chairman  
465-3870

Page 3, C&RA meeting **Community & Regional Affairs**  
February 23, 1981

Pouch V  
State Capitol  
Juneau, Alaska 99811

**Mr. Meekins:** You're stating a hypothetical situation. It is nearly impossible to do a fiscal note on hypotheticals, so it's not in the fiscal note.

**Mr. O'Connell:** Is there anything tied to residency in this bill?

**Mr. Miller:** I think we've learned our lesson about that!!

**Mr. Randolph:** Outside the bonding aspect, I really think we should just send the municipalities a "big check."

**Mr. Meekins:** Revenue-sharing was for that--it didn't lower taxes.

**Mr. Randolph:** We should make a floor amount we will pay or some foundation unit to repay municipalities.

**Mr. Meekins:** That's just too cumbersome what with our wide range of localities and difference in cost of livings.

**Mr. Bylsma:** What about mobile homes? They are listed as personal property. That aspect must be checked.

**Mr. Vaska:** Back to the residency requirement--what about people who are in the state for only like 3 or 4 months in the summer?

**Mr. Meekins:** For example, college students? This is truly anti-inflationary. Everybody benefits.

**Mr. Miller:** A lot of people wouldn't bother to fill out the forms anyway but everyone would be rebated that applied.

**Mr. O'Connell:** This would eliminate sales taxes if this bill passes.

**Mr. Miller:** Right on!

Meeting recessed at 9:50, to be reconvened at 8:30 a.m. on February 24, 1981.

#84

Vasla - What about Bush compensation?  
HB 182 gives all communities money

Randolph What about relief to business?  
HB 182

Randolph One program (city) to collect, one program to refund (State)  
HB 182 cuts 1 check to local gov

Meekins 1/2 need incentive to keep city from increasing  
spending when they receive \$  
HB 182 keeps incentive to keep down spending because  
there is not enough to fund all capital project  
+ <sup>all</sup> tax relief. The people will set priorities,  
and the more they save in capital spending,  
the more taxes will be reduced

O'Connell What about sales tax <sup>relief</sup>?  
HB 182

O'Connell Is tax relief for just the months home is occupied?  
Administrative expense?  
HB 182

Miller Bonding problems if city told not to collect tax  
HB 182 does not remove ability of city tax to tax  
HB 182 funds capital projects - no need to bond for CIP

Bylsma personal property tax <sup>relief</sup>?  
HB 182

Submitted

P R E S S   R E L E A S E

February 18, 1981

Representative Dave Cuddy, District Seven, Anchorage

*Dave Cuddy*

The House Republicans announced today the introduction of their version of SB 168 relating to revenue sharing to local governments. This type of legislation would help solve a multitude of problems.

1. Pork barrel legislation
2. Lobbyists hired at the local level to procure monies for their cities
3. State government making spending decisions on local issues
4. Lengthy sessions
5. Inequitable appropriations
6. Property and sales tax relief
7. Funding of capital improvement projects

The bill basically calls for \$1,000 per person to be given to local governments. Anchorage, for example, with 200,000 people, would receive \$200,000,000.00. A minimum of \$40,000,000 would go to property tax relief as desired by the people. The balance would then fund capital improvement projects if desired by the people. This would shorten the legislative session since State legislators would no longer make decisions of spending matters which rightly belong with local government. This would reduce pork barrel legislation since local government would be handed money for projects

Press Release

February 18, 1981

and would not have to lobby to get 'their fair share',  
and vote trading<sup>ing</sup> to get funding for various projects would  
decrease. Many times some communities don't get their pro-  
rata share of the budget. This would solve that problem.  
This would guarantee property and sales tax relief while  
keeping an incentive for local government to keep costs  
down. This would fund capital improvement projects.

This major piece of legislation is greatly needed  
and will be a major point in the efforts of the House  
Republicans to handle the affairs of the State.

# Alaska MUNICIPAL League

TELEPHONES  
(907) 586-1325  
586-6526

204 N. FRANKLIN ST.  
JUNEAU, ALASKA 99801

The Alaska Conference of Mayors met in Juneau on February 5 & 6, 1981 and adopted the following provisions:

Y 81 Supplemental (SB 125). The Alaska Conference of Mayors pledged to use any supplemental funding for tax relief.

Mobile Home Financing. The Conference of Mayors urges supplemental appropriation to the Alaska Housing Finance Corporation for mobile home loans in order to ease the serious statewide housing shortage.

High Unemployment Rate. The Conference of Mayors supports state funding for capital projects in order to alleviate the serious unemployment problem in the state by providing both construction jobs and operation and maintenance jobs when the projects are completed; urges the Legislature and Governor to approve funding early enough to get projects "on the street" this construction season.

In Lieu Of Bonds. The Conference of Mayors urges speedy passage of SB 13, making direct appropriations for projects approved by voters in lieu of selling bonds; additionally supports state interim financing for municipal bonds that have been authorized by the voters but cannot be sold because of the bond market.

Permanent Fund. The Conference of Mayors urges the Legislature to create special endowments for fundamental services, such as those provided by local governments instead of increasing the Permanent Fund, in order to lessen the risk of the federal government devising methods of taking away the state's money.

School Support. The Conference of Mayors endorses the concept of 100% state funding for schools, both operating and construction.

Communities represented at those meetings include the Municipality of Anchorage, the City of Angoon, the City of Fairbanks, Fairbanks North Star Borough, the City of Haines, Haines Borough, the City of Homer, the City of Hoonah, the City and Borough of Juneau, the City of Kenai, Kenai Peninsula Borough, Kodiak Island Borough, the City of Nenana, the City of Nome, North Slope Borough, the City of Petersburg, the City of Sand Point, the City of Seldovia and the City of Wrangell.

Bill Overstreet, President  
Leo Rasmussen, Vice President  
George Sullivan, Secretary/Treasurer

Resolution 870-R

Whereas the City Council of the City of Petersburg supports the use of unanticipated funds for tax relief, and

Whereas the City Council of the City of Petersburg is in agreement with the passage of Senate Bill 125 am, and


Whereas the City Council of the City of Petersburg promises to use the supplemental funds to cut local taxes.

Therefore Be It Resolved to endorse the House version of Senate Bill 125 as amended.

Passed and Approved by the City Council of the City of Petersburg,  
Alaska, this 23<sup>rd</sup> day of February, 1981.

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
City Clerk

municipalities to reduce property tax levies with any certainty that such reductions will be met by anticipated state aid;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the House of Representatives of the State of Alaska is urged to speedily consider and pass Senate Bill 125 so that the assembly may reduce real property levies for the coming fiscal year with the certainty that state aid will be available to make up the revenue loss.

2. That it is the intent of the assembly to use its distribution from the municipal assistance fund which is in excess of the amount it would have received from a business license tax refund for the purpose of providing a reduction in the real property tax levy which is in reasonable proportion to the increase.

3. That copies of this resolution be sent to The Honorable Jay Hammond, Governor of the State of Alaska and to each member of the Alaska State Legislature.

Adopted this 19<sup>th</sup> day of January, 1981.



\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Clerk

March 4, 1981

To: Tony

From: Norman

Subject: HB 4

You will be receiving a draft of an amendment from Legislative Legal Services tomorrow morning. The bill will be sent in time for your meeting of the C&RA Committee in the morning. At that time the committee is planning to take up HB 4 in mark up.

Some things about the bill. First, I have not seen it and will not be able to analyze it before the hearing to any great extent. Tam Cook (Greg's wife) did the drafting and wanted to let me know that it was a little different than we proposed. Basically what she said is that municipalities' sales taxes are based upon different formulas as they tax different things in different communities. In other words, a tax of 2% in Alakanuk might be something different than a 2% tax in Juneau. Therefore it is not possible to make the amendment a straight forward return based upon the amount of the sales tax. Therefore she suggested that the Department of Revenue take the entire amount of money collected from the municipality and then use formulas which would return a pro rata share based upon income and number of dependents. At least that is what I understood that she said.

In other words, if Bethel collects \$2,500,000 in sales and use taxes, The Department of Revenue will figure out, based upon income and dependents, amounts to be returned to persons in the different categories (so much for some many people in the family with so much income). It is an attempt to give some, though possibly not very equitable, rebate to the persons who live in areas without property taxes. I will take a look in the morning and see what it says before the mark up session.

A M E N D M E N T

Offered in the HOUSE

By Vaska

TO: HOUSE BILL NO. 4

Page 1, lines 7 - 8:

Delete "for real property owned and occupied as a permanent place of abode"

Page 1, line 12:

Delete "PROPERTY"

Page 1, after line 28:

Insert the following:

"Sec. 29.53.520. REIMBURSEMENT OF SALES AND USE TAXES. (a) During each year, a resident is eligible to receive reimbursement for sales and use taxes he and his dependents paid to a municipality during the previous year if he applies to the Department of Revenue.

(b) The amount of reimbursements under this section shall be calculated to equal the total amount of money collected by each municipality during the previous year from the levy of sales and use taxes.

Sec. 29.53.530. DUTIES OF THE DEPARTMENT OF REVENUE. The Department of Revenue shall

(1) adopt regulations under the Administrative Procedure Act (AS 44.62) establishing procedures for applying for reimbursement for sales and use taxes under AS 29.53.520 which include a graduated scale used for determining the amount of reimbursement based upon

Presented by: The Manager  
Introduced: 02/19/81  
Drafted by: G.L.S.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 735

A RESOLUTION URGING THE LEGISLATURE TO PASS  
SENATE BILL 125 AND STATING THE INTENT  
OF THE ASSEMBLY TO USE I.S ENTITLEMENT TO  
REDUCE PROPERTY TAXES IN THE COMING FISCAL YEAR.

WHEREAS, prior to 1978, the State of Alaska levied a business license tax and refunded to each municipality 60 percent of the revenues derived from that tax within the municipality, and

WHEREAS, in 1978 the legislature repealed the business license tax causing a loss to municipalities of this dedicated revenue, and

WHEREAS, the same legislature provided that in lieu of the business license tax revenues, the legislature would appropriate to a municipal assistance fund an amount equal to or greater than 10 percent of the corporate income tax revenue received by the State during the previous fiscal year for distribution to municipalities, and

WHEREAS, AS 43.20.016(b) and (c) provide that if sufficient funds are appropriated to the municipal assistance fund, a municipality will receive a base allocation equal to the amount it received in business license tax refunds during fiscal year 1978, and that the excess of the amount needed to make a base distribution to all municipalities would be distributed on the basis of population, and

WHEREAS, AS 43.20.016(d) sets forth the intent of the legislature that to the extent distribution to a municipality from the municipal assistance fund constitutes an increase in state aid to the municipality, the municipality will reduce property tax levies in reasonable proportion to the amount of the increase, and

WHEREAS, Senate Bill 125 which has passed the senate appropriates to the municipal assistance fund an amount which would constitute an increase in state aid, and

WHEREAS, because municipal budgets and tax levies are usually established before it is known how much state aid municipalities will receive, it is difficult or impossible for

municipalities to reduce property tax levies with any certainty that such reductions will be met by anticipated state aid;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the House of Representatives of the State of Alaska is urged to speedily consider and pass Senate Bill 125 so that the assembly may reduce real property levies for the coming fiscal year with the certainty that state aid will be available to make up the revenue loss.

2. That it is the intent of the assembly to use its distribution from the municipal assistance fund which is in excess of the amount it would have received from a business license tax refund for the purpose of providing a reduction in the real property tax levy which is in reasonable proportion to the increase.

3. That copies of this resolution be sent to The Honorable Jay Hammond, Governor of the State of Alaska and to each member of the Alaska State Legislature.

Adopted this 19<sup>th</sup> day of February, 1981.

  
\_\_\_\_\_  
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In other words, if Bethel collects \$2,500,000 in sales and use taxes, The Department of Revenue will figure out, based upon income and dependents, amounts to be returned to persons in the different categories (so much for some many people in the family with so much income). It is an attempt to give some, though possibly not very equitable, rebate to the persons who live in areas without property taxes. I will take a look in the morning and see what it says before the mark up session.

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Sec. 29.53.530. DUTIES OF THE DEPARTMENT OF REVENUE. The Department of Revenue shall

(1) adopt regulations under the Administrative Procedure Act (AS 44.62) establishing procedures for applying for reimbursement for sales and use taxes under AS 29.53.520 which include a graduated scale used for determining the amount of reimbursement based upon

(A) the number of dependents which an applicant has;  
and

(B) the amount of sales and use taxes collected by the municipality in which the applicant resides during the previous year divided by the total population of the municipality;

(2) annually request the legislature for appropriations for reimbursements under AS 29.53.520; and

(3) pay the reimbursements authorized by AS 29.53.520 from annual appropriations made for that purpose."

Page 2, line 2:

Delete "property" and delete "for a permanent place of abode"

Page 2, line 3:

Delete "29.53.510" and insert "29.53.520"

Page 2, line 5:

Delete "property" and delete "for a permanent place of abode"

Mon - 23 - #HB 4  
 Tues - 24 - #HB 4  
 Wed - 25 - #HB 4  
 Thurs - 26 - TBA  
 Fri - 27 - TBA

28/29 - S/S

March - 1 Mon 9:30 HB 201  
 2 Tues HB 201  
 3 Wed HB 125  
 4 Thurs HB 125

Fri 5 HB 150  
 HB 190  
 Sat/Sun 6-7

8:30 - HB 4 / Vaska - O'Connell - Bylsma - Bussendorf - Randolph - Randolph

Mike Miller: Most important bill of this session:  
 burdensome ① inc. tax  
 ② prop. tax

\* 106 million - into Ark. Economy that did go to municipalities.

Rec amendment as CS - would take care of prop tax equivalency payment.  
 ① Direct owners  
 ② Renters / via landlord

Duncan - Support of legis and renters amendment. Provide further relief of tax burden of Ark. residence.  
 ① Gross B&E tax  
 ② Inc Tax repeal  
 ③ Prop tax release

also legis for increased new shen; to municip.

Russ Meekins Diff than more \$ to municip -  
designed to guarantee that prop taxes go  
down. Prop tax are most unfair tax  
of all - not related to abilit. to pay.

Every year increased assistance to municip.  
No reduction in local taxes - no increase  
50% States Budget actually goes to  
cities

retroactive clause - for 1980 tax year -  
important to keep nature of this bill in tact.  
Randolph - All need for local Govt will stay  
in place - much easier way not to allow -

Miller Does not want legis to enlarge  
bonding marketability of municip.

Vaska - Unorgan bond will not be comp. for this  
prop-tax relief. Must look to unorgan borough

equalization is appealable under AS 44.62.560 – 44.62.570. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)  
AS 44.47.160

19 AAC 35.120. DEFINITIONS. In this chapter

(1) repealed (Eff. 1/27/73, Reg. 48);

(2) "exemption year" means the calendar year for which the exemption is sought;

(3) "real property" includes, but is not limited to, mobile homes, whether classified as real or personal property for municipal tax purposes;

(4) "permanent place of abode" means a dwelling, or a dwelling unit in a multiple dwelling, including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit;

(5) "resident" includes applicants who have a fixed habitation in the State of Alaska, and, when absent, intend to return to the State of Alaska;

(6) "ownership" means that an applicant is possessed of an interest, other than a leasehold, in real property, including a mobile home, which interest is recorded in the office of the district recorder, or, if unrecorded, is attested by a contract, bill of sale, deed of trust, or other proof in a form satisfactory to the local assessor;

(7) "department" means the Department of Community and Regional Affairs;

(8) "senior citizen" means an applicant who is 65 years of age or older on January 1 of the exemption year. (Eff. 1/28/73, Reg. 45, am 4/18/73, Reg. 45; am 1/27/74, Reg. 48; am 3/31/76, Reg. 57)

Authority: AS 29.53.020(f)  
AS 44.47.160

## CHAPTER 38. FARM AND AGRICULTURAL LAND

### Section

- 10. Forms
- 20. (Annulled)
- 30. Appeal
- 40. Maintenance of records—Duplicate copies
- 50. Confidentiality
- 60. Definitions

19 AAC 38.010. FORMS. (a) The Department of Community and Regional Affairs Form 21-410 and Form 21-411 are adopted for use in application for the farm and agricultural land use assessment and tax deferral program.

(b) Application and authorization forms shall be made available by and shall be returned to the clerk or assessor of the municipality in which the land for which the farm use assessment and tax deferral are sought is located. (Eff. 12/31/75, Reg. 56)

Authority: AS 29.53.035(b) AS 44.47.130  
AS 44.47.050 AS 44.47.160

19 AAC 38.020. SUPPLEMENTARY INFORMATION SUPPORTING APPLICATION FOR THE ASSESSMENT AND TAX DEFERMENT. Annulled under AS 44.62.320, passed 5/25/77.

19 AAC 38.030. APPEAL. An applicant for the farm use assessment and tax deferral who believes that the valuation or classification assigned to the land that is the subject of the application is erroneous may appeal to the board of equalization of the municipality in which the land is located in the manner provided by AS 29.53.130. The municipality shall report the disposition of all such appeals to the state assessor. (Eff. 12/31/75, Reg. 56)

Authority: AS 29.53.035(c)  
AS 29.53.130  
AS 44.47.160

19 AAC 38.040. MAINTENANCE OF



Rep. Ben Grussendorf  
Chairman  
465-3870

# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

Summary - HB 4- by Miller etc.

"An Act providing for reimbursement of taxes paid to a municipality for real property owned and occupied as a permanent place of abode; and providing for an effective date."

This bill allows a property owner to be reimbursed by the state for taxes paid to a municipality for "real property owned and occupied as his permanent place of abode."

The taxpayer must:

- 1). apply to the Dept. of Revenue for reimbursement;  
and
- 2). present proof that the property taxes were paid.

The bill directs the Dept. of Revenue to adopt regulations establishing procedures for applying for reimbursement, to annually request the legislature to appropriate funds for reimbursement, and to pay the reimbursements. These provisions are added as new sections 500 and 510 to AS 29.53, Municipal Assessment and Taxation.

This Act is retroactive to January 1, 1980 and authorizes reimbursement of property taxes paid for a permanent place of abode after December 1, 1979. Also provides immediate effective date.

approp bill will have account set up to be ~~as in~~  
(as in rec. accounts)

companion approp. bill sent to Dept CRA

- 1) costs to local gov't - Early will have estimated cost needed for local gov't
- 2) March 1 fine - / Except for this year  
Admin - 2 yrs at once?
- 3) Major problem by Dept CRA:
  - a) local assessors - determining which portion of assessments of above "residential" applies to ~~urban~~ ~~suburban~~ ~~rural~~ assessment.

- CRA - what are you doing now?
- 4) Dept Rev. - need. clause for them to issue warrants? - no
- 5) what constitutes "urban" or "rural" property? - in definition clause - **NO problem**

~~work-up  
Comm Mtg Notes.~~

clear as to interest and penalties not being reimbursed?

Multiple problem not (miller)  
1) Mechanism for determination of definition for effect of definition on

Connell - ① Questions as to a. nr. of land eligible "under definition of "abode" - 1 acre. 5 acres -

- ② utilities included in rent receipts - need to address question.

- Consider one time rebate to prop owners. -

O'Connell  
Pay rebate to owner & dist. rein. back to renters.

also - Tenants pay prop. tax - have not worried about this with old times. -

Think that remain renters clause from bill.

~~Handwritten scribbles and signatures~~

Check w/ Rev.  
Fiscal Note

8125

Gussen, Vaska, O'Connell, Bylsma, Randolph

Terry Easley - CRA Assessor -  
Admin Concerns w/ draft.

- 1) Contract w/ Dept Rev. for prep. of warrants
- 2) ~~local assessor must split~~ the give additional admin money to local assessor (1st time) to figure unit residential rebates
- 3) meet <sup>annually</sup> to tell what mortgage % statement
- 4) business in home?

Rebate limit one average -

Don't have problem w/ definition - just don't have data to enforce properly

CRA - sec. no retro clause.

people selling prop in middle of year - then buy new house - what's intent

Local higher - Dept of Rev left out mortgage point approach, \$500,000 -

physical search necessary for split int<sup>o</sup> as applicant. Come in.

~~Contract~~ what kind of response from local assessor

Members Present: All — March 4, 1981

Markup Session on HB 4

Lyman Hoffman - City of Bethel - spoke to HB 4 -

Would prefer to see sales tax reimbursement program.

Bethel has no prop. tax. - levy 5% sales tax - revenue is 1.2 million dollars.

Bausen - ~~House~~ <sup>Body</sup> has duty to give tax relief. We are now addressing prop tax relief. Would like to address sales tax relief as a separate issue

Workup on HB 4 - Began —

no provision for anyone to file - March 1 Deadline -

Amendments to HB 4 (Reimbursement of real property taxes) for the CRA  
Committee by Dick Randolph

---

A. Page 1, line 7 and 8 delete the following:

"owned and occupied as a permanent place of abode"

B. Page 1, delete line 13 to 19 and substitute the following:

"Sec. 29.53.500. REIMBURSEMENT OF TAX ON REAL PROPERTY.

(a) Each municipality may apply to the Department for a lump sum payment in an amount equalling the total real property taxes collected by that municipality during calendar years 1980 and 1981. Applications for such lump sum payment shall be received by February 15, 1982. Payment of the lump sum to each municipality is conditioned on reimbursement by each municipality to each real property taxpayer who paid property taxes to that municipality during calendar years 1980 and 1981 of an amount equalling their total respective property tax payments during those calendar years. The Department shall make lump sum payments to the municipalities applying for such payments by March 15, 1982. Municipalities receiving lump sum payments for real property taxes collected during calendar years 1980 and 1981 shall reimburse each real property taxpayer by May 1, 1982 for the amount of real property taxes paid during calendar years 1980 and 1981.

(b) Beginning with calendar year 1982 each municipality may elect to receive monthly payments from the Department for the amount of real property taxes it would have collected within the municipality during each month of the calendar year using millage rates in effect on January 1, 1981 but not including amounts for taxes collected under (1), (2), or (3) of this subsection. Such monthly payments are conditioned upon agreement by each municipality not to collect real property taxes from taxpayers except in the following ways and under the following conditions:

- (1) increases in service area millage rates after December 31, 1980 which have been approved by the majority of the registered voters residing within that service area.
- (2) millage rates resulting from the creation of new service areas when both the creation of the service area and the millage rate have been approved by the majority of the registered voters residing within the proposed service area.
- (3) property taxes levied to pay off general obligation bonds issued by the municipality after December 31, 1980 and approved by a majority of the registered voters voting on the question of approval at a regular or special election called for that purpose."

C. Page 2, line 1 - delete (5) and substitute therefore:

"(5) administer the program of reimbursement of tax on real property (AS 29.53.500 - 29.53.510)."

D. Page 2, line 4 - delete Section 3 and renumber Section 4 as Section 3.

Amendment Set #2 (to HB 4)

*Same as  
HB 22?*

This set of amendments is included as a complete change to HB 4.

Amendment A - this amendment changes the title to reflect that all property taxes, not just residentially occupied taxes are to be included.

Amendment B

Subsection (a) - this subsection sets up the refund of 1980 and 1981 taxes in a manner that shifts the administrative burden of reimbursement to the local governments for all property taxes in one lump sum payment by the state with individual taxpayer reimbursement being accomplished by the boroughs by May 1, 1982. This avoids setting up a new bureaucracy in the Department of Revenue, and because there is no longer any distinction between owner occupied and non owner occupied property, boroughs can refund more efficiently.

Subsection (b) - this subsection sets up the ongoing HB 4 program in a manner that does not require an added bureaucracy to deal each year with reimbursement of taxes to thousands of individuals. Instead, property taxes would simply not be collected from individuals and local governments would bill the state each month for taxes it would have received from individual property taxpayers. This subsection also allows millage rate increases only for service area changes or to pay new bonds. Any revenues from these increases would be collected by the municipality from individual property taxpayers affected.

*} Bonding  
Marketability?*

Amendment C - this amendment merely changes wording to reflect that the bill now relates to all real property taxes.

Amendment D - this amendment merely renumbers the bill sections.

8:44 am HCRA. All but Randolph

HB 4 Markup session -

no support for Randolph amendments to HB4

---

O'Connell - more - lang = debate being based on  
assessed value ~~on square footage etc.~~  
Pg 2 subsection (c)

proportionate share of assessed value.

---

① - CRA Dept

Amendments  
to CSHB 4

1. Line 3 through 10, page 2:

Accepted  
OK  
②

Delete paragraph and insert:

I certify that I was ~~residing in~~ <sup>residing in</sup> the State of Alaska during the period of time for which I am applying for a reimbursement and that my claim for reimbursement is based on taxes paid to a municipality that were levied on my permanent place of abode during the year \_\_\_\_\_. I also understand that a false claim of residency or eligibility to receive reimbursement for taxes is a criminal offense.

\_\_\_\_\_  
(signature of applicant)

2. Line 18, page 2:

③  
Accepted  
OK

change the period to a semi-colon after the word 'area' and insert:

— "a person may only occupy one permanent place of abode during any period of time."

3. Line 12, page 3:

no

re-letter subsection; change (e) to (f) and add a new subsection (e) which reads as follows:

"That portion of rent paid for utilities does not qualify for reimbursement under this section."

4. Line 16 through 22, page 3

amended to read as above paragraph for criminal offense clause. (re-letter to subsection 'f').

④ - resident to applicant on line 24 pg. 2 (ok)

Page 3, line 27:

After "1979." add

"Notwithstanding AS 29.73.060(c) as amended by this Act, each applicant shall, by October 1, 1981, submit an application and evidence satisfactory to the Department of Community and Regional Affairs for determination of payment of rent and the amount paid after December 31, 1979 to December 31, 1980. The department shall disburse payments under this section by December 31, 1981. A person 65 years of age or older shall not qualify for a tax equivalency payment for rent paid after December 31, 1979 to December 31, 1980 if he has received a payment under AS 20,73.060 as in effect January 15, 1981.

This amendment would allow the Department to issue two checks to rentors. The first issued by Dec.31,1981 for the 1980 year. The other would be applied for between Jan and March of 82 for the 1981 year.

Subjects  
interior  
Regional  
requests

Notes

on form:

assessment  
mill rate  
exact location  
# tax ID #  
# volume in unit

Incliv. would file out form stating  
Value \_\_\_\_\_ of bldg apartment is in.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Still not equitable

~~proposed~~

Value x mill rate

Facts:

- Rental reimbursement in present bill is based on 1% per mil - including, in some cases, utility payments.
- Additional costs administratively to separate these <sup>% of</sup> included utilities from <sup>rental</sup> reimbursements (by example above) does not appear to be worthwhile.
- There are other inequities <sup>in the present bill</sup> ~~that~~ that are unapproachable and create further problems by being addressed. <sup>the current Senior Citizen Exemption Program</sup>
- Most difficulties with HB4 are related to the 'rentors amendment'

For example, the inequality of a Senior Citizen living in a million dollar home and not having to presently pay any property tax - on any of the excessive acreage surrounding his home.

Keep old timer exemption as spots

(Problem w/ retroactive)

single sub problem

1) problems - ~~residence~~ - opens wrong no residency problem  
"see plan to abode"  
| lane - 29,73,060 alone ✓  
- delete [permanent]

(2) both programs under CRA ✓

(3) apply change Jan 15 to March 1 ✓

4) proportional <sup>living</sup> units in dwelling - language necessary? ✓

5) penalty clause / similar to firm fund dividend ~~language~~  
if caught - no further application ✓

6) - <sup>clause</sup> Commercial situation / <sup>position</sup> used as private abode - <sup>definition</sup> section ✓

- new fiscal note re/ CS

don't let anyone repeal exempt section for old timers -  
Utility's included in rent ?

1-Form penalty clause

OR an apartment in a complex as your abode

Ben:

After this morning's meeting, Ginny Chitwood & I met w/ Terry Earley to discuss the 'rentor amendment' problems. Specifically, we addressed the 'utility reimbursement' <sup>problem</sup> ~~possibilities~~ with <sup>and</sup> possible resolves.

Ginny's suggestion of the individual filling out an application containing ~~the following~~ <sup>the following</sup> info was ~~discussed~~ <sup>discussed</sup>: Application to include: <sup>If you rent a portion of a home, fill out following:</sup>

Prop. Tax ID # \_\_\_\_\_  
location. Legal description of residence: lot #, block # \_\_\_\_\_  
total Assessment value of bldg. \_\_\_\_\_  
# of dwelling units in bldg. \_\_\_\_\_

② list any utilities included in rent pymts  
subtracted from mo. rent = \_\_\_\_\_  
1% x mill rate times rent excluding utilities \_\_\_\_\_

all

400.00  
~~600.00~~  
600.00 mo. rent.  
- 200.00 Utilities  
adj rent 400.00  
1% x mill (3%)  
% off fee

example 65000

"based upon assessed evaluation"

"that portion of rent paid for utilities does not qualify for reimbursement under this section."

A direct appropriation bill will be necessary to accompany this legis, <sup>that get up the account under D.CRA and</sup> ~~and consequently~~ fund the Reimbursement Program

Presently the Dept of C&RA administers ~~the~~ <sup>accounts</sup> the ~~reimbursement~~ of existing Revenue Sharing ~~Account~~ Programs to municipalities - Why can't they do the same w

~~the requirement that pay for~~

① Decree - check 1981 on ~~to~~ owner rebate -  
~~NO WAY FOR~~

- Amendment to some check in 1981 to

lower 1980 prop. taxes for renters apply Oct 1

Amendment

# 1. Line 3 through 10, page 2:

Delete paragraph and insert:

I certify that I was a resident of the State of Alaska during the period of time for which I am applying for a reimbursement and that my claim for reimbursement is based on taxes paid to a municipality that were levied on my permanent place of abode during the year \_\_\_\_\_. I also understand that a false claim of residency or eligibility to receive reimbursement for taxes is a criminal offense.

\_\_\_\_\_  
(signature of applicant)

# 2. Line 18, page 2:

change the period to a semi-colon after the word 'area' and insert:

"a person may only occupy one permanent place of abode during any period of time."

3. Line 12, page 3:

re-letter subsection; change (e) to (f) and add a new subsection (e) which reads as follows:

"That portion of rent paid for utilities does not qualify for reimbursement under this section."

4. Line 16 through 22, page 3

amended to read as above paragraph for criminal offense clause. (re-letter to subsection 'f').

language intent here is to not allow reimbursement payments, for example, on property tax paid on a privately owned home and an abode rented by that same property owner during the same period of time for which reimbursements are being applied for. —

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 28, 1981

SUBJECT: Property tax reimbursement  
(CSHB 4)

TO: Representative Ben F. Grussendorf  
Chairman  
House Community and Regional Affairs Committee

FROM: Tamara Brandt Cook  
Legislative Counsel *TBC*

Here is a draft of the committee substitute you requested for HB 4 providing for property tax equivalency payments to renters and making other changes. I believe that this bill would be improved if a definition of "resident" were included. In addition, I have some question as to the use of the phrase "permanent place of abode". If the phrase means "residency" that would be a better term to use throughout the bill. It is unclear whether a person may have more than one permanent place of abode in the state and qualify for reimbursement of taxes paid for each of them.

TBC:jdn

Enclosure

*reason for amendment #2*

# ALASKA

## STATE LEGISLATURE

### MEMORANDUM

TO: Ben

DATE: March 2, 1981

FROM: Linda

RE: CS for HB 4/ comparison with original bill

HB 4

CSHB 4

#### Section 1.

Sec 29.53.500 - Adds Article 6 entitled  
'Reimbursement of Property Taxes'

Sec. 29.53.510- Outlined duties of the  
Dept. of Revenue

#### Section 2.

Sec 44.25.020 included to allow for  
administrative procedures necessary  
for Dept. to carry out Article 6

#### Section 3.

Retroactive clause for reimbursements  
of property taxes paid after 12/31/79.

#### Section 4.

Effective date clause (01.10.070)

#### Section 1.

Sec 29.53.500 - Adds Article 6 entitled  
'Reim. of Prop. Taxes' and changes  
duties over to Dept. of C&RA

Sec 29.53.510 - Outlines duties of Dept. of  
C&RA - (subsections 1 through 3 same as  
original bill)

29.53.510(4) new subsection for Dept. of  
C&RA to include liability clause for mis-  
use in application form

Sec 29.53.520 - adds new section to include  
definition of 'abode' in determining  
property eligible for property tax  
reimbursement

#### Section 2.

Sec 29.73.060(a) - renters amendment - amends  
present statute 'Senior Citizens Exemption  
Program' for use by all renters in the  
State (does not repeal present exemption  
program - 29.73.060)

#### Section 3.

Sec 20.73.060(c) - Changed to Dept. of C&RA  
for renters reimbursement program  
- application submitted by  
March 1 rather than present statute date  
of Jan. 15.

#### Section 4.

Sec 29.73.060(d) - provides for partial pay-  
ments to habitants of shared rental units

#### Section 5.

Sec 29.73.060(e) - renters reimbursement pro-  
gram application must also provide for  
liability clause for misuse

Section 6. - Retroactive to Jan. 1, 1980

Section 7. - Effective Date Clause (01.10.070)

Cook ✓

Original sponsors: Miller, Duncan,  
Brown, et al

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 4 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing relief from property taxes to resi-  
7 dent owners and renters who occupy a permanent place  
8 of abode; and providing for an effective date."

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

10 \* Section 1. AS 29.53 is amended by adding new sections to read:

11 ARTICLE 6. REIMBURSEMENT OF PROPERTY TAXES.

12 Sec. 29.53.500. REIMBURSEMENT OF TAX ON PERMANENT PLACE OF ABODE.

13 During each calendar year, a resident is eligible to receive reimburse-  
14 ment for taxes paid to a municipality for real property owned and  
15 occupied as his permanent place of abode if he *due to permanent*

16 *ok* (1) applies to the Department of Community and Regional  
17 Affairs for reimbursement; and *ok*

18 (2) presents proof that the property taxes were paid.

19 Sec. 29.53.510. DUTIES OF DEPARTMENT. The Department of Community  
20 and Regional Affairs shall

21 (1) adopt regulations under the Administrative Procedure Act  
22 (AS 44.62) establishing procedures for applying for reimbursement of  
23 property taxes under AS 29.53.500;

24 (2) annually request the legislature for appropriations for  
25 reimbursements under AS 29.53.500;

26 *←* (3) pay the reimbursements authorized by AS 29.53.500 from  
27 annual appropriations made for that purpose;

28 (4) prescribe and furnish an application form for applying  
29 for reimbursement of property taxes under AS 29.53.500 which contains a

*1/20/11  
success*

1 statement of eligibility and a certification of residency in substan-  
2 tially the following form:

3 I certify that I <sup>was a resident of the state during the period of</sup> am a state resident on the date of this  
4 application and that my claim for reimbursement is based on <sup>the form which I</sup>  
5 taxes paid to a municipality that were levied on my permanent <sup>apply for a</sup>  
6 place of abode during the year \_\_\_\_\_. I also understand that  
7 a false claim of residency or eligibility to receive reim-  
8 bursement for taxes is a criminal offense.

*no being  
on title form  
Amend #4*

\_\_\_\_\_  
(signature of individual)

11 Sec. 29.53.520. DEFINITION. In AS 29.53.500 - 29.53.520 "abode"  
12 means a dwelling, a dwelling unit in a multiple unit dwelling, or, if a  
13 building is used for commercial purposes and as a dwelling, the portion  
14 of the building used as a dwelling; and, as determined by the local  
15 assessor, includes lots and outbuildings or a portion of lots and  
16 outbuildings necessary to convenient use of the dwelling, limited to  
17 not more than one acre if the dwelling is located in an urban area or  
18 five acres if the dwelling is located in a rural area.

19 \* Sec. 2. AS 29.73.060(a) is amended to read:

*RENTORS ↓*

20 (a) A resident of the state (65 YEARS OF AGE OR OLDER) who rents  
21 a permanent place of abode is eligible for tax equivalency payments  
22 from the state through the Department of Community and Regional Affairs.

23 \* Sec. 3. AS 29.73.060(c) is amended to read:

*applicant*

24 (c) To obtain tax equivalency payments the eligible resident must  
25 apply to the Department of Community and Regional Affairs (DEPARTMENT)  
26 for payment for the preceding year by March 1 (JANUARY 15) of each year  
27 on forms and in the manner prescribed by the department. Each applicant  
28 shall submit with the application rental receipts or, if rental receipts  
29 are not available, other evidence satisfactory to the department for

*Amend #5*

determination of the fact of payment of rent and the amount paid.

\* Sec. 4. AS 29.73.060(d) is amended to read:

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for tax equivalency payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. [HOWEVER, TAX EQUIVALENCY PAYMENTS TO AN ELIGIBLE APPLICANT MAY NOT BE REDUCED BECAUSE THE SPOUSE IS LESS THAN 65 YEARS OF AGE.] If all occupants in a residence are eligible for tax equivalency payments under this section, the occupants shall decide between and among themselves which shall receive payment.

\* Sec. 5. AS 29.73.060 is amended by adding a new subsection to read:

(e) - *utility clause*

(F) The Department of Community and Regional Affairs shall pre-

scribe and furnish an application form for applying for tax equivalency payments which contains a statement of eligibility and a certification of residency in substantially the following form:

I certify that I am a state resident on the date of this application and that my claim for a tax equivalency payment is based upon rent paid for my permanent place of abode during the year \_\_\_\_\_. I also understand that a false claim of residency or eligibility to receive a tax equivalency payment is a criminal offense

*Amend #6*  
*OK*

*Vaska - Amend #1 delete Sec 6.*

\_\_\_\_\_  
(signature of individual)  
*1981*

\* Sec. 6. This Act is retroactive to January 1, 1980 and authorizes reimbursement of property taxes paid for a permanent place of abode after December 31, 1980, and tax equivalency payments for rent paid on a permanent place of abode after December 31, 1980. -

\* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.070(c).

1. Line 3 through 10, page 2:

Delete paragraph and insert:

I certify that I was <sup>residing in</sup> ~~resident of~~ the State of Alaska during the period of time for which I am applying for a reimbursement and that my claim for reimbursement is based on taxes paid to a municipality that were levied on my permanent place of abode during the year \_\_\_\_\_. I also understand that a false claim of residency or eligibility to receive reimbursement for taxes is a criminal offense.

\_\_\_\_\_  
(signature of applicant)

2. Line 18, page 2:

change the period to a semi-colon after the word 'area' and insert:

"a person may only occupy one permanent place of abode during any period of time."

3. Line 12, page 3:

re-letter subsection; change (e) to (f) and add a new subsection (e) which reads as follows:

"That portion of rent paid for utilities does not qualify for reimbursement under this section."

4. Line 16 through 22, page 3

amended to read as above paragraph for criminal offense clause. re-letter to subsection 'f').

1 IN THE HOUSE

BY MILLER

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for property tax equivalency payments  
7 to residents who rent a permanent place of abode; and  
8 providing for an effective date."

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

0 \* Section 1. AS 29.73.060(a) is amended to read:

1 (a) A resident of the state [65 YEARS OF AGE OR OLDER] who rents  
2 a permanent place of abode is eligible for tax equivalency payments  
3 from the state through the Department of Community and Regional Affairs.

4 \* Sec. 2. AS 29.73.060(d) is amended to read:

5 (d) If two or more persons occupy a residence as tenants, not all  
6 of whom are eligible for tax equivalency payments under this section,  
7 the assessor shall determine equitable partial payments to be made to  
8 the eligible tenants. [HOWEVER, TAX EQUIVALENCY PAYMENTS TO AN ELIGIBLE  
9 APPLICANT MAY NOT BE REDUCED BECAUSE THE SPOUSE IS LESS THAN 65 YEARS  
0 OF AGE.] If all occupants in a residence are eligible for tax equi-  
1 valency payments under this section, the occupants shall decide between  
2 and among themselves which shall receive payment.

3 \* Sec. 3. This Act is retroactive to January 1, 1980, and authorizes tax  
4 equivalency payments for rent paid on a permanent place of abode after  
5 December 31, 1979.

6 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
7 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. \_\_\_\_\_

Title Providing for the 7th anniversary of the State

Requested by Rep. Miller Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Commissioner of Personnel Affairs

Program Category Affected Social Services

BRU, Program, or Subprogram(s) Affected State Assessor

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	132.9	150.0	165.0	178.2	192.5	207.9
200 TRAVEL	5.6	6.7	6.9	7.5	8.2	9.0
300 CONTRACTUAL	68.2	75.0	82.5	90.8	99.9	109.8
400 COMMODITIES	3.0	2.2	2.6	4.0	4.6	4.5
500 EQUIPMENT	11.6	2.0	2.0	2.0	2.0	2.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	23,305.0	25,125.5	25,199.1	21,019.1	24,121.1	27,533.7
<b>TOTAL</b>	<b>23,522.3</b>	<b>25,572.5</b>	<b>25,489.0</b>	<b>31,302.1</b>	<b>34,422.7</b>	<b>37,847.20</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	23,522.3	25,572.5	25,489.1	21,302.1	34,422.7	37,847.20
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	3	3	3	3	3	3
PART TIME						
TEMPORARY <u>Seasonal</u>	11	11	11	11	11	11

4 months

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- 65,000 rental units  
- 3,700 mobile homes

IV. DATE \_\_\_\_\_

PREPARED BY James C. [Signature]

AGENCY \_\_\_\_\_

PHONE \_\_\_\_\_

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Sec. 29.68.360. Public hearings.

Applied in Municipality of Anchorage v. Frohne, Sup. Ct. Op. No. 1477 (File Nos. 3050, 3104), 568 P.2d 3 (1977).

Sec. 29.68.390. Election on charter.

Cited in Municipality of Anchorage v. Frohne, Sup. Ct. Op. No. 1477 (File Nos. 3050, 3104), 568 P.2d 3 (1977).

Chapter 73. Miscellaneous Provisions.

Section

- 60. Property tax equivalency payments
- 70. Taxpayer notice

Sec. 29.73.060. Property tax equivalency payments. (a) A resident of the state 65 years of age or older who rents a permanent place of abode is eligible for tax equivalency payments from the state through the Department of Community and Regional Affairs.

(b) For purposes of determining payments to eligible persons, the department shall calculate a property tax equivalent percentage for each home rule or general law municipality which levies a general property tax at the rate of one percent per mil. The property tax equivalent percentage applied to the annual rent charged to the applicant equals the property tax equivalency payment payable under this section.

(c) To obtain tax equivalency payments the eligible resident must apply to the department for payment for the preceding year by January 15 of each year on forms and in the manner prescribed by the department. Each applicant shall submit with the application rental receipts or, if rental receipts are not available, other evidence satisfactory to the department for determination of the fact of payment of rent and the amount paid.

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for tax equivalency payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. However, tax equivalency payments to an eligible applicant may not be reduced because the spouse is less than 65 years of age. If all occupants in a residence are eligible for tax equivalency payments under this section, the occupants shall decide between and among themselves which shall receive payment (§ 2 ch 217 SLA 1976; am § 1 ch 124 SLA 1980)

Effect of amendment. — The 1980 amendment, effective July 1, 1980, and retroactive to January 1, 1980, inserted a comma following "municipality" and "general property tax", substituted "one" for "4", substituted "The property tax

equivalent" for "This", substituted and added "payable under this section", all "equals" for "or \$375, whichever is less is", in subsection (b).

Sec. 29.73.070. Taxpayer notice. (a) If a municipality levies and collects real or personal property taxes, the governing body shall provide the following notice:

"NOTICE TO TAXPAYER

For the current fiscal year the (city) (borough) has been allocated the following amount of state aid for school and municipal purposes under the applicable financial assistance Acts:

PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE (AS 14.17)	§
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT (AS 43.18.100)	§
MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE (AS 29.88)	§
STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES (AS 29.89)	§
TOTAL AID	§

The millage equivalent of this state aid, based on the dollar value of a mill in the municipality during the current assessment year and for the preceding assessment year, is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE	.... MILLS	.... MILLS
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT	.... MILLS	.... MILLS
MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE	.... MILLS	.... MILLS
STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES	.... MILLS	.... MILLS
TOTAL MILLAGE EQUIVALENT	.... MILLS	.... MILLS

Notice shall be provided

(1) by furnishing a copy of the notice with tax statements mailed for the fiscal year for which aid is received; or

(2) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget.

(b) If the municipal governing body shall in (a) of this section, council or assembly estimate of the equivalent financial assistance provided

(1) by publishing in municipality a copy of successive weeks, with the final adoption of

(2) if there is no municipality, by posting least two public places not later than 45 days budget.

(c) Compliance with receipt of municipal 29.88 and state aid 29.89. The Department withhold annual allocations officials demonstrate met. (§ 9 ch 155 SLA

Effective date. — Section SLA 1980, provides that (including this section) of effect on the first day of the which \$33,400,000 or more and allowed by the distribution to municipal recipients under the provision 12 of this act, or on July 1, 1980, is earlier. A total of \$33,400,000 appropriated for the program fiscal year beginning July appropriations were made in ch. 20, SLA 1980, and § 6, 1980.

Editor's note. — Section SLA 1980, effective on the 29.73.070, provides: "(a) No other provisions of sec. 1 — (1) a municipality may not than \$25,000 plus an area differential during the first which this act is effective municipality which would AS 29.88, added by sec. 2 of than 125 percent of the amount received for the last fiscal year 43.18.010 — 43.18.045, repealed of this act, is, for each of the

Page 3, line 27:

After "1979." add

"Notwithstanding AS 29.73.060(c) as amended by this Act, each applicant shall, by October 1, 1981, submit an application and evidence satisfactory to the Department of Community and Regional Affairs for determination of payment of rent and the amount paid after December 31, 1979 to December 31, 1980. The department shall disburse payments under this section by December 31, 1981. A person 65 years of age or older shall not qualify for a tax equivalency payment for rent paid after December 31, 1979 to December 31, 1980 if he has received a payment under AS 20,73.060 as in effect January 15, 1981.

This amendment would allow the Department to issue two checks to renters. The first issued by Dec.31,1981 for the 1980 year. The other would be applied for between Jan and March of 82 for the 1981 year.



# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf  
Chairman  
465-3870

Pouch V  
State Capitol  
Juneau, Alaska 99811

To: Billy Berrier, Director  
Division of Legal Services

March 6, 1981

From: Rep. Ben Grussendorf, Chairman  
House Community & Regional Affairs  
Committee

Re: Amendments to the Work Draft of CSHB 4 (C&RA)

The Committee has incorporated the following amendments to the work draft of CSHB 4 (C&RA) and would like the draft revised into final form as the Committee Substitute for HB 4 (C&RA):

Amendment #1:

Line 3 through 10, page 2: Delete paragraph and insert:

I certify that I was ~~a resident of~~ <sup>residing in or</sup> the State of Alaska during the period of time for which I am applying for a reimbursement and that my claim for reimbursement is based on taxes paid to a municipality that were levied on my permanent place of abode during the year \_\_\_\_\_. I also understand that a false claim of residency or eligibility to receive reimbursement for taxes is a criminal offense.

(signature of applicant)

Amendment #2:

Line 18, page 2: Change the period to a semi-colon after the word "area" and insert: "a person may only occupy one permanent place of abode during any period of time." (see memo from Tam Cook, 2/28/81, for purpose of amendment)

Amendment #3:

Line 24, Page 2: Delete the word "resident" and replace it with the word "applicant"

Amendment #4

Line 27, page 2: Insert after the word 'department.':

'The tax equivalency payment shall be based on the assessed value of the applicants "abode".

The intent of the committee is to guide the department on calculations of the reimbursements, excluding any utilities included in rental fees.

Amendment #5

Line 16 through 22, Page 3: Delete and add same language as amendment #1

Amendment #6

Sec. 6, page 3:

Line 24, change date to January 1, 1981

Line 26, change date to December 31, 1980

Line 27, change date to December 31, 1980

Cook ✓

Original sponsors: Miller, Duncan,  
Brown, et al

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 4 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing relief from property taxes to resi-  
7 dent owners and renters who occupy a permanent place  
8 of abode; and providing for an effective date."

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

10 \* Section 1. AS 29.53 is amended by adding new sections to read:

11 ARTICLE 6. REIMBURSEMENT OF PROPERTY TAXES.

12 Sec. 29.53.500. REIMBURSEMENT OF TAX ON PERMANENT PLACE OF ABODE.

13 During each calendar year, a resident is eligible to receive reimburse-  
14 ment for taxes paid to a municipality for real property owned and  
15 occupied as his permanent place of abode if he

16 (1) applies to the Department of Community and Regional  
17 Affairs for reimbursement; and

18 (2) presents proof that the property taxes were paid.

19 Sec. 29.53.510. DUTIES OF DEPARTMENT. The Department of Community  
20 and Regional Affairs shall

21 (1) adopt regulations under the Administrative Procedure Act  
22 (AS 44.62) establishing procedures for applying for reimbursement of  
23 property taxes under AS 29.53.500;

24 (2) annually request the legislature for appropriations for  
25 reimbursements under AS 29.53.500;

26 (3) pay the reimbursements authorized by AS 29.53.500 from  
27 annual appropriations made for that purpose;

28 (4) prescribe and furnish an application form for applying  
29 for reimbursement of property taxes under AS 29.53.500 which contains a

1 statement of eligibility and a certification of residency in substan-  
2 tially the following form:

*change to amendment #1*

3 I certify that I am a state resident on the date of this  
4 application and that my claim for reimbursement is based on  
5 taxes paid to a municipality that were levied on my permanent  
6 place of abode during the year \_\_\_\_\_. I also understand that  
7 a false claim of residency or eligibility to receive reim-  
8 bursement for taxes is a criminal offense.

\_\_\_\_\_  
(signature of individual)

11 Sec. 29.53.520. DEFINITION. In AS 29.53.500 -- 29.53.520 "abode"  
12 means a dwelling, a dwelling unit in a multiple unit dwelling, or, if a  
13 building is used for commercial purposes and as a dwelling, the portion  
14 of the building used as a dwelling; and, as determined by the local  
15 assessor, includes lots and outbuildings or a portion of lots and  
16 outbuildings necessary to convenient use of the dwelling, limited to  
17 not more than one acre if the dwelling is located in an urban area or  
18 five acres if the dwelling is located in a rural area. *add amendment #2 here*

19 \* Sec. 2. AS 29.73.060(a) is amended to read:

20 (a) A resident of the state (65 YEARS OF AGE OR OLDER) who rents  
21 a permanent place of abode is eligible for tax equivalency payments  
22 from the state through the Department of Community and Regional Affairs.

23 \* Sec. 3. AS 29.73.060(c) is amended to read:

24 (c) To obtain tax equivalency payments the eligible ~~resident~~ *#3 applicant* must  
25 apply to the Department of Community and Regional Affairs (DEPARTMENT)  
26 for payment for the preceding year by March 1 (JANUARY 15) of each year  
27 on forms and in the manner prescribed by the department. *#4* Each applican-  
28 shall submit with the application rental receipts or, if rental receipts  
29 are not available, other evidence satisfactory to the department for

determination of the fact of payment of rent and the amount paid.

\* Sec. 4. AS 29.73.060(d) is amended to read:

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for tax equivalency payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. [HOWEVER, TAX EQUIVALENCY PAYMENTS TO AN ELIGIBLE APPLICANT MAY NOT BE REDUCED BECAUSE THE SPOUSE IS LESS THAN 65 YEARS OF AGE.] If all occupants in a residence are eligible for tax equivalency payments under this section, the occupants shall decide between and among themselves which shall receive payment.

\* Sec. 5. AS 29.73.060 is amended by adding a new subsection to read:

(e) The Department of Community and Regional Affairs shall prescribe and furnish an application form for applying for tax equivalency payments which contains a statement of eligibility and a certification of residency in substantially the following form:

I certify that I am a state resident on the date of this application and that my claim for a tax equivalency payment is based upon rent paid for my permanent place of abode during the year \_\_\_\_\_. I also understand that a false claim of residency or eligibility to receive a tax equivalency payment is a criminal offense.

*Amendment #5 - (same as #1)*

\_\_\_\_\_  
(signature of individual)

*Amendment #6*

\* Sec. 6. This Act is retroactive to January 1, 1980, and authorizes reimbursement of property taxes paid for a permanent place of abode after December 31, 1979, and tax equivalency payments for rent paid on a permanent place of abode after December 31, 1979.

\* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-070(c).

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 28, 1981

SUBJECT: Property tax reimbursement  
(CSHB 4)

TO: Representative Ben F. Grussendorf  
Chairman  
House Community and Regional Affairs Committee

FROM: Tamara Brandt Cook  
Legislative Counsel *TBC*

Here is a draft of the committee substitute you requested for HB 4 providing for property tax equivalency payments to renters and making other changes. I believe that this bill would be improved if a definition of "resident" were included. In addition, I have some question as to the use of the phrase "permanent place of abode". If the phrase means "residency" that would be a better term to use throughout the bill. It is unclear whether a person may have more than one permanent place of abode in the state and qualify for reimbursement of taxes paid for each of them.

TBC:jdn

Enclosure

Cook ✓

Original sponsors: Miller, Duncan,  
Brown, et al

1 IN THE HOUSE

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AFFAIRS COMMITTEE

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5 A BILL

6 For an Act entitled: "An Act providing relief from property taxes to resi-  
7 dent owners and renters who occupy a permanent place  
8 of abode; and providing for an effective date."

*Does not this  
simply include  
all renters?!!*

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

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25 reimbursements under AS 29.53.500;

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27 annual appropriations made for that purpose;

28 (4) prescribe and furnish an application form for applying  
29 for reimbursement of property taxes under AS 29.53.500 which contains a