

1224

HCRA

HB

4

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HB

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1224

*Why do they have to be a resident on the date of application?*

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 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 individual)

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

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

*2.* (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.

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

(c) To obtain tax equivalency payments the eligible resident must apply to the Department of Community and Regional Affairs (DEPARTMENT) for payment for the preceding year by March 1 (JANUARY 15) of each year on forms and in the manner prescribed by the department. Each applicant shall submit with the application renta. 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.

\* 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.

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

\* Sec. 6. ~~This Act is retroactive to January 1, 1980~~ <sup>This Act</sup> and authorizes reimbursement of property taxes paid for a permanent place of abode after December 31, 19<sup>80</sup>~~79~~, and tax equivalency payments for rent paid on a permanent place of abode after December 31, 19<sup>80</sup>~~79~~.

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

Amendment to HB 4 by Dick Randolph for  
the Community and Regional Affairs Committee

A. Page 1, lines 13-16 - substitute the following:

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

During each calendar year, a taxpayer is eligible to receive reimbursement for taxes paid to a municipality for real and personal property if he or she..."

B. Page 1, after line 19 add a new section to read:

"Sec. 29.53.505. PAYMENTS TO MUNICIPALITIES IN LIEU OF SALES TAX COLLECTIONS.

Beginning with calendar year 1982, each municipality may receive from the Department, on a quarterly basis, a payment equalling local sales taxes which would have been collected during that quarter. These payments are based on sales tax rates in effect on January 1, 1981 and are conditioned on the non collection of sales taxes up to that rate from taxpayers."

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.

*includes  
business  
real  
property?*

(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."

*they want  
get  
reimbursement  
for new  
taxes?*

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)

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.

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.

Rep. Cloekin

A M E N D M E N T

Offered in the HOUSE

TO: HOUSE BILL NO. 4

Page 1, line 8:

After "abode", insert the following:

"and for property tax equivalency payments to renters"

Page 2, after line 3:

Insert the following:

"\* Sec. 3. AS 29.73.060(a) is amended to read:

(a) A resident of the state [65 YEARS OF AGE OR OLDER] who rents a permanent place of abode on which taxes are levied under AS 29.53.-010 or 29.53.400 is eligible for tax equivalency payments from the state through the Department of Community and Regional Affairs.

\* 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) Annual rent under (b) of this section includes a security deposit if the deposit is rent for the year for which a tax equivalency payment is sought and also includes payment for a utility service which is collected as part of the rent. Annual rent under (b) of this section does not include a security deposit paid during the year for which a tax equivalency payment is sought if the deposit is rent for a prior or future year.

Page 2, line 4:

Delete "3" and insert "6"

Page 2, line 6, after "1979" insert the following:

"and property tax equivalency payments for rent paid for a permanent place of abode after December 31, 1979"

Page 2, line 7:

Delete "4" and insert "7"

Cook

Original sponsors: Cuddy, Abood,  
Anderson, et al

1 IN THE HOUSE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 182 (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 establishing a special municipal aid program;  
7 and providing for an effective date."

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

9 \* Section 1. MUNICIPAL AID PROGRAM. (a) The department shall compute  
10 and pay to each qualified municipality which applies an annual entitlement  
11 for the fiscal year ending June 30, 1981, and for the following three fiscal  
12 years. The entitlement shall be computed in accordance with (b) of this  
13 section.

14 (b) A qualified municipality is entitled to receive during each of the  
15 four fiscal years listed in (a) of this section \$1,000 per person residing  
16 within the boundaries of the municipality, or \$25,000, whichever is greater.

17 (c) To qualify for an entitlement under this section during the fiscal  
18 year ending June 30, 1981, a municipality which levies taxes must agree to  
19 reduce the amount of taxes levied in 1981 by at least 20 percent of the  
20 amount of the entitlement. To qualify for an entitlement during each of the  
21 next three fiscal years, a municipality which levies taxes must agree to  
22 levy no more than the amount of taxes levied in 1981 reduced by at least 20  
23 percent of the amount of the entitlement for the fiscal year for which the  
24 municipality is applying. This eligibility requirement does not apply to a  
25 tax levied on oil and gas production and pipeline property under AS 29.53.045  
26 or to a tax levied on unimproved land. The agreement and application must  
27 be submitted in writing to the department by October 1 of the fiscal year  
28 following the fiscal year for which an entitlement is sought.

29 (d) Except for the percentage of the entitlement by which the municipi-

1 pality agrees to reduce the amount of taxes levied in accordance with (c) of  
2 this section, an entitlement shall be used for capital projects. The per-  
3 centage of an entitlement to a home rule or general law borough to be used  
4 for capital projects shall be used in the area within the boundaries of the  
5 borough but outside of a city.

6 (e) During the fiscal year ending June 30, 1981, and the following  
7 three fiscal years the department shall compute an annual entitlement for  
8 the unorganized borough of \$1,000 per person residing within the unorganized  
9 borough. The department shall administer the entitlements for the unorga-  
10 nized borough and disburse money from the entitlements for capital projects  
11 in the unorganized borough upon authorization of the legislature.

12 \* Sec. 2. DETERMINATION OF POPULATION. For purposes of this Act, the  
13 population of a municipality and of the unorganized borough shall be deter-  
14 mined from the latest figures of the United States Bureau of the Census or  
15 other population data which, in the judgment of the department is reliable.  
16 For purposes of determining the population of a home rule or general law  
17 borough, the population of each city located within the boundaries of the  
18 borough shall be subtracted from the population of the borough.

19 \* Sec. 3. MUNICIPAL AID ACCOUNT. The municipal aid account is estab-  
20 lished in the department. Money to carry out the provisions of this Act  
21 shall be appropriated to the account and distributed by the department as  
22 authorized under sec. 1 of this Act. If the amount appropriated to the  
23 account is not sufficient to finance all entitlements, the amount appropri-  
24 ated shall be distributed pro rata among eligible municipalities and the  
25 unorganized borough. If the amount appropriated to the account exceeds the  
26 amount authorized for entitlements under sec. 1 of this Act, the excess  
27 money lapses into the general fund on June 30, 1985.

28 \* Sec. 4. DEFINITIONS. In this Act

29 (1) "department" means the Department of Community and Regional

1 Affairs;

2 (2) "municipality" means a city, borough, or unified municipality  
3 incorporated under state law and includes home rule and general law munici-  
4 palities.

5 \* Sec. 5. This Act terminates July 1, 1985.

6 \* Sec. 6. This Act takes effect July 1, 1981.

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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 ITS 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

STATE OF ALASKA  
THE LEGISLATURE

POUCHY STATE TAPIC  
JUNEAU ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 7, 1981

SUBJECT: Property tax relief  
(CSSB 4)

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

FROM: Billy G. Berrier  
Director  
Division of Legal Services

In the absence of Tam Cook, I have prepared the committee substitute requested.

After discussion with you, my understanding of the committee's intent in the substitute is:

1. To eliminate the requirement that a person be a resident of Alaska in order to be eligible. This could not be done simply by changing the form of the application; changes in the substantive provisions are also required.
2. To allow only one dwelling be claimed. Instead of making this requirement as part of the definition, it is better drafting to have it as a substantive provision. I have made it a new subsection (b) to sec. 29.53.500.
3. To exclude costs of utilities from the rent for which reimbursement is claimed. This cannot be done by inserting an assessed value requirement in AS 29.73.060(c) since the method of determining the amount is prescribed in (b) of this section thereby creating a conflict. I have therefore amended (b) and directly excluded utilities from the rent. It is reasonably certain that the department will need to provide the method of exclusion by regulation.
4. To move the retroactive time up one year.

BGB:ljb

Enclosure

STATE OF ALASKA  
THE LEGISLATURE

POUCHY STATE CAPITOL  
JUP-BAU ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 7, 1981

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TO: Representative Ben F. Grussendorf  
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FROM: Billy G. Berrier  
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3. To exclude costs of utilities from the rent for which reimbursement is claimed. This cannot be done by inserting an assessed value requirement in AS 29.73.060(c) since the method of determining the amount is prescribed in (b) of this section thereby creating a conflict. I have therefore amended (b) and directly excluded utilities from the rent. It is reasonably certain that the department will need to provide the method of exclusion by regulation.
4. To move the retroactive time up one year.

BGB:ljb

Enclosure

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 owners  
7 and renters; and providing for an effective date."

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

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

10 ARTICLE 6. REIMBURSEMENT OF PROPERTY TAXES.

11 Sec. 29.53.500. REIMBURSEMENT OF TAX ON PLACE OF ABODE. (a)

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

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

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

18 (b) A person may claim only one dwelling as his place of abode.

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 in substantially the following form:

2 I certify that I am occupying the premises for which tax  
3 reimbursement is claimed as my place of abode and that my  
4 claim for reimbursement is based on taxes paid to a munic-  
5 pality that were levied on my place of abode during the  
6 year \_\_\_\_\_. I also understand that a false claim of eligi-  
7 bility to receive reimbursement for taxes is a criminal  
8 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(e) 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 person [RESI-  
25 DENT] must apply to the Department of Community and Regional Affairs  
26 [DEPARTMENT] for payment for the preceding year by March 1 [JANUARY 15]  
27 of each year on forms and in the manner prescribed by the department.  
28 Each applicant shall submit with the application rental receipts or, if  
29 rental receipts are not available, other evidence satisfactory to the

1 department for determination of the fact of payment of rent and the  
2 amount paid.

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

4 (b) For purposes of determining payments to eligible persons, the  
5 department shall calculate a property tax equivalent percentage for  
6 each home rule or general law municipality which levies a general  
7 property tax at the rate of one percent per mil. The property tax  
8 equivalent percentage applied to the annual rent, exclusive of any  
9 utilities <sup>and services</sup> included in the rent, charged to the applicant equals the  
10 property tax equivalency payment payable under this section.

11 \* Sec. 5. AS 29.73.060(d) is amended to read:

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

20 \* Sec. 6. AS 29.73.060 is amended by adding a new subsection to read:

21 (a) The Department of Community and Regional Affairs shall pre-  
22 scribe and furnish an application form for applying for tax equivalency  
23 payments which contains a statement of eligibility in substantially the  
24 following form:

25 I certify that my claim for a tax equivalency payment is  
26 based upon rent paid for my place of abode during the year  
27 \_\_\_\_\_. I also understand that a false claim of eligibility  
28 to receive a tax equivalency payment is a criminal offense.  
29

(signature of individual)

1  
2 \* Sec. 7. This Act is retroactive to January 1, 1981, and authorizes  
3 reimbursement of property taxes paid for a place of abode after December 31,  
4 1980, and tax equivalency payments for rent paid on a place of abode after  
5 December 31, 1980.

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

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

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

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

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

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

26 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
27 070(c).



**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)	§
<b>TOTAL AID</b>	<b>§</b>

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
<b>TOTAL MILLAGE EQUIVALENT</b>	<b>..... MILLS</b>	<b>..... MILLS</b>

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 the

(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 for 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 is 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 \$20 appropriated for the program fiscal year beginning July appropriations were made in ch. 120, 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 aid received for the last fiscal 43.18.010 — 43.18.045, repe of this act, is, for each of the

1. Sales Tax
  2. Resident
  3. Permanent Place of Abode
  4. Renter - how handle renter who moves frequently (to 15% of rent taxes!)
  5. Business - shifts burden to local small businesses.
  6. Mobile Home Owner in the position of paying the local tax twice?  
(pay no property tax)
- State will pay 15% of rent for the whole damn state!!!

(15% of rent is thrust of formula)

(To a high "rent" community like Jackson this a classic "ry" - it would infuse money into the local economy through

- a. a full tax rebate to property owner
- b. a 15% ~~tax~~ rent rebate

(Maybe doesn't apply if definitions of "resident" & "permanent place of abode" are tightly written)

2. Mechanics

- ① "Over 1/2 state budget goes to cities"
- ② "Local gov't has grown w/o local resident saving tax relief"

Question Won't this put an even larger part of state budget to cities with no restraint on cities to raise local taxes even higher, knowing that state will pick up any increase in local mill rates.

3. What about Sales Taxes?

(a) does fiscal note account for transfer of sales taxes to property tax rolls?

4. What if I live in my house as a "citizen" for 30 days and then rent it at 15% rebate for 10 months - the state pays twice.



# 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 9:30 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~~ <sup>municipalities</sup> "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 a 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

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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

### Community & Regional Affairs

Rep. Ben Grussendorf  
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Page 3, C&RA meeting  
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.

CRA  
25 Feb 81

Salver McCarter

\* Only 31 (39?) of all the organized municipalities in the state ~~offer~~ levy a property tax.

Terry Early  
State Assessor

\* \$33 million statewide collected on sales tax

\* Mobile Homes:

Equivalent for Renters - State reimburses renter  
Sr. Citizens - reimburse municipality

600 people currently in rent reimbursement  
65,000 if we go to full rent reimbursement

Mill rates over past few years have gone down  
(Anac. was 19.2 mills in 1975, 12.06 in 1980)

CLA  
24 Feb 81  
HB 4

## Dave Cuddy

- HB 182 calls for \$1,000 per person to local govt.
- \* 20% to tax relief
- \* balance to local capital projects

## Lee Sharp

Atty - City of Juncos

- \* Must be careful about local municipality's ability to raise bonds
- \* Must be careful not to restrict municipalities' ability to raise money

(they should not be dependent upon the legislature or the governor for local funding)

- \* HB 4 meets these needs -
  - would not affect bonding capacity
  - municip. could go ahead @ normal levy.
  - taxpayer would get relief w/o affecting local tax structure.

### IS IT CONSTITUTIONAL

to rebate local taxes on varying level from the general fund?

WHY WOULDN'T A STRAIGHT PAYMENT TO THE PEOPLE (SAY \$1,000 EACH) BE BETTER THAN THE RELIEF AT SOME VARIABLE RATE?

- \* EVERY CITIZEN GETS EQUAL TREATMENT
- \* INCENTIVE REMAINS TO KEEP LOCAL TAXES DOWN.

## Jimmy Chetwood

- \* Basically echoes Lee Sharp
  - No impairment of local ability to meet local needs
  - No impairment to sell bonds

\* ("Down Sides:")

1. Expense to administer

- \* Local govt raised ~~\$24~~<sup>\$26</sup> million last year

# 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 misuse 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 20.73.030(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 payments to habitants of shared rental units

### Section 5.

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

Section 6. - Retroactive to Jan. 1, 1980

Section 7. - Effective Date Clause (01.10.070)

#B4

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

Randolph What about relief to business?  
ANSWER HB 182

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

Meekins We 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 a tax relief for just the months home is occupied? Administrative expense? Fiscal note to administer renter rebate?  
HB 182

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

Bylsma personal property tax <sup>relief</sup>? (Mobile Homes?)  
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.

2/23/91

Miller  
Dunn  
Macklin

ACCESS -

Sitka - Prop tax  
FY 80 - 959,729  
Sales tax 2,119,403  
Pop - 8,000

### HB - #4 -

1. Direct Relief  
\$106,000,000 in the economy
2. Keeping the property tax mechanism in the municipalities for Bonding purpose.
3. By collecting the property the Citizen is aware of govt. operations because he has to give up front money
4. Sending the applicants would give us positive demographic factors of homeowners - property title
5. Property tax votes only on private.. permanent place of abode..  
not commercial property..  
Business could get the Exemption for the 1st 100,000 - 250,000 is taxable corporate profits for all Alaska Corps.

Being the hub of Wood at the harbor of Water -- <sup>expenses of Wood Resources</sup> most business and commercial ventures are foreign or Absentee land or business ownership.

- ① - - How do we define Rent - Permanent Place of Abode
- ② - - Role of Sales tax.
- ③ - - Renters Equivalency Rebate Program.
- ④ - - Federal income problems

#### \* Thoughts

Public awareness to municipal govt. because the Citizen is giving the local government a loan -- a short term investment that is reimbursed by the state -- the investment to the citizen is the up front \$ and loss of interest on the \$ -- that should keep his public interest Citizen keen and Responsible govt.

### HB 4

Rep. Dave Cobby - stated HB 4 is the vehicle for property tax relief

Lee Sharp - Bonding concerns

Local govt. need the authority to levy taxes -- needs predictability of funding -- worries about attempt to limit local property tax levels.

Municipality must know the programs will be fully funded.

HB 4 would accomplish this

SB. 125 -& HB 182 are one shot programs and are not predictable for municipal budgeting.

With Property tax Mechanism in fact -- statistics such as request by HE-73 cases (studies)  
ASSESSMENT RECORDS

Thought  
3

[How about an Average Millage Rate to be applied State wide -- could be useful for unincorporated areas.]

Giving Chitwood - Municipal League.

HB. 4 .. ? cost of Admin.

might decrease citizen involvement by the Business and commercial world keep the officials honest and responsible

Giving Stadel in 1980. Local Govt. raised \$264,000,000

Also stated the federal budget/ Funding is being cut - \$3m federal shared Revenues  
\$4m in lieu of taxes program

Tony Earley  
Palmer McCants

My thoughts

We have many proposals that address the rural and unorganized areas. (Many have Restricted Dead Statutes) so can not collect property tax.

S.B. 125 - is a one shot deal for Municipalities to increase the level of service with no mandatory tax value requirement while HB 4 - is for citizen - direct tax relief.

39 Municipalities levy property taxes - -  
? What % of the States population -- 85% to 95%.

Palmer - Problems with mixture of property tax and sales tax. He claims HB 4 better than HB 22. because of citizen involvement.

Earley - State Assessor -  
\* 33,000,000 Sales tax collected by local govt.

Check Administrative Cost vs. benefits

Routon - 24,000,000 vs \*200,000

Priddy H 82,000,000 vs  
\*400,000 roughly cost

Administrative should dropped after programs get moving 7ys down this level etc.

less than 1/2 of 1%

See Some Property Tax

\*50,000 Adm 4,300 people

2,000,000 back -

- ? 1. Place of Abode - -
- ? 2. Factoring in a living unit.
- ? 3. Permanent first penalty clause.
- ? 4. Old times exemption to remain the same in the AS. -
- ? 5. Date change Jan 15th to March 1st.
- ? 6. Planning total under C.R.A.

Palmer

CS HB-4.

- ? Place of Abode - residency - permanent place
- ? definition of resident (not necessary for voter)
- ? (Permanent fund) Parity clause
- ? Old timers' exemptions to remain the same in A.S.S.
- ? Factored living unit
- ? - Dates changed from Jan 15 to March 1st
- Placed under C.R.A.
- Utilization

① Would the tax be collected from the property owner. If he knew he was going to get it back?

Yes! .. This is not a deal between State govt and Local govt. The taxpayer gets his money back from the State not the Local govt. -- It is an agreement between the citizen and the State; leaving the taxing mechanism in local govt intact and doing business as usually -- which is the long <sup>hand</sup> term is necessary should funds run out or not get fully funded - the Local govt does not become helpless or <sup>become</sup> dependent -

The citizen would pay his property tax because local govt depends on it for operating expenses. The local govt. would pay for collections - penalties, interest, etc. liens - business as usually - public involvement - through public investment

Assess

① Retroactive tax date - strict if this tax year. Problem because of Rent rebate.

## Property Tax Relief

During the last five weeks the House Standing Committee on Community and Regional Affairs has been considering various ways to institute a general property tax relief program.

Many questions had to be answered and each question brought forth another question. By my count eleven basic concerns faced the Committee. After much deliberation HB 4, of which I am a co-sponsor, was selected as the main vehicle to carry forth our ideas on direct tax relief. Thus CSHB 4 became the ~~final~~ product, that answered the basic questions which ~~will~~ ~~be~~ we face.

(1) How could a community sell bonds if their taxing Authority was stripped from them? We had to develop a program that would keep the municipal property tax mechanism intact for bonding purposes.

(2) What about the role of the citizen in keeping local government responsible? If the property tax was repealed and the State oil and gas revenues then replaced the "blood, sweat and tears" monies would the citizen continue his watchdog role on spending. Would the public attitude change towards extravagant spending and waste? Would there be "the street strollers" as, "We know the project, program etc. is questionable but do not worry about it, the state will pick up the tab" prevail in public thinking.

The answer to questions one and two are addressed in CSHB 4.

The bill events an agreement between the citizen and the state, leaving the taxing mechanism of the local government intact and doing business as usual.

This approach is the long haul is necessary should events run out or if the program could not be fully funded. By allowing the local governments to continue in the established pattern they do not become

helpless beggars are completely dependent upon the State.

The citizen would pay his property tax because the local government depends on it for its operating budget. The local government would push for collection, enforced by penalties, interest and liens on the property. The property taxpayer would not get reimbursed by the state until he ~~was~~ ~~is~~ sent in a receipt that the taxes had been paid.

This property tax "business as usual" approach keeps public involvement through public investment. The citizen is giving the local government a loan, a short term one, that is reimbursed by the State. So the citizen is providing the up front money and this 10% interest investment should keep his public interest keen and concerned about responsible governments.

(3) To what extent should property tax relief be given? Should it be a total repeal, reduction in millage or a reimbursement program?

Tax relief would be to that item we all have in common our place of Abode. Not commercial property. <sup>(4)</sup> There would be little equity in exempting commercial properties. Being the home of what the hunters or water... exporters or raw resources... Most of the business and commercial ventures are foreign or absentee land or business ownership.

Besides business and commercial ventures will benefit under other legislation... such as exempting in taxable Corporate profits. (Exempt the first 250,000 tax. Corp. profit tax)

② Should the state give the money to the municipality <sup>with hope</sup> to reduce taxes or should the money be reimbursed to the taxpayer directly?

③ How can we avoid causing problems for the old times tax exemption programs?

④ Should the tax relief be retroactive to 1980?

⑤ Will there be an end to each question being up another question?

After much deliberation H.B. 4, of which I am a co sponsor, was selected as the main vehicle to carry forth our idea of direct tax relief.

The following 3 pm Answer Q 1-42

H.B. 4. creates an agreement between the citizen and the state, leaving the taxing mechanism of the local government intact and doing business as usual. This approach in the long haul is necessary should funding run out or if the program is not fully funded. By allowing the local governments to continue in the established pattern they do not become helpless or dependent.

The citizen would pay his property tax because local govt. depends on it for its operating expenses. The local government would put in collection, enforced by penalties, interests and liens on the property. The property tax payers would not get reimbursed by the state until he received and send in a receipt that the taxes had been paid.

This property tax "business as usual" approach still has public involvement through public investments. The citizen is giving the local government a loan -- a short term one that is reimbursed by the state. So the citizen is providing the up front money and this is interest investment should keep his public interest keen and concerned about responsible government.

Answer to Question ③ - Tax relief would to hold item we all have in common or place a abode, not common property. There would be little equity

in exempting commercial properties. Being the hives of  
wood and the handlers of water -- exporters of raw  
resources -- most of the business and commercial ventures  
are foreign or absentee land or business ownership --  
Besides business and commercial ventures will benefit under  
other legislation -- such as exemptions in taxable corporate  
profits

Question 5 - What about renters? We developed a  
Renters Equivalency Rebate Program in HB4 that  
has been used in other states with great success. ~~I~~

Question 6 - How do we define rented or permanent  
place of abode? - We, for constitutional reasons do  
not try to define the terms if you are paying  
property tax you get a rebate but only one one  
abode.

Question 7. How do we handle areas without  
property tax -- If you do not have the disease  
you do not get the cure? Other legislation will  
be introduced to address unincorporated areas and  
sales tax Question.

Question 8 - ~~Where~~ <sup>Where</sup> should the funds go to the  
Municipal or township?

A check is hand even though Uncle Sam gets his  
share is better than having the average citizen  
wonder if he really benefited from the money  
given to his local government. Besides State Shared Revenue  
of Municipal Assistance  
has increased

Question 9. Can we avoid raising Cane with  
the Old timers tax exemption program -- yes we  
just extended it to everyone.

Question 10. Should the tax be retroactive to 1980?  
No, to start the program up is difficult enough  
without complicating it any more than it has to  
be.

Q. ①. Will there be an end to each question brings up another question - No, I am sure by now you have several questions yourself. HB4, is just trying for equity in a property tax relief program.

In conclusion we find between 85% to 95% of the states population living in areas with a property tax. HB.4 would get about \$106,000,000 back to taxpayers with an administrative cost of about \$450,000. That's less than  $\frac{1}{2}$ % administrative cost, so the benefits vs. cost is acceptable especially since the administrative cost should drop after the program get moving.

Will HB.4 become law? Well, something like it should, the concepts are there now to get a majority to believe in these ideas. -- The program is one I would like to explain further to you.

## Property Tax Relief

During the last five weeks the <sup>House</sup> Standing Committee on Community and Regional Affairs has been considering various ways to institute a general property tax relief program.

Many questions had to be answered and each question brought forth another question or two. Three basic concerns faced the Committee.

1. How could a community sell bonds if their taxing Authority was stripped from them? We had to develop a ~~property tax~~ program that would keep the municipal property tax mechanisms intact for bonding purposes.
2. What about the role of the citizen in keeping local government responsible? If the property tax was repealed and the state oil and gas revenues then replaced the "blood, sweat and tears" money would the citizen continue his watch dog role on spending. Would the attitude <sup>change</sup> towards extravagant spending and waste be fortified by such statements as "We know the project, program etc. is questionable but do not worry about it, the state will pick up the tab."
3. To what extent should property tax relief be given? a total repeal, reduction in millage or reimbursement program?
4. Should the tax relief be on all types of real property or just ones permanent place or abode?
5. What about renters, each month they pay a built in property tax.
6. How do we define resident or permanent place of abode -
7. How do we handle areas that do not have a property tax or have a mixture of owners tax and sales tax?

$500 \times 12 = 6,000$   
 .10% max. 10  
 $\frac{1}{2}\%$

Average 4 plex. 240,000  
 $\times .010$   
 -----  
 \$ 2,400  
 \$ 600

Renters have to be in  
 HB 4 when it comes out  
 of CRM.

Acta hie 22 p 2. work draft

These Tax equivalency payments  
 shall be based solely on the  
 assessed evaluation of the  
 property. Individual payments  
 are to be based on the  
 amount of space occupied  
 by the renter.

284,000

- Divided

Will stay away from reforms - but will use the reform formula for tax relief -

Use Millage rate equivalent to bring in State tax.

Funds based on per capita - total amount for area

Take the average per capita Value. (excluding oil & Gas.)  $\overset{\$ (31,790)}{\text{APCV}} \times \text{Weighted Av. Millage rate equivalent } (14.9\%)$

~~$31,790 \times 14.90 \text{ mills} = 473.67 \text{ per capita}$~~

~~$\$ 473.67 \times \text{population} = \times 9,000$~~

~~$4,263,030 = \text{Will pay up to}$~~

X then turned to millage and then subtracted from millage rate changed.

$180,000 \text{ people} - \times 473.67 = \overset{\$}{85,250,600}$

$31,790 \times 8.76$

$\$ 278.48 \times 9000 = \underline{2,506,320}$



# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf  
Chairman  
465-3870

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.

IC  
Alaska

<sup>would be</sup>  
~~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 to 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 on 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.

increased Municipal Assistance  
State Shared Revenues planned

# 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 CRRA - *Substantive*

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

29.53.510(4) new subsection for Dept. of CRRA to include liability clause for misuse in application form *to be added*

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 CRRA 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 payments to habitants of shared rental units.

#### Section 5.

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

Section 6. - retroactive to Jan. 1, 1980

Section 7. - Effective Date Clause (01.10.070)

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

Some thoughts on the Rental Rebate bill....

Given that the Administration prefers assistance to municipalities rather than rebates to individuals, their position on the rental rebate proposal is, in State Assessor Terry Earley's words, "it is a logical supplement to H.B. 4."

The rental rebate amendment is based on an existing program called the "Renters' Equivalency Rebate Program" which grants direct payments to eligible senior citizens who are renters to reimburse them for the amount of property tax which is included as part of their rent. AS 29.73.060.

Rental rebates would be based on one percent rebate per property tax mil. In other words, if the property tax mil rate for a section of Juneau is 12 mils, then the renter would receive 12% of total rent paid back from the state under the program.

There are some problems:

People who live in areas with high mil rates tend to be more well to do. Yet they will receive the highest percentage of rebates. The point is that this bill is not intended to be a state subsidy for housing-- it is intended to reimburse, to the most accurate extent possible, the portion of rent that is based on property taxes paid by the landlords.

The existing statute has an application deadline of January 15th. This allows very little time for renters to put together their records from the past year. The committee should consider extending the application deadline.

ASHA housing (HUD subsidized) tenets do not pay property taxes, even though they do pay rent. The rebate program will not apply to them (they are already subsidized)

The definition of "permanent place of abode" has been a source of constant problem for the Administrators. There is no easy answer for cases where "rent" may include 500 acres of adjacent land and others. Some rent includes utilities and furnishings, and other services.

is this  
addressed  
in the  
bill  
yes.  
renters would  
not receive  
the subsidy

John M. ...

not in members files

ALASKA  
STATE LEGISLATURE  
**MEMORANDUM**

TO: Ben

2/18/81

FROM: Linda

RE: HB 4

Just a few notes on the opinions of HB 4.

Spoke with Ginny Chitwood/Ak. Municiple League:

She has no problem with this bill other than the fact that it has no provisions for rentors, commercial buildings and businesses, nor does it approach the equity issue.

The most important issue mentioned by Ginny was the fact that property tax relief is fine, as long as it does not have an adverse effect on a municipalities' ability to issue bonds. In other words, their market-ability of bonds.

She also thought the cost of this to the state may be very high - approx. 240 million.

Rep Miller: has some proposed language for possible amendment to the bill (info in members files) relating to provision for rentors.

Dept. of C&RA will be at the meeting.  
Ginny Chitwood will be present

Rep. Clocksin also has an amendment to the bill (included in folders).

*(Miller)*

Commercial/Renters -- bills the overhead into charges that include property taxes of the commercial venture --  
The owner gets no pass through rents to government -- tax deductible  
Homeowner has no overhead -- with tax deduction  
50 cents % on the dollar..

Amends

IN THE HOUSE

BY MILLER

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

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

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

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

(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.

\* Sec. 2. 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. 3. This Act is retroactive to January 1, 1980, and authorizes tax equivalency payments for rent paid on a permanent place of abode after December 31, 1979.

\* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.070(c).

(Q. How this affects 2% 53.070 - 4E  
10,000  
exemption section)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

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

Title Proposition providing for the continuation of the Department

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

II. FISCAL DETAIL

Agency Affected Commission on 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	1389	1500	1650	1782	1925	2079
200 TRAVEL	5.6	6.2	6.9	7.5	8.2	9.0
300 CONTRACTUAL	68.2	75.0	82.5	90.0	99.9	109.8
400 COMMODITIES	3.0	3.3	3.6	4.0	4.4	4.8
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	21,019.6	24,121.6	27,533.7
<b>TOTAL</b>	<b>23,522.3</b>	<b>25,572.5</b>	<b>28,459.0</b>	<b>31,302.1</b>	<b>34,428.7</b>	<b>37,867.20</b>

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	23,522.3	25,572.5	28,459.1	31,302.1	34,428.7	37,867.20
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
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 Jerry G. [Signature]

AGENCY \_\_\_\_\_

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

PHONE \_\_\_\_\_

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 165 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 is and allowed by the distribution to municipalities recipients under the provision 12 of this act or on July 1, 19 is earlier. A total of \$33 appropriated for the present fiscal year beginning July appropriations were made in ch. 120, SLA 1980, and 1981.

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 or 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

Rep. Clocksin

A M E N D M E N T

Offered in the HOUSE

TO: HOUSE BILL NO. 4

Page 1, line 8:

After "abode", insert the following:

"and for property tax equivalency payments to renters"

Page 2, after line 3:

Insert the following:

"\* Sec. 3. AS 29.73.060(a) is amended to read:

(a) A resident of the state [65 YEARS OF AGE OR OLDER] who rents a permanent place of abode on which taxes are levied under AS 29.53.-010 or 29.53.400 is eligible for tax equivalency payments from the state through the Department of Community and Regional Affairs.

\* 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) Annual rent under (b) of this section includes a security deposit if the deposit is rent for the year for which a tax equivalency payment is sought and also includes payment for a utility service which is collected as part of the rent. Annual rent under (b) of this section does not include a security deposit paid during the year for which a tax equivalency payment is sought if the deposit is rent for a prior or future year. - delinquent payment.

Page 2, line 4:

Delete "3" and insert "6"

Page 2, line 6, after "1979" insert the following:

"and property tax equivalency payments for rent paid for a permanent place of abode after December 31, 1979"

Page 2, line 7:

Delete "4" and insert "7"

HB. 4 - ① Does what Phillips wants -- in fact goes to max. benefits to property owners --

② even uses permanent Abode as base .

Conclusion  
- Phillips bill is less than a half a loaf measure .

1 IN THE HOUSE

BY PHILLIPS

2 HOUSE BILL NO. 166

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 **Be it enacted:** "An Act providing for reimbursement for property taxes  
7 levied by municipalities for school purposes; and  
8 providing for an effective date."

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

10 \* Section 1. AS 29.53.170(b) is amended to read:

11 (b) The assembly shall annually determine the rate of levy before  
12 June 15. By July 1 the tax collector shall mail tax statements setting  
13 out the levy for the operation of schools, the levy for school construc-  
14 tion debt retirement, the levy for all other purposes, the dates when  
15 taxes are payable and delinquent, and penalties and interest.

16 \* Sec. 2. AS 29.53 is amended by adding new sections to read:

17 ARTICLE 6. REIMBURSEMENT OF PROPERTY TAXES  
18 FOR SUPPORT OF SCHOOLS. *HB. 4*  
*Act on Prop. Tax.*

19 *Settle Sales Tax*  
20 Sec. 29.53.500. REIMBURSEMENT OF PROPERTY TAX. (a) During each  
21 calendar year, a resident is entitled to reimbursement for property  
22 taxes which he has paid to a municipality *for the operation of schools*  
23 *(1970 future) - 1970* and for retirement of school construction debt. The reimbursement  
24 equals the assessed value of real property occupied by the resident as  
25 his permanent place of abode, multiplied by the rate of levy made by  
26 the municipality for the operation of schools and for school construc-  
27 tion debt retirement, as set out by the municipality under AS 29.53.-  
28 170(b).

29 (b) A resident who owns real property is eligible to receive reimbursement for property taxes which he has paid to a municipality if

1 (1) he applies to the Department of Revenue for the reim-  
2 bursement; and

3 (2) he presents, with his application, proof that the prop-  
4 erty tax has been paid to the municipality.

5 Sec. 29.53.505. PROPERTY TAX EQUIVALENCY PAYMENT FOR SCHOOL  
6 SUPPORT. A resident who rents real property is eligible for a tax  
7 equivalency payment for real property taxes paid to a municipality for  
8 real property which he rents. To determine payments under this subsec-  
9 tion, the Department of Revenue shall calculate a property tax equiva-  
10 lent percentage for each municipality which levies a general property  
11 tax for the operation of schools and for school construction debt  
12 retirement at the rate of one percent per mil of levy for the operation  
13 of schools and for school construction debt retirement. The property  
14 tax equivalent percentage applied to the annual rent paid by the resi-  
15 dent equals the property tax equivalency payment payable under this  
16 subsection. To obtain a tax equivalency payment, the resident shall  
17 apply for the payment and shall submit with the application rental  
18 receipts or, if rental receipts are not available, other evidence of  
19 the amount of rent 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 submission of applications for  
24 reimbursements under AS 29.53.500 and for payments under AS 29.53.505;

25 (2) annually request the legislature for appropriations for  
26 reimbursements under AS 29.53.500 and for payments under AS 29.53.505;  
27 and

28 (3) pay the reimbursements authorized by AS 29.53.500 and  
29 the payments authorized by AS 29.53.505 from annual appropriations made

1 for that purpose.

2 \* Sec. 3. AS 44.25.020 is amended by adding a new paragraph to read:

3 (5) administer the program of reimbursement for property  
4 taxes paid for the operation of schools and for retirement of school  
5 construction debt (AS 29.53.500 - 29.53.510).

6 \* Sec. 4. AS 29.73.060 is amended by adding a new subsection to read:

7 (e) A resident may not obtain a property tax equivalency payment  
8 under this section for the same year in which he applies for and  
9 receives a property tax equivalency payment for school purposes under  
10 AS 29.53.505.

11 \* Sec. 5. This Act is retroactive to January 1, 1981, and authorizes  
12 reimbursement of property taxes levied and collected by a municipality for  
13 the operation of schools and for school ~~construction debt retirement~~ after  
14 December 31, 1980.

15 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-  
16 070(c).

1. Appears to be on all property tax not just provide devel  
2. Losses public awareness or public investment - low

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

1 IN THE HOUSE

BY RANDOLPH

2 HOUSE BILL NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for municipalities;  
7 establishing the Alaska local property tax program;  
8 and providing for an effective date."

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

10 \* Section 1. AS 29.53.010 is amended to read:

11 Sec. 29.53.010. GENERAL PROPERTY TAX. (a) A home [HOME] rule or  
12 [AND] general law borou\_h [BOROUGH] may levy

13 (1) an areawide property tax for areawide functions, and

14 (2) a property tax limited to the area outside cities for  
15 functions limited to the area outside cities. A property tax if levied  
16 must be assessed, levied and collected on real and personal property as  
17 provided in this chapter.

18 (b) In place of levying the property tax, a borough may partici-  
19 rate in the Alaska local property tax relief program (AS 29.92).

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

21 CHAPTER 92. ALASKA LOCAL PROPERTY TAX RELIEF PROGRAM.

22 Sec. 29.92.010. ALASKA LOCAL PROPERTY TAX RELIEF PROGRAM. The  
23 Alaska local property tax relief program is established to provide  
24 state aid to municipalities in place of money raised by levying taxes  
25 on property. An entitlement from the Alaska local property tax relief  
26 program may be used by a municipality for all purposes for which the  
27 municipality is authorized to use money raised from property taxes.

28 Sec. 29.92.020. APPLICATION. (a) Each year a municipality may  
29 apply to the department for an entitlement from the Alaska local prop-

1 erty tax relief program. Assessments of property of the municipality,  
2 made in accordance with AS 29.53.060, shall be supplied together with  
3 financial statements required by the department for the year for which  
4 an application is filed.

5 (b) A municipality which applies under this section may not  
6 impose or collect property taxes during the year for which the entitle-  
7 ment is sought.

8 Sec. 29.92.030. REVIEW. The department shall review each applica-  
9 tion for an entitlement from the Alaska local property tax relief  
10 program. If the commissioner determines that the property assessments  
11 contained in an application do not meet the requirements of AS 29.53.060,  
12 he may adjust the assessments and notify the municipality in writing.

13 Sec. 29.92.040. ENTITLEMENTS. (a) An entitlement from the  
14 Alaska local property tax relief program shall equal the total property  
15 assessments accepted or adjusted by the commissioner times the millage  
16 rate in effect in the municipality on December 1, 1980. If a municipal-  
17 ity has more than one millage rate in effect, the assessment to which  
18 each rate is applied shall be multiplied by the rate and the entitlement  
19 shall be the total of the results of those calculations.

20 (b) An entitlement shall be reduced by the amount of money re-  
21 ceived that year by the municipality from

22 (1) an increase in the rate of levy for a municipal tax over  
23 the rate in effect on December 1, 1980;

24 (2) an increase in municipal license or permit fees over  
25 those in effect on December 1, 1980, in excess of the percentage of  
26 increase in the consumer price index since December 1, 1980;

27 (3) an increase in fees over those in effect on December 1,  
28 1980, for a municipal service in excess of the percentage of increase  
29 in the consumer price index since December 1, 1980, and not justified

1 by an increase in the cost of providing the service;

2 (4) municipal taxes, fees, licenses, or permits enacted  
3 after December 1, 1980.

4 (c) An entitlement may not be reduced because of

5 (1) payments received by a municipality from the state or  
6 federal government;

7 (2) an increase in fees or charges for a municipal service  
8 justified by an increase in the cost of providing the service;

9 (3) receipt of money from the sale or lease of property by  
10 the municipality.

11 Sec. 29.92.050. ALASKA LOCAL PROPERTY TAX RELIEF ACCOUNT. The  
12 Alaska local property tax relief account is established. Money to  
13 carry out the provisions of this chapter shall be allocated by the  
14 department to the account from appropriations for the purpose. If  
15 appropriations are not sufficient to pay the entitlements, the amount  
16 allocated to the account shall be distributed by the department pro  
17 rata among eligible municipalities.

18 Sec. 29.92.060. ADMINISTRATION. (a) The department may adopt  
19 regulations necessary to implement this chapter. The regulations shall  
20 include

21 (1) procedures and filing dates for submitting applications  
22 and financial reports;

23 (2) procedures for obtaining information required to review  
24 assessments and financial reports supplied by a municipality.

25 (b) The department shall make reasonable efforts to advise and  
26 assist a municipality in collecting information and completing applica-  
27 tions necessary for the determination of an entitlement under this  
28 chapter.

29 (c) Each year the department shall project the amount needed to

1 fully fund the Alaska local property tax relief program and shall  
2 request an appropriation of that amount from the legislature.

3 Sec. 29.92.070. JUDICIAL REVIEW. A decision made by the depart-  
4 ment under this chapter may be appealed to the superior court within 60  
5 days after the decision is made.

6 Sec. 29.92.080. DEFINITION. In this chapter "department" means  
7 the Department of Community and Regional Affairs.

8 \* Sec. 3. This Act takes effect July 1, 1981.  
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Amendments to HF 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."

1. Banking Question.  
2. Public awareness  
3. All property taxes equalling it

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.

Rep. Clocksin

A M E N D M E N T

Offered in the HOUSE

TO: HOUSE BILL NO. 4

Page 1, line 8:

After "abode", insert the following:

"and for property tax equivalency payments to renters"

Page 2, after line 3:

Insert the following:

"\* Sec. 3. AS 29.73.060(a) is amended to read:

(a) A resident of the state [65 YEARS OF AGE OR OLDER] who rents a permanent place of abode on which taxes are levied under AS 29.53.-010 or 29.53.407 is eligible for tax equivalency payments from the state through the Department of Community and Regional Affairs.

\* 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) Annual rent under (b) of this section includes a security deposit if the deposit is rent for the year for which a tax equivalency payment is sought and also includes payment for a utility service which is collected as part of the rent. Annual rent under (b) of this section does not include a security deposit paid during the year for which a tax equivalency payment is sought if the deposit is rent for a prior or future year.

Page 2, line 4:

Delete "3" and insert "6"

Page 2, line 6, after "1979" insert the following:

"and property tax equivalency payments for rent paid for a permanent place of abode after December 31, 1979"

Page 2, line 7:

Delete "4" and insert "7"

H B

2 2

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

1 IN THE HOUSE

BY RANDOLPH

2 HOUSE BILL NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for municipalities;  
7 establishing the Alaska local property tax program;  
8 and providing for an effective date."

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

10 \* Section 1. AS 29.53.010 is amended to read:

11 Sec. 29.53.010. GENERAL PROPERTY TAX. (a) A home [HOME] rule or  
12 [AND] general law borough [BOROUGH] may levy

13 (1) an areawide property tax for areawide functions, and

14 (2) a property tax limited to the area outside cities for  
15 functions limited to the area outside cities. A property tax if levied  
16 must be assessed, levied and collected on real and personal property as  
17 provided in this chapter.

18 (b) In place of levying the property tax, a borough may partici-  
19 part in the Alaska local property tax relief program (AS 29.92).

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

21 CHAPTER 92. ALASKA LOCAL PROPERTY TAX RELIEF PROGRAM.

22 Sec. 29.92.010. ALASKA LOCAL PROPERTY TAX RELIEF PROGRAM. The  
23 Alaska local property tax relief program is established to provide  
24 state aid to municipalities in place of money raised by levying taxes  
25 on property. An entitlement from the Alaska local property tax relief  
26 program may be used by a municipality for all purposes for which the  
27 municipality is authorized to use money raised from property taxes.

28 Sec. 29.92.020. APPLICATION. (a) Each year a municipality may  
29 apply to the department for an entitlement from the Alaska local prop-

*Full of Title  
and other info*

erty tax relief program. Assessments of property of the municipality, made in accordance with AS 29.53.060, shall be supplied together with financial statements required by the department for the year for which an application is filed.

(b) A municipality which applies under this section may not impose or collect property taxes during the year for which the entitlement is sought.

Sec. 29.92.030. REVIEW. The department shall review each application for an entitlement from the Alaska local property tax relief program. If the commissioner determines that the property assessments contained in an application do not meet the requirements of AS 29.53.060, he may adjust the assessments and notify the municipality in writing.

Sec. 29.92.040. ENTITLEMENTS. (a) An entitlement from the Alaska local property tax relief program shall equal the total property assessments accepted or adjusted by the commissioner times the millage rate in effect in the municipality on December 1, 1980. If a municipality has more than one millage rate in effect, the assessment to which each rate is applied shall be multiplied by the rate and the entitlement shall be the total of the results of those calculations.

(b) An entitlement shall be reduced by the amount of money received that year by the municipality from

(1) an increase in the rate of levy for a municipal tax over the rate in effect on December 1, 1980;

(2) an increase in municipal license or permit fees over those in effect on December 1, 1980, in excess of the percentage of increase in the consumer price index since December 1, 1980;

(3) an increase in fees over those in effect on December 1, 1980, for a municipal service in excess of the percentage of increase in the consumer price index since December 1, 1980, and not justified

1 by an increase in the cost of providing the service;

2 (4) municipal taxes, fees, licenses, or permits enacted  
3 after December 1, 1980.

4 (c) An entitlement may not be reduced because of

5 (1) payments received by a municipality from the state or  
6 federal government;

7 (2) an increase in fees or charges for a municipal service  
8 justified by an increase in the cost of providing the service;

9 (3) receipt of money from the sale or lease of property by  
10 the municipality.

11 Sec. 29.92.050. ALASKA LOCAL PROPERTY TAX RELIEF ACCOUNT. The  
12 Alaska local property tax relief account is established. Money to  
13 carry out the provisions of this chapter shall be allocated by the  
14 department to the account from appropriations for the purpose. If  
15 appropriations are not sufficient to pay the entitlements, the amount  
16 allocated to the account shall be distributed by the department pro  
17 rata among eligible municipalities.

18 Sec. 29.92.060. ADMINISTRATION. (a) The department may adopt  
19 regulations necessary to implement this chapter. The regulations shall  
20 include

21 (1) procedures and filing dates for submitting applications  
22 and financial reports;

23 (2) procedures for obtaining information required to review  
24 assessments and financial reports supplied by a municipality.

25 (b) The department shall make reasonable efforts to advise and  
26 assist a municipality in collecting information and completing applica-  
27 tions necessary for the determination of an entitlement under this  
28 chapter.

29 (c) Each year the department shall project the amount needed to

1 fully fund the Alaska local property tax relief program and shall  
2 request an appropriation of that amount from the legislature.

3 Sec. 29.92.070. JUDICIAL REVIEW. A decision made by the depart-  
4 ment under this chapter may be appealed to the superior court within 60  
5 days after the decision is made.

6 Sec. 29.92.080. DEFINITION. In this chapter "department" means  
7 the Department of Community and Regional Affairs.

8 \* Sec. 3. This Act takes effect July 1, 1981.  
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This section is not the city's power to lease. Therefore, the portion on which requires a finding of public use is not for municipal purposes. In an action to enjoin the City of Nome, 10 Alaska 424, 100 F. Supp. 294 (1951).

has no authority to conduct business, as this article sets out the powers granted by the state to municipal corporations. Here therein is such as to operate a drugstore provided for in the City of Nome, 10 Alaska 424.

burden of proof is upon the defendant in an action to enjoin the defendant's property. See Town of Fairbanks, 3 Alaska 424, 100 F. Supp. 294 (1951).

owers. (a) A municipality which is declared by the state to participate in and provide for development in the exercise of these powers by a borough or the borough.

for a housing or urban development program conferred to it by a city. § 29.250.

applicable to the housing or urban development powers granted by this section.

must be initiated within 90 days of the date of declaration of emergency. These powers may be exercised for more than three years.

(Powers.)

Enumeration of powers

A liberal construction shall be given to the powers of boroughs and cities.

§ 29.48.320. Extent of powers. Unless otherwise limited by law, boroughs and cities have and may exercise all powers and functions necessarily or fairly implied in or incident to the object or purpose of all powers and functions conferred in this title. (§ 2 ch 118 SLA 1972)

The city may exercise implied authority in police control where the exigencies of municipal life seem to require more rigid regulation than is required in the state at large. Guidoni v. Wheeler, 230 F. 93 (9th Cir. 1916).

§ 29.48.330. Enumeration of powers. Specific examples within this title are illustrative of the object and not a limitation on or exclusion from the exercise of the power or function. (§ 2 ch 118 SLA 1972)

Chapter 53. Municipal Assessment and Taxation.

- 1. Municipal Property Tax (§§ 29.53.010—29.53.180)
- 2. Enforcement of Tax Liens (§§ 29.53.200—29.53.390)
- 3. City Property Tax (§§ 29.53.400—29.53.410)
- 4. Borough Sales and Use Taxes (§§ 29.53.415—29.53.420)
- 5. City Sales and Use Taxes (§§ 29.53.440—29.53.460)

Article 1. Municipal Property Tax.

Section	Section
90. General property tax	90. Statement
95. Required exemptions	95. Reevaluation
100. Optional exemptions and exclusions	100. Assessment roll
110. Mining claims	110. Assessment notice
120. Forest or agricultural lands	120. Corrections
130. Mobile homes	130. Appeal
140. Tax limitation	135. Board of equalization
150. No limitation on taxes to pay	140. Hearing
160. Fuel and tree value	150. Supplementary assessment rolls
170. Returns	160. Tax adjustments on property affected by a natural disaster
180. Independent investigation	170. Tax levy and rate
	180. Rates of penalty and interest

§ 29.53.010. General property tax. Home rule and general law municipalities may levy (1) an areawide property tax for areawide purposes, and (2) a property tax limited to the area outside cities and functions limited to the area outside cities. A property tax if levied must be assessed, levied and collected on real and personal property as provided in this chapter. (§ 2 ch 118 SLA 1972)

Assessment of personal property of a town of Fairbanks v. Independent Assessor located outside city. — See Mead Mkt. 4 Alaska 147 (1910).

HB 22  
Sect. 1  
amends

Title 31  
Oil and Gas

Title 32  
Partnership

Title 33  
Probation, Prisons, and Parole

Title 30  
Navigation, Harbors and Shipping

Section 2 of AS 22.02.015 a new Chapter 92

Sec. 29.90.010. State aid for hospital construction. If construction of a hospital began after January 1, 1968, and state matching aid for construction approved for payment to the municipality or other hospital sponsor constitutes less than 25 percent of the total project cost, the department shall pay to the municipality or other hospital sponsor each fiscal year \$2,500 a bed for the maximum number of beds provided for in the construction design of the facility or five percent of the total project cost, whichever is greater. State aid provided for in this section shall continue until the municipality or other hospital sponsor has received an amount which, combined with state matching money for construction of the hospital, equals 25 percent of the total project cost. Money received for construction may not be used for any other purpose. (§ 4 ch 155 SLA 1980)

Sec. 29.90.020. Hospital construction assistance account. The hospital construction assistance account is established. Money to carry out the provisions of this chapter shall be allocated by the department to the account in accordance with AS 29.95.010. If amounts in the account are insufficient to pay each recipient's share authorized under this chapter, the amounts which are available shall be distributed pro rata among eligible recipients. (§ 4 ch 155 SLA 1980)

Sec. 29.90.030. Definitions. In this chapter  
(1) "department" means the Department of Community and Regional Affairs;  
(2) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general hospital; the term excludes a facility operated or wholly supported by the state or the federal government;  
(3) "total project cost" means  
(A) costs directly related to the project; and  
(B) the total of all costs of financing and carrying out the project, including but not limited to,  
(i) the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property, and the acquisition of machinery and equipment as may be necessary in connection with the project;  
(ii) an allocable portion of the administrative and operating expenses of the municipality or other hospital sponsor;  
(iii) the cost of financing the project, including interest on bonds issued to finance the project; and  
(iv) the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of

Chapter 95. Administration of Municipal Financial Assistance Programs.

- Section  
10. Allocation and distribution.  
20. Qualification for minimum payment  
30. Proration of payments

Effective date of chapter. — Section 17, ch. 166, SLA 1980, provides that §§ 1 — 12 of the act take effect on the first day of the fiscal year for which \$33,400,000 or more is appropriated and allowed by the governor for distribution to municipalities and other recipients under the provisions of §§ 1 — 12 of this act or on July 1, 1983, whichever is earlier. A total of \$33,500,000 was appropriated for the programs for the fiscal year beginning July 1, 1980. The appropriations were made in §§ 51 and 52, ch. 120, SLA 1980, and § 6, ch. 166, SLA 1980.  
Editor's note. — Section 12, ch. 166, SLA 1980, effective on the same day as this chapter, provides: "(a) Notwithstanding other provisions of secs. 1 — 11 of this act, (1) a municipality may not receive less than \$25,000 plus an area cost-of-living differential during the first fiscal year in which this act is effective; and (2) a municipality which would receive under AS 29.88, added by sec. 2 of this act, less than 125 percent of the amount which it received for the last fiscal year under AS 43.18.010 — 43.18.045, repealed by sec. 11 of this act, is, for each of the first five fiscal years during which secs. 1 — 10 of this act

are effective, entitled to receive an amount equal to 125 percent of the amount which it received for the last fiscal year under the former provisions of AS 43.18.010 — 43.18.045 in accordance with those provisions. (b) For the first five fiscal years during which secs. 1 — 10 of this act are effective, in order to pay the amounts required by (a) of this section, the allocations made by the Department of Community and Regional Affairs to the accounts established in AS 29.88.035, AS 29.89.080, and AS 29.90.020 shall be prorated by an amount which reduces the allocation to each account in equal proportion, and the prorated amounts shall be allocated to these accounts. (c) For the first five fiscal years during which secs. 1 — 10 of this act are effective, payment of an entitlement to a borough under AS 29.88 may be made to a borough only if the borough assembly agrees to allocate to each borough service area in the borough at least the amount of money that the service area received during the last fiscal year under the former provisions of AS 43.18.010 — 43.18.045, in accordance with those provisions."

Sec. 29.95.010. Allocation and distribution. (a) Each year, the Department of Community and Regional Affairs shall allocate money appropriated to the accounts established in AS 29.88, AS 29.89, and AS 29.90 in the amounts determined by the legislature.  
(b) Money in the miscellaneous services account established in AS 29.89.080 which exceeds the amount required to fully fund distributions authorized by AS 29.89 shall be reallocated to the tax equalization account established in AS 29.88.035 and distributed according to the provisions of AS 29.88.  
(c) Money in the hospital construction assistance account

ALASKA

STATE LEGISLATURE

To: Ben  
Re: HB 22

## MEMORANDUM

Outline of HB 22 By Randolph

"An act relating to state aid for municipalities; establishing the Alaska local property tax program; and providing for an effective date."

- 1) Establishes the Alaska Local Property Tax Relief Program "to provide state aid to municipalities in place of money raised by levying taxes on property."
  - a) entitlement form the program may be used by a municipality for all purposes for which the municipality is authorized to use money raised from property taxes.
  - b) municipalities may apply annually for entitlements for the program and the application must include assessments of property of the municipality and financial statements for the municipality.
  - c) a municipality which applies may not impto. or collect property taxes for the year for which the entitlement is sought.
- 2) The Dept. of C&RA must review each application and if the Commissioner determines that the assessments do not meet statutory requirements contained in AS 29.53.060(Full and True Value-relating to assessments of property) he may adjust the assessments and notify the municipalities in writing.
- 3) Entitlements shall equal the total property assessments times the millage rate in effect in the municipality on Dec. 1, 1980.
  - a) if a municipality has more than one rate in effect, the assessment to which each rate is applied is multiplied by the rate and the entitlement is the sum of those calculations.
- 4) Entitlements shall be reduced by the amount of money received by the municipality from:
  - a) an increase in the rate of levy for a municipality over the rate in effect Dec. 1, 1980.
  - b) an increase in municipal license of permit fees over those in effect on Dec. 1, 1981(if over the percentage increase in the C.P.I. since Dec. 1, 1980.)
  - c) an increase in fees over those in effect on Dec. 1, 1980, for a municipal service(in excess of increase in C.P.I. since Dec. 1, 1980 and not justified by an increase in the cost of providing the service)

# ALASKA

## STATE LEGISLATURE

### MEMORANDUM

Page 2

- d) municipal taxes, fees, licenses, or permits enacted after Dec. 1, 1980.
- 5) Entitlements may not be reduced because of payments received from the state or federal governments, increase of fees because of justified cost of services provided, or receipt of money from the sale or lease of municipal property.
- 6) Establishes an account to carry out provisions of the bill- Alaska Local Property Tax Relief Account.
  - a) If appropriations to the fund are not sufficient to pay the entitlements, the amount allocated shall be distributed pro rata.
- 7) Allows the Dept. of C&RA to adopt regulations to implement program.
  - a) Dept. required to make yearly projection of the amount needed to fully fund the program and to request an appropriation of that amount from the legislature.
- 8) A decision made by the Dept. may be appealed to the Superior Court within 60 days after the decision is made.
- 9) Bill amends AS 29.53.010 to allow home rule and general law boroughs to participate in the program in lieu of levying property taxes.
- 10) Provides the Act take effect on July 1, 1981.

THE LEGISLATURE OF THE STATE OF ALASKA  
 TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HR 22  
 Title Relating to state aid for Municipalities, the local property tax program  
 Requested by House W&PA Date February 9, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs  
 Program Category Affected Development  
 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		254.9	275.3	297.3	321.1	345.8
200 TRAVEL		50.4	55.4	60.9	57.0	73.7
300 CONTRACTUAL		43.5	48.0	52.8	58.0	63.8
400 COMMODITIES		4.0	4.4	4.8	5.3	5.9
500 EQUIPMENT		11.4	12.5	13.8	15.2	16.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		153831.9	169215.1	186136.7	204750.3	225225.3
<b>TOTAL</b>		<b>154196.2</b>	<b>169510.7</b>	<b>186566.3</b>	<b>205216.9</b>	<b>225732.2</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		154196.2	169510.7	186566.3	205216.9	225732.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		9	9	9	9	9
PART TIME						
TEMPORARY						

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

See Attached

IV. DATE February 17, 1981 PREPARED BY Terry L. Earley  
 AGENCY Community & Regional Affairs  
 PHONE 455-4730  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

## Analysis

This fiscal note assumes full funding for revenues lost. It also assumes all eligible municipalities will take advantage of the program.

Line 700 Grants and claims is based on estimated FY 82 collections. Projects for FY 83, FY 84 etc. assume a 10% per year increase in assessed value.

No amount is currently projected for municipalities that could institute a property tax where there is currently not one. This program could be substantially increased by additional first and second class cities instituting a property tax. Also no amount is projected for the elimination of optional exemptions which would probably result from this bill.

The appraisal staff shown in this fiscal note is intended to comply with proposed section 29.92.040 and will be responsible for insuring compliance with AS 29.53.020

The clerical staff would process, audit and request payment of municipal entitlements.

The following is a breakdown of administration costs for this bill.

### Personal Services

1 Appraiser II	Rg 18 @*\$40,401	\$ 40,401
2 Appraiser I	Pg 15 @*\$35,570	\$ 71,140
4 Account Clerk II	Rg 9 @*\$24,272	\$ 97,088
2 Clerk typist III	Pg 8 @*\$23,137	\$ 45,274

\*includes fringe benefits

Total personal services \$254,903

### Travel

2 trips each - 33 taxing jurisdictions equals		
66 trips @ 700 average per trip		\$ 46,200
6 trips by Supervisory staff @ 700		\$ 4,200
		<u>\$ 50,400</u>

### Contractual

Office space		
11ne persons @ 150 sq ft =1350 sq ft		
1350 sq ft @ 1.50 per month = 2025 X 12 =		\$ 24,300

### Word processing equipment

2 work stations @ \$300/month		
1 printer @ 300/month		\$ 10,800

Contractual continued  
Page 2

Telephone	\$ 2,000
Postage	\$ 1,500
Printing and Advertising	\$ 4,000
Copier	<u>\$ 1,000</u>
Total Contractual	\$ 43,000
Commodities	\$ 4,000
Equipment	
9 desks @ 426.92	\$ 3,842
3 bookcases @ 123.74	\$ 371
4 file drawer file cabinets @ 264.58	\$ 1,058
7 chairs @ 235.54	\$ 1,649
2 chairs @ 155.04	\$ 310
7 calculators @ 178.26	\$ 1,248
3 dictating machines @ 582.93	\$ 1,749
2 transcribing machings @ 582.93	<u>\$ 1,166</u>
Total	\$ 11,393

H B

73

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

1 IN THE HOUSE

BY ROGERS AND GARDINER

2

HOUSE BILL NO. 73

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act requiring a census in 1981 to determine the  
7 population of the state."

7

8

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

9

\* Section 1. (a) The Department of Community and Regional Affairs shall  
10 conduct a census in 1981 for the purpose of determining the population of  
11 Alaska.

12

(b) Information gathered shall be limited to the name, age, [sex,  
13 residence and mailing address of each person in the state.

14

(c) The Department of Community and Regional Affairs may contract with  
15 a municipality to perform the census within the boundaries of the munici-  
16 pality.

17

*delete*  
(d) Allow the count to be used as proof of residence for  
18 permanent fund distribution  
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2/10/81 - Reg. CRA for Fiscal note <sup>rec'd</sup>

2/12/81 - Called Maria re mtg on <sup>Wed. 2/18</sup> ~~Tues. 2/18~~

- This is Temporary Law Legislation and will only be active for 1981.

2/10/81 - Backup reg. from Rogers

Rogers will testify on bill

Dept CRA will testify

mtg on 2/11/81 of Comm. 8:30 am

mtg / 1<sup>st</sup> Rogers  
2<sup>nd</sup> CRA  
3<sup>rd</sup> Reseant - Dept Labor  
Lynn Chidwick - Mr. Mansur says

waiting for fiscal note from Dept Labor.  
" " " " " " from CRA



# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf  
Chairman  
465-3870

Pouch V  
State Capitol  
Juneau, Alaska 99811

House Community and Regional Affairs Committee Meeting

February 18, 1981

8:30 a.m.

Rm. 102, Capitol Bldg.

Members Present: Grussendorf  
Vaska  
Bylsma  
O'Connell  
Randolph

Chairman Grussendorf called the meeting to order at 8:30a.m. The first bill for testimony was CSSB 42. Commissioner Mueller from the Dept. of Environmental Conservation was introduced and spoke on behalf of the bill.

Commissioner Mueller gave a brief summary of the legislation and explained what the Senate C&RA Committee did in offering the Committee Substitute out of their committee. The Committee chose not to mandate solid waste facilities to the Village Safe Water Act at this time. Consequently, the CS for SB 42 made only the change of removing the mandatory requirement for installing bath and laundry facilities in all the villages where the Village Safe Water Program is in effect. It was determined that some of the villages already have these facilities and some do not need the facilities, therefore, removal of the requirements under the Act is a positive need for the Dept. and the communities.

Rep. Vaska asked if the facilities could be built regardless of this change.

Commissioner Mueller explained that last year there were bonds passed by the Legislature to enact the Village Safe Water Program and that the facilities would be built for safe water and hygienic waste disposal regardless of this bill.

Tim Bergin from the Dept. of Environmental Conservation stated that 25 to 600 people within a 2 mile radius or a 2nd class city qualifies them for the Village Safe Water Program.

Rep. Randolph moved and asked for a vote on the bill. The vote for passage of CSSB 42 was unanimous.