

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

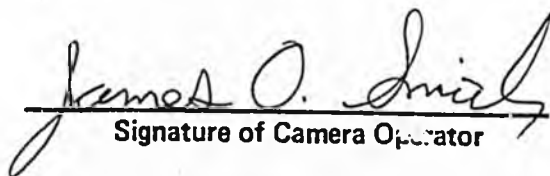
3214.42 HCRA SB 113 - SB 270

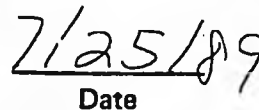


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Date

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STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

January 30, 1986

SUBJECT: State and municipal tax exemptions
(HCSSB 113(C&RA))

TO: Representative Peter Goll, Chair
House Community and Regional Affairs
Committee

FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

You have asked for a comparison between SB 113 and the draft HCSSB 113(C&RA) attached. Section headings refer to the section in SB 113 with cross-references to the pertinent draft section, if any, contained in parentheses.

Section 1. The section has been eliminated from the draft.

Section 2. The section has been eliminated from the draft and AS 28.10.411(d) is repealed rather than amended. (Section 4.)

Section 3. The section has been eliminated from the draft.

Section 4. This is rewritten to eliminate the amendments relating to the surviving spouse. The Title 29 revision bill that passed last year addressed this issue. (Section 1.)

Section 5. This section has been eliminated from the draft because under the Title 29 revision bill the application process is limited to exemptions under subsection (e).

Section 6. The new subsections are eliminated because much of the material they contained was incorporated into AS 29.45.030(j) under the Title 29 revision bill. Material in subsections (n) and (o) of SB 113 that was not included in the revision bill has been added to AS 29.45.030(j) under the draft (Section 2.)

Representative Peter Goll
Page 2
January 30, 1986

Section 7. This is included in the draft without changes.
(Section 3.)

Section 8. The section has been eliminated from the draft because a proration provision was included in the Title 29 revision.

Section 9. The section has been eliminated from the draft because a proration provision was included in the Title 29 revision.

Section 10. The effective date is changed to January 1, 1987. (Section 5.)

TBC:mkr
M2:112

Enclosure

Cook
1/30/86

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 113 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state and municipal tax exemp-
7 tions; and providing for an effective date."

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

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

10 (e) The real property owned and occupied as a permanent place of
11 abode by a (1) resident 65 years of age or older [OVER]; (2) disabled
12 veteran; or (3) resident at least 60 years old who is the widow or
13 widower of a person who qualified for an exemption under (1) or (2) of
14 this subsection, is exempt from taxation on the first \$200,000 of the
15 assessed value of the real property. A municipality may, in a case of
16 hardship, provide for exemption beyond the first \$200,000 of assessed
17 value in accordance with regulations of the department. Only one
18 exemption may be granted for the same property and, if two or more
19 persons are eligible for an exemption for the same property, the
20 parties shall decide between or among themselves which will [SHALL]
21 receive the benefit of the exemption. Real property may not be
22 exempted under this subsection if the assessor determines, after
23 notice and hearing to the parties concerned, that the property was
24 conveyed to the applicant primarily for the purpose of obtaining the
25 exemption. The determination of the assessor may be appealed under
26 AS 44.62.560 - 44.62.570.

27 * Sec. 2. AS 29.45.030(j) is amended to read:

28 (j) One motor vehicle per household owned by a resident 65 years
29 of age or older on January 1 of the assessment year is exempt either

1 from taxation on its assessed value or from the registration tax under
2 AS 28.10.431. An exemption may be granted under this subsection only
3 upon written application on a form prescribed by the Department of
4 Public Safety. The state shall reimburse a municipality for tax
5 revenue [REVENUES] lost to it because of the exemption required by
6 this subsection. Reimbursement to a municipality equals the amount of
7 registration tax authorized under AS 28.10.431(b) for each vehicle
8 exempted under this subsection. To the extent that a municipality
9 exempts motor vehicles from taxation under AS 29.45.050(b)(5) that
10 would otherwise be exempt under this subsection, reimbursement will
11 not be made. If appropriations are inadequate to provide full
12 reimbursement to each municipality entitled to reimbursement under
13 this subsection, payments shall be prorated.

14 * Sec. 3. AS 29.45.040(c) is amended to read:

15 (c) To obtain a tax equivalency payment the eligible resident
16 must apply to the department for payment for the preceding year by
17 January 15 of each year on forms and in the manner prescribed by the
18 department. The department for good cause shown may waive an appli-
19 cant's failure to make timely application for a tax equivalency pay-
20 ment for the preceding year and accept the application as if timely
21 filed. Each applicant shall submit with the application rental re-
22 cepts or, if rental receipts are not available, other evidence satis-
23 factory to the department for determination of the fact of payment of
24 rent and the amount paid. A disabled veteran shall submit with the
25 application evidence of the disability rating.

26 * Sec. 4. AS 28.10.411(d) is repealed.

27 * Sec. 5. This Act takes effect January 1, 1987.
28
29

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 113
Title: State & Municipal Tax

Sponsor: _____
Requestor: DC & RA
Date of Request: _____

FISCAL DETAIL

Agency Affected: C & R A
Program Category Affected: _____
Social Service
BRU, Program or Subprogram(s) Affected: _____
Senior Citizens/disabled veterans tax relief

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	0		25.4	26.7	23.0	29.4
200 TRAVEL						
300 CONTRACTUAL			.5	.5	.6	.6
400 SUPPLIES			.2	.2	.2	.2
500 EQUIPMENT			.8	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	0	(151.3)	(166.4)	(183.0)	(201.3)	(221.4)
800 MISCELLANEOUS						
TOTAL OPERATING	0	(151.3)	(139.5)	(155.6)	(172.5)	(191.2)

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		(151.3)	(139.5)	(155.6)	(172.5)	(191.2)
FEDERAL FUNDS						
OTHER						
TOTAL	0	(151.3)	(139.5)	(155.6)	(172.5)	(191.2)

POSITIONS:

FULL-TIME	0	0	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

(See attached page)

Prepared By: Bob Kern Assistant State Assessor *BK* Phone: 465-4735
Division: Municipal & Regional Assistance Date: 1/7/85

Approved by Commissioner: *Ann Hall* Date: 1/9/85
Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

State of Alaska
1985 Legislative Session
Fiscal Note
ANALYSIS

Bill No.: _____

Title: State and Municipal Tax Exemption

Assumptions:

1. The estimated savings of \$20,000 in the motor vehicles tax exemption program is a fairly conservative estimate.
2. The \$200,000 cap on assessed value exempted under the senior citizens/disabled veterans homeowners tax exemption should produce a savings equal to 5% of the funding for the program.
3. After FY 87 personal services and contractual increased annually by 5%.
4. Grant savings increase 10% annually due to inflation and increasing importance of \$200,000 assessed value cap.

Program Summary: This bill would correct errors in the existing motor vehicles tax exemption program which now pays some municipalities twice and reimburses other municipalities that exempt all residents from this levy. The bill also curtails the exemptions allowed for senior citizen/disabled veterans homeowners to the first \$200,000 of assessed value.

1. Positions: This bill will create additional work in the State Assessor's office to address prorationing and motor vehicle exemption changes. However, the department in taking a conservative approach to new positions, will not ask for additional staff at this time to address this and other new programs for disabled veterans and rural citizens that were created by the 13th Legislature. If this bill is enacted and when the new programs become fully operational the State Assessor's office will then review the adequacy of staffing levels. Since additional staff may be needed a Clerk Typist III is included starting with the FY 87 budget.
2. Funding: The bill should produce a general fund savings to the State of \$151,300 in FY 86.
3. Section cost analysis: General Fund savings are all in the grants line item. Costs which offset savings to some extent may begin in FY 87. This due to the need to hire a clerical position to address additional work.

Computations: \$20,000 will be saved due to the correction of the motor vehicles tax exemption program. \$131,300 (5% of the program's funding) will be saved by imposing the \$200,000 assessed value limitation on the senior citizen/disabled veterans homeowners tax exemption program.

Impact on Local Government: Under the homeowners tax exemption program only \$200,000 of the assessed value would be exempt. Therefore, the local assessor's staff would have to compute and levy against the remaining value and bill the senior citizen/disabled veteran for the balance.

1.	POSITION TITLE Clerk Typist III for FY 87				RANGE/STEP 08/A	BARG. UNIT GGU	PAGE/LINE	COV.	APPRD.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION							
4.	TYPE OF EXPENDITURE			AMOUNTS						
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	19,570								
6.	Benefits	5,871								
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES	01	25,441							
10.	Travel	02	0							
11.	Contractual	03	500							
12.	Commodities	04	200							
13.	Equipment	05	800							
14.	Other									
15.	TOTAL COST		26,941							
	RECEIPT CODE	FUNDING SOURCE								
16.		General Receipts	1002							
17.		Match	1003							
18.		General Funds	1004	26,941						
19.		I-A Receipts	1005							
20.		Program Receipts	1028							
21.		Other								
FOR BSM USE ONLY KEY NUMBER _____										

This position may be needed in FY 87 to handle growing workload demands as a result of a modified motor vehicle tax exemption program, proposed prorating of reimbursements for senior citizen/disabled veterans homeowners tax exemptions and the inclusion of disabled veterans and rural residents in tax relief programs. There is some uncertainty on whether this work can be absorbed by existing staff and that is why it is not proposed for consideration until FY 87.

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs
 PROGRAM Community Development
 BRU Local Government Assistance
 COMPONENT State Assessor

Page _____ of _____
 Revised Date _____

FY 86

SECTIONAL ANALYSIS OF SB 113

Distributed by Senator Ferguson

Detailed analysis:

Section 1 extends the senior citizen exemption from the state motor vehicle registration fee (AS 28.10.411 and 28.10.421) to the municipal registration tax (AS 28.10.431). This section limits the exemption to vehicles used for personal, rather than commercial uses. In making this change, this section also removes an inaccurate and confusing use of the word "tax."

Section 2 limits reimbursements to municipalities to the amount of revenue lost as a result of the senior citizen exemption from the municipal registration tax. This section allows the department to prorate reimbursements if appropriations are less than the amount needed for full reimbursement.

Section 3 adds senior citizen-owned motor vehicles to the list of property that is exempt from municipal property taxes. (See sec. 6 of this bill.)

Section 4 limits the amount of exemption from property taxation of a home owned by a senior citizen to the first \$200,000 of the assessed value of the property. This section provides for additional exemption beyond that amount in case of hardship. It also allows the surviving spouse of a person who received the exemption to continue the exemption if the surviving spouse is at least 55 years of age.

Section 5 requires a separate application for each exemption claimed under AS 29.53.020. And it removes some inappropriate language regarding approval by the assessor.

Section 6 exempts one motor vehicle owned by a resident 65 years of age or older from municipal property taxation (see sec. 3 of this bill). This section also requires the state to reimburse municipalities for revenue lost as a result of this exemption, but only to the extent that the vehicle is not already exempt under AS 29.53.025(b)(4) (regarding optional tax exemption). It also provides for prorationing of reimbursements for the senior citizen and disabled veterans homeowners programs and the senior citizen motor vehicle exemption program.

Section 7 limits the department's authority to waive the untimeliness of an application for senior citizen property tax equivalency payment to the year following the year for which the payment is claimed.

Section 8 provides for prorationing of senior citizen and disabled veteran property tax equivalency payments.

Section 9 provides for proration of senior citizen and disabled veteran rent sales tax reimbursement.

Section 10 provides for a January 1, 1986 effective date.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

SB 113

January 30, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to state and municipal tax exemptions.

Alaska statutes provide senior citizens with exemptions from certain state and municipal fees and taxes. The state either reimburses the municipalities for revenue lost as a result of the exemptions or directly reimburses senior citizens for taxes paid.

This bill allows the Department of Community and Regional Affairs to prorate reimbursements to municipalities and individuals if appropriations are insufficient to cover all reimbursements. The bill creates new exemptions from municipal registration and property taxation for motor vehicles owned by senior citizens, and requires the department to reimburse municipalities for revenue lost as a result of the exemptions.

The bill also removes a provision that has resulted in double payments -- one from the state and one from senior citizens -- to some municipalities for vehicles owned by senior citizens in those municipalities.

A section-by-section description of the bill follows:

Section 1 extends the senior citizen exemption from the state motor vehicle registration fee (AS 28.10.411 and 28.10.421) to the municipal registration tax (AS 28.10.431). This section limits the exemption to vehicles used for personal, rather than commercial, uses. In making this change, this section also removes an inaccurate and confusing use of the word "tax."

Section 2 limits reimbursements to municipalities to the amount of revenue lost as a result of the senior citizen

exemption from the municipal registration tax. This section allows the department to prorate reimbursement if appropriations are less than the amount needed for full reimbursement.

Section 3 adds senior citizen-owned motor vehicles to the list of property that is exempt from municipal property taxes. (See sec. 6 of this bill.)

Section 4 limits the amount of exemption from property taxation of a home owned by a senior citizen to the first \$200,000 of the assessed value of the property. This section provides for additional exemption beyond that amount in case of hardship. It also allows the surviving spouse of a person who received the exemption to continue the exemption if the surviving spouse is at least 55 years of age.

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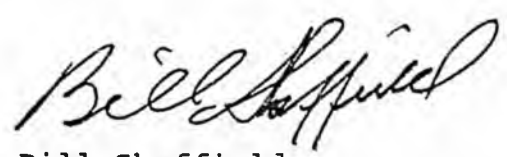
Section 7 limits the department's authority to waive the untimeliness of an application for senior citizen property tax equivalency payment to the year following the year for which the payment is claimed.

Section 8 provides for proration of senior citizen property tax equivalency payments.

Section 9 provides for proration of senior citizen rent sales tax reimbursement.

Section 10 provides for a January 1, 1986 effective date.

Sincerely,



Bill Sheffield
Governor



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 30, 1985

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President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

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Section 7 limits the department's authority to waive the untimeliness of an application for senior citizen property tax equivalency payment to the year following the year for which the payment is claimed.

Section 8 provides for proration of senior citizen property tax equivalency payments.

Section 9 provides for proration of senior citizen rent sales tax reimbursement.

Section 10 provides for a January 1, 1986 effective date.

Sincerely,



Bill Sheffield
Governor

SENATE LETTER OF INTENT

SB 113

It is the intent of the Legislature that exemptions from the \$200,000 assessment cap are to be granted liberally to senior citizens living in the same place of residence for a number of years, who might otherwise be forced to move due to high property taxes.

Adopted by the Senate May 8, 1985

State of Alaska
1985 Legislative Session
Fiscal Note
ANALYSIS

Bill No.: _____

Title: State and Municipal Tax Exemption

Assumptions:

1. The estimated savings of \$20,000 in the motor vehicles tax exemption program is a fairly conservative estimate.
2. The \$200,000 cap on assessed value exempted under the senior citizens/disabled veterans homeowners tax exemption should produce a savings equal to 5% of the funding for the program.
3. After FY 87 personal services and contractual increased annually by 5%.
4. Grant savings increase 10% annually due to inflation and increasing importance of \$200,000 assessed value cap.

Program Summary: This bill would correct errors in the existing motor vehicle tax exemption program which now pays some municipalities twice and reimburses other municipalities that exempt all residents from this levy. The bill also curtails the exemptions allowed for senior citizen/disabled veterans homeowners to the first \$200,000 of assessed value.

1. Positions: This bill will create additional work in the State Assessor's office to address prorationing and motor vehicle exemption changes. However, the department in taking a conservative approach to new positions, will not ask for additional staff at this time to address this and other new programs for disabled veterans and rural citizens that were created by the 13th Legislature. If this bill is enacted and when the new programs become fully operational the State Assessor's office will then review the adequacy of staffing levels. Since additional staff may be needed a Clerk Typist III is included starting with the FY 87 budget.
2. Funding: The bill should produce a general fund savings to the State of \$151,300 in FY 86.
3. Section cost Analysis: General Fund savings are all in the grants line item. Costs which offset savings to some extent may begin in FY 87. This due to the need to hire a clerical position to address additional work.

Computations: \$20,000 will be saved due to the correction of the motor vehicles tax exemption program. \$131,300 (5% of the program's funding) will be saved by imposing the \$200,000 assessed value limitation on the senior citizen/disabled veterans homeowners tax exemption program.

Impact on Local Government: Under the homeowners tax exemption program only \$200,000 of the assessed value would be exempt. Therefore, the local assessor's staff would have to compute and levy against the remaining value and bill the senior citizen/disabled veteran for the balance.

COMMITTEE REPORT

2/11

HOUSE

FURTHER:

FINANCE

((7))

5/11/85

Date: _____

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 113

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

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HCS SB 113 (CRA) same title new title
- and recommends that it do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee *w/analysis Sep 83*

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Mr. [Signature]

Walt F. [Signature]

[Signature]

[Signature]

[Signature]

[Signature]

 CHAIRMAN

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

February 4, 1986

- POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

The Honorable Peter Goll
Alaska State Legislature
Chairman, House Community &
Regional Affairs Committee
P.O. Box V
Juneau, AK 99811

Dear Representative Goll:

RE: "HARDSHIP" UNDER SENATE BILL 113

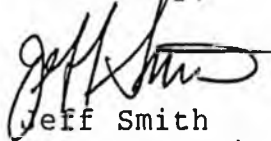
The Department has researched the concern raised by Representative Gruenberg regarding the definition of "hardship" for purposes of waiving property tax liability for persons residing in homes and on adjacent property valued over and above the \$200,000 tax cap. We have contacted social service agencies and other sources we felt might assist us in coming up with a concise, workable definition of financial hardship. We found that no agency had developed such a definition. The Department believes it is ill-equipped to define this somewhat nebulous term in light of the fact that both State and Federal agencies which deal with disadvantaged persons on a daily basis have not developed clear guidelines to identify hardship.

The Department would like to see SB 113 proceed through the Legislature. It is a good bill which accomplishes several desirable objectives. However, in addressing a major problem of the homeowners' exemption program it raises the difficult question of defining hardship. The Department would prefer that this situation be highlighted in a letter of legislative intent. This letter should instruct our Department and property taxing municipalities that it is not the intent of the Legislature for the \$200,000 tax cap to create a situation which would cause Senior Citizens or Disabled Veterans to lose their homes due to an inability to pay property taxes.

The Honorable Peter Goll
RE: "HARDSHIP" UNDER SB 113
February 4, 1986
Page 2

The Department is open to ideas and suggestions from legislators, Senior Citizen groups, social service agencies and any other knowledgeable sources in helping it to address the critical question of adequately defining and implementing a fair and comprehensive hardship policy. We would not like to see this critical bill stall due to this relatively minor difficulty.

Sincerely,



Jeff Smith
Deputy Commissioner

cc: Emil Notti, Commissioner, DCRA
Marty Rutherford, Director, MRAD, Anchorage
Doug Griffin, Deputy Director, MRAD, Juneau

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

February 4, 1986

BILL SHEFFIELD, GOVERNOR

- POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

The Honorable Peter Goll, Chairman
House Community and Regional Affairs
P.O. Box V
Juneau, AK 99811

Dear Representative Goll:

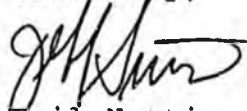
RE: PROPOSED COMMITTEE SUBSTITUTE FOR SENATE BILL 113

We have reviewed the proposed committee substitute Bill 113 (dated January 30, 1986) and have found the language to be very good. The Bill is concisely written and accomplishes everything intended in the original Bill.

We realize the passage last year of House Bill 72 and Senate Bill 190, both of which contained language directly relating to this Bill, served to complicate redrafting the Bill. We very much appreciate the fine job you have done in accomplishing that task.

We consider the adoption of Senate Bill 113 during this year a priority item. If we can be of assistance expediting its passage through your committee, please do not hesitate to contact us.

Sincerely,



Emil Notti
Commissioner

Original sponsor: Rules/Governor

GRUENBERG
AMENDMENTS

1 IN THE SENATE

2 HOUSE CS FOR SENATE BILL NO. 113 (C&RA)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state and municipal tax exemp-
7 tions; and providing for an effective date."

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

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

10 (e) The real property owned and occupied as the primary resi-
11 dence and [A] permanent place of abode by a (1) resident 65 years of
12 age or older [OVER]; (2) disabled veteran; or (3) resident at least 60
13 years old who is the widow or widower of a person who qualified for an
14 exemption under (1) or (2) of this subsection, is exempt from taxation
15 on the first \$200,000 of the assessed value of the real property. A
16 municipality may, in a case of hardship, provide for exemption beyond
17 the first \$200,000 of assessed value in accordance with regulations of
18 the department. Only one exemption may be granted for the same prop-
19 erty and, if two or more persons are eligible for an exemption for the
20 same property, the parties shall decide between or among themselves
21 who [which] is to [SHALL] receive the benefit of the exemption. Real prop-
22 erty may not be exempted under this subsection if the assessor deter-
23 mines, after notice and hearing to the parties [CONCERNED], that the
24 property was conveyed to the applicant primarily for the purpose of
25 obtaining the exemption. The determination of the assessor may be
26 appealed under AS 44.62.560 - 44.62.570.

27 * Sec. 2. AS 29.45.030(j) is amended to read:

28 (j) One motor vehicle per household owned by a resident 65 years
29 of age or older on January 1 of the assessment year is exempt either

1 from taxation on its assessed value or from the registration tax under
2 AS 28.10.431. Only one exemption may be granted for the same motor
3 vehicle and, if two or more persons are eligible for an exemption for
4 the same motor vehicle, the parties shall decide ^{who} ~~which~~ is to receive
5 the exemption. A motor vehicle that the assessor determines, after
6 notice and hearing to the parties, has been conveyed to the applicant
7 primarily for the purpose of obtaining the exemption may not be
8 exempted under this subsection. An exemption may be granted under
9 this subsection only upon written application on a form prescribed by
10 the Department of Public Safety. The state shall reimburse a municipi-
11 pality for tax revenue [REVENUES] lost to it because of the exemption
12 required by this subsection. Reimbursement to a municipality equals
13 the amount of registration tax authorized under AS 28.10.431(b) for
14 each vehicle exempted under this subsection. To the extent that a
15 municipality exempts motor vehicles from taxation under AS 29.45.-
16 050(b)(5) that would otherwise be exempt under this subsection, reim-
17 bursement will not be made. If appropriations are inadequate to
18 provide full reimbursement to each municipality entitled to reimburse-
19 ment under this subsection, payments shall be prorated.

20 * Sec. 3. AS 29.45.040(c) is amended to read:

21 (c) To obtain a tax equivalency payment the eligible resident
22 must apply to the department for payment for the preceding year by
23 January 15 of each year on forms and in the manner prescribed by the
24 department. The department for good cause shown may waive an appli-
25 cant's failure to make timely application for a tax equivalency pay-
26 ment for the preceding year and accept the application as if timely
27 filed. Each applicant shall submit with the application rental re-
28 cepts or, if rental receipts are not available, other evidence satis-
29 factory to the department for determination of the fact of payment of

1 rent and the amount paid. A disabled veteran shall submit with the
2 application evidence of the disability rating.

3 * Sec. 4. AS 28.10.411(d) is repealed.

4 * Sec. 5. This Act takes effect January 1, 1987.

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Alaska State Legislature

COMMITTEES:

Committee on Community and Regional Affairs
Committee on Transportation
Special Committee on Oil and Gas
Special Committee on Fisheries
Finance Sub-committee on Fish and Game




Andre Marrou
Representative

District 5

Kenai	Sterling
Soldotna	Anchor Point
Homer	Port Graham
Seldovia	English Bay
Kachemak	Nikolaevsk
Kasilof	Halibut Cove
Ninilchik	Clam Gulch

30 Jan 86

TO: Peter Goll, Chairman, C&RA Committee

FROM: Andre Marrou, Representative 

SUBJECT: Impact on Municipalities of Proposed Amendment to SB113

Day before yesterday, 28 Jan 86, I sent to your office a proposed amendment to SB 113, as discussed in the committee meeting on Monday, 27 Jan 86.

The information we have been able to obtain so far is:

Fairbanks--no information available from DCRA.

Anchorage--for FY85, would have amounted to 1.06% of the municipal budget; for FY86, would have been 1.23%, including veterans.

Kenai Peninsula Borough--for FY85, 0.5%; for FY86, 0.44%

Thus, we see an impact on the municipalities' budgets from less than $\frac{1}{2}$ of 1% to less than $1\frac{1}{4}$ %.

To put it in different terms: the impact varies from one part in 227 up to one part in 81.

Obviously, there would not be much impact on the municipalities' budgets.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

PETE!
HARRIS SUGGESTED
AMENDMENT TO
SB 113, AS WG
DISCUSSED IN
COMM. RTG
YESTERDAY.

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

MEMORANDUM

January 28, 1986

Andre
28 JAN 86
1:48 P

SUBJECT: State and municipal tax exemptions
(SB 113)

TO: Representative Andre Marrou

FROM: Richard A. Bradley
Legislative Counsel *R*

↓
ALSO:
NOTE
COUNSEL'S
COMMENTS
BELOW.
AA

The amendment you requested is enclosed.

And while your amendment has no serious problems (but see below), I note that the main bill itself has a one or two problems; I believe that the committee may be addressing them.

Among those problems is the fact that the revision of the municipal code rendered essentially all of the references to AS 29 sections obsolete, e.g., secs. 3 - 9 of the bill.

While some of the provisions have been carried forward in more or less the same phrasings, the references should be corrected.

And the revisor advises me that the 1986 revisor's bill (HB 493), now pending in the House Judiciary Committee, repeals AS 28.10.4100(d) because, I am advised, it is "rendered redundant and meaningless by the revised municipal code."

If I may be of further assistance, please advise.

RAB:csn
c5/028

Bradley

A M E N D M E N T

Offered in the HOUSE

By Marrou

TO: SB 113

Page 1, lines 17 - 24:

Delete all material.

Renumber remaining bill sections.

29.45.030 J

Page 5, following line 24:

Insert a new bill section to read:

"* Sec. 9. AS 28.10.411(d) is repealed."

29.45.030 J

A M E N D M E N T

OFFERED in the HOUSE:

BY: Gruenberg

To: SB 113 (CRA)

Page 2 line 25 renumber current subsection "(e)" as "(e) (1)".

→ Page 3 line 14 insert a new subsection as follows:

"(e) (2) The department shall report to the legislature by the 10th day of the First Session of the Fifteenth Legislature concerning the regulations defining "hardship" under this subsection. The department may not adopt the regulations until 60 days after they are presented to the legislature."

Comment: This language is similar to the language in section 6 (b) in Ch. 33 SLA 1985 concerning the licensing of midwives, copy attached. It provides an opportunity for legislative review of the proposed regulations before they become effective.

period; conducting deliveries without supervision; and caring for neonates; in this paragraph "caring for" means performing preventive measures, detecting abnormal conditions in mother and child, procuring medical help, and executing emergency measures in the absence of medical help.

* Sec. 6. LAY MIDWIVES WORKING GROUP. (a) There is established in the Department of Health and Social Services a lay midwives working group composed of three lay midwives holding certificates from the Midwives Association of Alaska, one representative of the department, and one physician or nurse midwife licensed in this state. The commissioner shall appoint the members of the working group. The working group shall develop regulations for the commissioner to propose under AS 18.05.040 for the registration, training and education requirements, and disciplinary measures for lay midwives.

(b) The department shall report to the legislature by the 10th day of the Second Session of the Fourteenth Legislature concerning the regulations proposed by the working group. The department may not adopt the regulations until after they are presented to the legislature.

(c) Members of the working group are not entitled to receive compensation for their services or travel and per diem under AS 39.20.180.

* Sec. 7. Notwithstanding AS 08.64, a lay midwife practicing in this state on the effective date of this Act who is not registered by the Department of Health and Social Services may continue to practice until the department adopts regulations under AS 18.05.040 for the practice of lay midwifery and completes any review of the midwife's credentials required by the regulations. The midwife shall cooperate with the department in the review.

* Sec. 8. Section 6 of this Act is repealed on the day after the department completes the adoption of regulations for

- 1 (1) training, education, and experience requirements for lay
- 2 midwives;
- 3 (2) standards for the practice of lay midwifery; and
- 4 (3) discipline of persons practicing lay midwifery.

* Sec. 9. This Act takes effect immediately in accordance with AS 01.-10.070(c).

SLA 85

1. CONFORMITY WITH VOTING RIGHTS BILL
Why Ak. covered under act ? What circumstances caused; All
states Covered ?

2. INSURANCE MEMO

3. HB-487 : OPERATING, MAINTANANCE COSTS / CAPITAL PROJECTS
F.note. Jay Hogan. Drafter (d. Diierdorf)

4. SB-113 :SENIOR CITIZENS TAX EXEMPTIONS

5. A.P.A. / SMALL PROJECT TRANSFER
Call Bob Heath. Briefing by K. Dzenich.

6. Municipal Grant Regulations

7. BONDED INDEBTEDNESS

Introduced: 1/30/85
Referred: Community & Regional Affairs
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 113

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state and municipal tax exemp-
7 tions; and providing for an effective date."

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

9 * Section 1. AS 28.10.411(c) is amended to read:

10 (c) A resident 65 years of age or older on January 1 of the as-
11 essment year is entitled to an exemption from ~~the tax levied under~~
12 ~~AS 28.10.431(b)~~ and the registration fee required [TAX] under this
13 section for one motor vehicle subject to registration under AS 28.10.-
14 421(b)(1), (2), (5), or (6). An exemption may not be granted except
15 upon written application for the exemption on a form prescribed by the
16 department.

17 * Sec. 2 AS 28.10.411(d) is repealed and reenacted to read:

18 (d) The Department of Community and Regional Affairs shall reim-
19 burse a municipality that elects to levy a tax under AS 28.10.431 for
20 revenues lost because of the exemption from the tax provided by (c) of
21 this section. If appropriations are less than the amount necessary
22 for full reimbursement to all municipalities under this section, pay-
23 ments to all municipalities entitled to receive reimbursement under
24 this section must be prorated.

25 ~~* Sec. 3. AS 29.53.020(a) is amended to read:~~

26 (a) The following property is exempt from general taxation:
27 (1) ~~municipal, state or federally owned property, except~~
28 ~~that private leaseholds, contracts or other interest in the property~~
29 ~~shall be taxable to the extent of those interests;~~

*- This is now
provided by
AS 29.45.030(j)*

*See note
in next page
pg (10)*

2945 030
Required exemption

1 (2) household furniture of the head of a family or a house-
2 holder not exceeding \$500 in value;

3 (3) property used exclusively for nonprofit religious,
4 charitable, cemetery, hospital or educational purposes;

5 (4) property of a nonbusiness organization composed entire-
6 ly of persons with 90 days or more of active service in the armed
7 forces of the United States whose conditions of service and separation
8 were other than dishonorable, or the property of the auxiliary of such
9 organization;

10 (5) money on deposit;

11 (6) the real property of certain residents of the state to
12 the extent and subject to the conditions provided in (e) of this
13 section;

14 (7) real property to the extent and subject to the condi-
15 tions provided in (j) of this section;

16 (8) inventories located within a foreign trade zone estab-
17 lished under AS 45.77.010, before those inventories are cleared by the
18 United States Customs Service and admitted into domestic commerce;

19 (9) real property or an interest in real property that is
20 exempt from taxation under 43 U.S.C. 1620(d), as amended;

21 (10) a motor vehicle of certain residents of the state to
22 the extent and subject to the conditions provided in (m) of this sec-
23 tion.

This is now provided
to AS 29.45.030(g)

24 * Sec. 4. AS 29.^{45 3}020(e) is amended to read:

25 (e) The real property owned and occupied as a permanent place of
26 abode by a resident 65 years of age or older [OVER] or by a disabled
27 veteran is exempt from taxation of the first \$200,000 of the assessed
28 value of the real property. A municipality may, in the case of hard-
29 ship to an individual, provide for exemption beyond the first \$200,000

This section
must be
changed to
a bit to
include the
current
AS 29.45.030

1 application for exemption is approved, the amount of tax that the
2 claimant may have already paid for the assessment year with respect to
3 the property exempted must [SHALL] be refunded to the claimant. The
4 assessor shall require proof in the form the assessor considers neces-
5 sary of the right to and amount of an exemption claimed under this
6 section, and shall require a disabled veteran claiming an exemption
7 under (e) of this section to provide evidence of the disability rat-
8 ing. The assessor may require proof under this section at any time.

9 * Sec. 6. AS 29.^{45 3 (1)}53.020 is amended ^{to read:} by adding new subsections to read: A

10 (m) One motor vehicle owned by a resident 65 years of age or
11 older on January 1 of the assessment year is exempt from the property
12 tax levied by a municipality under AS 29.53.010. Only one exemption
13 may be granted for the same motor vehicle and, if two or more persons
14 are eligible for an exemption for the same motor vehicle, the parties
15 shall decide who will receive the exemption. A motor vehicle that the
16 assessor determines, after notice and hearing to the parties con-
17 cerned, has been conveyed to the applicant primarily for the purpose
18 of obtaining the exemption may not be exempted under this subsection.

19 (n) The state shall reimburse a municipality for the revenue
20 lost to it under (m) of this section. To the extent that a municipal-
21 ity exempts motor vehicles from taxation under AS 29.53.025(b)(4) that
22 would otherwise be exempt under this section, no reimbursement will be
23 made under this subsection.

24 ^{11/6/81} If appropriations made for the purpose of reimbursement to a
25 municipality under (g) and (n) of this section are inadequate to pro-
26 vide full reimbursement to each municipality entitled to reimburse-
27 ment, payments to all municipalities entitled to receive reimbursement
28 under this section must be prorated.

29 * Sec. 7. AS 29.73.080(c) is amended to read:

This is provided by AS 29.45.030(1)

Ordinance 57087

This should be included as a law amend to AS 29.45.030(1)

1 of assessed value under regulations of the Department of Community and
2 Regional Affairs. Only one exemption may be granted for the same
3 property and, if two or more persons are eligible for an exemption for
4 the same property, the parties shall decide between or among them-
5 selves which will [SHALL] receive the benefit of the exemption. ~~The~~
6 ~~surviving spouse of a person who had been receiving the benefits of an~~
7 ~~exemption may continue to receive the benefits of the exemption if the~~
8 ~~surviving spouse is at least 55 years of age.~~ Real property may not
9 be exempted under this subsection if the assessor determines, after
10 notice and hearing to the parties concerned, that the property was
11 conveyed to the applicant primarily for the purpose of obtaining the
12 exemption. The determination of the assessor may be appealed under
13 AS 44.62.560 -- 44.62.570.

14 * Sec. 5. AS 29.⁴⁵~~53~~.0³~~70~~(f) is amended to read:

15 (f) An exemption may not be granted except upon written applica-
16 tion for the exemption on a form approved by the state assessor for
17 use by local assessors. The claimant must file the application no
18 later than January 15 of the assessment year for which the exemption
19 is sought, but during the same year the governing body of the munici-
20 pality for good cause shown may waive the claimant's failure to make
21 timely application for the exemption for that year and authorize the
22 assessor to accept the application as if timely filed. The claimant
23 must file a separate application for each exemption and for each as-
24 sessment year in which the exemption is sought. The assessor shall
25 allow an exemption if [IF] an application is filed within the required
26 time and [IS APPROVED BY THE ASSESSOR, THE ASSESSOR SHALL ALLOW AN
27 EXEMPTION] in accordance with the provisions of this section. If a
28 claimant whose failure to file by January 15 of the assessment year
29 has been waived under [AS PROVIDED IN] this subsection and the

This is already in AS 29.45.030(c) except age is 60 instead of 55

A number of changes have been made AS 29.45.030(f)

*already taken
not of AS 29.45.040(c)*

1 (c) To obtain a tax equivalency payment, the eligible resident
2 must apply to the department for payment for the preceding year by
3 January 15 of each year, on forms and in the manner prescribed by the
4 department. The department for good cause shown may waive an appli-
5 cant's failure to make timely application for a tax equivalency pay-
6 ment for the preceding year and accept the application as if timely
7 filed. Each applicant shall submit with the application rental re-
8 cepts or, if rental receipts are not available, other evidence satis-
9 factory to the department for determination of the fact of payment of
10 rent and the amount paid. A disabled veteran shall submit with the
11 application evidence of the disability rating.

12 * Sec. 8. AS 29.73.060 is amended by adding a new subsection to read:
13 (f) ~~If appropriations made for the purpose of implementing this~~
14 ~~section are inadequate to provide full property tax equivalency pay-~~
15 ~~ments to each resident of the state entitled to receive a payment~~
16 ~~under this section, payments to each resident entitled to receive a~~
17 ~~payment under this section must be prorated.~~

*This is now
provided for
by AS
29.45.040(e)*

18 * Sec. 9. AS 29.73.062(b) is amended to read:
19 (b) The amount of a reimbursement payment under this section
20 equals the amount of sales taxes paid on the abode during the preced-
21 ing year by the eligible resident. If appropriations are less than
22 the amount necessary for a reimbursement to all eligible residents
23 under this section, payment residents entitled to receive reim-
24 bursements must be prorated.

*This is now
provided for
by AS
29.45.045(e)*

25 * Sec. 10. This Act takes effect January 1, 1987.

Alaska State Legislature
Representative Niilo Koponen

Pouch V
Juneau, Alaska 99811
(907) 465-4992

542 4th Avenue, Suite C
Fairbanks, Alaska 99701
(907) 456-8161

28 October, 1983

Honorable Ted Stevens
United States Senate
522 Hart Building
Washington, D.C. 20510

Dear Senator Stevens,

I am writing to express my alarm at the Gramm-Rudman proposal for balancing the federal budget. The proposal balances the budget largely by making cuts in social programs which the state of Alaska can ill afford.

As you know, Alaska already has enormous unmet needs in the area of basic health care. The 1981 Battelle study found that over twenty percent of Alaskans had no health insurance whatsoever. Medicaid is does not now provide an adequate "safety net" for these people and many become a serious burden to the state through the already grievously strained general relief medical and catastrophic illness programs. Any cut in the Medicaid program would exacerbate an already serious situation.

The Alaskan rate of low birth weight infants is still unacceptably high. The federally funded WIC and Headstart programs are important tools in the effort to improve the physical and social well-being of mothers at risk for low birth weight infants. Without these programs, the state can expect to be asked to pay for even more \$150,000 premature infants admitted to the Providence Neonatal Clinic. To provide the care for these seriously premature babies is expensive. To deny such care when it is requested is probably the most heart-rending and difficult of public policy decisions.

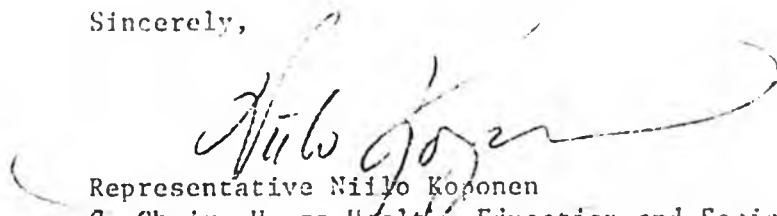
Very soon Fairbanks will experience the influx of the new light Infantry Division. These soldiers and their families are not wealthy. Almost all will be eligible for free services at any of Fairbanks social service agencies, even those which charge on a sliding scale basis. Although the Impact Report estimates an addition of 5,000 to 10,000 to the Fairbanks community, that report based its estimates on the number of military personnel who will receive orders to bring their families. Social service providers in Fairbanks predict that many military families will come even without orders, expecting to find both housing and jobs. These expectations are not likely to be met. Providers predict that a significant number of destitute and possibly homeless military family members will be in great need of social services soon after the arrival of the 11th. At a time when the

page 2

need for additional federal help for social services in Fairbanks is crucial, Gramm-Rudman would cut back on those funds.

Because Gramm-Rudman balances our federal budget by cutting funds for programs which help those most in need, it is poor policy. At a time of increasing federal impact on Alaska combined with decreasing state dollars Gramm-Rudman would be devastating for our state. I urge you to strongly oppose the plan.

Sincerely,

A handwritten signature in cursive script, appearing to read "Niilo Koponen", written in dark ink. The signature is fluid and somewhat stylized, with a long horizontal flourish extending to the right.

Representative Niilo Koponen
Co-Chair, House Health, Education and Social Services Committee
NK/DMN

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United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510

November 6, 1985

The Honorable Niilo Koponen
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Niilo:

Thanks for your letter regarding your opposition to the cuts in social programs which could be required if the Gramm-Rudman-Hollings proposal is passed into law.

Reducing the budget deficit is one of the most pressing issues facing Congress today. In order to balance the budget, tough decisions will have to be made as Congress cuts spending in the years to come.

I'll certainly keep your comments in mind as we continue to consider this issue. Enclosed is some background information on the Gramm-Rudman-Hollings proposal which I thought you might find interesting.

With best wishes,

Cordially,



TED STEVENS

Enclosure

FRANK H. MURKOWSKI
ALASKA

COMMITTEE ON ENERGY AND
NATURAL RESOURCES
COMMITTEE ON FOREIGN
RELATIONS
COMMITTEE ON VETERANS'
AFFAIRS
SELECT COMMITTEE
ON INDIAN AFFAIRS
SELECT COMMITTEE
ON INTELLIGENCE

United States Senate

WASHINGTON, DC 20510

WASHINGTON OFFICE:
(202) 224-8888

ANCHORAGE OFFICE:
701 C STREET, BOX 1
(907) 271-3735

FAIRBANKS OFFICE:
101 12TH AVENUE, BOX 7
(907) 480-0233

JUNEAU OFFICE:
FEDERAL BUILDING, BOX 1847
(907) 688

November 21, 1985

Honorable Niilo Koponen
Co-Chair, House Health, Education
and Social Services Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Niilo,

Thank you for your letter about the possible effects of the Gramm-Rudman-Hollings amendment on social programs.

The Gramm-Rudman proposal does not single out specific programs except Social Security. Medicaid, WIC, Headstart and other social programs will be treated in the same manner as other federal programs. The amendment simply creates deficit ceilings which cannot be exceeded and procedures to guarantee that the federal government lives within the ceiling guidelines.

Under Gramm-Rudman the President would still be free to present his budget recommendation to Congress at the beginning of the year and Congress would still consider and vote on an appropriate budget. The proposal, however, forces the President and Congress to live within specified deficit limits.

As currently drafted, Gramm-Rudman sets a deficit ceiling of \$180 billion in 1986, \$144 billion in 1987 and lower levels until 1991, when there should be no deficit.

It also provides for sequestering of funds, if spending exceeds 5% over the guidelines. If this occurs, cuts are to be made equally, half from increases in entitlement programs and half from all discretionary programs including defense.

Under this plan many social programs will only be subject to reductions in spending increases. Even if the social programs are discretionary programs, cuts would be made proportionately, across-the-board in all programs, activities, and projects. Gramm-Rudman will force Congress to either reduce spending or raise revenue. It is not intended to force unequal cuts in spending for social programs.

Hon. Nillo Koponen
Page 2.
November 21, 1985

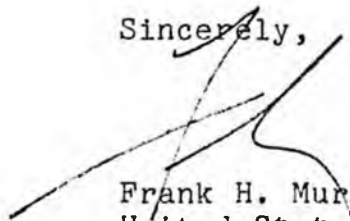
The major exception to the sequestering process would be Social Security, which has its own trust fund and therefore may be removed from the unified federal budget.

Congress must control the federal debt, which will soon be over \$2 trillion and is the accumulation of budget deficits. Currently, 15 cents of every dollar the government spends goes to pay the net interest on the federal debt. The money used to pay for interest does not go towards Medicaid, feeding children or financing any other worthy social programs.

The Senate-House Conference is now working on details of Gramm-Rudman, and the Senate will again consider the measure before the Congress recesses in December.

Thank you again for your comments on this important matter.

Sincerely,



Frank H. Murkowski
United States Senator

While this puts the responsibility on Congress - if we cut programs, our price goes - if we receive taxes and we go -

DON YOUNG
CONGRESSMAN FOR ALL ALASKA

WASHINGTON OFFICE
2331 RAYBURN BUILDING
TELEPHONE 202-225-5765

COMMITTEES:
INTERIOR AND INSULAR
AFFAIRS
MERCHANT MARINE AND
FISHERIES
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CIVIL SERVICE



Congress of the United States
House of Representatives

Washington, D.C. 20515

January 14, 1986

Honorable Niilo Koponen
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Koponen:

I appreciated your communication regarding the Gramm-Rudman amendment to the current budget and debt ceiling measures. As you may know by now, I supported this legislation in its recent vote in the House.

This has been an extremely complex and difficult area of legislation with critical long-range implications. While the Gramm-Rudman measure has its shortcomings, I believe the extreme nature of our economic situation has come to require this admittedly drastic action.

I have worked on the deficit problem by supporting the balanced budget amendment to the Constitution. However, I have come to feel that the Gramm-Rudman amendment will augment this effort. While the constitutional amendment would provide the legal mandate for a balanced budget, Gramm-Rudman will provide the equally necessary procedural means by which the requirements of the law may be met. No one wishes to experience cutbacks in programs from which he or she benefits. Unfortunately, some reductions will simply have to be made if federal spending is ever to be brought under control.

I hope this sufficiently clarifies my position. Again, thank you for conveying your concerns to me.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Don Young', written over a horizontal line.

DON YOUNG
Congressman for all Alaska

DY/smb

DISTRICT OFFICES

701 C STREET BOX 3
ANCHORAGE ALASKA 99513
TELEPHONE 907 271-5978

BOX 10, 101 12TH AVENUE
FAIRBANKS ALASKA 99701
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KENAI ALASKA 99611

BOX 177
KODIAK ALASKA 99615

P.O. BOX 1860
NOME ALASKA 99762



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James O. Smith
Signature of Camera Operator

7/25/89
Date

S B

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Alaska State Legislature

Senator Paul A. Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269 H

White in Juneau

Pouch V
Juneau, Alaska 99811
(907) 465-3791

State Senate

March 18, 1985

Memorandum: Senate Bill 190 "An Act extending the residential property tax exemption and tax equivalency reimbursement payments to certain widows and widowers"

To: Senator Edna DeVries, Chairwoman
Community & Regional Affairs Committee

From: Senator Paul Fischer

Presently surviving spouses of both disabled veterans and residents 65 years of age or over are stripped of any property tax exemption or tax equivalency payment upon the death of their spouse. This deprivation is unpleasant news for a bereaved widow or widower to receive in addition to the recent loss of a loved one.

Senate Bill 190 would allow widows and widowers who are at least 60 years of age and who are surviving spouses of those who previously qualified for exemptions or payments to continue to receive them.

Salient features: Section 1. extends the tax exemption on owner occupied residential property presently enjoyed by residents 65 years of age or older and by disabled veterans to their surviving spouse if he or she is at least 60 years of age. Section 2. makes the same extension of benefit to renters eligible for tax equivalency payment where a real property tax is in force. Section 3. makes widows and widowers eligible to receive present benefits in locations where a sales tax is levied on rents paid for residential property. Section 4. provides that the act take effect at the beginning of Fiscal Year 1986 on July 1, 1985.

SECTIONAL ANALYSIS FOR SENATE BILL 190

An Act extending the residential property tax exemption and tax equivalency and reimbursement payments to certain widows and widowers

Section 1

Extends the property tax exemption currently given to senior citizens and disabled veterans to the widows and widowers (must be at least 60 years of age) of a person that was at least 65 years old or of a disabled veteran.

Section 2

Extends the tax equivalency payments for renters to the widows and widowers (must be at least 60 years old) of a person that was at least 65 years old or of a disabled veteran.

Section 3

Extends the reimbursement payment for renters in cities that do not levy a property tax but collect a sales tax on rents to the widows and widowers (must be at least 60 years old) of a person that was at least 65 years old or of a disabled veteran.

Section 4

Effective date of July 1, 1985.

The Senate Community and Regional Affairs Committee adopted an amendment which adds three new sections to the bill. All state that if sufficient funds are not available for reimbursement to municipalities or individuals, those funds shall be distributed pro rata.

In addition, the drafting attorney has recommended that the effective date of this bill be amended to January 1, 1986 because municipalities generally operate on a calendar year basis.

Finally, Senate Bill 190 originally had a \$31,900 fiscal note from the Department of Community and Regional Affairs. Last Friday, they deleted their request for a new clerk typist position, hence the fiscal note now amounts to \$5,000. That would be used to pay the increase in reimbursement claims.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

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

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H CEPA 4-24-85 3p.m.

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 18, 1985

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

POSITION PAPER

RE: SB 190

SPONSORS: Senator P. Fischer, Senator Abood, and Senator Eliason

SB 190 allows for the widow/widower of a person who received: (1) A Property Tax Exemption or (2) A Tax Equivalency (Renter) payment to continue to receive the exemption, if the widow/widower is at least 60 years old or older.

ANALYSIS

The department supports the passage of this bill. We understand the hardship a widow/widower encounters, financially due to the loss of a spouse. We have introduced similar legislation in SB 137, Section 4, which would allow a surviving spouse, age 55 or older to continue receiving the property tax exemption.

In supporting this bill we would like to add an amendment which would address the funding problem. Due to the addition of disabled veterans (Chapter 40, SLA 84), increased numbers of senior citizens, statewide increases in both property taxes and rent's the money required to fully fund these programs has drastically increased. Therefore, we recommend including language which would allow the department to prorate payments in the event of future funding shortages.

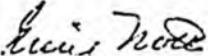
COST ANALYSIS

General fund costs are due to an increase in eligible applicants. This cost is estimated to be \$5,000 and will increase 10% annually due to inflation. Additional costs are attributed to the added position of a clerk typist.

HB 190
March 18, 1985
Page 2

IMPACT ON LOCAL GOVERNMENTS:

Additional work for the local assessor and staff will be required in verifying the eligibility of the widow/widower for this exemption.



Emil Notti, Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 4/12/85

REQUEST

Bill/Resolution No.: SB 190
 Title: Extending tax exemptions to certain widows & widowers
 Sponsor: P. Fischer, Abood, Eliason
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Community & Regional Affairs
 Program Category Affected: Senior Citizens/Disabled Veterans Tax Relief
 BRU, Program or Subprogram(s) Affected: Senior Citizens/Disabled Veterans Property Tax Exemption & Rentors Equivalency Rebate

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	0					
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	0	5.0	5.5	6.0	6.6	7.2
800 MISCELLANEOUS						
TOTAL OPERATING	0	5.0	5.5	6.0	6.6	7.2

CAPITAL	0					
----------------	---	--	--	--	--	--

REVENUE	0					
----------------	---	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	5.0	5.5	6.0	6.6	7.2
FEDERAL FUNDS						
OTHER						
TOTAL	0	5.0	5.5	6.0	6.6	7.2

POSITIONS:

FULL-TIME	0					
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Position paper attached.

Prepared By: Michael Worley, State Assessor
 Division: Municipal and Regional Assistance

Phone: 465-4735

Date: 4/12/85

Approved by Commissioner: Emil Notti
 Agency: Community and Regional Affairs

Date: 4/12/85

Distribution (by Agency preparing fiscal note):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Manager
 Impacted Agency(

7/1/84

- CRA Revised Fiscal Note

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 22, 1985

SUBJECT: Benefits for certain widows and widowers
(Senate Bill 190)

TO: Senator Edna DeVries

FROM: Tamara Brandt Cook *TBC*
Deputy Director
Division of Legal Services

Here is the amendment that you requested. It adds provisions to authorize payment of prorated portions of the benefits under the three programs dealt with in SB 190 if appropriations are not adequate to fully fund payments to all eligible recipients. Since these additions do not deal with benefits to widows and widowers as such, I have in this amendment, broadened the title of the bill to more accurately reflect the subject as it has been expanded.

In preparing this amendment I noticed that the effective date of this bill is tied to the fiscal year. Since all three programs amended in this bill involve benefits calculated according to rates of municipal taxation, the bill should become effective at the beginning of the tax year to avoid the administrative difficulties of calculating the level of benefits for half a year. I would recommend that the effective date be changed to January 1, 1986.

TBC:ojb
J13/016

- Legal Services -
Mons. Rep. Executive Dept.

File w bill

Alaska State Legislature

Senate

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer



Official Business

Committee on Community and Regional Affairs

Pouch V

Juneau, Alaska 99811

March 25, 1985

To: Senator Jan Faiks, Co-Chairman
Senate Finance

From: Senator Edna DeVries, Chairman *E. DeVries*
Senate Community/Regional Affairs

Subj: Senate Bill 190

Subject bill has passed out of C&RA and will be read across and referred to Finance tomorrow, March 26. My committee has added one amendment to the bill.

In comments from Legal Services relating to our committee amendment, it was suggested that the effective date of the bill be changed to January 1, 1986; specifically due to the fact that local government generally operates on a calendar year basis.

I agree that the effective date for SB 190 should be changed to January 1, 1986; and request that Finance so amend the bill. This has been discussed with the bill sponsor, Senator Paul Fischer.

cc: Senator Paul Fischer
C&RA Members

P.S. Also note that bill title change is included in our amendment; as per recommendation from Tam Cook, Legal Services.

- DeVries Memo Suggesting
Effective date change -

Alaska State Legislature

Senator Paul A. Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
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While in Juneau

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State Senate

March 18, 1985

Memorandum: Senate Bill 190 "An Act extending the residential property tax exemption and tax equivalency reimbursement payments to certain widows and widowers"

To: Senator Edna DeVries, Chairwoman
Community & Regional Affairs Committee

From: Senator Paul Fischer

Presently surviving spouses of both disabled veterans and residents 65 years of age or over are stripped of any property tax exemption or tax equivalency payment upon the death of their spouse. This deprivation is unpleasant news for a bereaved widow or widower to receive in addition to the recent loss of a loved one.

Senate Bill 190 would allow widows and widowers who are at least 60 years of age and who are surviving spouses of those who previously qualified for exemptions or payments to continue to receive them.

Salient features: Section 1. extends the tax exemption on owner occupied residential property presently enjoyed by residents 65 years of age or older and by disabled veterans to their surviving spouse if he or she is at least 60 years of age. Section 2. makes the same extension of benefit to renters eligible for tax equivalency payment where a real property tax is in force. Section 3. makes widows and widowers eligible to receive present benefits in locations where a sales tax is levied on rents paid for residential property. Section 4. provides that the act take effect at the beginning of Fiscal Year 1986 on July 1, 1985.

Offered: 4/15/85
Referred: Rules

Original sponsors: P.Fischer, Abood,
Eliason, et al

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 190 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5

6 For an Act entitled: "An Act extending the residential property tax exemp-
7 tion and tax equivalency and reimbursement payments
8 to certain widows and widowers; and providing for an
9 effective date."

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

11 * Section 1. AS 29.53.020(e) is amended to read:

12 (e) The real property owned and occupied as a permanent place of
13 abode by a (1) resident 65 years of age or over; (2) [OR BY A] dis-
14 abled veteran; or (3) resident at least 60 years old who is the widow
15 or widower of a person who qualified for an exemption under (1) or (2)
16 of this subsection, is exempt from taxation of the assessed value of
17 the real property. Only one exemption may be granted for the same
18 property and, if two or more persons are eligible for an exemption for
19 the same property, the parties shall decide between or among them-
20 selves which shall receive the benefit of the exemption. Real prop-
21 erty may not be exempted under this subsection if the assessor deter-
22 mines, after notice and hearing to the parties concerned, that the
23 property was conveyed to the applicant primarily for the purpose of
24 obtaining the exemption. The determination of the assessor may be
25 appealed under AS 44.62.560 - 44.62.570.

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

27 (a) A resident of the state [65 YEARS OF AGE OR OLDER OR A
28 DISABLED VETERAN] who rents a permanent place of abode is eligible for
29 a tax equivalency payment from the state through the Department of

1 Community and Regional Affairs if the resident is

2 (1) at least 65 years old;

3 (2) a disabled veteran; or

4 (3) at least 60 years old and the widow or widower of a
5 person who was eligible for a payment under (1) or (2) of this sub-
6 section.

7 * Sec. 3. AS 29.73.062(a) is amended to read:

8 (a) A resident of the state [65 YEARS OF AGE OR OLDER OR A
9 DISABLED VETERAN] who rents a permanent place of abode and is other-
10 wise eligible for a reimbursement payment from the state may receive a
11 payment through the Department of Community and Regional Affairs if
12 the abode is located in a municipality that [(1)] does not levy and
13 collect a property tax, [;] and [(2)] levies and collects a sales tax
14 on rents paid for residential property. A resident is eligible for a
15 payment if the resident is

16 (1) at least 65 years old;

17 (2) a disabled veteran; or

18 (3) at least 60 years old and the widow or widower of a
19 person who was eligible for a payment under (1) or (2) of this sub-
20 section.

21 * Sec. 4. This Act takes effect January 1, 1986.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 3/15/85

REQUEST

Bill/Resolution No.: SB 190
 Title: Extending tax exemptions to certain widows & widowers
 Sponsor: P. Fischer, Abood, Eliason
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Community and Regional Affairs
 Program Category Affected: Senior Citizens/Disabled Veterans Tax Relief
 BRU, Program or Subprogram(s) Affected: Senior Citizens/Disabled Veterans Property Tax Exemption & Rentors Equivalency Rebate

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	0	25.4	26.7	28.0	29.4	30.9
200 TRAVEL						
300 CONTRACTUAL	0	.5	.5	.6	.6	.7
400 SUPPLIES	0	.2	.2	.2	.2	.2
500 EQUIPMENT	0	.8	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	0	5.0	5.5	6.0	6.6	7.2
800 MISCELLANEOUS						
TOTAL OPERATING	0	31.9	32.9	34.8	36.8	39.0

CAPITAL	0					
----------------	----------	--	--	--	--	--

REVENUE	0					
----------------	----------	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	31.9	32.9	34.8	36.8	39.0
FEDERAL FUNDS						
OTHER						
TOTAL	0	31.9	32.9	34.8	36.8	39.0

POSITIONS:

FULL-TIME	0	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Position paper attached.

Prepared By: Michael Worley State Assessor
 Division: Municipal and Regional Assistance

Phone: 465-4735

Date: 3/15/85

Approved by Commissioner: Kevin Nadeau
 Agency: Community and Regional Affairs

Date: 3/15/85

Distribution (by Agency preparing fiscal note):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

1.	POSITION TITLE Clerk Typist III for FY 86			RANGE/STEP 08/A	ORG. UNIT GGU	PAGE/LINE	COV.	APPROV.	DISAP.
2.	TYPE OF POSITION PET	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL			ADDITION	JUSTIFICATION				
4.	TYPE OF EXPENDITURE			AMOUNT					
	1	2		3					
	PERSONAL SERVICES								
5.	Salary	19,570							
6.	Benefits	5,871							
7.	Supplemental Benefits								
8.	Fixed Benefits								
9.	TOTAL PERSONAL SERVICES	01		25,441					
10.	Travel	02		0					
11.	Contractual	03		500					
12.	Commodities	04		200					
13.	Equipment	05		800					
14.	Other								
15.	TOTAL COST			26,941					
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts 1002							
17.		G.F. Match 1003							
18.		General Funds 1004		26.9					
19.		I-A Receipts 1005							
20.		Program Receipts 1028							
21.		Other							
FOR BSM USE ONLY									
KEY NUMBER _____									

This position will be needed in FY 86 to handle growing workload demands. With the changes in the tax exemption programs, proposed prorationing of reimbursements for senior citizen/disabled veterans homeowners tax exemptions and the inclusion of disabled veterans and rural residents in tax relief programs.

REQUEST FOR
NEW POSITION

AGENCY Community and Regional Affairs
PROGRAM Community Development
Local Government Assistance
BRU _____
COMPONENT _____

Page _____ of _____
Revised Date _____

FY 86

Introduced: 2/26/85
Referred: Community & Regional Affairs
and Finance

BY P.FISCHER, ABOOD,
ELIASON, V.FISCHER,
ZIEGLER, ZHAROFF AND
COGHILL

1 IN THE SENATE

2 SENATE BILL NO. 190

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 *relating to*

7 For an Act entitled: "An Act ~~relating to~~ the residential property tax exemp-
8 tion and tax equivalency and reimbursement payments
9 ~~to certain widows and widowers~~, and providing for an
10 effective date."

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

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14 abode by a (1) resident 65 years of age or over; (2) [OR BY A] dis-
15 abled veteran; or (3) resident at least 60 years old who is the widow
16 or widower of a person who qualified for an exemption under (1) or (2)
17 of this subsection, is exempt from taxation of the assessed value of
18 the real property. Only one exemption may be granted for the same
19 property and, if two or more persons are eligible for an exemption for
20 the same property, the parties shall decide between or among them-
21 selves which shall receive the benefit of the exemption. Real prop-
22 erty may not be exempted under this subsection if the assessor deter-
23 mines, after notice and hearing to the parties concerned, that the
24 property was conveyed to the applicant primarily for the purpose of
25 obtaining the exemption. The determination of the assessor may be
26 appealed under AS 44.62.560 - 44.62.570.

27 **NEW SECTION**

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

29 (a) A resident of the state [65 YEARS OF AGE OR OLDER OR A
30 DISABLED VETERAN] who rents a permanent place of abode is eligible for
31 a tax equivalency payment from the state through the Department of

1 Community and Regional Affairs if the resident is

2 (1) at least 65 years old;

3 (2) a disabled veteran; or

4 (3) at least 60 years old and the widow or widower of a
5 person who was eligible for a payment under (1) or (2) of this sub-
6 section.

7 * Sec. 3. AS 29.73.062(a) is amended to read:

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9 DISABLED VETERAN] who rents a permanent place of abode and is other-
10 wise eligible for a reimbursement payment from the state may receive a
11 payment through the Department of Community and Regional Affairs if
12 the abode is located in a municipality that [(1)] does not levy and
13 collect a property tax, [;] and [(2)] levies and collects a sales tax
14 on rents paid for residential property. A resident is eligible for a
15 payment if the resident is

16 (1) at least 65 years old;

17 (2) a disabled veteran; or

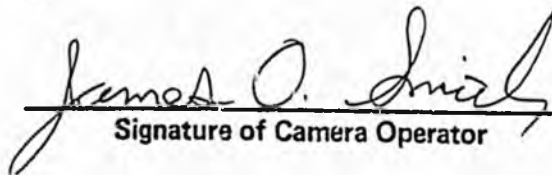
18 (3) at least 60 years old and the widow or widower of a
19 person who was eligible for a payment under (1) or (2) of this sub-
20 section.

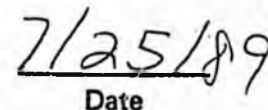
21 * Sec. 4. This Act takes effect July 1, 1985.
22
23
24
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29



RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

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COMMITTEE REPORT
HOUSE

4/30

(7)

FURTHER: JUDICIARY

4/22/85

Date: 4-21-85

The Committee on COMMUNITY & REGIONAL AFFAIRS has had CSSB 270 (C&RA) on

"An Act relating to the durational residency requirement for a candidate for a home rule charter commission; and providing for an effective date."

under consideration and recommends:

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

WF Amare

WILL E. JAC

A. de H.

N. Koponen

M. Brunberg (No Rec)

Signed on original

CHAIRMAN

Introduced: 4/17/85
Referred: Rules

Original sponsor: Kerttula

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2

CS FOR SENATE BILL NO. 270 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the durational residency require-
7 ment for a candidate for a home rule charter commis-
8 sion; and providing for an effective date."

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

10 * Section 1. AS 29.13.010(b) is amended to read:

11 (b) A charter is framed by a charter commission of seven members
12 chosen by the municipal voters at a regular or special election. A
13 candidate for the charter commission shall have been [BE] a [QUALI-
14 FIED] voter of the municipality [AND A RESIDENT OF THE MUNICIPALITY]
15 for at least one year [THREE YEARS] immediately preceding the charter
16 commission election.

17 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

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

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HCFRA 4-29-85 3p.m.

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 11, 1985

SUBJECT: Residency requirement for charter commission candidates (SB 270)

TO: Senator Edna DeVries
Chair,
Community and Regional Affairs Committee

FROM: Tamara Brandt Cook *TBC*
Deputy Director
Division of Legal Services

You have asked whether there is a constitutional problem with the residency requirement for charter commission candidates contained in SB 270. Under AS 29.13.010(b) the candidate for a charter commission that is to prepare a home rule charter for a first class municipality or second class borough must have been a resident of the municipality for three years. SB 270 does not increase the durational residency requirement, but allows a candidate who has resided in a city for only one year to serve on the city charter commission if the candidate has resided in the borough in which the city is located for the three year period. Oddly, under AS 29.68.300 only a one year residency requirement is imposed on a candidate for a charter commission that is to prepare a unification charter.

The Supreme Court of Alaska has upheld a durational residency requirement of one year for the offices of city mayor and member of the council in Castner v. City of Homer, 598 P.2d 953 (Alaska 1979). The court in that case acknowledged that certain municipalities have longer residency requirements for elected officials, but did not indicate whether a residency requirement longer than one year would be upheld if challenged. The court did note, "In general, the weight of authority is against longer durational residency requirements for local offices" (Page 955). It appears to me that a one year durational residency requirement for a charter commission candidate would be upheld because that office, like the offices of

Senator Edna DeVries
April 11, 1985
Page 2

mayor and member of council, is an elected office. It also appears to me, in view of language quoted, to be questionable whether a three year residency requirement for any elected municipal office would be upheld if challenged.

It should be noted that no constitutional problem is created by SB 270, since the potential problem is contained in existing law. If the committee should wish to address this matter, I would recommend that the durational residency requirement for a candidate for a home rule charter commission be simply lowered to one year to match the requirement now imposed on a candidate for a unification charter commission. This would also, I believe, resolve the concerns of the sponsor of the bill.

TBC:ojb
j13/083

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU ALASKA 99801
PHONE: (907) 465-4700

949 E 35TH AVENUE, SUITE 100
ANCHORAGE, ALASKA 99503
PHONE: (907) 563-1070

April 15, 1985

POSITION PAPER

RE: Senate Bill 270

SPONSOR: Senator Kerttula

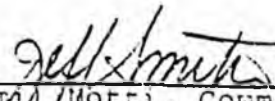
Program Effects

The proposed amendment would create two classes of charter commissions in terms of candidate durational residency requirements. Candidates for the charter commission of a borough or city in the unorganized borough would continue to have an eligibility requirement of three years residency in the municipality. However, candidates for the charter commission of a city in an organized borough need only have been a resident of the city for one year in addition to having been a three year resident of the borough within which the city is located. The bill would have no effect on departmental programs.

Comments

The department does not oppose this bill. The proposed amendment is designed to meet the situation of certain cities in an organized borough which have a mobile population or relatively recent influx of residents where a three year residency requirement may exclude a large proportion of the population from being candidates. The retention of the requirement of three year residence in the borough within which the city is located is apparently designed to insure some familiarity with issues of a local nature.

Although this three year residency requirement exists in current law, the trend of judicial decisions has been to strike down unreasonably lengthy durational residency requirements. The case in point, which this amendment is designed to address, displays the sort of problems such a residency requirement may cause.



Emma Mottl, Commissioner

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

April 11, 1985

SUBJECT: Residency requirement of candidate for a
Home Rule Charter Commission
(Senate Bill 270)

TO: Senator Edna DeVries
Chair,
Community & Regional Affairs Committee

FROM: Tamara Brandt Cook *TBC*
Deputy Director
Division of Legal Services

This is the sectional analysis that you requested of SB 270.

Section 1 Requires a candidate for the home rule charter commission of a city in a borough to have been a voter of the city for at least one year and a voter of the borough in which the city is located for at least three years. Existing law required that candidates be voters of the municipality the charter commission will serve for three years, regardless of the type of municipality involved.

Section 2 An immediate effective date is provided.

TBC:ojb
J13/078

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 11, 1985

SUBJECT: Residency requirement for charter commission candidates (SB 270)

TO: Senator Edna DeVries
Chair,
Community and Regional Affairs Committee

FROM: Tamara Brandt Cook *TBC*
Deputy Director
Division of Legal Services

You have asked whether there is a constitutional problem with the residency requirement for charter commission candidates contained in SB 270. Under AS 29.13.010(b) the candidate for a charter commission that is to prepare a home rule charter for a first class municipality or second class borough must have been a resident of the municipality for three years. SB 270 does not increase the durational residency requirement, but allows a candidate who has resided in a city for only one year to serve on the city charter commission if the candidate has resided in the borough in which the city is located for the three year period. Oddly, under AS 29.68.300 only a one year residency requirement is imposed on a candidate for a charter commission that is to prepare a unification charter.

The Supreme Court of Alaska has upheld a durational residency requirement of one year for the offices of city mayor and member of the council in Castner v. City of Homer, 598 P.2d 953 (Alaska 1979). The court in that case acknowledged that certain municipalities have longer residency requirements for elected officials, but did not indicate whether a residency requirement longer than one year would be upheld if challenged. The court did note, "In general, the weight of authority is against longer durational residency requirements for local offices . . ." (Page 955). It appears to me that a one year durational residency requirement for a charter commission candidate would be upheld because that office, like the offices of

Senator Edna DeVries
April 11, 1985
Page 2

mayor and member of council, is an elected office. It also appears to me, in view of language quoted, to be questionable whether a three year residency requirement for any elected municipal office would be upheld if challenged.

It should be noted that no constitutional problem is created by S. 270, since the potential problem is contained in existing law. If the committee should wish to address this matter, I would recommend that the durational residency requirement for a candidate for a home rule charter commission be simply lowered to one year to match the requirement now imposed on a candidate for a unification charter commission. This would also, I believe, resolve the concerns of the sponsor of the bill.

TBC:ojb
j13/083

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

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April 15, 1985

POSITION PAPER

RE: Senate Bill 270

SPONSOR: Senator Kerttula

Program Effects

The proposed amendment would create two classes of charter commissions in terms of candidate durational residency requirements. Candidates for the charter commission of a borough or city in the unorganized borough would continue to have an eligibility requirement of three years residency in the municipality. However, candidates for the charter commission of a city in an organized borough need only have been a resident of the city for one year in addition to having been a three year resident of the borough within which the city is located. The bill would have no effect on departmental programs.

Comments

The department does not oppose this bill. The proposed amendment is designed to meet the situation of certain cities in an organized borough which have a mobile population or relatively recent influx of residents where a three year residency requirement may exclude a large proportion of the population from being candidates. The retention of the requirement of three year residence in the borough within which the city is located is apparently designed to insure some familiarity with issues of a local nature.

Although this three year residency requirement exists in current law, the trend of judicial decisions has been to strike down unreasonably lengthy durational residency requirements. The case in point, which this amendment is designed to address, displays the sort of problems such a residency requirement may cause.



Bill Mottel, Commissioner

Original sponsor: Kerttula

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IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

HOUSE CS FOR CS FOR SENATE BILL NO. 270 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the durational residency require-
ment for a candidate for a home rule charter commis-
sion; and providing for an effective date."

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

* Section 1. AS 29.13.010(b) is amended to read:

(b) A charter is framed by a charter commission of seven members
chosen by the municipal voters at a regular or special election. A
candidate for the charter commission of a borough or city in the
unorganized borough shall have been [BE A] qualified to vote in [VOTER
OF] the municipality [AND A RESIDENT OF THE MUNICIPALITY] for at least
three years immediately preceding the charter commission election. A
candidate for the charter commission of a city in a borough shall have
been qualified to vote in the

(1) city for at least one year immediately preceding the
election; and

(2) city or borough in which it is located for at least two
years immediately preceding the year identified in (1) of this
subsection.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-
10.070(c).

Introduced: 4/3/85
Referred: Community & Regional Affairs

1 IN THE SENATE

BY KERTTULA

2

SENATE BILL NO. 270

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the durational residency require-
7 ment for a candidate for a home rule charter commis-
8 sion; and providing for an effective date."

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

10 * Section 1. AS 29.13.010(b) is amended to read:

11 (b) A charter is framed by a charter commission of seven members
12 chosen by the municipal voters at a regular or special election. A
13 candidate for the charter commission of a borough or city in the
14 unorganized borough shall have been [BE] a [QUALIFIED] voter of the
15 municipality [AND A RESIDENT OF THE MUNICIPALITY] for at least three
16 years immediately preceding the charter commission election. A candi-
17 date for the charter commission of a city in a borough shall, immedi-
18 ately preceding the election, have been a voter of the city for at
19 least one year and a voter of the borough for at least three years.

20 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
21 10.070(c).