

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2  
3860 SCRA SB 113 - SB 137 756



# 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.

James O. Smith  
Signature of Camera Operator

10/31/89  
Date

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STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

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

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

*Senate Community and Regional Affairs,  
2/21/85, 3:50*

# COMMITTEE REPORT

## SENATE

FURTHER:

FINANCE

1/30/85

Date Feb 21 '85

Mr. President

The Committee on C&RA considered SB 113

relating to state and municipal tax exemptions; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

[Signature]  
[Signature]  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chairman  
[Signature]  
Chairman recommendation

STATE OF ALASKA  
THE LEGISLATURE

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

May, 1988

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Mary Van Nimwegen

*CRA 2-21-85 3:30pm*

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;

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.

24 \* Sec. 4. AS 29.53.020(a) is amended to read:

25 (a) 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 veterans 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

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 29.53.020(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 essment 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

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 29.53.020 is amended by adding new subsections to read:

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 (o) 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 29.73.060(c) is amended to read:

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.

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 full reimbursement to all eligible residents  
23 under this section, payments to residents entitled to receive reim-  
24 bursments must be prorated.

25 \* Sec. 10. This Act takes effect January 1, 1986.  
26  
27  
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 & RA  
 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
<b>OPERATING</b>						
100 PERSONAL SERVICES	0		25.4	26.7	28.0	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 CRANTS, CLAIMS	0	(151.3)	(166.4)	(183.0)	(201.3)	(221.4)
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	(151.3)	(139.5)	(155.6)	(172.5)	(191.2)

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		(151.3)	(139.5)	(155.6)	(172.5)	(191.2)
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	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 SK Phone: 465-4735  
 Division: Municipal & Regional Assistance Date: 1/7/85

Approved by Commissioner: Ann Holt 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	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Júneau	ELECTION DISTRICT	LEC.		
3.	CONTINUATION LEVEL				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 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.

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

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

**FY 86**

**REQUEST FOR  
NEW POSITION**



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.

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 exemptions). And it provides for proration of reimbursement.

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

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

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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.

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 exemptions). And it provides for proration of reimbursement.

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 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
<b>OPERATING</b>						
100 PERSONAL SERVICES	0		25.4	26.7	28.0	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						
<b>TOTAL OPERATING</b>	0	(151.3)	(139.5)	(155.6)	(172.5)	(191.2)

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		(151.3)	(139.5)	(155.6)	(172.5)	(191.2)
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	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 Holt* 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.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE									
	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.		C.F. Match 1003								
18.		General Funds 1004		26,9						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M 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 prorationing of re-imbursments 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**

Scott Burgess - League supports this  
bill - know it is 50% funding

Is there a restriction on replacing  
outmoded systems -

Hayden

Answer is yes and no -

Under Village Safewater Program - yes -  
under present statute "NO"

---

SB 113 - Doug Griffin

John Wolfe - Dir of Alder <sup>Alaskan</sup> ~~Persons~~ Cotecussion

Property rich - income poor  
income rich - property poor

~~Concerns that it is based on~~

Don't like basing exemption on  
property value.

Your admin cost will increase because you will have to determine

Sturg - Can you suggest an amendment to fix what you feel is problem

Wolfe - Income is a better way to measure than property evaluation

Fischer - ~~the~~ if we put in income based exemption this bill will die

Don't want to define what "hardship" is --  
rather see how it works --  
and then if problems - work on it

Wolfe - Do support limit but not this way

Burgess - Appeal to Corcor to see that this program is funded - don't want it to be half-funded

Burgess  
~~Ferguson~~ Is there a need for supplemental  
this yr —

Graftin - yes \$325,000

SENIOR CITIZEN MOTOR VEHICLE REGISTRATION TAX  
FY 84 PROGRAM

MUNICIPALITY	NO. OF AFFIDAVITS	\$ MVRT	TOTAL		% OF TOTAL	
			NO. OF AFFIDAVITS	\$ MVRT	NO. OF AFFIDAVITS	\$ MVRT
<u>EXEMPT SENIORS</u>						
ANCHORAGE, MUNICIPALITY OF	2,473	\$48,723				
BRISTOL BAY BOROUGH	7	90				
KETCHIKAN GATEWAY BOROUGH	353	7,025				
KODIAK ISLAND BOROUGH	100	2,335				
MATANUSKA-SUSITNA BOROUGH	717	14,131				
PETERSBURG, CITY OF	110	2,185				
			3,760	\$74,489	60.45%	64.35%
<u>NO TAX ON VEHICLES</u>						
FAIRBANKS NORTH STAR BOROUGH	837	\$11,528				
JUNEAU, CITY & BOROUGH OF	467	11,274				
CORDOVA, CITY OF	47	745				
CRAIG, CITY OF	7	55				
EAGLE, CITY OF	2	20				
KAKE, CITY OF	1	5				
ST. MARY, CITY OF	4	55				
VALDEZ, CITY OF	32	370				
WRANGELL, CITY OF	51	615				
YAKUTAT, CITY OF	5	30				
			1,453	\$24,697	23.36%	21.34%
<u>SENIORS NOT EXEMPT</u>						
HAINES BOROUGH	99	\$ 1,790				
KENAI PENINSULA BOROUGH	666	11,092				
SITKA, CITY & BOROUGH	135	2,145				
DILLINGHAM, CITY OF	15	255				
NENANA, CITY OF	17	305				
NCME, CITY OF	36	510				
PELICAN, CITY OF	1	10				
SKAGWAY, CITY OF	28	350				
WHITTIER, CITY OF	10	105				
			1,007	\$16,562	16.19%	14.31%
TOTAL REIMBURSED			6,220	\$115,748		
NON-REIMBURSABLE (Outside Taxing Jurisdictions)	232	\$ 3,317				
TOTAL	6,452	\$119,065				

SENIOR CITIZEN MOTOR VEHICLE REGISTRATION TAX PAYMENT  
AS 28.10.411(d)

The law requiring payment was enacted effective October 15, 1978. (ch 178 SLA 1978)

Administration began on January 1, 1979 by the Division of Motor Vehicles.

"The Department of Community and Regional Affairs shall pay to the borough or city in which a person who is granted an exemption under (c) of this section resides, an amount equal to the tax levied under section 431(b) of this chapter regardless of whether the borough or city is eligible for the tax levied under that section."

\* The law provides for exemption from the locally imposed, state collected registration tax on a motor vehicle owned by a Senior Citizen. The Senior Citizen completes an exemption form at the time of registration and is exempt from the tax. That form is then forwarded to the Department of Community and Regional Affairs and the appropriate municipality is reimbursed.

A summary of program payments by municipalities for Fiscal Year 1984 is provided on the following page.

The five-year program performance summary is outlined below:

<u>FISCAL YEAR</u>	<u>NUMBER OF AFFIDAVITS</u>	<u>MUNICIPAL REIMBURSEMENT</u>	<u>AVERAGE PER AFFIDAVIT</u>
FY 80	2,696	\$ 50,435	\$18.71
FY 81	5,127	\$ 88,156	\$17.19
FY 82	5,141	\$ 93,089	\$18.10
FY 83	6,053	\$110,839	\$18.31
FY 84	6,220	\$115,748	\$18.60

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TOTAL	6,452	\$119,065				



# 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.

*James O. Smith*  
Signature of Camera Operator

*10/31/89*  
Date

S B

1 3 7

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

2/6/85

Date 3/5/85

Mr. President

The Committee on C&RA considered SB 137  
senior citizen housing; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*William Stangor*  
*[Signature]*  
*[Signature]*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*Edo De Vries*  
Chairman

*do pass with Amendment*  
Chairman recommendation

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

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

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

*Senate Community and Regional Affairs  
2/28/85, 3:37*

February 28 -- Thursday----

C&RA Meeting -- Considering SJR 17, SJR 18, SB 69, and SB 137

Final decision on Senate Joint Resolutions No 17 and No. 18

SJR No 17 disapproves the recommendation of the Local Boundary Commission for annexation of territory to the City of Fairbanks

SJR 18 disapproves the recommendation of the Local Boundary Commission for annexation of territory to the City of Togiak

I have no new information concerning the proposed annexation to City of Fairbanks

I have two letters concerning the Togiak annexation....

One is from the Alaska Regional Counsel to the National Oceanic and Atmospheric Administration wherein the suggestion is made that only the annexed area that lies within the boundaries of the State be annexed at this time and that a decision on the additional area that is in question await a decision from the Supreme Court on present litigation regarding Alaska's right to certain coastal waters.

The other letter is from Admiral R. S. Lucas, Commander of the 17th Coast Guard District. Admiral Lucas urges the Committee to disapprove the portion of the proposed annexation that extends beyond the limits of the territorial sea as shown on NOAA Nautical Chart No. 16011.

The members also have before them a memo from Legislative Legal Services wherein it is stated that the boundaries of a city may not include territory that is not within the boundaries of the state; and that if this proposed annexation is not disapproved by the Legislature, it will be valid only as to territory that is within the state's boundaries.

What is your pleasure on these two resolutions.....

---

SB 69 is an act relating to licensing and regulation of the sale and distribution of alcoholic beverages....and it was introduced at the request of the Governor....

The Director of the Alcoholic Beverage Control Board, Mr. Pat Sharrock is here to testify on SB 69....

(I don't know who else is interested..)

*Fiscal note on SB 69 is zero*

*Companion House Bill is HB 190 by MM Miller, Duncan, Goff, etc same exactly as SB 137*

C&RA Meeting -- Feb 28 continued....

SB 137 is an act relating to Senior Citizen Housing and it

establishes within the Dept of Community and Regional Affairs, Division of Housing Assistance, an Office of Senior Housing....and also an Older Alaskans Housing Development Fund and an Older Alaskans Housing Loan Program

The Dept of Community and Regional Affairs has a position paper on this bill and they do not support it....

C&RA fiscal note .....says it will take \$467,000 in fiscal year 1986 and \$212,000 in fiscal year 1987 to accomplish the program proposed by SB 137

SB 137 is sponsored by Senator Rodey with Vic Fischer and Zharoff shown as co-sponsors....

Senator Rodey's office says he will "probably testify"...

C&RA will have someone to testify -- they say it "will probably be Jeff Smith, Deputy Commissioner"

(The Older Alaskans Commission has requested a teleconference on this bill....it could not be set for today due to too many teleconferences already set....it has been set for March 5 -- next Tuesday..and it will include Anchorage, Mat-Su, Juneau, and Fairbanks hookups)

*Edna, I  
could not  
get this  
changed to  
March 7*

Tuesday, March 5....will hold teleconference on SB 137, and first hearing on SB 142 -- title 29 revision

Also, Joint hearing with House C&RA on HB 198 -- Revenue Sharing for Metlakatla -- will be March 6---- Room 209, Behrends Building at 3:00p

A M E N D M E N T

Offered in the SENATE

TO: SB 137

By the Community and  
Regional Affairs  
Committee

Page 1, line 26

Delete "shall" and insert "may"

Passed unanimously 3/4/85

EXPLANATION OF \$300,000 CONTRACTUAL FUNDING IN FISCAL NOTE FOR SB137

The \$300,000 in contractual funding is broken down as follows:

1. Professional Service Contract to assist in the development of regulations for this program. Contractor will gather input from many organizations and individuals on implementation of the program and conduct public hearings statewide for input and prepare a draft of proposed regulations. \$30,000
2. Professional Service Contract to develop a computer program for the Senior Citizen Housing Inventory, assemble inventory data from project owners or through research of state and/or HUD records, provide for an update system. \$40,000
3. Professional Services Contract to develop, write, and print program handbooks describing the program, application requirements, forms, and materials for loans and grants, develop the forms required, and prepare and print a small informational brochure. \$30,000
4. Prepare a manual, handouts, and informational brochures for elderly homeowners on what they can do to fix up their homes to include general blueprints, drawings, and specifications they can use in working with a contractor for specific work on their home. Also, some guidelines and information on how to obtain a contractor and negotiate or get bids for the work. \$55,000
5. Advertise program and the availability of grants and loans in newspapers throughout the state on two or three occasions to give maximum exposure to this new program. \$5,000
6. Prepare a manual for the design of public senior citizen housing in Alaska. This manual would become a guide specification to be used by architect/engineering design firms when designing public elderly housing in Alaska. The manual will have all the mandatory and optional gerontological design criteria for elderly housing, checklists for the architect that must be completed as part of the design, checklist to insure the project owner all gerontological design criteria were considered as followed. This design manual for elderly housing would be quite comprehensive, technical, and represent an up-to-date state-of-the-art design guide with standard specifications. \$140,000

IMPLEMENTATION OF SB137

The effective date of SB137 should be no earlier than January 1, 1986. This time is required to develop regulations and a program of implementation guidelines.

Our first consideration would be to giving grants to the organizations that are currently planning projects under an existing program and expect to apply and receive HUD rental subsidy for low-income elderly housing. Those projects currently being planned are as follows:

LOCATED	PROJECT SPONSOR	UNITS	ESTIMATED COST
Stebbins	City of Stebbins	15	1,500,000
Palmer	ASHA	30	3,000,000
Kake	Tlingit-Haida H.A.	12	1,200,000
Yakutat	Tlingit-Haida H.A.	14	1,400,000
Haines	City of Haines	15	1,500,000
Anchorage	Cook Inlet H.A.	45	4,500,000
			<u>\$13,100,000</u>

It is anticipated that from the available funding under the new Older Alaskans Housing Development Fund the projects listed above that receive HUD rental subsidy would be awarded grants in competition among themselves and not in competition with the private developers for loans. It is possible, depending on funds available, that the entire FY86 funding may go to these grants.

If there is funding remaining, it will be utilized in awarding grants and/or loans to those who respond to the advertising for the new program. These projects would include three that are currently being planned under our existing program as moderate income housing without HUD low-income rental subsidy. These projects are:

Project Location	Grant Applicant	# Units	Possible Future Funding Request
Homer	Homer Senior Citizens	24	2,000,000
Anchorage	Meridian Living	35	3,500,000
Fairbanks	City of Fairbanks	25	2,500,000
			<u>\$8,000,000</u>

The above is a very general overview of the implementation of this program.

To specifically address the implementation of the loan program as it might relate to individuals, we interpret the bill as to not allow loans to individuals for "the development of senior citizen housing". The phrase "Development of Senior Citizen Housing", as used throughout the bill is interpreted to mean the development of projects for construction of housing such as rental apartments. It is not to give loans to individuals to accomplish work on their own homes.

In SB137 there is only one reference to assisting senior citizens to remain in their own homes. That is Sec. 2, Purpose. From that point on the bill strictly addresses project for the "construction" of housing. Examples of statements throughout the bill that support this are:

1. Section 4, page 2, line 28 - "for the purpose of developing senior citizen housing".
2. Section 4, page 3, line 4 - "demonstrate the need for senior citizen housing in the area to be served".
3. Section 4, page 3, line 6 - "adequate management plan that shall demonstrate the ability of the eligible recipient to sustain the proposed project".
4. Section 5, page 3, line 29 - "development of senior citizen housing".
5. Section 5, page 4, line 25 - "Senior citizen housing means a specific work or improvement undertaken to provide dwelling accommodations.

We think the definition of senior citizen housing found in the bill is quite specific that it is to provide housing and not repair privately owned homes. Without some specific statements in the bill that would provide for loans to individuals to repair their own homes, we would not develop regulations that would permit it.

During the discussions at the task force meetings this bill was primarily discussed as a "Builders Incentive Program" to get private builders into the construction of new elderly housing projects.

It seems to me that if we really want to keep elderly in their own homes we need a program to allow that. No interest loans may be one way to do it and should possibly take priority over no interest loans to private builders to make a profit providing apartments for moderate income elderly people. A loan program such as this, however, may be better placed in AHFC and not in this office.

March 5 1984

Favre's lady

cut back money - don't spend so much money on a "Library" - poor way to spend money

Jeff Smith

Builder-incentive is heart of the program

Coghill pg 1 - line 27 - say "May" ~~was~~ instead of "shall"

Kelly - "may" instead of "shall"

these are one time expenditures -  
Siz's want alternatives to institutionalization

Coghill - may not be able to get money

Sturgulewski - I support Mr Kelly on using this money

Windsor - This bill does apply to individuals remodeling

Smith - ~~don't provide some in~~  
can only find one reference to people being allowed to remain in their homes

We interpret this to mean we would make money available to person for gerontological changes - then that person would contract with private person

Dorothy - sorry money won't assist people to stay in their home

Jim Kelly - We think a C Dept would come up w/ an RFP and then contract with an individual who would be put in touch with seniors who have needs

Doris Southall - must keep longevity - can't keep people in homes w/o longevity  
You are doing nothing for middle income people

Jeff Smith - one main benefit is to serve middle income people

Doris - where does money come from

Smith -

Attorney who wrote bill is already scheduled for meeting  
I will stay tonight and do packets on HC&RA amendments - they will be deliberated to Court members tomorrow morning

Coghill pg 1 - line 36 - should make that discretionary

move pg 1 line 26 strike "shall" and insert "may"

leave fiscal note as is

Sturgu move bill as amended no objections

Sturgulawski -

Smith - C & RA supports this bill

Sturgulawski - Planning - has it changed - - this is basic! - we need to understand this issue completely

Scott Burgess -

HB 172 - ~~new bill~~ was cleansed of amendments that caused the bill to be vetoed

AN ACT RELATING TO SENIOR CITIZEN HOUSING; AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: MILLER, MM

CO-SPONSORS: DUNCAN, GOLL, BOUCHER, GRUSSENDORF, KOPONEN, SUND

CURRENT STATUS: (H) C&RA

DATE	PAGE	ACTION
02/13/85 (H)	340	READ THE FIRST TIME C&RA FINANCE RULES

3/5/85

# STATE OF ALASKA

## DEPARTMENT OF ADMINISTRATION

### OLDER ALASKANS COMMISSION

**BILL SHEFFIELD, GOVERNOR**

POUCH C, M.S. 0209  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3250

February 26, 1985

Senator Edna DeVries  
Pouch V, M.S. 3100  
Juneau, Alaska 99811

Dear Senator DeVries:

The Older Alaskans Commission wishes to support SB 137 concerning senior citizens housing. The Commission has identified the need for adequate and affordable senior housing as a major issue in Alaska. In June 1984 the Commission established a Housing Task Force to thoroughly investigate senior housing and related service needs. In arriving at thirteen policy and legislative recommendations for the Commission, the task force reviewed existing senior federal and state housing construction programs.

The existing Senior Citizens Housing Development Fund awards planning and construction grants to nonprofit and governmental agencies. Since 1975, the Fund has received \$53 million in appropriations from the Legislature. When completely spent, that money, supplemented by federal Housing and Urban Development (HUD) money, will have constructed over 1,000 new senior apartments. In addition to construction money, federal HUD funds provide 40-year operation and maintenance subsidies. These subsidies permit rents to remain low, requiring occupants to pay only one-third of their monthly incomes in rent.

Congress has eliminated funding for HUD section 8 construction, operation and maintenance subsidies. Senator Ted Stevens reported in his speech before you in a joint session that "President Reagan's budget proposal for fiscal year 1986 imposes a two-year moratorium on new assisted-housing construction commitments and a one-year moratorium on public housing modernization." With these no longer available, the State must find alternative means of providing low-rent housing to senior citizens.

Under the Older Alaskans Housing Loan Program, private developers would receive interest-free loans for a portion of the cost of constructing rent-controlled senior housing. The Older Alaskans Housing Loan Program would recoup the original investment within a designated time, offering future loans for more construction. We believe both the grant and loan programs are essential to meet future housing needs. The grant program will continue to be needed for areas which cannot attract private development.

With the decline in State revenues and the removal of HUD subsidies, the Older Alaskans Commission considers the proposed legislation as essential in providing adequate and affordable senior housing in Alaska. The Commission views SB 137 as a fiscally responsible effort on the part of the State to involve private enterprise in senior housing construction.

Thank you.

Sincerely,



Peggy Burgin, Chair  
Older Alaskans Commission

cc: Community and Regional Affairs Committee

Older Alaskans Commission

Rebecca Burch, Special Assistant  
Department of Administration

Introduced: 2/13/85  
Referred: Community & Regional  
Affairs and Finance

BY M.M. MILLER, DUNCAN, GOLL,  
BOUCHER, GRUSSENDORF, KOPONEN  
AND SUND

1 IN THE HOUSE

2

HOUSE BILL NO. 190

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 senior citizen housing; and  
7 providing for an effective date."

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

9 \* Section 1. AS 44.47 is amended by adding a new section to article 10  
10 to read:

11 Sec. 44.47.605. OFFICE OF SENIOR HOUSING. The office of senior  
12 housing is established within the Department of Community and Regional  
13 Affairs, division of housing assistance.

14 \* Sec. 2. AS 44.47.610 is repealed and reenacted to read:

15 Sec. 44.47.610. PURPOSE. There exists in the state a serious  
16 shortage of available and affordable residential housing designed to  
17 meet the special needs of Alaska's senior citizens. It is the purpose  
18 of the office to use both private and public resources to provide a  
19 full range of housing opportunities and services for all older  
20 Alaskans regardless of income. It is also the purpose of the office  
21 to emphasize alternatives to institutionalization, to support indi-  
22 vidual dignity and independence, and to assist senior citizens in  
23 remaining in their own homes for as long as is desirable and appropri-  
24 ate.

25 \* Sec. 3. AS 44.47 is amended by adding a new section to read:

26 Sec. 44.47.615. DUTIES OF THE OFFICE. The office shall  
27 (1) provide information and assistance relating to senior  
28 citizen housing to state agencies, senior citizens' organizations,  
29 individual senior citizens, and other interested people;

1 (2) compile and regularly update an information system  
2 including

3 (A) an inventory of senior citizen housing projects in  
4 the state;

5 (B) published manuals describing materials and tech-  
6 niques for the design and construction of senior citizen housing;

7 (C) a set of blueprints describing senior citizen home  
8 improvements;

9 (D) a directory of in-home supportive services for  
10 senior citizens;

11 (E) a description of federal senior citizen housing  
12 assistance;

13 (F) research and literature on new approaches to  
14 senior citizen housing;

15 (3) administer the older Alaskans' housing development  
16 fund; and

17 (4) make an annual report to the Older Alaskans' Commission  
18 (AS 44.21.200) and the legislature of the activities of the office.

19 \* Sec. 4. AS 44.47.620 is amended to read:

20 Sec. 44.47.620. OLDER ALASKANS' [SENIOR CITIZENS] HOUSING  
21 DEVELOPMENT FUND. (a) There is created in the department, as a  
22 revolving fund, an older Alaskans' [A SENIOR CITIZENS] housing devel-  
23 opment fund. Subject to direct appropriation or through proceeds of a  
24 bond issue the department shall make loans to individuals and corpo-  
25 rations considered eligible under standards established by the office  
26 and make grants to municipalities or public or private nonprofit  
27 corporations designated as tax exempt under 26 U.S.C. 501(c)(3) and  
28 (4) (Internal Revenue Code of 1954) for the purpose of developing  
29 senior citizen housing. A grant from the proceeds of a bond issue may

1 be made only to municipalities.

2 (b) Application for a loan or grant under (a) of this section  
3 shall be in the form prescribed by the office [DEPARTMENT]. The  
4 application shall demonstrate the need for senior citizen housing in  
5 the area to be served, the feasibility of the proposed project, and an  
6 adequate management plan that shall demonstrate the ability of the  
7 eligible recipient to sustain the proposed project.

8 (c) All grant projects under this section shall be in accordance  
9 with facility procurement policies developed under AS 35.10.160 -  
10 35.10.200 and are public facilities under those sections. Loan proj-  
11 ects are not subject to facility procurement policies developed under  
12 AS 35.10.160 - 35.10.200.

13 (d) The office [DEPARTMENT] shall adopt regulations to carry out  
14 the purposes of this section. The provisions of the Administrative  
15 Procedure Act (AS 44.62) apply to regulations adopted under this  
16 section.

17 [(e) IN THIS SECTION "SENIOR CITIZEN HOUSING" MEANS A SPECIFIC  
18 WORK OR IMPROVEMENT UNDERTAKEN PRIMARILY TO PROVIDE DWELLING ACCOMMO-  
19 DATIONS FOR PERSONS 60 YEARS OF AGE OR OLDER, INCLUDING BUT NOT LIMIT-  
20 ED TO CONVENTIONAL HOUSING, HOUSING FOR THE FRAIL ELDERLY; GROUP  
21 HOMES, CONGREGATE HOUSING, AND OTHER HOUSING THAT MEETS SPECIAL NEEDS  
22 OF THE ELDERLY; SENIOR CITIZEN HOUSING INCLUDES THE ACQUISITION,  
23 CONSTRUCTION, OR REHABILITATION OF LAND, BUILDINGS, IMPROVEMENTS, AND  
24 OTHER NONHOUSING FACILITIES THAT ARE INCIDENTAL OR APPURTENANT TO THE  
25 HOUSING.]

26 \* Sec. 5. AS 44.47 is amended by adding new sections to read:

27 Sec. 44.47.622. OLDER ALASKANS' HOUSING LOAN PROGRAM. (a) The  
28 office may use funds in the older Alaskans' housing development fund  
29 to make interest free loans for the development of senior citizen

1 housing to individuals and corporations considered eligible under  
2 standards established by the office.

3 (b) A loan made from the older Alaskans' housing development  
4 fund may not exceed 50 percent of the lesser of the actual cost or the  
5 appraised value of the project and shall

6 (1) be made interest free, provided that the loan contract  
7 shall provide for equity participation by the state in proportion to  
8 the relationship between the loan amount and total cost of the proj-  
9 ect;

10 (2) be repaid in a period of 25 years, or upon sale of the  
11 property by the borrower, whichever is sooner, except that the office  
12 may make the loan assumable;

13 (3) provide in the loan contract that, for rental projects,  
14 rents may be raised only once annually and the increase may not be  
15 greater than the increase in the Anchorage consumer price index for  
16 all urban consumers for the same year;

17 (4) provide in the loan contract that, for a project con-  
18 sisting of five or more units, at least 20 percent of the units must  
19 be reserved for low income senior citizens.

20 (c) A loan made from the older Alaskans' housing development  
21 fund may be subordinated to a first deed of trust held by an author-  
22 ized financial institution.

23 Sec. 44.47.626. DEFINITIONS. In AS 44.47.600 - 44.47.626

24 (1) "office" means the office of senior housing;

25 (2) "senior citizen housing" means a specific work or  
26 improvement undertaken primarily to provide dwelling accommodations  
27 for persons 60 years of age or older, including conventional housing,  
28 housing for the frail elderly, group homes, congregate housing, and  
29 other housing that meets special needs of the elderly; senior citizen

1       housing includes the acquisition, construction, or rehabilitation of  
2       land, buildings, improvements, and other nonhousing facilities that  
3       are incidental or appurtenant to the housing.

4       \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
5 10.070(c).

6

7

Thursday - Feb 28 - CRA

Coghill - LBC & 2 → 67 ⊕ ✓ ⊙

✓ n Toq has one so -- 2 I see it  
as setting a precedent

so will not support Toiak  
but will support Fairbanks

Ferguson - Moved to Table &  
Toiak annexation

DeVries - I object -- Wash. D.C. is  
already in this # → cost us  
money

Fischer - I don't see 6 P 7

to table yes yes yes - DeVries No

Coghill - move out Fair w/indivi recommendations

---

SB 137 Rodey

Ferguson B n E 9 of Frail

Rodey - yes

Jeff Smith

Has some benefits - however impacts our department severely -- Fis Note has come in for criticism - some say we are too high

to ~ 6% state agencies  
cost can be ~ 3% are ~  
to work on this - 6

Revolving nature of fund -- 1 - 2 ~ a  
time of 1/2 -- reason

- 1) grants major part - few loans
- 2) pay back not til end of 25 yr period

Ferguson -

Rodey 25 yrs is standard to industry

Coghill - using to individual and corps - what does that mean

Coghill, why grant proceeds only to Muni

Rodey - because those are the restrictions of public bond money

Jon Wolfe - Exec Dir - Older Alaskans Comm

Hearings around state - Hsqg Task Force -  
Most Sr Hsqg substandard

HUD Dev money will no longer be available

No private dev people working w housing  
needs of elderly in Ak - this is done in  
other states -

Funds recouped go back to general fund

Dore Kull

testified in favor  
gerontological differences in hsqg are  
important -- lower shelves,  
bars to pull up out of bath -  
I'm advisor to Boro/City gov. on Sr  
Hsqg issues

Hardest problem for Hsqg is middle income elderly.

PRELIMINARY FINAL REPORT

OLDER ALASKANS COMMISSION

HOUSING TASK FORCE

FEBRUARY 25, 1985

## Table of Contents

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## I. EXECUTIVE SUMMARY

### Final Recommendations of the Housing Task Force To the Older Alaskans Commission

1) The OAC Housing Task Force recommends that the goal of the State's senior housing program be to encourage the use of both private and public resources to provide a full range of housing opportunities and services for all older Alaskans, regardless of income. The emphasis should be on alternatives to institutionalization, supporting individual dignity and independence, and assisting people to remain in their own homes for as long as is desirable and appropriate.

2) The OAC Housing Task Force recommends that the Legislature support, with adequate funding, those programs which help accomplish the goal of the State's senior housing program. These programs include:

- \* Older Alaskans Commission Programs
- \* Senior Citizens Housing Development
- \* Homemaker Services
- \* Home Health Aide Services
- \* Public and Home Nursing
- \* Medicaid
- \* General Relief Medical (GRM)
- \* Catastrophic Illness
- \* Old Age Assistance
- \* Elder Abuse Intervention
- \* Low Income Weatherization Program
- \* Village Safe Water
- \* Longevity Bonus
- \* Pioneers Homes
- \* Senior Citizens Property Tax Exemption
- \* Senior Citizens Renters' Rebate
- \* Power Cost Equalization Program
- \* Energy Assistance Program

3) The OAC Housing Task Force recommends that there be established within the Housing Assistance Division in the Department of Community and Regional Affairs, an Office of Senior Housing. It is further recommended that the Legislature approve a new position for the Office to assist the present individual to accomplish existing and proposed new responsibilities. The duties and responsibilities are as follows:

A) compilation and continuous updating of inventory of all public sponsored senior housing projects in Alaska; the inventory should include the following information:

- \* project name and location
- \* owner/manager
- \* number and size of units

- \* number of persons on the waiting list
- \* historical turnover rate
- \* description of ancillary facilities (if any)
- \* services available to residents on-site
- \* year of construction
- \* cost of construction
- \* sources of financing
- \* operation and maintenance costs
- \* types of rental subsidies provided (if any)
- \* rents charged/received
- \* criteria for occupancy
- \* level(s) of care
- \* number of section 8 certificates available/in use
- \* number of seniors with section 8 certificates

B) management of a Senior Housing Information System, the purpose of which would be to facilitate the active sharing of information, such as the senior housing inventory, with members of the public and all affected and interested government and private organizations. In addition to the inventory, the System should also include information such as:

- \* a manual (or manuals) describing state-of-the-art materials and techniques for the design and construction of housing with gerontological features;

- \* a set of generic blueprints describing various gerontological home improvements which individual older Alaskan homeowners could use to make changes to their existing homes to add safety and comfort;

- \* a directory of in-home supportive services provided by the Older Alaskans Commission and the Department of Health and Social Services and other programs (this should be distributed regularly to the Office by the Older Alaskans Commission);

- \* a description of federal senior housing assistance available to Alaskan residents;

- \* research and literature on innovative and emerging new approaches to senior housing, such as shared housing, group homes, and Home Equity Conversations.

C) administration of the Senior Citizens Housing Development Fund.

4) The OAC Housing Task Force recommends that the Legislature appropriate \$15 million to the Senior Citizens Housing Development Fund for FY 86. It is further recommended that the Legislature amend the statutes authorizing this Fund to allow, in addition to grants to municipalities and nonprofit organizations, loans to private developers under a builders' incentive program. The builders' incentive program, which would make money available to builders at zero interest but with shared appreciation, would result in the construction of more residential units per State dollar than is possible under the existing grant program. In addition, it would produce senior housing units at reasonable rents, with no need for long-term operation and maintenance subsidies. It would assist moderate as well as low-income older Alaskans, and it would return the original investments to the State, with shared appreciation profit, for a second and third

use. It is anticipated that under this program, as under the existing grant program, a showing of need would be required.

5) The OAC Housing Task Force recommends that the Office of Senior Housing make an effort to fund demonstration projects which would specifically address some of the more innovative types of senior housing authorized by existing statutes. Demonstration projects might include Group Homes in Rural Alaska, a House Sharing Referral Service, or the construction of Senior Boarding Homes with gerontological design.

6) The OAC Housing Task Force recommends that the Older Alaskans Commission immediately assume responsibility for the compilation and continuous updating of an inventory of all senior supportive services in the State. (see recommendation #3) Because the availability of these services can be extremely important in assisting individual seniors to take care of themselves in the least restrictive setting, it is critical that this information receive a wide distribution. The OAC should consider a mass distribution of this information annually in conjunction with Home Care Week as proclaimed each year by the Governor.

7) The OAC Housing Task Force recommends that the Older Alaskans Commission make an effort to fund Pilot Project Grants as authorized by AS 47.65.030, and further that in FY 86, the OAC seek a pilot project for In-Home Care Case Management.

8) The OAC Housing Task Force recommends that the Legislature enact a bill authorizing the establishment of a sliding fee schedule for recipients of homemaker services, home health aide services, and home health nursing services. It is further recommended that any increase in program funds be used, first, to increase staff training, and second, to increase hours of service.

9) The OAC Housing Task Force recommends that the Older Alaskans Commission establish a new task force for in-home services, and that group carefully examine the State's provision of homemaker services, home health aide services and other in-home services to determine whether or not changes are necessary in the method of delivery.

10) The OAC Housing Task Force recommends that there be developed a standardized list of definitions for the various levels of care. The definitions should be developed by, and agreed upon by, the Department of Health and Social Services, the Department of Administration, the Department of Community and Regional Affairs, and members of the private sector, particularly the Alaska State Hospital Association.

11) The OAC Housing Task Force recommends that the Department of Health and Social Services become more involved in senior citizens programs, and make a greater effort to segregate its data for use by senior citizens. In particular, it is recommended that the Commissioner of the Department take a more active role in meeting his responsibilities as a member of the Older Alaskans Commission.

12) The OAC Housing Task Force recommends that the Older Alaskans Commission immediately assume responsibility for an annual analysis and evaluation of all the services which are provided to older Alaskans, as required by AS 44.21.230. Adequate funding for the programs which support the goal of the State's senior housing program is important, but the funding should be predicated on a serious analysis which relates cost to benefits, and effectiveness to performance.

13) The OAC Housing Task Force recommends that the Legislature approve a supplemental appropriation of \$325,000 to fully fund for FY 85, the Senior Citizens' Property Tax Exemption program.

## II Abstract

The Older Alaskans Commission recognized the need for a senior housing task force in their three-year plan, A New Beginning for Older Alaskans. The housing action plan in that report called for "an inter-agency housing task force to prepare recommendations regarding the coordination and efficient delivery of housing-related services." As a result, a nine-member task force was established consisting of representatives of state agencies, consumers, and service providers. It met seven times between June and December, 1984.

After hearing presentations on housing related topics such as energy assistance, weatherization, in-home services, housing alternatives and financing, the task force formulated thirteen legislative and policy recommendations. The Older Alaskans Commission accepted those recommendations on December 11, 1984. This action complies with AS 44.21.230(a)(2).

## III. Analysis of Recommendations

In accordance with AS 44.21.230(a)(1), the Older Alaskans Commission in September, 1983 adopted a three-year plan, A New Beginning for Older Alaskans. The plan identified the primary regional housing concerns of the State's elders as: weatherization, affordable housing, high energy costs, housing shortages, housing options, fragmentation of housing programs, water and sewer installation, and Pioneer Homes.

Programs which address most of these concerns currently exist in the Departments of Health and Social Services, Community and Regional Affairs and Administration. The task force recommended that the Commission encourage legislative support and adequate funding for eighteen programs which directly or indirectly affect senior housing. One recommendation and accompanying legislation calls for a specific supplemental appropriation to address a shortfall in the FY 1985 Senior Citizens' Property Tax Exemption program. The task force considered this a cost-effective program designed to keep seniors in their own homes.

Since fragmentation of housing programs appeared as a concern, the task force recommended establishing the Office of Senior Housing within the Housing Assistance Division of the Department of Community and Regional Affairs. Among other duties, this office would inventory public housing and manage a senior housing information system to facilitate dissemination of information.

Another recommendation emphasizes the Commission's role as a coordinating agency by encouraging it to compile and annually update an inventory of senior supportive services. Through annual budget reviews the Commission should further analyze all senior programs and services for their cost effectiveness. Commission review, evaluation and comment on senior programs is mandated in AS 44.21.230(b)(1).

To moderate the effect of declining State revenues the task force made several recommendations with accompanying legislation. One recommendation

would establish a sliding fee scale for recipients of the in-home services of homemakers, home health aides and home health nursing. Such fees would extend the effective range of current funding, allowing more clients to benefit from those services, and also allowing more training for the service providers. In addition, seniors have repeatedly expressed their desire to pay for this kind of care.

The most significant recommendation to supplement declining state revenues calls for a change within the Senior Citizens Housing Development Grant program in the Department of Community and Regional Affairs, Housing Assistance Division. This change would allow the program to provide loans to private builders as well as grants to non-profits.

The State's specific commitment to senior housing began in 1975 with the creation in the Department of Community and Regional Affairs of a Senior Citizens Housing Development Fund. Since then, the Fund has received over \$53 million in appropriations from the Legislature. When that money is completely spent late next year, there will have been constructed over 1,000 new senior apartments, with a total present value in excess of \$75 million.

At first, virtually all the projects financed were simply "congregate housing", i.e. apartment complexes designed for older residents. As the program evolved, however, the concept of senior housing has expanded to include not only the actual residential units, but also the ancillary facilities that provide needed social and health supportive services.

Another change in the program has related to the financing of the projects. Almost all of the units built so far have been at least partially financed with money from other sources, usually the U.S. Department of Housing and Urban Development (HUD). Not only has this allowed State dollars to stretch further in terms of construction of new units, but more importantly, HUD participation has also included 40-year operation and maintenance subsidies. Consequently, HUD-subsidized projects only require tenants to pay up to 30 percent of their monthly incomes, no matter how small, for rent.

Unfortunately, this form of federal support for seniors has been almost completely eliminated. As a result, with a few notable exceptions, the State can no longer count on either the federal construction subsidies or the more valuable long-term operation and maintenance subsidies for future senior housing projects.

Recognizing nonetheless, that the need for senior housing will continue to grow, the task force developed the concept of a builders' incentive program. To institute this program requires a statutory amendment in the Senior Citizens Housing Development Fund to allow loans to private developers. Those loans, with zero interest but with shared appreciation, would result in the construction of more residential units per state dollar than is possible under the existing grant program. The loans would produce senior housing units at reasonable rents with no need for long-term operation and maintenance subsidies. Furthermore, the original investments plus shared appreciation profit would return to the state for future use.

#### IV. Project Assumptions for Older Alaskans' Housing Loan Program

Project Costs: All projects assume that total project costs will average \$60,000 per unit, and that ten units will be built per project at a total cost of \$600,000. Appraised value will be \$675,000. Costs include land, site development, interim financing, all fees such as legal and architect, and construction costs. Average size of the units is expected to be 750 square feet.

The project analysis assumes that the developer will finance the project by borrowing 75 percent of the value, or \$506,250, and by providing \$93,750 in equity.

##### Rental Rates:

3 units x \$450 (2 bedroom) x 12 months =	\$16,200
7 units x \$375 (1 bedroom) x 12 months =	31,500
	<u>\$47,700</u>
- 3% vacancy	<u>-1,431</u>
Gross Income:	\$46,269

- Operating Expenses: water, sewer, garbage, maintenance, insurance and property taxes (\$150 per unit) -18,000

Left for debt service and profit \$28,269

##### Interest Rate Analysis:

(1) 14% debt service @ 25-year amortization x \$506,250	=	<u>\$72,900</u>
Annual Negative Cash Flow:		\$44,631
(2) 11% debt service @ 25-year amortization x \$506,250	=	<u>\$59,535</u>
Annual Negative Cash Flow:		\$31,266
(3) Blended rate:		
0% x \$300,000		
14% x 206,250	=	<u>\$29,696</u>
Annual Negative Cash Flow:		<u>\$ 1,427</u>
(4) Blended rate:		
0% x \$300,000		
11% x 206,250	=	<u>\$24,255</u>
Annual Profit		\$ 4,014
4.3% return on equity		

Long-Term Analysis: All projects assume the developer repays the principal of the loan at the end of twenty-five years. In addition, the developer shares fifty percent of the appreciation in appraised value at the time of sale of the building. Thus, if the project appreciates at five percent per year compounded annually, the appraised value at the end of the loan term will be \$2,285,550. The appreciation will be \$1,610,550.

The return to the State at that time will be:

\$300,000 (principal)  
805,275 (half of the appreciation)

\$1,105,275 = compound annual return on equity of 5.5%

The return to the developer at that time will be:

\$1,180,275 (developer's share of value)  
- 93,750 (developer's equity investment)  
\$1,086,525 = compound annual return on equity of 10.25%

Costs-Benefits Analysis:

Costs to the State are opportunity cost of money at 4.5 - 5.5% compounded annually.

The State benefits through:

1. 10 new units of senior housing constructed under competitive bid, at affordable rents for 25 years;
2. no required operating subsidies;
3. repayment of principal and return on investment of 5.5% compounded annually for use on additional senior housing loans in the future;
4. minimal servicing expenses.

Costs to the developer are:

1. an equity contribution of 25% of the appraised value;
2. conventional loan expenses;
3. ceilings on rent increases.

The developer, benefits through:

1. annual return on investment ranging from 10.25% - 15%;
2. substantial leveraged increase in personal net worth;
3. depreciation advantages;
4. additional tax shelter (e.g. deduction for interest payments)

#### V. Future Action by the Commission

The task force acknowledged the involvement of several agencies in senior housing and housing related services. Since the Commission's legislative mandate calls upon it to coordinate senior services, the task force made three recommendations for future action in this area.

Under AS 47.65.030, the Commission may award Pilot Project Grants. The task force encouraged the Commission to fund pilot projects, beginning with

one on case management that addresses in-home care. This would require coordination of community-based services for individuals, eliminating duplication while providing comprehensive service.

At its meetings, the task force discovered that terms pertaining to institutional care and housing alternatives were ambiguous and varied. To clarify terms involving levels of care and types of living arrangements for seniors, the task force recommended that the Commission coordinate the development of a list of standardized definitions by the Departments of Health and Social Services, Administration, Community and Regional Affairs and private sector providers, especially the Alaska State Hospital Association. Standardized definitions will eliminate the confusion existing among agencies and facilitate the coordinated planning of housing services.

At the beginning of its investigations the task force established the goal and recommendation to keep seniors in their own homes as long as possible and to seek alternatives that would prevent or delay costly institutionalization. The task force recognized in-home services as a key element supporting this recommendation. Since investigating in-home services extended beyond the scope of the housing task force, it recommended that the Commission establish another task force to specifically examine these services as they relate to the elderly.

## VI. Conclusion

The need to continue existing senior housing and housing-related programs while expanding the available options became evident to the task force. A lack of appropriate housing exists between independent residential housing and restrictive institutionalization. These gaps in the continuum often result in premature institutionalization for seniors or their forced move to another state or area in Alaska where suitable housing is available.

Seniors in rural and remote Alaska who are unable to live independently in their communities are often forced to move to nursing homes in the larger cities. Removed from their familiar cultural surroundings, these seniors suffer from the alienation of culture shock as well as from the loss of personal dignity.

Community-based options such as group homes, senior foster care homes, and handicapped accessible adaptations of existing homes could supply the types of housing needed in all Alaska to prevent or delay admission to nursing homes. More efficient delivery of in-home services in local communities could also help seniors remain in less restrictive housing environments.

Through its efforts, the task force attempted to convey the importance of inter-agency cooperation in meeting the housing needs of Alaska's senior population. Designed to encourage coordination at the state level, the legislative and policy recommendations also seek to solve senior housing needs through increased awareness and action by local communities. By accepting the recommendations, the Older Alaskans Commission acknowledged its role as a coordinating agency to encourage continued and increased participation by the Departments of Administration, Health and Social

Services, and Community and Regional Affairs. As the Commission and legislature act on housing task force recommendations, state agencies and the public will acquire a more unified view of senior housing and related services delivered in Alaska.

# STATE OF ALASKA

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

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PHONE: (907) 553-1073

February 25, 1985

## POSITION PAPER

RE: Senate Bill 137

SPONSOR: Senator Rodey, et. al.

### Program Effects of Bill:

Senate Bill 137 establishes within the Department of Community and Regional Affairs, Division of Housing Assistance an Office of Senior Housing and specifies four major duties of this office. The bill further establishes an Older Alaskans Housing Development Fund, as a revolving fund, and also establishes an Older Alaskans Housing Loan Program.

### Comments:

Of the four duties outlined in the bill for the newly formed Office of Senior Housing, only one is a current duty. The accomplishment of these additional duties will require additional staff as indicated in our fiscal note.

The establishment of the revolving Older Alaskans Housing Development Fund and the Older Alaskans Housing Loan Program will also require additional staff as indicated in our fiscal note.

In addition to new staff there would be substantial contractual funds required to implement the new duties of the office and develop the housing inventory, Senior Housing Information System, blueprints, and manual of state-of-the-art gerontological design and construction methods. Also, computer terminals for the revolving loan fund accounting and word processing, desks, chair, and other equipment necessary would be required. These are all reflected in our fiscal note.

While the Older Alaskans Housing Development Fund is to be a revolving fund it will not be truly revolving. It would require substantial funding each year to continue to provide new housing. The bill requires that the loans be 25-year loans and only a portion of the funding would be in loans. Grants will continue to be given to municipalities, public and private non-profit corporations for development of senior citizen housing. These factors indicate the fund will never be self-sustaining as a revolving account, in fact, the revolving nature of it will be minimal.

Position Paper  
Re: SB 137  
February 25, 1985  
Page Two

With diminishing state revenues, the department cannot, at this time, support this legislation which would require the additional staff and funding to implement.

*for*   
\_\_\_\_\_  
Emil Notti, Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: SB 137  
 Title: Senior Citizen Housing  
 Sponsor: Sen. Rodev, Fischer, Zharoff  
 Requestor: C&RA Committee  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: DCRA  
 Program Category Affected: \_\_\_\_\_  
Economic Development  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
Housing Assistance Division BRU, Housing  
Construction Development Component

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES		138.2	146.5	155.3	164.6	174.5
200 TRAVEL		7.0	7.5	8.0	8.5	9.0
300 CONTRACTUAL		300.0	50.0	53.0	56.2	59.6
400 SUPPLIES		2.0	2.1	2.2	2.4	2.5
500 EQUIPMENT		19.9	6.0	6.3	6.7	7.1
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>467.1</b>	<b>212.1</b>	<b>224.8</b>	<b>238.4</b>	<b>252.7</b>

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE</b>						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		467.1	212.1	224.8	238.4	252.7
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>467.1</b>	<b>212.1</b>	<b>224.8</b>	<b>238.4</b>	<b>252.7</b>

POSITIONS:

FULL-TIME		4	4	4	4	4
PART-TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

This proposed legislation would create an "Office of Senior Housing" with substantial additional duties and responsibilities and establish a revolving fund for loans and grants for senior citizen housing. One major assumption we are making is that because only a part of the funding will be used for zero interest loans and these loans are 25 year loans with no repayment until the loan term is reached or upon resale, the fund is not and never will be totally

Prepared By: Clark D. Boston, Director *CD/B*  
 Division: Housing Assistance Division

Phone: 561-0900  
 Date: February 25, 1985

Approved by Commissioner: Emil Notti *EN*  
 Agency: Community & Regional Affairs

Date: February 25, 1985

Distribution (by Agency preparing fiscal note):

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

7/1/84

revolving in nature. Also, the revenue generated by the "shared equity" provisions of the bill will not be retained in the fund but will be required to be returned to the general fund. Based on these assumptions, the funding for the additional positions and other expenses will be from the general fund.

Section 3 of the bill provides for the specific duties of the Office of Senior Housing. The duties outlined in Section 3 (1), (2), and (4) are new and extensive duties requiring an additional position. These duties will be accomplished by a new Administrative Assistant, Range 12 position under the direction of an existing position. Also, to implement the requirements of Section 3, (2), there will be required a \$300,000 contractual amount for professional service contracts to develop the manuals, blueprints, directory, literature and research on senior citizen housing.

Section 4 of the bill establishes a revolving fund for loans and grants for senior citizen housing. Because of the nature of a revolving fund, there will be required an additional Accounting Tech I position required to establish and accomplish the accounting requirements of this revolving fund. Also, a new position of Grant Administrator, Range 17 will be required to administer the grants and loans under this revolving fund. These two positions will be under the supervision of an existing position.

With the addition of the three professional positions a Clerk Typist III, Range 8 position will be required to provide clerical support to the office.

In summary, the new positions required for this Office of Senior Housing are:

Grant Administrator	- Range 17
Administrative Assistant	- Range 12
Accounting Tech I	- Range 12
Clerk Typist III	- Range 8

The request for new position forms are attached to this fiscal note.

1.	POSITION TITLE Grants Administrator				RANGE/STEP 17 A	DEPT. UNIT GEN	PAGE/LINE	COY.	APPROV.	DISAP.	
2.	TYPE OF POSITION Grand Admin.	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION ANCH	ELECTION DISTRICT	LEG.			
3.	CONTINUATION LEVEL				ADDITION						
4.	TYPE OF EXPENDITURE				AMOUNT						
	1		2		3						
	PERSONAL SERVICES										
5.	Salary		34.7								
6.	Benefits		5.37								
7.	Supplemental Benefits:		2.13								
8.	Fixed Benefits		2.64								
9.	TOTAL PERSONAL SERVICES		01		44.8						
10.	Travel		02		5.0						
11.	Contractual		03								
12.	Commodities		04		.5						
13.	Equipment		05		2.5						
14.	Other										
15.	TOTAL COST				52.8						
JUSTIFICATION											
<p>This position is required to implement the proposed SB 137. This position would be the head of the "Office of Senior Housing" which is established by this proposed legislation. This position would administer all grants and process and approve all loans made from the proposed Older Alaskans Housing Development Fund. This position will be under the supervision of an existing Public Facilities Planner I, Range 20 position.</p>											
	RECEIPT CODE	FUNDING SOURCE									
16.		Federal Receipts 1002									
17.		G.F. Match 1003									
18.		General Funds 1004									
19.		I-A Receipts 1005									
20.		Program Receipts 1028									
21.		Other									
FOR BSM USE ONLY											
KEY NUMBER _____											

REQUEST FOR  
NEW POSITION

AGENCY Community and Regional Affairs  
 PROGRAM Economic Development  
 BRU Housing Assistance  
 COMPONENT Housing Construction Development

Page \_\_\_\_\_ of \_\_\_\_\_  
 Revised Date \_\_\_\_\_

FY 86

1.	POSITION TITLE Administrative Assistant				RANGE/STEP 12 A/B	DARG. UNIT GEN	PAGE/LINE	COV.	APPROV.	DATE
2.	TYPE OF POSITION Admin	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION ANCH	ELECTION DISTRICT	LEG.		

3.	CONTINUATION LEVEL	ADDITION	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary	25.2	
6.	Benefits	3.9	
7.	Supplemental Benefits	1.55	
8.	Fixed Benefits	2.64	
9.	TOTAL PERSONAL SERVICES	01	33.3
10.	Travel	02	2.0
11.	Contractual	03	300.0
12.	Commodities	04	.5
13.	Equipment	05	5.8
14.	Other		
15.	TOTAL COST		341.6

JUSTIFICATION

This position is required to implement SB137, Section 3. This position will implement this section and accomplish the duties listed under the direction of the existing position of Public Facilities Planner I, -Range 20.

The contractual budget is required on a one-time basis to accomplish the requirements listed in the proposed SB 137, Section 3 (2) A thru F.

	RECEIPT CODE	FUNDING SOURCE
16.		Federal Receipts 1002
17.		G.F. Match 1003
18.		General Funds 1004
19.		I-A Receipts 1005
20.		Program Receipts 1020
21.		Other

FOR BSM USE ONLY  
KEY NUMBER \_\_\_\_\_

REQUEST FOR  
NEW POSITION!

AGENCY Community and Regional Affairs  
PROGRAM Economic Development  
BRU Housing Assistance  
COMPONENT Housing Construction Development

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

FY 86

1.	POSITION TITLE Accounting Tech I			RANGE/STEP 12 A/B	DARG. UNIT GEN	PAGE/LINE	COV.	APPROV.	CIS/OT
2.	TYPE OF POSITION Accounting	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION ANCH	ELECTION DISTRICT	LEG.	

3.	CONTINUATION LEVEL		ADDITION	
4.	TYPE OF EXPENDITURE			AMOUNT
	1	2	3	
	PERSONAL SERVICES			
5.	Salary	25.2		
6.	Benefits	3.9		
7.	Supplemental Benefits	1.55		
8.	Fixed Benefits	2.64		
9.	TOTAL PERSONAL SERVICES	01		33.3
10.	Travel	02		
11.	Contractual	03		
12.	Commodities	04		.5
13.	Equipment	05		5.8
14.	Other			
15.	TOTAL COST			39.6

JUSTIFICATION

To implement the revolving loan/grant fund proposed in SB 137 Section 4. This accounting position will do all the accounting for the Older Alaskans Housing Development Fund which will be a revolving fund from which loans and grants will be made.

	RECEIPT CODE	FUNDING SOURCE
16.		Federal Receipts 1002
17.		C.F. Match 1003
18.		General Funds 1004
19.		I-A Receipts 1005
20.		Program Receipts 1028
21.		Other

FOR BSM USE ONLY  
KEY NUMBER \_\_\_\_\_

REQUEST FOR  
NEW POSITION

AGENCY Community and Regional Affairs

PROGRAM Economic Development

BRU Housing Assistance

COMPONENT Housing Construction Development

Page \_\_\_\_\_ of \_\_\_\_\_

Revised Date \_\_\_\_\_

FY 86

1.	POSITION TITLE Clerk Typist III				RANGE/STEP B A/B	ORIG. UNIT GEN	PAGE/LINE	CCY.	ATTACH.	DISC.
2.	TYPE OF POSITION clerical	STAFF MONTHS 12	RP NUMBER	PCH NUMBER	BRU PRIORITY	LOCATION ANCH	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL	ADDITION			JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position is required to implement SB 137 and accomplish clerical work for the three professional positions, also required to implement the proposed legislation.</p> <p>The equipment budget is for a workstation complete with WANG word processing/computer terminal.</p>					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	19.9								
6.	Benefits	3.07								
7.	Supplemental Benefits	1.22								
8.	Fringe Benefits	2.63								
9.	TOTAL PERSONAL SERVICES	01	26.8							
10.	Travel	02								
11.	Contractual	03								
12.	Commodities	04	.5							
13.	Equipment	05	5.8							
14.	Other									
15.	TOTAL COST		33.1							
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		C.F. Match 1003								
18.		General Funds 1004								
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
	FOR EST. USE ONLY									
	KEY NUMBER _____									

**REQUEST FOR  
NEW POSITION**

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Page \_\_\_\_\_ of \_\_\_\_\_  
 Revised Date \_\_\_\_\_

**FY 86**

§ 47.65.010 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.65.030

**Legislative history reports.** — For conflicting views on the status of HB 611 amS see memorandum of legislative council at page 1723, 1980 Senate Journal and the opinion of the Attorney General at 1980 Senate Journal page 1764 and 1980 House Journal page 2221.

**Sec. 47.65.010. Older Alaskans service programs account.** The older Alaskans service programs account is established in the Department of Administration. An amount to carry out the provisions of this chapter may be appropriated annually by the legislature to the account. The amount appropriated to the account shall be fully distributed by the Older Alaskans Commission to sponsors of older Alaskans service programs in accordance with the provisions of this chapter. (§ 1 ch 152 SLA 1980; am § 5 ch 79 SLA 1981)

**Effect of amendments.** — The 1981 amendment substituted "Older Alaskans Commission" for "Office on Aging" in the third sentence.

**Sec. 47.65.020. Grants for community service programs.** Not less than 60 percent of the amount appropriated by the legislature to the account established in AS 47.65.010 shall be allocated annually by the commission as community program grants to sponsors of older Alaskans service programs. Payments shall be made on the basis of applications submitted to the commission by sponsors of community programs. (§ 1 ch 152 SLA 1980; am § 6 ch 79 SLA 1981)

**Effect of amendments.** — The 1981 amendment substituted "commission" for "office on aging" in two places.

**Sec. 47.65.030. Pilot project grants.** (a) The balance of the amount appropriated to the account established in AS 47.65.010 not allocated under AS 47.65.020 shall be allocated annually by the commission as grants to support pilot projects for the benefit of older Alaskans under this section.

(b) The commission shall adopt standards for pilot project grants and, after adoption of the standards as regulations, in accordance with the Administrative Procedure Act (AS 44.62), shall apply the standards to determine eligibility of applicants for pilot project grants. In awarding pilot project grants, the commission shall

(1) enter into agreements with the project sponsor to operate one or more of the selected pilot projects consistent with the standards adopted;

(2) monitor and evaluate, in a written report, each pilot project; the report shall include

(A) a description of the project and of the persons served by it;

Article 4. Older Alaskans Commission.

Section	Section
200. Older Alaskans Commission	230. Powers, duties, and limitations
210. Meetings	240. Definitions
220. Compensation	

**Sec. 44.21.200. Older Alaskans Commission.** (a) The Older Alaskans Commission is established in the Department of Administration. The members of the commission include

- (1) the commissioner of the Department of Administration or the commissioner's designee;
- (2) the commissioner of the Department of Community and Regional Affairs or the commissioner's designee;
- (3) the commissioner of the Department of Health and Social Services or the commissioner's designee;
- (4) the chairman of the Pioneers' Homes Advisory Board appointed under AS 44.21.100 — 44.21.130; and
- (5) seven Alaskans selected on the basis of their knowledge and demonstrated interest in the concerns of older Alaskans, appointed by the governor in accordance with (b) of this section.

(b) After requesting from senior citizens' organizations the names of persons who are qualified for and interested in serving on the commission, the governor shall appoint the members of the commission under (a)(5) of this section. Appointments shall be made by the governor to assure representation of low-income persons and minorities, and representation from rural and urban areas of the state, and to secure statewide geographical representation on the commission. At least six of the persons appointed by the governor shall be 60 years of age or older. At least two of these persons shall be 65 years of age or older. Each member appointed by the governor shall be a resident of the state.

(c) The persons appointed under (a)(5) of this section serve overlapping four-year terms, and serve at the pleasure of the governor. A member may be reappointed, but a member appointed under (a)(5) of this section may not serve more than two consecutive terms or eight consecutive years, whichever is longer.

(d) If a person appointed under (a)(5) of this section fails to attend three consecutive meetings of the commission, a majority of the members of the commission may request the governor to terminate the membership of the member and to fill the vacancy.

(e) A vacancy in the membership of persons appointed under (a)(5) of this section shall be filled by appointment by the governor. The person appointed shall serve for the unexpired portion of the term. (§ 2 ch 79 SLA 1981)

Cross references. — For provisions related to the commission's initial membership, see § 13, ch 79, SLA 1981, in the Temporary and Special Acts Editor's notes. — Section 13, ch. 79, SLA 1981, provides: "INITIAL MEM-

**BERSHIP AND MEETING OF COMMISSION** (a) Of the seven public members first appointed by the governor to the Older Alaskans Commission under AS 44.21.200(a)(5),

- (1) three shall serve a term of two years;
  - (2) two shall serve a term of three years;
  - (3) two shall serve a term of four years.
- (b) In making appointments of the first public members of the Older Alaskans

Commission under AS 44.21.200(a)(5), the governor shall designate an expiration date of the terms of members first appointed in accordance with (a) of this section.

(c) The governor shall determine the date and place of the first meeting of the Older Alaskans Commission; however, that meeting shall be held not later than September 13, 1981.

**Sec. 44.21.210. Meetings.** (a) The commission shall meet at the call of the chairperson, at the request of a majority of the members, or at a regularly scheduled time as determined by a majority of the members. The commission shall meet at least six times each year.

(b) The members of the commission listed in AS 44.21.200(a)(1) — (4) may not vote on matters before the commission. A majority of the members of the commission listed in AS 44.21.200(a)(5) constitutes a quorum for conducting business and exercising the powers of the commission.

(c) The commission shall elect one of its members as chairperson, and may select other officers it considers necessary. (§ 2 ch 79 SLA 1981)

**Sec. 44.21.220. Compensation.** Members of the commission receive no compensation for their services, but are entitled to per diem and travel allowances authorized by law for other boards and commissions under AS 39.20.180. (§ 2 ch 79 SLA 1981)

**Sec. 44.21.230. Powers, duties, and limitations.** (a) The commission shall

(1) formulate a comprehensive statewide plan that identifies the concerns and needs of older Alaskans and, with reference to the plan adopted, prepare and submit to the governor and legislature an annual analysis and evaluation of the services that are provided to older Alaskans;

(2) make recommendations directly to the governor and legislature with respect to legislation, regulations, and appropriations for programs or services that benefit older Alaskans;

(3) encourage and aid the development of municipal commissions serving older Alaskans and community-oriented programs and services for the benefit of older Alaskans;

(4) employ an executive director who serves at the pleasure of the commission;

(5) help older Alaskans lead dignified, independent, and useful lives;

(6) request and receive reports and audits from state agencies and local institutions concerned with the conditions and needs of older Alaskans;

(7) administer, with the approval of the commissioner of administration, federal programs as provided under 42 U.S.C. 3001 — 3045i (Older Americans Act), as amended; and

(8) administer, with the approval of the commissioner of administration, state programs as provided under AS 47.65.010 — 47.65.060.

(b) To accomplish its duties, the commission may

(1) review, evaluate, and comment upon state programs concerned with the problems and the needs of older Alaskans;

(2) collect facts and statistics, and make studies of conditions and problems pertaining to the employment, health, financial security, social welfare, and other concerns that bear upon the well-being of older Alaskans;

(3) provide information about public programs that would be of interest or benefit to older Alaskans;

(4) appoint special committees, which may include persons who are not members of the commission, to complete necessary studies;

(5) promote community education efforts regarding the problems and concerns of older Alaskans;

(6) contract for necessary services;

(7) consult and cooperate with persons, organizations, and groups interested in or concerned with programs of assistance to older Alaskans;

(8) advocate improved programs of benefit to older Alaskans; and

(9) set standards for levels of services for older Alaskans for programs administered by the commission.

(c) The commission may not investigate, review, or undertake any responsibility for the longevity bonus program (AS 47.45.010 — 47.45.170) or the Alaska Pioneers' Homes (AS 47.25.010 — 47.25.100). (§ 2 ch 79 SLA 1981)

Editor's notes. — Section 14 of ch. 79, SLA 1981, provides: "TRANSFER OF PROGRAM RESPONSIBILITIES. The following are transferred to the Older Alaskans Commission in the Department of Administration:

(1) the programs conducted under the Older Americans Act, P.L. 89-73, as amended, and the persons who administer those programs in the division of adult and aging services, Department of Health and Social Services;

(2) the programs conducted under AS 47.65.010 — 47.65.060, and the persons who administer those programs in the

division of adult and aging services, Department of Health and Social Services; and

(3) the Governor's Advisory Committee on Aging."

Section 15 of ch. 79, SLA 1981, provides: "CONTINUING RESPONSIBILITY OF THE DEPARTMENT OF ADMINISTRATION. This Act does not affect the responsibility of the Department of Administration for the Alaska longevity bonus program (AS 47.45.010 — 47.45.170) or the Alaska Pioneers' Homes (AS 47.25.010 — 47.25.110)."

Sec. 44.21.240. Definitions. In AS 44.21.200 — 44.21.240, "commission" means the Older Alaskans Commission. (§ 2 ch 79 SLA 1981)

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**Sec. 44.47.610. Declaration of purpose.** There exists in the state a serious shortage of decent, safe and sanitary residential housing available at low or moderate prices or rentals to persons 60 years of age or older. There also exists in the state organizations whose purposes are to provide the kinds of housing needed to alleviate this shortage. Development work to provide such housing involves substantial expense that is often beyond the resources of the organizations. (§ 51 ch 113 SLA 1982)

**Sec. 44.47.620. Senior citizens housing development.** (a) There is created in the department a senior citizens housing development fund. Subject to direct appropriation or through proceeds of a bond issue the department shall make grants to municipalities or public or private nonprofit corporations designated as tax exempt under 26 U.S.C. 501(c)(3) and (4) (Internal Revenue Code of 1954) for the purpose of developing senior citizen housing. A grant from the proceeds of a bond issue may be made only to municipalities.

(b) Application for a grant under (a) of this section shall be in the form prescribed by the department. The application shall demonstrate the need for senior citizen housing in the area to be served, the feasibility of the proposed project, and an adequate management plan that shall demonstrate the ability of the eligible recipient to sustain the proposed project.

(c) All projects under this section shall be in accordance with facility procurement policies developed under AS 35.10.160 — 35.10.200 and are public facilities under those sections.

(d) The department shall adopt regulations to carry out the purposes of this section. The provisions of the Administrative Procedure Act (AS 44.62) apply to regulations adopted under this section.

(e) In this section "senior citizen housing" means a specific work or improvement undertaken primarily to provide dwelling accommodations for persons 60 years of age or older, including but not limited to conventional housing, housing for the frail elderly, group homes, congregate housing, and other housing that meets special needs of the elderly; senior citizen housing includes the acquisition, construction, or rehabilitation of land, buildings, improvements, and other nonhousing facilities that are incidental or appurtenant to the housing. (§ 51 ch 113 SLA 1982)

**Article 11. Low Cost and Low Income Multiple Family Housing Development Fund.**

**Section**

630. Declaration of purpose

635. Low cost and low income multiple family housing development

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**Sec. 44.47.583. When boundary change takes effect.** When a local government boundary change is proposed to the legislature during the first 10 days of any regular session, the change becomes effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. (§ 2 ch 45 SLA 1960)

Revisor's notes. — Formerly AS 44.19.340. Renumbered in 1980.

Cross references. — For other provi-

sions relating to procedures of the local boundary commission, see AS 29.68.010.

#### NOTICE TO DECISIONS

By this section and AS 44.47.567 it is provided that the commission must make studies of local government boundary problems, develop proposed standards and procedures for changing boundaries, and consider boundary changes requested of it by political subdivisions. The commission may conduct hearings on boundary changes and present proposed changes to the legislature. The change becomes effective unless the legislature disapproves; legislative silence permits the change. *United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n*, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Alaska Const., art. X, § 12, empowers the legislature to veto commission actions. *United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n*, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

But such section does nothing to compel the legislature to review for compliance with its own requirements. *United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n*, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

This section and Alaska Const., art. X, § 12, do not make the decision as to whether the commission has complied with the law exclusively legislative. *United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n*, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Legislature handicapped in absence of known standard governing change of boundary lines. — Under Alaska's Constitution the supreme court has the duty of insuring that administrative action complies with the laws of Alaska. Absent known standards governing the changing of local boundary lines, the legislature's ability to make rational decisions as to whether to approve or disapprove proposed local boundary changes of the commission is seriously handicapped. *United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n*, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Existing cities with local boundary commission created boundaries remain unaffected by the holding, under the de facto municipality doctrine, in *United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n*, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Standing to contest annexation. — An aggrieved property owner in an area to be annexed has standing to contest the annexation. *United States Smelting, Ref. & Mining Co. v. Local Boundary Comm'n*, Sup. Ct. Op. No. 727 (File No. 1461), 489 P.2d 140 (1971).

Stated in State, Dep't of Nat'l Resources v. City of Haines, Sup. Ct. Op. No. 2342 (File No. 5067), 627 P.2d 1047 (1981).

### Article 10. Senior Citizens Housing Development Fund.

#### Section

610. Declaration of purpose

620. Senior citizens housing development