



LAWS OF ALASKA

1995

Source

CSHB 86(CRA)(title am)

Chapter No.

40

AN ACT

Relating to municipal flat taxes on personal property and permitting municipalities to classify and exempt or partially exempt some or all types of personal property from ad valorem taxes.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: May 25, 1995

Actual Effective Date: August 23, 1995

AN ACT

1 Relating to municipal flat taxes on personal property and permitting municipalities to classify
2 and exempt or partially exempt some or all types of personal property from ad valorem taxes.

3

4 * Section 1. AS 29.45.050(b) is amended to read:

5 (b) A municipality may by ordinance

6 (1) [CLASSIFY BOATS AND VESSELS FOR THE PURPOSES OF
7 TAXATION AND MAY ESTABLISH THE ASSESSED VALUATION OF BOATS
8 AND VESSELS ON THE BASIS OF THEIR REGISTERED OR CERTIFICATED
9 NET TONNAGE;

10 (2)] classify and exempt from taxation

11 (A) the property of an organization not organized for business
12 or profit-making purposes and used exclusively for community purposes if the
13 income derived from rental of that property does not exceed the actual cost to

Chapter 40

1 the owner of the use by the renter;

2 (B) historic sites, buildings, and monuments;

3 (C) land of a nonprofit organization used for agricultural
4 purposes if rights to subdivide the land are conveyed to the state and the
5 conveyance includes a covenant restricting use of the land to agricultural
6 purposes only; rights conveyed to the state under this subparagraph may be
7 conveyed by the state only in accordance with AS 38.05.069(c);

8 (D) all or any portion of private ownership interests in property
9 that, based upon a written agreement with the University of Alaska, is used
10 exclusively for student housing for the University of Alaska; property may be
11 exempted from taxation under this subparagraph for no longer than 30 years
12 unless the exemption is specifically extended by ordinance adopted within the
13 six months before the expiration of that period;

14 (2) classify as to type and [(3)] exempt or partially exempt some or
15 all types of personal property from ad valorem taxes [TAXATION;

16 (4) EXEMPT BUSINESS INVENTORIES FROM TAXATION;

17 (5) CLASSIFY AS TO TYPE AND EXEMPT OR PARTIALLY
18 EXEMPT ANY OR ALL TYPES OF MOTOR VEHICLES FROM TAXATION;

19 (6) CLASSIFY AS TO TYPE AND EXEMPT OR PARTIALLY
20 EXEMPT ANY OR ALL TYPES OF AIRCRAFT FROM TAXATION;

21 (7) EXEMPT OR PARTIALLY EXEMPT FROM TAXATION ALL
22 BOATS AND VESSELS THAT ARE NOT DOCUMENTED UNDER THE LAWS
23 OF THE UNITED STATES;

24 (8) EXEMPT OR PARTIALLY EXEMPT FROM TAXATION ALL
25 PICKUP CAMPERS, SHELLS, AND CANOPIES;

26 (9) EXEMPT OR PARTIALLY EXEMPT FROM TAXATION ALL
27 UNLICENSED MOTORIZED ALL-TERRAIN VEHICLES, SNOW MACHINES,
28 AND TRAIL BIKES].

29 * Sec. 2. AS 29.45 is amended by adding a new section to read:

30 Sec. 29.45.055. LEVY OF FLAT TAX ON PERSONAL PROPERTY. (a)

31 A municipality may by ordinance levy a flat tax on personal property that has been

1 totally exempted from ad valorem taxes under AS 29.45.050(b). A municipality that
2 levies a flat tax may classify the property as to type based on any characteristic and
3 tax each item of property of the same type at a specific amount. A flat tax may be
4 levied on all or on only some types of personal property. The flat tax ordinance must
5 include a procedure under which the taxpayer may appeal the determination of
6 ownership or classification of property subject to the tax. The municipality may
7 establish procedures necessary to collect the tax.

8 (b) Except as provided in (a) of this section, adoption of a flat tax does not
9 affect the authority of a municipality to levy other taxes or impose fees on the same
10 or other personal property or on the use, possession, sale, or lease of the same or other
11 personal property.

12 * Sec. 3. AS 29.45.090(a) is amended to read:

13 (a) A municipality may not, during a year, levy an ad valorem [AND] tax for
14 any purpose in excess of three percent of the assessed value of property in the
15 municipality. All property on which an ad valorem [A] tax is levied shall be taxed
16 at the same rate during the year.

17 * Sec. 4. AS 29.45.120(a) is amended to read:

18 (a) The municipality may require each person having ownership or control
19 of or an interest in property to submit a return in the form prescribed by the assessor,
20 based on property values of property subject to an ad valorem tax existing on
21 January 1, except as otherwise provided in this chapter.

22 * Sec. 5. AS 29.45.130(a) is amended to read:

23 (a) The assessor is not bound to accept a return as correct. The assessor may
24 make an independent investigation of property returned or of taxable property on
25 which no return has been filed. In either case, the assessor may make the assessor's
26 own valuation of the [TAXABLE] property subject to an ad valorem tax and this
27 valuation is prima facie evidence of the value of the property.

28 * Sec. 6. AS 29.45.160(a) is amended to read:

29 (a) The assessor shall prepare an annual assessment roll. The roll must contain
30 (1) a description of all [TAXABLE] property subject to an ad
31 valorem tax;

Chapter 40

1 (2) the assessed value of all [TAXABLE] property subject to an ad
2 valorem tax;

3 (3) the names and addresses of persons with property subject to an ad
4 valorem tax [ASSESSMENT AND TAXATION].

5 * Sec. 7. AS 29.45.170(a) is amended to read:

6 (a) The assessor shall give each person named in the assessment roll a notice
7 of assessment [,] showing the assessed value of the person's property that is subject
8 to an ad valorem tax. On each notice is printed a brief summary of the dates when
9 taxes are payable, delinquent, and subject to penalty and interest, and the dates when
10 the board of equalization will sit.

11 * Sec. 8. AS 29.45.590 is amended to read:

12 Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND
13 CLASS CITIES. A second class city may by referendum levy property taxes as
14 provided for first class cities. However, levy of an ad valorem tax by a second class
15 city may not exceed two percent of the assessed value of the property taxed, except
16 that the limit does not apply to a levy necessary to avoid a default upon payment of
17 principal and interest of bonded or other indebtedness that is secured by a pledge to
18 levy ad valorem or other taxes without limit to meet debt payments.