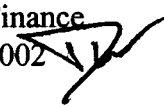


Postponed Indefinitely 11/15/02

Submitted by: Chair of the Assembly
at the Request of the Mayor
Prepared by: Department of Finance
For Reading: September 10, 2002 

ANCHORAGE, ALASKA
AO NO. 2002-147

AN ORDINANCE ENACTING A NEW CHAPTER 17 TO TITLE 12 OF THE ANCHORAGE MUNICIPAL CODE, TO REQUIRE SELLERS OF REAL ESTATE TO FILE AN AFFIDAVIT OF TITLE TRANSFER WITH THE ASSESSOR'S OFFICE WITHIN FORTY-FIVE DAYS AFTER RECORDING; TO PROVIDE TITLE TRANSFER INFORMATION INCLUDING OPTIONAL SALES PRICE AND OTHER MARKET CONSIDERATION INFORMATION; TO PROVIDE FOR A SELLER'S TRANSFER FEE SCHEDULE BASED ON DISCLOSURE OF THE OPTIONAL SALES PRICE AND OTHER MARKET CONSIDERATION INFORMATION; TO PROVIDE FOR PENALTIES FOR FAILURE TO FILE OR PAY TIMELY OR FOR PROVIDING FALSE OR MISLEADING INFORMATION; AND SPECIFYING RESPONSIBILITIES OF CLOSING AGENT.

WHEREAS, it is the purpose of this ordinance to use the net revenues to the Municipality from the seller's transfer fee to reimburse the costs associated with maintaining property records for all properties within the Municipality and/or build a capital fund for the replacement or enhancement of software and hardware associated with the assessment, billing, and collection of property taxes; and

WHEREAS, the Assembly finds that to equitably assess real property taxes, the most recent sales information regarding comparable properties is needed and is not currently being voluntarily provided in sufficient quantity to obtain such equity; and

WHEREAS, the Assembly finds that the closing agents can assist in obtaining the needed sales information by providing at the time of closing an Affidavit of Title Transfer form to any seller of real property that is not exempt from filing under this chapter; and

WHEREAS, the Assembly also finds this fee schedule should result in more current sales price information being disclosed; and

WHEREAS, the Assembly proposes that if this ordinance does not result in an adequate increase of sales price information disclosure for both residential and commercial real estate from the collected 2002 baseline of market data within one year of enactment, the Assembly will review the seller's transfer fee and fine schedule for residential and commercial properties and make appropriate amendments by a future ordinance; now therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code Title 12 is hereby amended by adding Chapter 17 to read as follows:

Chapter 17 SELLER'S TRANSFER FEE

- 12.17.010** Definitions
- 12.17.020** Affidavit of Title Transfer
- 12.17.030** Exemptions
- 12.17.040** Violation

12.17.010 Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Closing agent means any person or business that offers or sells services to the public which include serving as the primary entity responsible for preparing, processing or coordinating the closing statement, related documents and transfer instrument, and for collecting payment at the time of closing of a real estate conveyance transaction not exempted under section 12.17.030. Examples of a closing agent includes an attorney, financial institution, mortgage company, real estate agent, or title company,

Seller means the grantor listed on a deed or other instrument of real estate conveyance in which there is a title transfer that is non-exempt under section 12.17.030. For purposes of this chapter the seller includes any person authorized to represent the grantor in a non-exempt title transfer.

12.17.020 Affidavit of Title Transfer.

- A.** Affidavit of Title Transfer forms which contain written instructions shall be provided and obtained from the Municipal Assessor, and shall be provided upon request to all closing agents, sellers, and any other requester, as well as made available at the State of Alaska Recording Office at Anchorage for the Third Judicial District.
- B.** The closing agent shall provide each seller an Affidavit of Title Transfer form at the time of closing of any real property transaction that may not be exempt from filing, as provided in section 12.17.030. This subsection does not impose a duty upon closing agents to determine exempt status or advise sellers as to their exempt status.

- 2 C. A completed Affidavit of Title Transfer shall be filed with the
3 Municipal Assessor within 45 days of the recording of a deed or other
4 instrument of real estate conveyance in which there is a title transfer,
5 unless the transaction is exempt under section 12.17.030. The seller
shall sign and have notarized the Affidavit of Title Transfer. The
Affidavit of Title Transfer form shall request sales price and other
market consideration information, which may be provided at the option
of the seller.
- 9 D. A seller who provides all requested sales price and other market
10 consideration information requested on the Affidavit of Title Transfer
11 form shall not be required to pay any seller's transfer fee.
- 14 E. For real estate sales transactions not exempted under 12.17.040 in which
15 the seller does not disclose the sales price and other market
16 consideration information requested on the Affidavit of Title Transfer
17 form, the seller shall pay a seller's transfer fee of \$250 for residential
18 property and \$500 for commercial property.
- 20 F. The Affidavit of Title Transfer and any seller's transfer fee must be
21 received by the Municipal Assessor's office within forty-five days of the
22 date of the recorded conveyance document filed with the State of Alaska
23 Recording Office at Anchorage for the Third Judicial District.
- 25 G. Failure to timely provide Affidavit of Title Transfer and any required
26 seller's transfer fee shall subject the seller to the fines as provided in
27 section 12.17.040.

28
29 **12.17.030 Exemptions.**

- 31 A. An Affidavit of Title Transfer is not required to be filed with the
32 Municipal Assessor for the following real estate title transfers:
33
- 34 1 from the United States, the State of Alaska, or any other
35 instrumentalities, agencies, or political subdivisions thereof;
 - 36 2. made solely for the purpose of confirming, correcting, modifying
37 or supplementing an instrument previously recorded, that is
38 without additional consideration;
 - 39 3. on sales for delinquent taxes or assessments, bankruptcy actions
40 or foreclosures of a security interest;
 - 41
42
43

4. cemetery lots;
5. lease or other transfer of severed mineral interests;
6. order of any court;
7. deed between husband and wife, or parent and child, without actual consideration; deeds to or from a family corporation or partnership when all shares of stock are owned by members of a family, or a trust created for the benefit of a member of that family, related to one another within the 4th degree of kindred, and their spouses, for no consideration;
8. deed of partition;
9. any deed in which there is a consideration of \$100 or less paid or to be paid;
10. quitclaim deed filed for the purpose of clearing title;
12. title is transferred to convey right-of-way or pursuant to eminent domain to the United States, State of Alaska, or its political subdivisions; and
13. deed of distribution executed by a personal representative conveying to devisees or heirs property passing by testate or intestate succession.

12.17.040 Violation.

- A. A seller shall be assessed , a fine, amounting to double the amount of seller's transfer fee that would have been assessed under this chapter if the seller chose not to disclose sales transaction and other market consideration information, for the following violations:
1. Failure to timely file a completed Affidavit of Title Transfer or failure to timely submit the applicable seller's transfer fee, if required under this chapter, to the Municipal Assessor's office; or
 2. Providing false or misleading information on the Affidavit of Title Transfer.

B. Failure of closing agent to provide seller with an Affidavit of Title Transfer form at closing of seller's real estate sales transaction shall not constitute reasonable cause to excuse any fine.

C. Upon showing of reasonable cause by the seller for failure to comply with section 12.17.020, the Chief Fiscal Officer of the Municipality may excuse all or part of the fines assessed under this section. be sufficient cause to defeat the penalty assessed in subsection A. above.

Section 2. The fine schedule set out in Anchorage Municipal Code section 14.60.040 is hereby amended by adding fines for violation of Anchorage Municipal Code chapter 12.17 to read as follows: *(the remainder of the section is not affected and therefore is not set out.)*

14.60.030 Fine Schedule

The fine schedule under this chapter is as follows:

12.17.040 \$1,000 fine for non-exempt commercial property title transfers when the Affidavit of Title Transfer and any applicable seller's transfer fee are not both timely submitted, or when false or misleading information is submitted in the Affidavit of Title Transfer.

12.17.040 \$500 fine for non-exempt residential property title transfers when the Affidavit of Title Transfer and any applicable seller's transfer fee, are not both timely submitted, or when false or misleading information is submitted in the Affidavit of Title Transfer.

Section 3. This ordinance shall be effective December 1, 2002.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2002.

Chair

ATTEST:

Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 887-2002

Meeting Date: October 15, 2002

From Mayor

Subject AO 2002-147 to require sellers of real estate to file an affidavit of title transfer with the Assessor's Office within 45 days after recording; to provide title transfer information including optional sales price and other market consideration information; to provide for a seller's transfer fee schedule based on disclosure of the optional sales price and other market consideration information; to provide for penalties for failure to file or pay timely or for providing false or misleading information; and specifying responsibilities of closing agent.

The attached ordinance recognizes the importance of fairness in the assessment of tax on real property, the Municipality desires to improve the quantity, timeliness, and quality of comparable sales information provided to the property assessment division of finance. The assessment process is annual and requires that value be estimated near year end based on the best data available at the time. The current system of voluntary disclosure of sales data provides less than half of the known sales early enough to be used in the annual process. Additionally, the acquisition and confirmation of the sales data is costly to the taxpayers.

The proposed ordinance respects State and Local law and the taxpayers right to privacy. It allows property owners to withhold sales price information at their discretion. The ordinance requires professionals involved in the closing of a real estate transaction to inform the seller of the requirement to file a timely affidavit disclosing that a transfer of ownership has taken place. If the seller chooses not to disclose the sale price a fee is required. The fee is intended to encourage the disclosure of sales information and to offset the administrative cost of discovering information about the transaction without the disclosure. Additionally, the fee will help offset the cost of analyzing public information such as listed price and recorded dept which are also indicators of the full and true value of the property being sold

A fair allocation of the tax is accomplished by an accurate estimate of the full and true value of all taxable real property. Improvement in accurate assessment can be with timely disclosure of sales information and supporting analyses.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AO NO.2002-147

Concurrence:

Harry J. Kielling, Jr.
Municipal Manager

Respectfully submitted,

George P. Wuerch
Mayor

Prepared by:

Kate Gard
Chief Fiscal Officer

Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

Ad 2002-147

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

1	SUBJECT OF AGENDA DOCUMENT New Chapter 17 to Title 12 of the Anchorage Municipal Code, To Require Seller of Real Estate to File an Affidavit of Title Transfer with the Assessor's Office within Forty-five Days	DATE PREPARED <div style="text-align: right;"><i>M.D.A.</i></div> 10/2/02 2002 OCT -3 PM 4:52		
		Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input checked="" type="checkbox"/> AM <input type="checkbox"/> AIM		
2	DEPARTMENT NAME Finance	DIRECTOR'S NAME Kate Giard		
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY	HIS/HER PHONE NUMBER 343-6610		
4	COORDINATED WITH AND REVIEWED BY	<table style="width: 100%;"> <tr> <th style="width: 40%;">INITIALS</th> <th style="width: 60%;">DATE</th> </tr> </table>	INITIALS	DATE
INITIALS	DATE			
<input checked="" type="checkbox"/>	Mayor	<i>[Signature]</i>		
	Heritage Land Bank			
	Merrill Field Airport			
	Municipal Light & Power			
	Port of Anchorage			
	Solid Waste Services			
	Water & Wastewater Utility			
<input checked="" type="checkbox"/>	Municipal Manager			
	Cultural & Recreational Services			
	Employee Relations			
<input checked="" type="checkbox"/>	Finance, Chief Fiscal Officer	<i>[Signature]</i>		
	Fire	<i>10/3/02</i>		
	Health & Human Services			
	Office of Management and Budget			
	Management Information Services			
	Police			
	Planning, Development & Public Works			
	Development Services			
	Facility Management			
	Planning			
	Project Management & Engineering			
	Street Maintenance			
	Traffic			
	Public Transportation Department			
	Purchasing			
<input checked="" type="checkbox"/>	Municipal Attorney	<i>[Signature]</i>		
<input checked="" type="checkbox"/>	Municipal Clerk	<i>10-3-02</i>		
	Other			
5	Special Instructions/Comments <div style="text-align: center; font-style: italic; font-size: 1.2em;">9/10/02 Laid on the Table</div>			
6	ASSEMBLY HEARING DATE REQUESTED	7 PUBLIC HEARING DATE REQUESTED <i>10/15/02</i>		