

CLERK'S OFFICE

APPROVED

Date: 2-1-11

Submitted by: Chair of the Assembly at the
Request of the Mayor

Prepared by: Dept. of Law

For reading: February 1, 2011

**ANCHORAGE, ALASKA
AR No. 2011-41**

A RESOLUTION IN SUPPORT OF ALLOWING POLITICAL SUBDIVISIONS OF THE STATE OF ALASKA TO SELECT STATE REVENUE SHARING OR FULL FUNDING FOR THE MANDATORY SENIOR AND DISABLED VETERAN'S REAL PROPERTY TAX EXEMPTIONS OR, IN THE ALTERNATIVE, RECEIVE AN ADDITIONAL PAYMENT OF THE DIFFERENCE.

WHEREAS, Alaska Statute AS 29.45.030 requires political subdivisions of the state to exempt from taxation the first \$150,000 of the assessed value of residential property for residents over the age of 65 and disabled veterans with a qualifying disability; and

WHEREAS, up until 1986, the State of Alaska reimbursed political subdivisions for the amount of real property taxes lost due to the property tax exemptions; and

WHEREAS, between 1987 and 1996 the reimbursed shifted to a pro-rata system dependent on available funding; and

WHEREAS, since 1997 the State of Alaska has no longer provided reimbursement; and

WHEREAS, the tax value of the exemptions (and the tax shifting effect of the exemptions) is \$24,235,008 for tax year 2010, and anticipated to continue to grow as Anchorage's population ages, adding to the real property tax burden on the remaining real property tax payers; and

WHEREAS, the Municipality of Anchorage is anticipating \$15,053,452 in revenue sharing from the State of Alaska for fiscal year 2011 pursuant to the formula for community revenue sharing in AS 29.60.850-.865; and


WHEREAS, other political subdivisions with large senior populations are facing a similar erosion of their tax base; now, therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1. The Municipality of Anchorage requests the State of Alaska immediately adopt legislation allowing political subdivisions to choose whether to accept State revenue sharing or a full reimbursement of the lost property tax revenues from the mandatory senior and disabled veteran's exemptions. In the alternative, the State of Alaska should immediately adopt legislation wherein political subdivisions continue to receive revenue sharing, but also receive an additional payment that represents the difference between revenue sharing and the amount of taxes not collectable due to the senior and disabled veteran's exemptions.

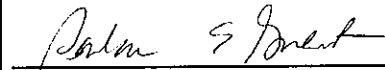
Section 2. This resolution shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 1st day of February, 2011.



Chair of the Assembly

ATTEST:



Municipal Clerk