

Submitted by: ASSEMBLY MEMBER TRAINI  
ASSEMBLY MEMBER TROMBLEY

Reviewed by: Property Appraisal

Prepared by: Assembly Counsel

For reading: January 17, 2012

CLERK'S OFFICE

APPROVED

Date: 1-31-12

ANCHORAGE, ALASKA  
AO NO. 2012-1

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUBMITTING TO THE  
2 QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE AT THE REGULAR  
3 MUNICIPAL ELECTION ON APRIL 3, 2012, A BALLOT PROPOSITION AUTHORIZING  
4 THE MUNICIPALITY OF ANCHORAGE TO GRANT A REAL PROPERTY TAX  
5 EXEMPTION TO THE ELIGIBLE WIDOW OR WIDOWER OF A PERSON KILLED IN  
6 MILITARY SERVICE OF THE UNITED STATES; AND AMENDING ANCHORAGE  
7 MUNICIPAL CODE SECTION 12.15.015 SUBJECT TO AUTHORIZATION BY THE  
8 ALASKA STATE LEGISLATURE AND VOTER APPROVAL OF THE BALLOT  
9 PROPOSITION.

10  
11 **WHEREAS**, AS 29.45.030(e) mandates a municipal real property tax exemption on  
12 the first \$150,000 of assessed value for the widow or widower aged 60 and over of a person  
13 qualified for the disabled veteran tax exemption; and

14  
15 **WHEREAS**, 2010 amendments by the Alaska State Legislature to AS 29.45.030(e)  
16 and AO 2010-16, approved by the Anchorage Assembly, allowed Municipality of Anchorage  
17 voters to extend the exemption to the eligible widows and widowers of disabled veterans  
18 regardless of age, and Anchorage voters approved this extension of the disabled veteran  
19 widow and widower exemption on April 5, 2011; and

20  
21 **WHEREAS**, a municipal real property tax exemption on the first \$150,000 of assessed  
22 value for the widow or widower of a person killed during service military service of the United  
23 States requires state law approval by the Alaska State Legislature; and

24  
25 **WHEREAS**, in support and anticipation of potential authorization from the Alaska  
26 State Legislature for a municipal real property tax exemption for the widow or widower of a  
27 person killed in United States military service, approval of this ordinance by the Anchorage  
28 Assembly places the exemption on the April 3, 2012 ballot for voter approval; and if approved  
29 by the voters and authorized by the Alaska State Legislature, Anchorage Municipal Code  
30 section 12.15.015, Real Property Tax Exemptions, shall be amended to include a municipal  
31 real property tax exemption on the first \$150,000 of assessed value for the widow or widower  
32 of a person killed during United States service military service; now, therefore,

33  
34 THE ANCHORAGE ASSEMBLY ORDAINS:

35  
36 **Section 1.** Pursuant to Alaska Statute 29.45.030(e), a ballot proposition in substantially the  
37 following form and substance shall be submitted to the qualified voters of the Municipality of  
38 Anchorage at the next regular Municipal election to be held on April 3, 2012:  
39

PROPOSITION NO. \_\_\_\_

**MAY THE MUNICIPALITY BY ORDINANCE GRANT A REAL PROPERTY TAX EXEMPTION ON THE FIRST \$150,000 OF ASSESSED VALUE TO AN ELIGIBLE WIDOW OR WIDOWER OF A PERSON KILLED IN UNITED STATES MILITARY SERVICE?**

**YES [ ]**

**NO [ ]**

**Section 2.** If the ballot proposition in Section 1 is approved by the voters at the regular election on April 3, 2012, and subject to authorization by the Alaska State Legislature, Anchorage Municipal Code section 12.15.015, **Real property exemptions**, shall be amended by adding a new exemption to read as follows:

**12.15.015 Real property exemptions.**

\*\*\*      \*\*\*      \*\*\*

***Military service widow and widower exemption.*** The first \$150,000.00 of assessed value of real property is exempt from taxation if it has been owned and occupied as the primary residence and permanent place of abode of an eligible widow or widower prior to January 1 of the exemption year.

- a. The applicant must be the surviving spouse of a person whose death occurred prior to January 1 of the exemption year, during United States military service, under conditions which are not dishonorable; and
- b. Upon initial application the applicant must have been a resident of the State of Alaska for the entire year prior to the exemption year; and
- c. In each subsequent year the property must be owned and occupied as the primary residence and permanent place of abode for at least 185 days prior to January 1 of the exemption year.
- d. This exemption shall expire as of January 1 of the year following the date of subsequent marriage.

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AO No. 86-211(S-1); AO No. 88-158; AO No. 92-56; AO No. 94-228(S-2), § 1, 2-7-95; AO No. 95-199, § 1, 1-1-96; AO No. 97-146, § 1, 1-1-98; AO No. 2003-149, § 1, 11-4-03; AO No. 2008-18, § 1, 2-12-08; AO No. 2009-133(S-1), § 2, 1-12-10; AO 2010-16, § 2, 2-1-11; AO No. 2011-37(S), § 1, 4-12-11).

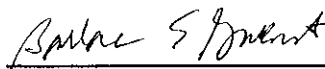
**Section 3.** Section 1 of this ordinance, to submit the ballot proposition to qualified voters of the Municipality of Anchorage at the regular election on April 3, 2012, shall become effective immediately upon passage and approval by the Assembly.

**Section 4.** With certification of voter approval in the regular election of April 3, 2012, the ballot proposition and Section 2 of this ordinance shall become effective as of January 1 of the next year immediately following authorization under state law, or January 1 of the first year the Municipality is authorized by the Alaska State Legislature to grant the exemption, whichever occurs later. Unless the language of the exemption as set out in Section 2 requires amendment to conform to state authorization, no further action by the Assembly is required to implement the exemption.

PASSED AND APPROVED by the Anchorage Assembly this 31<sup>st</sup> day of January, 2012.

  
Chair

ATTEST:

  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- General Government**

AO Number: 2012-1

Title: **AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY  
SUBMITTING TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF  
ANCHORAGE AT THE REGULAR MUNICIPAL ELECTION ON APRIL 3,  
2012, A BALLOT PROPOSITION AUTHORIZING THE MUNICIPALITY OF  
ANCHORAGE TO GRANT A REAL PROPERTY TAX EXEMPTION TO THE  
ELIGIBLE WIDOW OR WIDOWER OF A PERSON KILLED IN MILITARY  
SERVICE OF THE UNITED STATES; AND AMENDING ANCHORAGE  
MUNICIPAL CODE SECTION 12.15.015 SUBJECT TO AUTHORIZATION  
BY THE ALASKA STATE LEGISLATURE AND VOTER APPROVAL OF  
THE BALLOT PROPOSITION.**

Sponsor: **Assemblymemb**  
Preparing Agency: **Municipal Clerk**  
Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:		(In Thousands of Dollars)			
	FY12	FY13	FY14	FY15	FY16
Operating Expenditures					
1000 Personal Services					
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
TOTAL DIRECT COSTS:	\$ -	\$ -	\$ -	\$ -	\$ -
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES:		[\$632,664]	[\$645,317]	[\$655,224]	[\$671,388]
CAPITAL:					
POSITIONS: FT/PT and Temp					
PUBLIC SECTOR ECONOMIC EFFECTS:					

**PRIVATE SECTOR ECONOMIC EFFECTS:**

Prepared by:      Name or Department

Telephone:

# Summary Results of Analysis of AO 2012-1 - Widow/Widower Exemption Effective Tax Year 2013 (as of 1-17-12)

	2013	2014	2015	2016
Number of Eligible Widow/Widowers	240	245	250	255
Exempt Assessed Value	\$ 40,869,773	\$ 41,687,169	\$ 42,520,912	\$ 43,371,330
Total Taxes Exempt	\$ 632,664	\$ 645,317	\$ 658,224	\$ 671,388

## Widow and Widower Veteran Exemption Analysis

	Alaska	Anchorage (1)
Estimated Total Population (2)	710,231	355,116
Estimated Population of Veterans in Alaska (3)	77,025	38,513
Death Rate - Per 100,000 of Population (754.3 per 100,000) (4)	5%	3%

## Estimated Population Widows or Widowers of Veterans in Anchorage

Total Population (5)	Population of Veterans (5)	Death of Veterans (6)	Number of Widow/Widowers (6)	Number of Home Owners (7)
2011	355,116	38,513	1155	231
2012	362,218	39,283	1178	236
2013	369,462	40,068	1202	240
2014	376,851	40,870	1226	245
2015	384,388	41,687	1251	250
2016	392,076	42,521	1276	255

## Estimated Economic Impact of Exemption for Widows or Widowers of Veterans Receiving Exemption

	New Widow/Widower Homeowners to receive Exemption (7)	Exempt Assessed Value (8)	Total Taxes Exempt (9)	Disabled Veterans (10)	Exempt Assessed Value (8)	Total Taxes Exempt (9)	TOTAL TAXES EXEMPT FOR WIDOW/WIDOWER PLUS DISABLED VETERANS
2011		\$ -	\$ -	1847	\$ 270,293,559	\$ 4,103,498	\$ 4,103,498
2012		\$ -	\$ -	1947	\$ 330,945,460	\$ 5,123,036	\$ 5,123,036
2013	240	\$ 40,869,773	\$ 632,664	2052	\$ 338,980,000	\$ 5,247,410	\$ 5,880,074
2014	245	\$ 41,687,169	\$ 645,317	2163	\$ 367,652,607	\$ 5,691,262	\$ 6,336,580
2015	250	\$ 42,520,912	\$ 658,224	2279	\$ 387,505,847	\$ 5,998,591	\$ 6,656,814
2016	255	\$ 43,371,330	\$ 671,388	2403	\$ 408,431,163	\$ 6,322,514	\$ 6,993,903

### Notes

- (1) Assumes that 50% of total population in Alaska lives in Anchorage.
- (2) Data from US Census Bureau web site : <http://quickfacts.census.gov/qtd/states/02000.html> as of 2010
- (3) Based on "Making a Difference" publication from Veterans Benefits Administration - Kathleen Morgan - received January 2012
- (4) Based on "Alaska Progress Report" from <http://akprogress.typepad.com/akprogress/2011/07/alaskas-death-rate.html> dated July 21, 2011
- (5) Estimated growth rate of 2% per year
- (6) Assumes 40% of veterans are married
- (7) Assumes 50% own homes in Anchorage
- (8) Assumes each property receives 100% disabled veteran exemption (\$150,000) and 100% of residential exemption (\$20,000)
- (9) Assumes an average mill rate of 15.48 mills (rate for 2011 - district 3)
- (10) Based on 2011 Certification Sheet authored by Treasury and filed with State Assessor.