

Senate Bill 79 Sponsor Statement

Approp: Property Tax Exemption

During recent legislative sessions, we have heard the growing concerns from municipalities regarding decreased revenue sharing and their unfunded state mandate to provide property tax exemptions to seniors and disabled veterans. Thrown in with the retirement system debt, it is easy to see why many cities are considering closing their doors or discussing serious, debilitating cuts to their budgets.

SB 79 would require the state to appropriate General Funds to reimburse twenty four Alaska boroughs/municipalities for the exemptions granted under AS 29.45.030(e). Although this action would not be called “revenue sharing” per se, it would serve that purpose in that it would relieve municipalities of the burden of covering this unfunded mandate, freeing up these monies for other important projects needed in their jurisdictions. If SB 79 was enacted, it would provide over \$40 million dollars to municipal governments to cover the state property tax exemptions that have been minimally funded from 1974 – 1997 and have gone unfunded for the past eight years.