

Sponsor Statement Committee Substitute for Senate Bill No. 337

Eligibility for Municipal Tax Exemption

“An Act relating to eligibility for an exemption from municipal property taxes for certain seniors and disabled veterans.”

The [Senior Citizen and Disabled Veteran Property Tax Exemption program](#) is a statutorily mandated program that local communities are required to provide. Originally, the cost of the program to local governments in lost property taxes was reimbursed by the state. But currently, the state provides no such compensation and this unfunded mandate has put a tremendous financial burden on local governments.

Committee Substitute for [Senate Bill 337](#) gives local governments more flexibility for determining who receives a property tax exemption under this program. Committee Substitute for Senate Bill 337 allows local governments to apply the same eligibility requirements as the Permanent Fund Dividend program to the senior citizen and disabled veteran property tax exemption.

The original intent of the property tax exemption was to encourage seniors and disabled veterans to remain in Alaska. Limiting its applicability to only those who really live here is common sense and good public policy.