



# Alaska State Home Building Association

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## Resolution in Support of HB264, Property Tax Increase Deferral

**WHEREAS** the cost of land development is constantly increasing due to requirements for permitting, planning, zoning; and

**WHEREAS** local municipal governments normally require payment up front for all the necessary costs to properly subdivide land into lots available for home building; and

**WHEREAS** after a parcel of land has been subdivided, the property taxes are immediately increased due to the higher assessment value of the new lots; and

**WHEREAS** the sale of newly subdivided lots may sometimes take years due to market conditions and other unpredictable variables; and

**WHEREAS** the impact and cost for local government services do not occur until a home is constructed on a new lot; and

**WHEREAS** the 27th Alaska Legislature is considering House Bill 264, sponsored by Representative Cathy Muñoz, to provide municipal governments the option and flexibility to defer property tax increases on new subdivided lots for up to five years;

**BE IT THEREFORE RESOLVED** that the Alaska State Home Building Association supports and encourages the passage of House Bill 264 by the 27th Alaska Legislature as way to help local municipal governments encourage land development; and

**BE IT FURTHER RESOLVED** that the Alaska State Home Building Association supports efforts by local government efforts to expand their tax base by encouraging land development.

**ADOPTED** by the Board of Directors of the Alaska State Home Building Association, a quorum being present, on this 20 of January, 2012.

*Chris Edworthy*

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President

*[Signature]*

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Witness

1-20-12