



REPRESENTATIVE CATHY MUÑOZ

**THE DIFFERENCES BETWEEN
HB 264 AND CSHB 264 (CRA)**

"An Act allowing a deferral of municipal property taxes on the increase in the value of real property attributable to subdivision of that property; and providing for an effective date."

February 17, 2012

The House Community and Regional Affairs Committee made the following changes February 16, 2012, to House Bill 264:

- (1) On page 1, line 9, of the original bill, following "parcels," it inserted "any improvements made to the property necessitated by its subdivision."

Explanation: The original language in HB 264 may have limited a property tax deferral to only those costs that are directly attributable to subdividing a parcel such as surveying and platting. Some municipalities in Alaska, such as Juneau, require subdivision developers to make improvements for things like access roads, drainage ditches, and utility corridors. Adding the words "any improvements made to the property necessitated by its subdivision" will allow improvement costs to be part of a property tax deferral.

- (2) On page 2, line 1, and page 2, line 7, of the original bill, it replaced "the municipality grants a building permit for all or a portion of" with "on which a residential or commercial is constructed."

Explanation: This amendment is aimed at fulfilling the intent of the bill to end a property tax deferral when a property is improved and a building is constructed on it – so long as that happens within five years. The original language ended a deferral when a municipality grants a building permit for all or a portion of a subdivided parcel. There were two concerns over that:

- 1. Some municipalities don't issue building permits; and,*
- 2. No improvements may have been done at the time a permit is issued.*

This amendment ends a tax deferral when a building is constructed on the property.