



Representative Scott Jiu Wo Kawasaki

Alaska State Legislature

District 9 Fairbanks

House Bill 40 Sponsor Statement

"An Act relating to an optional exemption from municipal property taxes for residential property."

House Bill 40 would allow a municipality to offer a residential property tax exemption up to \$100,000. This bill does *not* mandate any municipality must raise their property tax exemption to \$100,000. Current law does not allow for state-mandated local method of taxation or tax rate. This bill only allows local governments the option of increasing their residential property tax exemption.

The intent behind this legislation is two fold. First, HB 40 allows for homeowners tax relief due to repeatedly increased property assessments over recent years. Second, it provides municipalities another tool when and if they consider diversifying their revenue stream.

Currently there are 12 boroughs and 13 cities - with a combined population of over 590,000 Alaskans - which levy property taxes. If municipalities were to fully implement this proposed exemption the tax relief for homeowners would be profound.

HB 40 would not affect a smaller, revenue-strapped community's sources of tax income. Instead, it would give those municipalities with a large enough population the ability to relieve the tax burden largely borne by homeowners. HB 40 would allow these local governments the ability to choose and set the exemption at any amount *up to* \$100,000.

HB 40 is a tool for municipalities to utilize at their own discretion. Having the potential to aid both our local governments and our citizen homeowners, I urge you to support House Bill 40.

In Juneau ○ State Capitol Juneau, Alaska 99801

In Fairbanks ○ 1292 Sadler Way Fairbanks, Alaska 99701

Juneau ○ (907) 465-3466 ○ Fax (907) 465-2937 ○ **Fairbanks** ○ (907) 456-7423 ○ Fax (907) 451-9293

Email: Representative_Scott_Kawasaki@legis.state.ak.us