

Alaska State

Legislature

Interim: Session:

716 West 4th Avenue State Capitol Building, Room 111

Anchorage, Alaska 99501 Juneau, Alaska 99801-1182

(907) 269-0199 Phone (907) 465-4945 Phone

(907) 269-0197 Fax (907) 465-3476 Fax



Senate President Kevin Meyer

Senate District M

SB 87: Municipal Taxes on Deteriorated Property

SB 87 authorizes municipalities to incentivize the rehabilitation, demolition, and redevelopment of blighted properties in deteriorated communities across the state. Currently, in AS 29.45.050(o), a residential property is eligible to receive an optional municipal property tax abatement only if it is a commercial property not used for residential purposes, or is a multi-unit residential property with at least eight residential units. Unfortunately, the statute is unclear in that it does not specify whether an eligible multi-unit property must have eight units *prior* to redevelopment or *after* the redevelopment is complete. This legislation clarifies that properties are eligible for optional municipal property tax abatement if eight or more residential units are located on the property either at the time of application or at the time of the completion of the project.

In addition, SB 87 amends the statute to clarify that when a single entity owns multiple residential properties within a designated deteriorated area, those properties may collectively be considered a "deteriorated property" for purposes of meeting the statute's eight-unit minimum for residential multi-family properties. This clarification provides greater flexibility to municipalities to craft incentives for redevelopment projects to meet their specific goals.