

The background of the entire image is a dense, overlapping pattern of US one-dollar bills. The bills are slightly faded and have a blue tint, creating a textured, financial backdrop. The text is overlaid on this pattern.

SB 172

**AN ACT INCREASING THE
RESIDENTIAL PROPERTY
TAX EXEMPTION**

SENATOR BILL WIELECHOWSKI

FEBRUARY 2, 2022

STATE SOLUTION TO PROPERTY TAX RELIEF

- SB 172 increases the residential property tax exemption from \$50,000 to \$75,000
- Optional tool for local communities to use to reduce tax burden
- Increased exemption amount equals more than \$400 in annual savings to average homeowner
- More than \$12,000 in savings over the life of a 30-year residential mortgage

SB 172

WHY IS PROPERTY TAX RELIEF NEEDED?

- Property taxes have dramatically increased
- The cost of living in Alaska has increased the last few decades as well
- Average income has not even doubled during the same time

SB 172

PROPERTY TAX BURDEN

- Anchorage saw the second largest property tax growth in the country between 2019 and 2020
- Property assessment cards were sent out recently in Anchorage, Mat-Su, and North Star Borough. Some property owners saw 10% increases in appraisals or more.
- Many Alaskans are looking for solutions to increasing property taxes

SB 172

HISTORY OF EXEMPTION

- On August 28, 2012, the Alaskan voters passed Proposition 1, Property Tax Exemption Act
- Prop 1 Increased the residential property tax exemption from \$20,000 to \$50,000
- Six boroughs and municipalities now take advantage of the exemption set by the state.
- 54% of Alaskans enjoy property tax relief through this exemption

SIX LOCAL COMMUNITIES UTILIZE EXEMPTION



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Anchorage green cards are out and property values are up

By [Lauren Maxwell](#)

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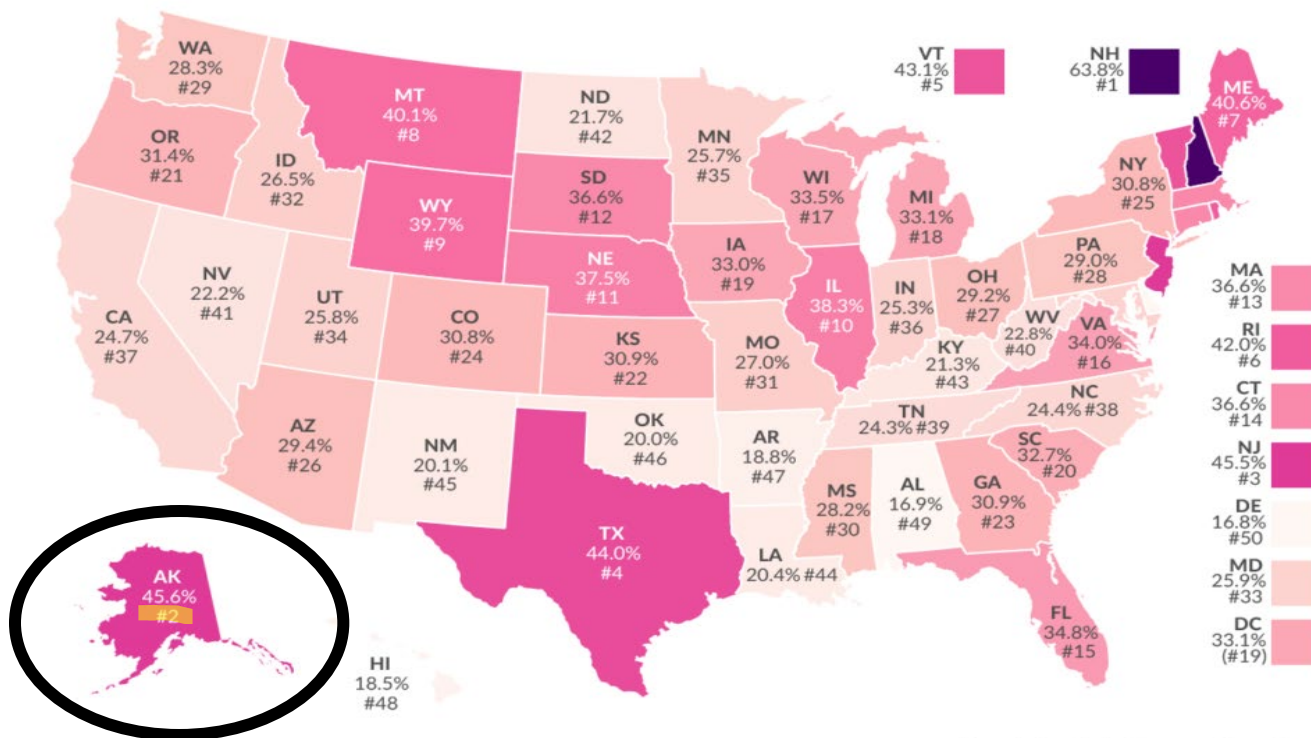


ANCHORAGE, Alaska (KTUU) - Those who own a home in Anchorage may be surprised at how much the city says it's worth. Property assessments mailed last week **show an increase in value between 8-10%** according to the Municipal Assessor's office.

LARGEST TAX MOST ALASKANS PAY

How Much Does Your State Rely on Property Taxes?

Property Tax Collections as a Percent of Total State and Local Tax Collections, FY 2018



Note: D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would have ranked if included.

Sources: U.S. Census Bureau, "Annual Survey of State and Local Government Finances"; Tax Foundation calculations.

Property Tax Collections as a Percent of Total State and Local Tax Collections



SECOND LARGEST INCREASE IN NATION IN 2020

The 10 Metros with the Highest Property Tax Growth

Percent change in average property taxes, 2020 vs. 2019



Chart: Sharon Lurye • Source: ATTOM Data Solutions • Created with Datawrapper

GAS IS UP 30% IN LAST YEAR



GAS PRICES

ALASKA AVERAGE GAS PRICESⁱ

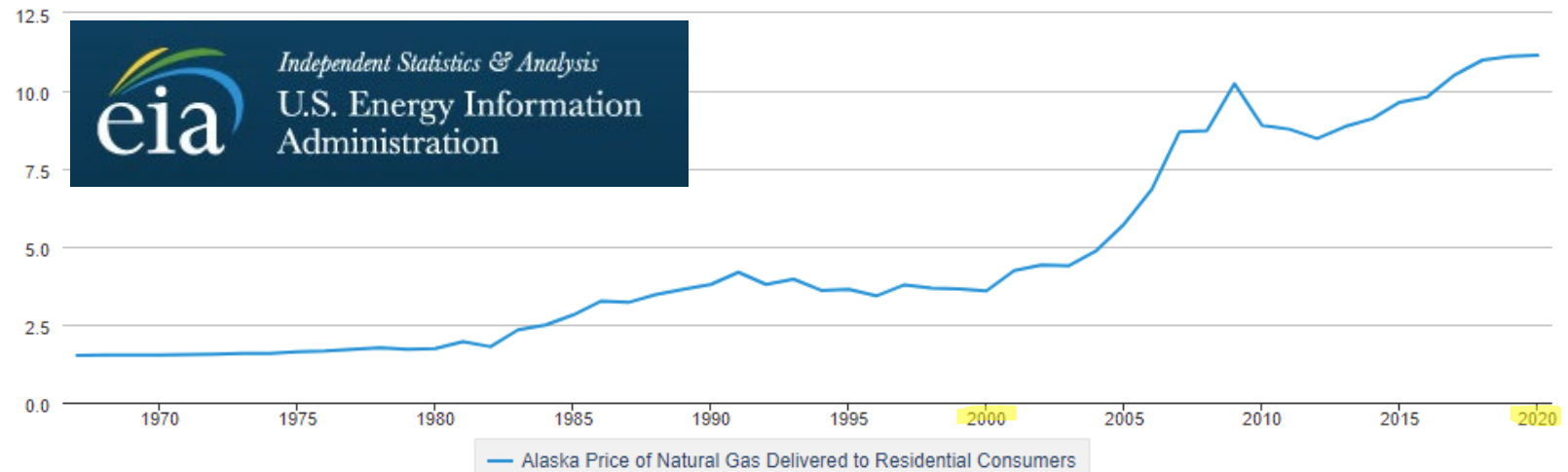
	Regular
Current Avg.	\$3.772
Yesterday Avg.	\$3.757
Week Ago Avg.	\$3.766
Month Ago Avg.	\$3.696
Year Ago Avg.	\$2.597

NATURAL GAS HAS TRIPLED

Alaska Price of Natural Gas Delivered to Residential Consumers

[Download](#)

Dollars per Thousand Cubic Feet



Source: U.S. Energy Information Administration

Alaska Price of Natural Gas Delivered to Residential Consumers (Dollars per Thousand Cubic Feet)

Decade	Year-0	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9
1960's								1.51	1.52	1.52
1970's	1.52	1.53	1.55	1.57	1.58	1.63	1.65	1.71	1.76	1.71
1980's	1.73	1.95	1.79	2.33	2.49	2.81	3.25	3.21	3.46	3.63
1990's	3.79	4.18	3.79	3.96	3.60	3.63	3.42	3.77	3.67	3.64
2000's	3.58	4.23	4.41	4.39	4.88	5.73	6.84	8.68	8.72	10.23
2010's	8.89	8.77	8.47	8.85	9.11	9.64	9.81	10.52	10.99	11.11
2020's	11.14									

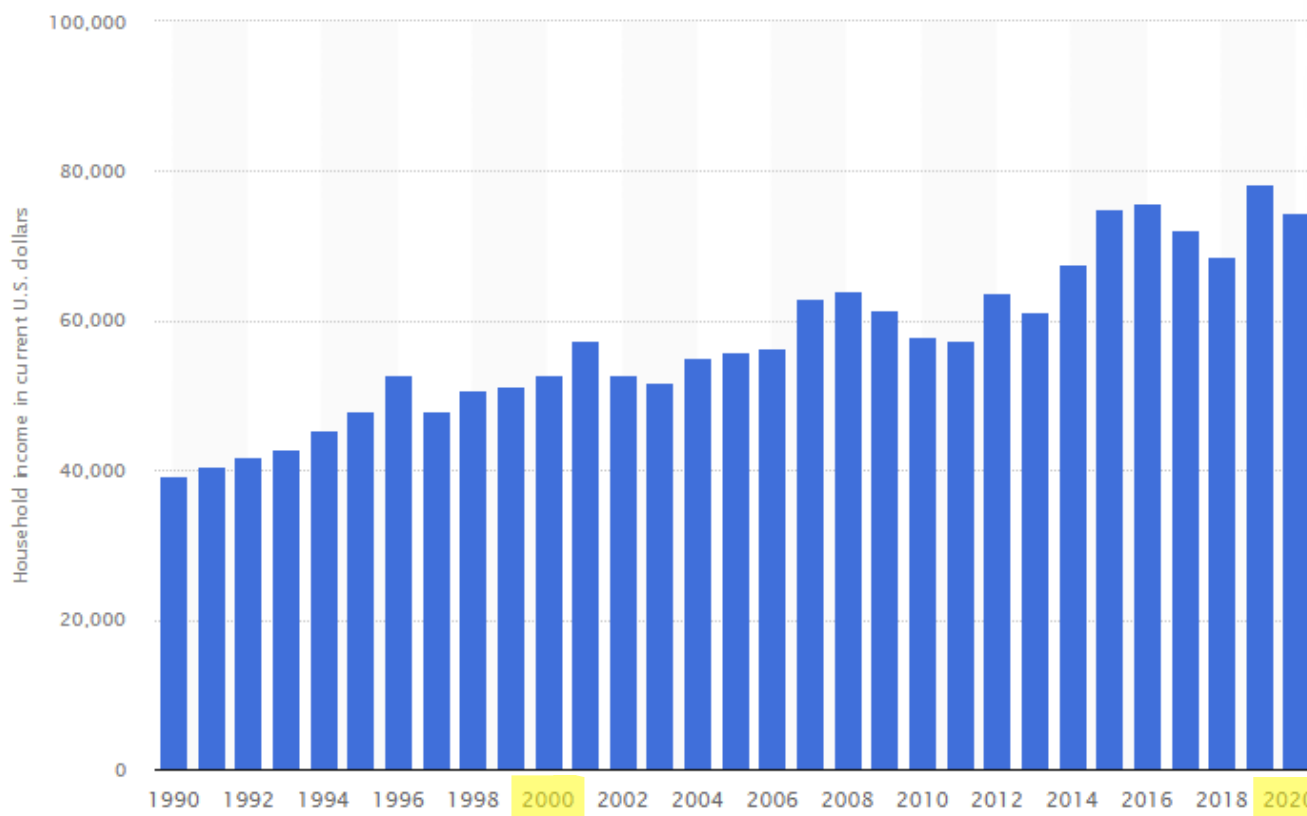
- = No Data Reported; -- = Not Applicable; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

Release Date: 1/31/2022
Next Release Date: 2/28/2022

SLOW INCOME GROWTH

Median household income in Alaska from 1990 to 2020

(in current U.S. dollars)



SB 172

CONCLUSION

- Property tax relief is needed now
- The cost of living for Alaskans has increased dramatically
- SB 172 increases the allowable residential property tax burden from \$50,000 to \$75,000
- Optional tool for local communities to use to reduce tax burden, most Alaskans utilize current exemption
- Homeowners could save \$400 a year, and \$12,000 over the life of a mortgage