



# LAWS OF ALASKA

**2006**

**Source**

SCS CSHB 334(FIN)

**Chapter No.**

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**AN ACT**

Relating to a mandatory exemption for certain residences owned by a religious organization, to an exemption from and deferral of municipal property taxes for certain types of deteriorated property, and to an optional deferral of municipal property taxes on certain primary residences owned and occupied by individuals with incomes at or below federal poverty guidelines for the state.

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**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

THE ACT FOLLOWS ON PAGE 1



## AN ACT

1 Relating to a mandatory exemption for certain residences owned by a religious organization,  
2 to an exemption from and deferral of municipal property taxes for certain types of  
3 deteriorated property, and to an optional deferral of municipal property taxes on certain  
4 primary residences owned and occupied by individuals with incomes at or below federal  
5 poverty guidelines for the state.

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7 \* **Section 1.** AS 29.45.030(b) is amended to read:

8 (b) In (a) of this section, "property used exclusively for religious purposes"  
9 includes the following property owned by a religious organization:

10 (1) the residence of **an educator in a private religious or parochial**  
11 **school or** a bishop, pastor, priest, rabbi, minister, or religious order of a recognized  
12 religious organization; **for purposes of this paragraph, "minister" means an**  
13 **individual who is**

1                    (A) ordained, commissioned, or licensed as a minister  
2                    according to standards of the religious organization for its ministers; and  
3                    (B) employed by the religious organization to carry out a  
4                    ministry of that religious organization;

5                    (2) a structure, its furniture, and its fixtures used solely for public  
6                    worship, charitable purposes, religious administrative offices, religious education, or a  
7                    nonprofit hospital;

8                    (3) lots required by local ordinance for parking near a structure defined  
9                    in (2) of this subsection.

10        \* **Sec. 2.** AS 29.45.050(o) is amended to read:

11                    (o) A municipality may by ordinance partially or totally exempt all or some  
12                    types of deteriorated property from taxation for up to 10 years beginning on or any  
13                    time after the day substantial rehabilitation, renovation, demolition, removal, or  
14                    replacement of any structure on the property begins. A municipality may by ordinance  
15                    permit deferral of payment of taxes on all or some types of deteriorated property for  
16                    up to five years beginning on or any time after the day substantial rehabilitation,  
17                    renovation, demolition, removal, or replacement of any structure on the property  
18                    begins. However, if the entire ownership of property for which a deferral has been  
19                    granted is transferred, all tax payments deferred under this subsection are immediately  
20                    due, and the deferral ends. Otherwise, deferred tax payments become due as  
21                    specified by the municipality at the time the deferral is granted [, OR, IF  
22                    OWNERSHIP OF ANY PART OF THE PROPERTY IS TRANSFERRED, ALL  
23                    TAX PAYMENTS ARE IMMEDIATELY DUE]. The amount deferred each year is a  
24                    lien on that property for that year. Only one exemption and only one deferral may be  
25                    granted to the same property under this subsection, and, if an exemption and a deferral  
26                    are granted to the same property, both may not be in effect on the same portion of the  
27                    property during the same time. An ordinance adopted under this subsection must  
28                    include specific eligibility requirements and require a written application for each  
29                    exemption or deferral. An application for a deferral must specify when payment of  
30                    taxes for each year of deferral will become due, together with an explanation of  
31                    the reasons for each proposed date for consideration by the municipality. In this

1 subsection, "deteriorated property" means real property that is commercial property  
2 not used for residential purposes or that is multi-unit residential property with at least  
3 eight residential units, and that meets one of the following requirements:

4 (1) within the last five years, has been the subject of an order by a  
5 government agency requiring environmental remediation of the property or requiring  
6 the property to be vacated, condemned, or demolished by reason of noncompliance  
7 with laws, ordinances, or regulations;

8 (2) has a structure on it not less than 15 years of age that has  
9 undergone substantial rehabilitation, renovation, demolition, removal, or replacement,  
10 subject to any conditions prescribed in the ordinance; or

11 (3) is located in a deteriorating or deteriorated area with boundaries  
12 that have been determined by the municipality.

13 \* **Sec. 3.** AS 29.45 is amended by adding a new section to read:

14 **Sec. 29.45.052. Tax deferral for primary residences.** (a) A municipality may  
15 by ordinance provide for the deferral of all taxes on property that is owned, in whole  
16 or in part, by an individual

17 (1) who occupies and has occupied the property for at least 10  
18 consecutive years as the individual's primary residence; and

19 (2) whose income is at or below federal poverty guidelines for the state  
20 set by the United States Department of Health and Human Services.

21 (b) An individual must apply for each year that a deferral is sought and supply  
22 proof of eligibility for the deferral for that year in accordance with requirements set  
23 out in the ordinance that authorizes the deferral. Taxes for a year that are deferred do  
24 not become payable until ownership of the property is transferred from the individual  
25 who obtained the deferral. A municipality that provides for a deferral of property taxes  
26 under this subsection may not impose interest on the taxes deferred between the time  
27 the deferral is granted and the time the taxes become payable.

28 \* **Sec. 4.** Section 2, ch. 8, SLA 1999, as amended by sec. 1, ch. 102, SLA 2002, and by sec.  
29 4, ch. 140, SLA 2004, is repealed.