

## Assembly will ask state legislature for authority to enact caps on real property tax assessments

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Jake Dye / Peninsula Clarion  
Kenai Peninsula Borough Mayor Peter Micciche speaks during a meeting of the Borough Assembly in Soldotna, Alaska, on Tuesday, May 21, 2024.

The Kenai Peninsula Borough Assembly on Tuesday, Dec. 2, passed a resolution requesting the Alaska Legislature to provide municipalities the authority to enact caps on real property tax assessment increases of 5% or greater from the previous year’s assessment.

The assembly will ask the legislature to amend, along with any other relevant state statutes, Alaska Statute 29.45, part of which currently says, “the assessor shall assess property at its full and true value as of Jan. 1 of the assessment year ... The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.”

Therefore, the resolution states, under current law, “if market value prices go up, assessments necessarily increase.”

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Kenai Peninsula Borough Mayor Peter Micciche introduced Resolution 2025-046 during an assembly meeting in November. The resolution states that because real estate values fluctuate significantly from one year to the next, property owners can’t accurately budget for tax assessments and end up facing “real financial hardships.” Several members of the public said during the public comment period at the end of the meeting that the assessment increases are especially unfair to new property owners.

According to assembly member Willy Dunne, who represents the southern Kenai Peninsula, the resolution would request a tool that “smoothes the curve” of property evaluations. He said dozens of states already have this ability.

Micciche said that while periods of rapid escalation are fairly normal, typically occurring every decade, there’s been a 34% increase in property evaluations throughout the borough in the past three years.

The increase in taxes are concerning many property owners, including 72-year-old Rebecca Hinsberger of Kasilof. She said the increase in evaluations have hit her bed and breakfast, the Hungry Moose Cabin, especially hard. She started the business to support herself after retiring.

“I’ve been adding to it, and every time I add to it, there’s another assessable building,” she said during the meeting. “The amount of money I’m paying in property taxes is getting pretty exorbitant.”

She added that she can’t claim the senior exemption since she runs the business on her property.

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“I’m trying to generate income to support myself, and every time I build something to expand my business, I pay more taxes,” she concluded. Assembly member Sergeant Truesdell, who represents Soldotna, asked Micciche whether he thought the 5% cap would prevent people from eventually paying their full assessed property value. Micciche responded by saying there’s been a lot of misunderstanding around the resolution’s intent. “All we’re asking for through this is a way to fight for our constituents against rapid assessment increases like we’ve seen,” Micciche said. “34% over three years — that’s an exorbitant increase.” He added that 34% is merely the average, saying some people have seen increases of even more. The resolution passed 8-1, with Dunne voting against and all other assembly members voting in favor. Find Resolution 2025-046 in full at [kpb.legistar.com](http://kpb.legistar.com).

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