

# Senator Jesse Bjorkman

*Alaska State Legislature*

**Session Address:**

Alaska State Capitol, Rm. 427  
Juneau, Alaska 99801-1182  
Phone: (907) 465-2828  
Toll Free: (800) 964-5733



**Interim Address:**

145 Main Street Loop, Ste. 226  
Kenai, Alaska 99611-7771  
Phone: (907) 283-7996  
Fax: (907) 283-8127

## **SB 259 Property Tax Assessment Increases**

### **Sponsor Statement**

#### **Version L**

Senate Bill 259 gives municipalities the option to limit the annual increase in the assessed valuation of real residential property, by ordinance, at a percentage set by the municipality of not less than 3% and not greater than 10%. This legislation does not establish a statewide mandated cap. This approach instead preserves local control by allowing each community to determine an appropriate cap that reflects its fiscal needs.

As of December 2025, the Kenai Peninsula Borough, for example, had seen an increase of 34 percent in property values over the course of the last three years. Rapid increases of this magnitude can create significant strain for homeowners, particularly those on fixed incomes or those who have owned and occupied their homes for many years. By allowing municipalities to adopt a locally determined cap, SB 259 provides a mechanism to smooth those increases over time and reduce sudden spikes in assessed value.

This flexibility allows municipalities to strike a balance between taxpayer protection and maintaining adequate revenue for essential public services. This legislation requires that the property be occupied as housing, ensuring that the benefit supports homes where residents live, whether they own or rent. If enacted, SB 259 also allows an assessor to reset the assessed value to estimated fair market value every 10 years, upon sale, or following major improvements. This provision helps maintain equity in the tax system and ensures that the municipal tax base keeps pace with market conditions over time.

I urge your support of Senate Bill 259.