

# 32<sup>ND</sup> ALASKA STATE LEGISLATURE

## Session

State Capitol, Rm. 9  
Juneau, AK 99801  
(907) 465-2435

## Interim

1500 W. Benson  
Anchorage, AK 99503  
(907) 269-0120



Finance Committee

Sen.Bill.Wielechowski@akleg.gov

## SENATOR BILL WIELECHOWSKI

### Sponsor Statement Senate Bill 172

#### *An Act increasing the residential property tax exemption*

Senate Bill 172 gives municipalities and boroughs the opportunity to provide property tax relief to homeowners by increasing the allowable residential property tax exemption from \$50,000 to \$75,000. Alaska homeowners have experienced drastic increases in property tax appraisals and taxes in recent years. Property appraisals in both the Municipality of Anchorage and the Matanuska-Susitna Borough are up more than 10% during 2021. At the same time, commercial property appraisals have experienced little to no increases, putting more of the tax burden on families and individuals. SB 172 is needed right now to allow municipalities to provide some relief to struggling homeowners.

This bill will save the average homeowner in Alaska more than \$400 per year in property tax relief. With tax inflation, that is more than \$13,500 in savings over a 30-year mortgage. Currently, 54% of Alaskans live in a borough or municipality that takes full advantage of the \$50,000 residential property tax exemption that is currently provided for by law. Increasing this exemption to \$75,000 will allow municipalities to help families and individuals even more.

Alaskans are being pummeled by the increased cost of living beyond just local taxes. The price of fuel, stove oil, and natural gas have all increased more than 30% in the last few years. The record 7% inflation we are seeing now will only make the situation worse, crippling the budgets of families all over our state. This bill gives municipalities a tool to provide some financial relief.

Now is the time for the state to lead, doing what we can to encourage property tax relief in the communities that need it the most.

I hope that you will join me in taking this reasonable step toward offering property tax relief to Alaskans.