

SENATE BILL NO. 87

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY SENATOR MEYER

Introduced: 3/20/15

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the optional exemption from and deferral of payment of municipal**
2 **taxes on deteriorated property."**

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

4 * **Section 1.** AS 29.45.050(o) is amended to read:

5 (o) A municipality may by ordinance partially or totally exempt all or some
6 types of deteriorated property from taxation for up to 10 years beginning on or any
7 time after the day substantial rehabilitation, renovation, demolition, removal, or
8 replacement of any structure on the property begins. A municipality may by ordinance
9 permit deferral of payment of taxes on all or some types of deteriorated property for
10 up to five years beginning on or any time after the day substantial rehabilitation,
11 renovation, demolition, removal, or replacement of any structure on the property
12 begins. However, if the entire ownership of property for which a deferral has been
13 granted is transferred, all tax payments deferred under this subsection are immediately
14 due, and the deferral ends. Otherwise, deferred tax payments become due as specified

by the municipality at the time the deferral is granted. The amount deferred each year is a lien on that property for that year. Only one exemption and only one deferral may be granted to the same property under this subsection, and, if an exemption and a deferral are granted to the same property, both may not be in effect on the same portion of the property during the same time. An ordinance adopted under this subsection must include specific eligibility requirements and require a written application for each exemption or deferral. An application for a deferral must specify when payment of taxes for each year of deferral will become due, together with an explanation of the reasons for each proposed date for consideration by the municipality. In this subsection, "deteriorated property" means real property that, either at the time of application for exemption or deferral or at the time of completion of the project for which an exemption or deferral is requested, is

(1) residential property located in a deteriorating or deteriorated area with boundaries that have been determined by the municipality, if the property is owned by an entity that owns at least two residential properties and eight or more residential units among those properties in that deteriorating or deteriorated area; or

(2) commercial property not used for residential purposes or that is multi-unit residential property with at least eight residential units, and that meets one of the following requirements:

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

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

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