

SENATE BILL NO. 77

IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY SENATORS DUNBAR, Claman

Introduced: 2/22/23

Referred: Community & Regional Affairs

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to municipal property tax; and providing for an effective date."**

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

3 *** Section 1.** AS 29.45.050(m) is amended to read:

4 (m) A municipality may by ordinance partially or totally exempt all or some
5 types of economic development property from taxation for a designated period.
6 [EXCEPT AS OTHERWISE PROVIDED BY AN ORDINANCE ENACTED BY
7 THE MUNICIPALITY BEFORE JANUARY 1, 2017, A MUNICIPALITY THAT IS
8 A SCHOOL DISTRICT MAY ONLY EXEMPT ALL OR A PORTION OF THE
9 AMOUNT OF TAXES THAT EXCEEDS THE AMOUNT LEVIED ON OTHER
10 PROPERTY FOR THE SCHOOL DISTRICT'S REQUIRED LOCAL
11 CONTRIBUTION UNDER AS 14.17.410(b)(2).] A municipality may by ordinance
12 permit deferral of payment of taxes on all or some types of economic development
13 property for a designated period. A municipality may apply an exemption or deferral
14 under this subsection to taxes levied for special services in a service area that is
15 supervised by an elected service area board under AS 29.35.460 unless the elected

1 service area board objects to the exemption or deferral by resolution adopted not later
 2 than 60 days after the effective date of the municipal ordinance enacting the tax
 3 exemption or deferral. A municipality may adopt an ordinance under this subsection
 4 only if, before it is adopted, copies of the proposed ordinance made available at a
 5 public hearing on it contain written notice that the ordinance, if adopted, may be
 6 repealed by the voters through referendum. An ordinance adopted under this
 7 subsection must include specific eligibility requirements and require a written
 8 application for each exemption or deferral.

9 * **Sec. 2.** AS 29.45 is amended by adding a new section to read:

10 **Sec. 29.45.057. Levy of tax on blighted property.** (a) A municipality may
 11 levy a tax on real property that the municipality designates as blighted if, before
 12 levying the tax, the municipality adopts an ordinance that establishes

13 (1) standards for determining whether a property is blighted;

14 (2) a procedure for designating a property as blighted that provides to
 15 the property's owner notice of the proposed designation and an opportunity to
 16 challenge the designation at a hearing;

17 (3) the tax rate that applies to a property designated as blighted;

18 (4) standards for remediating or redeveloping a property to remove the
 19 property's designation as blighted; and

20 (5) a reduced tax rate, and the duration of time that the reduced tax rate
 21 will apply, for a property that has been remediated or redeveloped to remove the
 22 property's designation as blighted.

23 (b) For the owner of a property designated as blighted to qualify for a reduced
 24 tax rate established under (a)(5) of this section, the property owner must submit to the
 25 municipality a plan for remediating or redeveloping the property, the municipality
 26 must approve the plan, and the property owner must fulfill the terms of the plan.

27 (c) An ordinance adopted under (a) of this section may require tax collected
 28 under this section to be segregated from other property tax and dedicated to
 29 community redevelopment purposes.

30 (d) A municipality may not levy a tax under this section on the primary
 31 residence of an individual.

1 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).