

# Fiscal Note

State of Alaska  
2024 Legislative Session

Bill Version: HB 347  
 Fiscal Note Number: \_\_\_\_\_  
 () Publish Date: \_\_\_\_\_

Identifier: HB347SCSCS(CRA)-DCCED-DCRA-05-10-24  
 Title: PROPERTY ASSESSMENT  
 Sponsor: COULOMBE  
 Requester: (S) FINANCE

Department: Department of Commerce, Community and  
 Economic Development  
 Appropriation: Community and Regional Affairs  
 Allocation: Community and Regional Affairs  
 OMB Component Number: 2879

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates					
			FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

**Change in Revenues**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2024) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2025) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/26

**Why this fiscal note differs from previous version/comments:**

Updated to reflect committee substitute changes, including partial or total exemption for some types of economic development property for taxation, and allows for taxation on property designated as blighted.

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Division: <u>Community and Regional Affairs</u>	Date: <u>05/10/2024</u>
Approved By: <u>Hannah Lager, Administrative Services Director</u>	Date: <u>05/10/24</u>
Agency: <u>Commerce, Community, and Economic Development</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2024 LEGISLATIVE SESSION

BILL NO. CSHB 347(CRA) AM

**Analysis**

This bill allows a municipality, by ordinance, to partially or totally exempt all or some types of economic development property from taxation and allow the deferral of payment of taxes on those same properties for a designated period. A municipality may also apply an exemption of deferral of taxes under this subsection to taxes levied for special services that meet specific guidelines. The municipality may levy a tax on a real property that has been designated as blighted as long an ordinance has been adopted that establishes standards for determining whether a property is blighted.

This bill requires the department to adopt assessment standards consistent with those of the International Association of Assessing Officers. Under this bill, assessors shall be required to determine the full and true value of property as of January 1st using standards adopted by the department or by standards provided by ordinance. This bill requires an assessor with a municipality to hold a level 3 certification from the Alaska Association of Assessing Officers, or work under the supervision of someone with this certification. This bill directs the governing body, meaning a City Council or Borough Assembly to appoint one or more boards of equalization for hearing an appeal from a determination of the assessor, and prohibits the board of equalization from raising the property assessment within the current year unless requested to do so by the appellant. A person receiving an assessment notice shall advise the assessor of errors or omissions and may request the assessor meet with them and answer reasonable questions relating to the methods used to determine the assessment. The meeting may be online or telephonic.

The Division of Community and Regional Affairs will need to update regulations to reflect the changes in this legislation, as well as notify the public of the changes. Legal costs and the costs associated with the regulation update will be absorbed by the division's existing budget.