

CS FOR HOUSE BILL NO. 241(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/26/04

Referred: Rules

Sponsor(s): REPRESENTATIVES CHENAULT, Gruenberg

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to optional exemptions from municipal property taxes on residential
2 property and to an exemption from and deferral of municipal property taxes on certain
3 types of deteriorated property."

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

5 * **Section 1.** AS 29.45.050(a) is amended to read:

6 (a) A municipality may exclude or exempt or partially exempt residential
7 property from taxation by ordinance ratified by the voters at an election. An
8 exclusion or exemption authorized by this subsection may be applied with respect
9 to taxes levied in a service area to fund the special services. An exclusion or
10 exemption authorized by this subsection [SECTION] may not exceed the assessed
11 value of \$25,000 [\$10,000] for any one residence.

12 * **Sec. 2.** AS 29.45.050(o) is amended to read:

13 (o) A municipality may by ordinance partially or totally exempt all or some
14 types of deteriorated property from taxation for up to 10 [FIVE] years beginning on or

1 any time after the day substantial rehabilitation, renovation, **demolition, removal**, or
 2 replacement of any structure on the property begins. A municipality may by
 3 ordinance permit deferral of payment of taxes on all or some types of deteriorated
 4 property for up to five years beginning on or any time after the day substantial
 5 rehabilitation, renovation, **demolition, removal** or replacement of any structure on the
 6 property begins. However, if the ownership of property for which a deferral has been
 7 granted is transferred, all tax payments deferred under this subsection are immediately
 8 due and the deferral ends, or, if ownership of any part of the property is transferred, all
 9 tax payments are immediately due. The amount deferred each year is a lien on that
 10 property for that year. Only one exemption and only one deferral may be granted to
 11 the same property under this subsection, and, if an exemption and a deferral are
 12 granted to the same property, both may not be in effect on the same portion of the
 13 property during the same time. An ordinance adopted under this subsection must
 14 include specific eligibility requirements and require a written application for each
 15 exemption or deferral. In this subsection, "deteriorated property" means real property
 16 that is commercial property not used for residential purposes or that is multi-unit
 17 residential property with at least eight residential units, and that **meets one of the**
 18 **following requirements:**

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

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

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

28 * **Sec. 3.** AS 29.45.050 is amended by adding a new subsection to read:

29 (s) A municipality may by ordinance designate an area within its boundaries
 30 as an eligible area for purposes of this subsection and exempt from taxation an amount
 31 not to exceed \$10,000 of the assessed value of real property within the area that is

1 owned and occupied as a permanent place of abode by a law enforcement officer. The
2 ordinance must include a definition of "law enforcement officer." A municipality that
3 adopts an ordinance under this subsection may not request state funds to cover any
4 municipal budget shortfall caused by the ordinance. In this subsection, "eligible area"
5 means an area

6 (1) that meets the eligibility requirements under a federal program of
7 special assistance for urban development, neighborhood revitalization, or law
8 enforcement, without regard to whether an application for the federal assistance on
9 behalf of the area has been made or whether the area has actually received or is
10 receiving the federal assistance; or

11 (2) with a statistically higher occurrence of crime than the municipality
12 as a whole.

13 * **Sec. 4.** The uncodified law of the State of Alaska enacted in sec. 2, ch. 8, SLA 1999, as
14 amended by sec. 1, ch. 102, SLA 2002, is amended to read:

15 Sec. 2. AS 29.45.050(o) is repealed July 1, **2010** [2006].