

**CS FOR SENATE BILL NO. 136(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/28/04

Referred: Rules

Sponsor(s): SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to an optional exclusion or exemption from municipal taxation for**  
2 **residential property; and relating to an exemption from and deferral of municipal**  
3 **property taxes on certain 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 **\$20,000** [\$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.** The uncodified law of the State of Alaska enacted in sec. 2, ch. 8, SLA 1999, as  
 29 amended by sec. 1, ch. 102, SLA 2002, is amended to read:

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 AS 29.45.050(o) is repealed July 1, **2010** [2006].