

HOUSE BILL NO. 334

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES RAMRAS, Foster

Introduced: 1/9/06

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an exemption from and deferral of municipal property taxes for**
2 **certain types of 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 OWNERSHIP OF PROPERTY FOR WHICH A
13 DEFERRAL HAS BEEN GRANTED IS TRANSFERRED, ALL TAX PAYMENTS
14 DEFERRED UNDER THIS SUBSECTION ARE IMMEDIATELY DUE AND THE

1 DEFERRAL ENDS, OR, IF OWNERSHIP OF ANY PART OF THE PROPERTY IS
 2 TRANSFERRED, ALL TAX PAYMENTS ARE IMMEDIATELY DUE.] The
 3 amount deferred each year is a lien on that property for that year. **However, tax**
 4 **payments deferred under this subsection become due only when the ownership of**
 5 **the property for which a deferral has been granted, or any portion of that**
 6 **property, is transferred. On the date of the transfer, all deferred tax payments**
 7 **are immediately due.** Only one exemption and only one deferral may be granted to
 8 the same property under this subsection, and, if an exemption and a deferral are
 9 granted to the same property, both may not be in effect on the same portion of the
 10 property during the same time. An ordinance adopted under this subsection must
 11 include specific eligibility requirements and require a written application for each
 12 exemption or deferral. **An exemption or deferral may not be granted under this**
 13 **subsection after July 1, 2010.** In this subsection, "deteriorated property" means real
 14 property that is commercial property not used for residential purposes or that is multi-
 15 unit residential property with at least eight residential units, and that meets one of the
 16 following requirements:

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

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

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

26 * **Sec. 2.** Section 2, ch. 8, SLA 1999, as amended by sec. 1, ch. 102, SLA 2002, and by sec.
 27 4, ch. 140, SLA 2004, is repealed.