

**CS FOR HOUSE BILL NO. 334(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 2/22/06**

**Referred: Rules**

**Sponsor(s): REPRESENTATIVES RAMRAS, Foster, Croft**

**SENATORS Wilken, Dyson, Cowdery, Ben Stevens, Seekins, Huggins**

**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 **entire** ownership of property for which a deferral has been  
13 granted is transferred, all tax payments deferred under this subsection are immediately  
14 due and the deferral ends. **Otherwise, deferred tax payments become due as**

1 specified by the municipality at the time the deferral is granted [, OR, IF  
 2 OWNERSHIP OF ANY PART OF THE PROPERTY IS TRANSFERRED, ALL  
 3 TAX PAYMENTS ARE IMMEDIATELY DUE]. The amount deferred each year is a  
 4 lien on that property for that year. Only one exemption and only one deferral may be  
 5 granted to the same property under this subsection, and, if an exemption and a deferral  
 6 are granted to the same property, both may not be in effect on the same portion of the  
 7 property during the same time. An ordinance adopted under this subsection must  
 8 include specific eligibility requirements and require a written application for each  
 9 exemption or deferral. An application for a deferral must specify when payment of  
 10 taxes for each year of deferral will become due, together with an explanation of  
 11 the reasons for each proposed date for consideration by the municipality. In this  
 12 subsection, "deteriorated property" means real property that is commercial property  
 13 not used for residential purposes or that is multi-unit residential property with at least  
 14 eight residential units, and that meets one of the following requirements:

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

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

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

24 \* **Sec. 2.** Section 2, ch. 8, SLA 1999, as amended by sec. 1, ch. 102, SLA 2002, and by sec.  
 25 4, ch. 140, SLA 2004, is repealed.