

**HOUSE BILL NO. 264**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES MUÑOZ, Chenault, Gara, Kerttula, Thompson

Introduced: 1/17/12

Referred: Community and Regional Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act allowing a deferral of municipal property taxes on the increase in the value of  
2 real property attributable to subdivision of that property; and providing for an effective  
3 date."

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

5 \* **Section 1.** AS 29.45 is amended by adding a new section to read:

6 **Sec. 29.45.051. Tax deferral for certain subdivided property.** (a) A  
7 municipality may by ordinance permit deferral of payment of taxes on all or a portion  
8 of the increase in assessed value directly attributable to the subdivision of a single  
9 parcel of property into three or more parcels.

10 (b) A deferral from taxation allowed under this (a) of this section shall be  
11 limited to a maximum period of five years. However, a municipality may by ordinance  
12 provide for termination of the deferral in less than five years for all or a portion of a  
13 subdivided parcel, based on the date

14 (1) all or a portion of the subdivided parcel is sold; or

1                   (2) the municipality grants a building permit for all or a portion of the  
2 subdivided parcel.

3                   (c) A municipality may by ordinance provide a process for applying the tax  
4 deferral allowed under (a) of this section to an unsold portion of a subdivided parcel  
5 after the date

6                   (1) a portion of the subdivided parcel is sold; or

7                   (2) the municipality grants a building permit for a portion of the  
8 subdivided parcel.

9       \* **Sec. 2.** This Act takes effect July 1, 2012.