

CS FOR HOUSE BILL NO. 264(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 2/17/12

Referred: Finance

Sponsor(s): REPRESENTATIVES MUÑOZ, Chenault, Gara, Kerttula, Thompson, Kawasaki, Millett, Petersen, Johansen, Johnson, Gardner, Tuck

SENATORS Dyson, Huggins, Menard, Egan

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

9 (1) the subdivision of a single parcel of property into three or more
10 parcels; and

11 (2) any improvements made to the property necessitated by its
12 subdivision.

13 (b) A deferral from taxation allowed under this (a) of this section shall be
14 limited to a maximum period of five years. However, a municipality may by ordinance

1 provide for termination of the deferral in less than five years for all or a portion of a
2 subdivided parcel, based on the date on which

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

4 (2) a residential or commercial building is constructed on the
5 subdivided parcel.

6 (c) A municipality may by ordinance provide a process for applying the tax
7 deferral allowed under (a) of this section to an unsold portion of a subdivided parcel
8 after the date on which

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

10 (2) a residential or commercial building is constructed on the
11 subdivided parcel.

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