

SENATE CS FOR CS FOR HOUSE BILL NO. 264(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 4/14/12

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; relating to municipal taxation
3 of oil and gas production and pipeline property; and providing for an effective 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 (a) of this section shall be limited
14 to a maximum period of five years. A municipality may by ordinance provide for the
15 deferral of payment of taxes permitted under (a) of this section to be of a shorter

1 duration.

2 (c) Subject to (b) of this section, a municipality may also by ordinance provide
3 that

4 (1) the deferral is terminated when

5 (A) a lot in the subdivision is sold; or

6 (B) a residential or commercial building is built on a lot in the
7 subdivision; or

8 (2) the deferral continues for the unsold lots in the subdivision after

9 (A) a lot in the subdivision is sold; or

10 (B) a residential or commercial building is constructed on a lot
11 in the subdivision.

12 * **Sec. 2.** AS 29.45.080(a) is amended to read:

13 (a) A municipality may levy and collect taxes on **the full and true value of**
14 taxable property taxable under AS 43.56 **as valued by the Department of Revenue**
15 [ONLY BY USING ONE OF THE METHODS SET OUT IN (b) OR (c) OF THIS
16 SECTION].

17 * **Sec. 3.** AS 29.45.080(b), 29.45.080(c), 29.45.080(d), 29.45.080(e), 29.45.090(b),
18 29.45.090(c), 29.45.090(d); and AS 43.56.010(c) are repealed.

19 * **Sec. 4.** This Act takes effect July 1, 2012.