



# LAWS OF ALASKA

2024

**Source**

HCS CSSB 179(RLS)

**Chapter No.**

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**AN ACT**

Relating to municipal property tax; relating to assessment of property, boards of equalization, and certification of assessors; prohibiting municipalities from levying a tax on the transfer of real property; prohibiting the state from levying a tax on the transfer of real property; relating to municipal taxation of mobile telecommunications services; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1



**AN ACT**

1 Relating to municipal property tax; relating to assessment of property, boards of equalization,  
2 and certification of assessors; prohibiting municipalities from levying a tax on the transfer of  
3 real property; prohibiting the state from levying a tax on the transfer of real property; relating  
4 to municipal taxation of mobile telecommunications services; and providing for an effective  
5 date.

6

7 \* **Section 1.** AS 29.10.200(56) is amended to read:

8 (56) AS 29.45.650(c), (d), (e), (f), (i), (j), [AND] (k), **(l)** (sales and  
9 use tax);

10 \* **Sec. 2.** AS 29.10.200(57) is amended to read:

11 (57) AS 29.45.700(d), (e), [AND] (g), **(h)** (sales and use tax);

12 \* **Sec. 3.** AS 29.45.050(m) is amended to read:

13 (m) A municipality may by ordinance partially or totally exempt all or some  
14 types of economic development property from taxation for a designated period.

15 [EXCEPT AS OTHERWISE PROVIDED BY AN ORDINANCE ENACTED BY

1 THE MUNICIPALITY BEFORE JANUARY 1, 2017, A MUNICIPALITY THAT IS  
2 A SCHOOL DISTRICT MAY ONLY EXEMPT ALL OR A PORTION OF THE  
3 AMOUNT OF TAXES THAT EXCEEDS THE AMOUNT LEVIED ON OTHER  
4 PROPERTY FOR THE SCHOOL DISTRICT'S REQUIRED LOCAL  
5 CONTRIBUTION UNDER AS 14.17.410(b)(2).] A municipality may by ordinance  
6 permit deferral of payment of taxes on all or some types of economic development  
7 property for a designated period. A municipality may apply an exemption or deferral  
8 under this subsection to taxes levied for special services in a service area that is  
9 supervised by an elected service area board under AS 29.35.460 unless the elected  
10 service area board objects to the exemption or deferral by resolution adopted not later  
11 than 60 days after the effective date of the municipal ordinance enacting the tax  
12 exemption or deferral. A municipality may adopt an ordinance under this subsection  
13 only if, before it is adopted, copies of the proposed ordinance made available at a  
14 public hearing on it contain written notice that the ordinance, if adopted, may be  
15 repealed by the voters through referendum. An ordinance adopted under this  
16 subsection must include specific eligibility requirements and require a written  
17 application for each exemption or deferral.

18 \* **Sec. 4.** AS 29.45.050(t) is amended to read:

19 (t) A municipality may by ordinance [APPROVED BY THE VOTERS]  
20 partially or totally exempt from taxation **farm land and farm structures** [A FARM  
21 STRUCTURE] used exclusively for farming activity, or purposes directly related to  
22 farming activity, if the farm **land or farm** structure **meets the criteria set out in this**  
23 **subsection. The farm land or farm structure must be** [IS] owned or leased by a  
24 person that is actively engaged in farming, and **the owner or lessee must sell at least**  
25 **\$2,500 of agricultural products produced from the land during the tax year and**  
26 **file an Internal Revenue Service Schedule F (Form 1040) with the United States**  
27 **Internal Revenue Service. The farm land or farm** [THAT DERIVES AT LEAST  
28 10 PERCENT OF THE PERSON'S YEARLY GROSS INCOME FROM FARMING  
29 ACTIVITY, AND THE] structure **must be** [IS] used for

30 (1) the growing, storage, or processing of grains, fruits, vegetables,  
31 **aquatic farm products as defined in AS 16.40.199,** or other crops **specified by**

1        **ordinance** [INTENDED FOR HUMAN CONSUMPTION] and produced by the  
2 owner's or lessee's farming activity;

3                    (2) the storage or processing of

4                                    (A) feed for livestock;

5                                    **(B) livestock**, poultry, or other animals used in the owner's or  
6 lessee's farming activity;

7                                    **(C) [(B)]** milk or milk products produced by the owner's or  
8 lessee's farming activity; or

9                    (3) **sheltering**, stabling, or milking the owner's or lessee's dairy  
10 animals, **poultry, or livestock**.

11 \* **Sec. 5.** AS 29.45.050(y) is amended to read:

12                    (y) In this section, "farming activity" means raising and harvesting crops;  
13 feeding, breeding, and managing livestock; dairying; **propagating, farming, or**  
14 **cultivating an aquatic farm product as defined in AS 16.40.199;** or any  
15 combination of those activities.

16 \* **Sec. 6.** AS 29.45.050 is amended by adding a new subsection to read:

17                    (z) In the event that an owner or lessee of farm use land does not sell \$2,500  
18 of agricultural products produced from the land during a tax year because of  
19 circumstances beyond the control of the owner or lessee, the owner may secure the  
20 exemption under (t) of this section if the farm use land qualified for the exemption  
21 under (t) of this section for the three preceding tax years. In this subsection,  
22 "circumstances beyond the control of the owner or lessee" includes crop failure or  
23 physical injury that prevents the owner or lessee from conducting farming activity.

24 \* **Sec. 7.** AS 29.45.060(a) is amended to read:

25                    (a) Farm use land, **and structures on farm use land that are used for farm**  
26 **operations**, included in a farm unit and not dedicated or being used for nonfarm  
27 purposes shall be assessed on the basis of full and true value for farm use and may not  
28 be assessed as if subdivided or used for some other nonfarm purpose. The assessor  
29 shall maintain records valuing the land for both full and true value and farm use value.  
30 If the land is sold, leased, or otherwise disposed of for uses incompatible with farm  
31 use or converted to a use incompatible with farm use by the owner, the owner is liable

1 to pay an amount equal to the additional tax at the current mill levy together with eight  
2 percent interest for the preceding seven years, as though the land had not been  
3 assessed for farm use purposes. Payment by the owner shall be made to the state to the  
4 extent of its reimbursement for revenue loss under (d) of this section for the preceding  
5 seven years. The balance of the payment shall be made to the municipality.

6 \* **Sec. 8.** AS 29.45.060(b) is amended to read:

7 (b) An owner of farm use land shall, to secure the assessment under this  
8 section, apply to the assessor **on or** before May 15 of each year in which the  
9 assessment is desired. The application shall be made **on** [UPON] forms prescribed by  
10 the state assessor for the use of the local assessor, and must include information that  
11 may reasonably be required to determine the entitlement of the applicant. If the land is  
12 leased for farm use purposes, the applicant shall furnish to the assessor a copy of the  
13 lease bearing the signatures of both lessee and lessor along with the completed  
14 application. The applicant shall furnish the assessor a copy of the lease covering the  
15 period for which the exemption is requested. This subsection does not apply to a  
16 person with an interest in land that is classified by the state for agricultural use or that  
17 is restricted by the state for agricultural purposes.

18 \* **Sec. 9.** AS 29.45.060(c) is amended to read:

19 (c) In the event **that an owner or lessee of farm use land does not sell**  
20 **\$2,500 of agricultural products produced from the land during a tax year**  
21 **because of circumstances beyond the control of the owner or lessee, the owner**  
22 **may secure the assessment under this section if the farm use land qualified for**  
23 **the assessment under this section for the three preceding tax years. In this**  
24 **subsection, "circumstances beyond the control of the owner or lessee" includes**  
25 [OF A] crop failure **or physical injury that prevents the owner or lessee from**  
26 **conducting farming activity** [BY AN ACT OF GOD THE PREVIOUS YEAR, THE  
27 OWNER OR LESSEE MAY SUBMIT AN AFFIDAVIT AFFIRMING THAT 10  
28 PERCENT OF GROSS INCOME FOR THE PAST THREE YEARS WAS FROM  
29 FARMING].

30 \* **Sec. 10.** AS 29.45.060(f) is amended to read:

31 (f) This section does not apply to land for which the owner has granted, and

1 has outstanding, a lease or option to buy the surface rights. A property owner wishing  
2 to file for farm use classification having no history of farm-related income may submit  
3 a declaration of intent at the time of filing the application with the assessor setting out  
4 the intended use of the land and **certifying that the property owner intends to file**  
5 **an Internal Revenue Service Schedule F (Form 1040) with the United States**  
6 **Internal Revenue Service for the current tax year** [THE ANTICIPATED  
7 PERCENTAGE OF INCOME]. An applicant using this procedure shall file with the  
8 assessor **on or** before **April 15** [FEBRUARY 1] of the following year a **copy of the**  
9 **Schedule F (Form 1040) the applicant files with the Internal Revenue Service**  
10 [NOTARIZED STATEMENT OF THE PERCENTAGE OF GROSS INCOME  
11 ATTRIBUTABLE TO THE LAND]. Failure to make **a** [THE] filing required in this  
12 subsection forfeits the exemption.

13 \* **Sec. 11.** AS 29.45.060(g) is amended to read:

14 (g) In this section,

15 (1) "farm use" means the use of land for **the production of crops,**  
16 **fruits, or other agricultural products for human or animal consumption or for**  
17 **the sustenance or grazing of livestock if the owner or lessee sells at least \$2,500 of**  
18 **agricultural products produced from the land during the tax year and files an**  
19 **Internal Revenue Service Schedule F (Form 1040) with the United States Internal**  
20 **Revenue Service;**

21 (2) **"livestock" includes cattle, hogs, sheep, goats, chickens,**  
22 **turkeys, pigeons, and other poultry raised to provide meat or other products for**  
23 **human consumption** [PROFIT FOR RAISING AND HARVESTING CROPS, FOR  
24 THE FEEDING, BREEDING, AND MANAGEMENT OF LIVESTOCK, FOR  
25 DAIRYING, OR ANOTHER AGRICULTURAL USE, OR ANY COMBINATION  
26 OF THESE. TO BE FARM USE LAND, THE OWNER OR LESSEE MUST BE  
27 ACTIVELY ENGAGED IN FARMING THE LAND, AND DERIVE AT LEAST 10  
28 PERCENT OF YEARLY GROSS INCOME FROM THE LAND].

29 \* **Sec. 12.** AS 29.45.110(a) is amended to read:

30 (a) The assessor shall assess property at its full and true value as of January 1  
31 of the assessment year, except as provided in this section, AS 29.45.060, and

1 29.45.230. The full and true value is the estimated price that the property would bring  
2 in an open market and under the then prevailing market conditions in a sale between a  
3 willing seller and a willing buyer both conversant with the property and with  
4 prevailing general price levels. **The assessor shall determine the full and true value**  
5 **as provided in standards adopted by the department under (e) of this section or**  
6 **another set of standards provided by ordinance.**

7 \* **Sec. 13.** AS 29.45.110 is amended by adding a new subsection to read:

8 (e) The department shall adopt standards for assessing the full and true value  
9 of property under (a) of this section that are not inconsistent with standards adopted by  
10 the International Association of Assessing Officers and update the standards when  
11 necessary.

12 \* **Sec. 14.** AS 29.45 is amended by adding a new section to read:

13 **Sec. 29.45.115. Assessor certification.** A municipality may not employ an  
14 assessor, including a private contractor, unless the assessor has a level 3 certification  
15 from the Alaska Association of Assessing Officers or works under the supervision of  
16 an individual with a level 3 certification from the Alaska Association of Assessing  
17 Officers.

18 \* **Sec. 15.** AS 29.45.180(a) is amended to read:

19 (a) A person receiving an assessment notice shall advise the assessor of errors  
20 or omissions in the assessment of the person's property. **If requested by the person,**  
21 **the assessor or a person designated by the assessor shall meet with the person and**  
22 **answer reasonable questions relating to the methods used to assess the person's**  
23 **property. The meeting required under this subsection may be virtual or**  
24 **telephonic.** The assessor may correct errors or omissions in the roll before the board  
25 of equalization hearing.

26 \* **Sec. 16.** AS 29.45.200(a) is amended to read:

27 (a) The governing body **shall appoint one or more boards** [SITS AS A  
28 BOARD] of equalization for the purpose of hearing an appeal from a determination of  
29 the assessor [, OR IT MAY DELEGATE THIS AUTHORITY TO ONE OR MORE  
30 BOARDS APPOINTED BY IT]. An appointed board **shall** [MAY] be composed of  
31 not less than three persons, who shall be members of the governing body, municipal

1 residents, or a combination of members of the governing body and residents. The  
2 governing body shall by ordinance establish the qualifications for membership. **The**  
3 **governing body may by ordinance appoint itself to sit as a board of equalization.**

4 \* **Sec. 17.** AS 29.45.210(b) is amended to read:

5 (b) The appellant bears the burden of proof. The only grounds for adjustment  
6 of assessment are proof of unequal, excessive, improper, or under valuation based on  
7 facts that are stated in a valid written appeal or proven at the appeal hearing. **The** [IF  
8 A VALUATION IS FOUND TO BE TOO LOW, THE] board of equalization may **not**  
9 raise the assessment **in the current year unless requested to do so by the appellant.**  
10 **If the appellant provides a long form fee appraisal to support the appellant's**  
11 **valuation and the board of equalization does not find in favor of the appellant,**  
12 **the board shall make specific findings on the record to support its decision.**

13 \* **Sec. 18.** AS 29.45.650(a) is amended to read:

14 (a) Except as provided in AS 04.21.010(c), AS 29.45.750, and in (f), (h), (i),  
15 [AND] (j), **(k), and (l)** of this section, a borough may levy and collect a sales tax on  
16 sales, rents, and [ON] services provided in the borough. The sales tax may apply to  
17 any or all of these sources. Notwithstanding other statutes, exemptions may be granted  
18 by ordinance. A borough may wholly or partially exempt a source from a borough  
19 sales tax that is taxed by a city in that borough under AS 29.45.700.

20 \* **Sec. 19.** AS 29.45.650 is amended by adding a new subsection to read:

21 (l) A borough may not levy or collect a sales or use tax on the transfer of real  
22 property. This subsection applies to home rule and general law municipalities. In this  
23 subsection, "transfer" has the meaning given in AS 34.70.200.

24 \* **Sec. 20.** AS 29.45.700(a) is amended to read:

25 (a) A city in a borough that levies and collects areawide sales and use taxes  
26 may levy sales and use taxes on all sources taxed by the borough in the manner  
27 provided for boroughs. Except as provided in (d), [AND] (e), **(g), and (h)** of this  
28 section, the assembly may by ordinance authorize a city to levy and collect sales and  
29 use taxes on other sources.

30 \* **Sec. 21.** AS 29.45.700 is amended by adding a new subsection to read:

31 (h) A city may not levy or collect a sales or use tax on the transfer of real

1 property. This subsection applies to home rule and general law municipalities. In this  
2 subsection, "transfer" has the meaning given in AS 34.70.200.

3 \* **Sec. 22.** AS 43.98 is amended by adding a new section to article 3 to read:

4 **Sec. 43.98.035. No tax on real property transfers.** The state may not levy or  
5 collect a sales or use tax on the transfer of real property. In this section, "transfer" has  
6 the meaning given in AS 34.70.200.

7 \* **Sec. 23.** Section 4, ch. 100, SLA 2002, as repealed and reenacted by sec. 9, ch. 117, SLA  
8 2003, and by sec. 2, ch. 30, SLA 2005; and secs. 6 and 9, ch. 100, SLA 2002, are repealed.

9 \* **Sec. 24.** The uncodified law of the State of Alaska is amended by adding a new section to  
10 read:

11 APPLICABILITY. AS 29.45.650(*l*), enacted by sec. 19 of this Act, and  
12 AS 29.45.700(*h*), enacted by sec. 21 of this Act, do not apply to an ordinance that establishes  
13 a sales or use tax on the transfer of real property adopted by a municipality before the  
14 effective date of secs. 19 and 21 of this Act.

15 \* **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to  
16 read:

17 TRANSITION: REGULATIONS. The Department of Commerce, Community, and  
18 Economic Development may adopt regulations necessary to implement the changes made by  
19 secs. 12 - 17 of this Act. The regulations take effect under AS 44.62 (Administrative  
20 Procedure Act), but not before the effective date of the law implemented by the regulation.

21 \* **Sec. 26.** Sections 12, 13, and 15 - 17 of this Act take effect January 1, 2025.

22 \* **Sec. 27.** Section 14 of this Act takes effect January 1, 2026.

23 \* **Sec. 28.** Sections 3 - 11 and 25 of this Act take effect immediately under AS 01.10.070(*c*).

24