

**SENATE CS FOR CS FOR SS FOR HOUSE BILL NO. 13(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/18/26

Referred: State Affairs

Sponsor(s): REPRESENTATIVES GRAY, Eischeid, Fields, Galvin, Josephson, Mina

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to optional municipal property tax exemptions for certain long-term  
2 rental units, certain mobile home parks, real property rented to low-income families,  
3 real property owned and occupied as a permanent place of abode, and real property  
4 owned by first-time homebuyers; and relating to municipal tax refunds."

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

6 \* **Section 1.** AS 29.45.050 is amended by adding new subsections to read:

7 (aa) A municipality may by ordinance exempt or partially exempt from  
8 taxation a structure that contains a dwelling unit that was converted from use as a  
9 short-term rental unit to exclusive use as a long-term rental unit. In this subsection,

10 (1) "dwelling unit" has the meaning given in AS 34.03.360;

11 (2) "long-term rental unit" means a dwelling unit offered for rent for  
12 periods of not less than 31 consecutive days;

13 (3) "short-term rental unit" means a dwelling unit offered for rent for  
14 periods of 30 consecutive days or less; "short-term rental unit" does not include a

1 (A) hotel, motel, or bed and breakfast;

2 (B) commercially operated hunting or wilderness camp; or

3 (C) dwelling unit operated by a government entity or charitable  
4 organization that provides temporary housing to individuals or family members  
5 of individuals who are being treated for trauma, injury, or disease.

6 (bb) A municipality may by ordinance exempt or partially exempt from  
7 taxation a mobile home park for up to 10 years after the mobile home park is  
8 constructed or renovated.

9 (cc) A municipality may by ordinance exempt or partially exempt from  
10 taxation real property rented to a low-income family if the monthly rent charged to the  
11 low-income family is not more than 30 percent of the family's income. In this  
12 subsection,

13 (1) "family income" means the sum of the previous tax year's adjusted  
14 gross incomes for each person in the family who earned income divided by 12;

15 (2) "low-income family" has the meaning given to "low-income  
16 families" in 42 U.S.C. 1437a(b)(2)(A).

17 (dd) A municipality may by ordinance exempt or partially exempt from  
18 taxation real property owned and occupied as a permanent place of abode by a resident  
19 of the municipality.

20 (ee) A municipality may by ordinance exempt or partially exempt from  
21 taxation residential real property owned and occupied by a first-time home buyer.

22 \* **Sec. 2.** AS 29.45.500(a) is amended to read:

23 (a) If a taxpayer pays taxes under protest, the taxpayer may bring suit in the  
24 superior court against the municipality for recovery of the taxes. If judgment for  
25 recovery is given against the municipality, or, if in the absence of suit, it becomes  
26 obvious to the governing body that judgment for recovery of the taxes would be  
27 obtained if legal proceedings were brought, the municipality shall refund the amount  
28 of the taxes to the taxpayer with interest [AT EIGHT PERCENT] from the date of  
29 payment plus costs. **The interest rate is three percentage points above the 12th**  
30 **Federal Reserve District discount rate in effect on January 2 of the year of**  
31 **payment.**

1 \* **Sec. 3.** AS 29.45.500(b) is amended to read:

2 (b) If, in payment of taxes legally imposed, a remittance by a taxpayer through  
3 error or otherwise exceeds the amount due, and the municipality, on audit of the  
4 account in question, is satisfied that this is the case, the municipality shall refund the  
5 excess to the taxpayer [WITH INTEREST AT EIGHT PERCENT FROM THE DATE  
6 OF PAYMENT]. A claim for refund filed one year after the due date of the tax is  
7 forever barred.