

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 22, 2025

8:05 a.m.

MEMBERS PRESENT

Representative Rebecca Himschoot, Co-Chair
Representative Donna Mears, Co-Chair
Representative Carolyn Hall
Representative Ky Holland
Representative Mike Prax
Representative Justin Ruffridge

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 13

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

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 13

SHORT TITLE: MUNICIPAL PROPERTY TAX EXEMPTIONS

SPONSOR(S): REPRESENTATIVE(S) GRAY

01/22/25	(H)	PREFILE RELEASED 1/10/25
01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	CRA, FIN
03/10/25	(H)	SPONSOR SUBSTITUTE INTRODUCED
03/10/25	(H)	READ THE FIRST TIME - REFERRALS
03/10/25	(H)	CRA, FIN
03/25/25	(H)	CRA AT 8:00 AM BARNES 124
03/25/25	(H)	Heard & Held
03/25/25	(H)	MINUTE(CRA)
03/27/25	(H)	CRA AT 8:00 AM BARNES 124
03/27/25	(H)	Heard & Held
03/27/25	(H)	MINUTE(CRA)

04/10/25 (H) CRA AT 8:00 AM BARNES 124
04/10/25 (H) Heard & Held
04/10/25 (H) MINUTE (CRA)
04/15/25 (H) CRA AT 8:00 AM BARNES 124
04/15/25 (H) -- MEETING CANCELED --
04/22/25 (H) CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

KYLE JOHANSEN, Staff
Representative Andrew Gray
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Gave opening remarks on CSSSHB 13, Version T, on behalf of Representative Gray, prime sponsor.

ANDREW DUNMIRE, Legislative Counsel
Legislative Legal Division
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on CSSSHB 13, Version T.

ACTION NARRATIVE

[8:05:47 AM](#)

CHAIR REBECCA HIMSCHOOT called the House Community and Regional Affairs Standing Committee meeting to order at 8:05 a.m. Representatives Hall, Holland, Himschoot, and Mears were present at the call to order. Representative Ruffridge and Prax arrived as the meeting was in progress.

^#hb13

HB 13-MUNICIPAL PROPERTY TAX EXEMPTIONS

[8:06:27 AM](#)

CO-CHAIR HIMSCHOOT announced that the first order of business would be SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 13, "An Act relating to optional municipal property tax exemptions for certain long-term rental units, certain mobile home parks, real property rented to low-income families, real property owned and occupied as a permanent place of abode, and real property owned by first-time homebuyers." [Before the committee, adopted as the working document on 4/10/25, was the proposed committee substitute (CS) for SSHB 13, Version 34-LS0194\T, Dunmire, 4/8/25 ("Version T").]

[8:06:55 AM](#)

KYLE JOHANSEN, Staff, Representative Andrew Gray, Alaska State Legislature, on behalf of Representative Gray, prime sponsor, gave opening remarks on Version T. He said the bill contains five optional municipal tax exemptions for owners that convert from short-term rental to long-term rental; certain mobile home park renovation projects; properties rented to low-income families; people who reside in owner occupied homes; and owner-occupied first-time home buyers. In response to concerns about the bill, he reminded members that ordinances are passed by an elected body; additionally, AS 29.26.100 ensures that if an ordinance were passed, the voters could repeal it through a referendum.

[8:11:07 AM](#)

CO-CHAIR HIMSCHOOT asked whether voters in municipalities could approve a property tax exemption for something not listed under AS 29.45.050. In other words, she asked whether AS 29.45.050(a) would allow the exemptions in Version T to be approved by a vote of the people in a municipality without the bill passing.

[8:11:44 AM](#)

ANDREW DUNMIRE, Attorney, Legislative Legal Services, Legislative Affairs Agency (LAA), said AS 29.45.050(a) grants voters the ability to approve a residential exemption that cannot exceed an assessed value of \$75,000.

[8:12:35 AM](#)

The committee took a brief at-ease at 8:12 a.m.

[8:13:27 AM](#)

CO-CHAIR HIMSCHOOT questioned the impact of the bill.

MS. DUNMIRE said the bill would add four new options into AS 29.45.050 that would permit the governing body of the municipality to adopt any of the exemptions in the bill without going through the voters. Under current law, AS 29.45.050(a) allows a municipality to adopt a residential exemption that's limited to \$75,000 as long as it's approved by the voters.

[8:15:18 AM](#)

REPRESENTATIVE HOLLAND sought to confirm that the bill would open the bill up beyond the \$75,000 limit in AS 29.45.050(a).

MR. DUNMIRE stated that the \$75,000 limit in subsection (a) wouldn't apply to the exemptions proposed in Version T.

[8:17:02 AM](#)

CO-CHAIR HIMSCHOOT noted that public testimony had been left open [from 3/27/25]. She closed public testimony on HB 13 and sought further questions from committee members.

[8:18:11 AM](#)

REPRESENTATIVE PRAX referred to page 2, Section 9, and asked what would happen if the renter's income were to increase above 30 percent of their income making them no longer eligible for the exemption. He asked whether the landlord would need to evict them or lose the tax exemption.

MR. JOHANSEN imagined that any tenant would be protected under [the Landlord Tenant Act]; furthermore, he shared his understanding that the landlord would have the right to stop renting to anyone if its lawful.

[8:21:12 AM](#)

CO-CHAIR MEARS pointed out that the local government that's implementing these exemptions would have the ability to add more details. In addition, she speculated that the tenant's lease would stipulate a timeframe for checking in on this exemption and any potential increase in income.

MR. JOHANSEN confirmed that the bill sponsor envisioned that sideboards would be implemented by the municipalities building these programs. He agreed with the comments made by Representative Mears.

REPRESENTATIVE PRAX expressed concern that sub-subparagraph (cc) would prohibit the establishment of sideboards.

CO-CHAIR HIMSCHOOT shared her understanding that this bill would not be "reinventing the wheel," it would instead be applying some of the same definitions that are already in practice.

[8:25:46 AM](#)

CO-CHAIR HIMSCHOOT announced that CSSSHB 13, Version T would be held over.

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[8:26:27 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 8:26 a.m.