



LAWS OF ALASKA

2015

Source

SCS CSHB 146(CRA)

Chapter No.

AN ACT

Relating to the optional exemption from and deferral of payment of municipal taxes on deteriorated property; and relating to a municipal tax exemption for certain subdivided property.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to the optional exemption from and deferral of payment of municipal taxes on
2 deteriorated property; and relating to a municipal tax exemption for certain subdivided
3 property.

4 _____

5 * **Section 1.** AS 29.45.050(o) is amended to read:

6 (o) A municipality may by ordinance partially or totally exempt all or some
7 types of deteriorated property from taxation for up to 10 years beginning on or any
8 time after the day substantial rehabilitation, renovation, demolition, removal, or
9 replacement of any structure on the property begins. A municipality may by ordinance
10 permit deferral of payment of taxes on all or some types of deteriorated property for
11 up to five years beginning on or any time after the day substantial rehabilitation,
12 renovation, demolition, removal, or replacement of any structure on the property
13 begins. However, if the entire ownership of property for which a deferral has been
14 granted is transferred, all tax payments deferred under this subsection are immediately

1 due, and the deferral ends. Otherwise, deferred tax payments become due as specified
2 by the municipality at the time the deferral is granted. The amount deferred each year
3 is a lien on that property for that year. Only one exemption and only one deferral may
4 be granted to the same property under this subsection, and, if an exemption and a
5 deferral are granted to the same property, both may not be in effect on the same
6 portion of the property during the same time. An ordinance adopted under this
7 subsection must include specific eligibility requirements and require a written
8 application for each exemption or deferral. An application for a deferral must specify
9 when payment of taxes for each year of deferral will become due, together with an
10 explanation of the reasons for each proposed date for consideration by the
11 municipality. In this subsection, "deteriorated property" means real property that,
12 **either at the time of application for exemption or deferral or at the time of**
13 **completion of the project for which an exemption or deferral is requested,** is

14 **(1) residential property located in a deteriorating or deteriorated**
15 **area with boundaries that have been determined by the municipality, if the**
16 **property is owned by an entity that owns at least two residential properties and**
17 **eight or more residential units among those properties in that deteriorating or**
18 **deteriorated area; or**

19 **(2)** commercial property not used for residential purposes or that is
20 multi-unit residential property with at least eight residential units, and that meets one
21 of the following requirements:

22 **(A)** [(1)] within the last five years, has been the subject of an
23 order by a government agency requiring environmental remediation of the
24 property or requiring the property to be vacated, condemned, or demolished by
25 reason of noncompliance with laws, ordinances, or regulations;

26 **(B)** [(2)] has a structure on it not less than 15 years of age that
27 has **not** undergone substantial rehabilitation, renovation, demolition, removal,
28 or replacement, subject to any conditions prescribed in the ordinance; or

29 **(C)** [(3)] is located in a deteriorating or deteriorated area with
30 boundaries that have been determined by the municipality.

31 * **Sec. 2.** AS 29.45.050 is amended by adding a new subsection to read:

1 (x) A municipality may by ordinance partially or wholly exempt from taxation
2 all or a portion of the increase in assessed value directly attributable to the subdivision
3 of a single parcel of property into three or more parcels and any improvements made
4 to the property necessitated by its subdivision. An ordinance adopted under this
5 subsection may not provide for an exemption that exceeds five years in duration. A
6 municipality may also by ordinance provide that

7 (1) the exemption is terminated when

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

9 (B) a residential or commercial use is established on a lot in the
10 subdivision; or

11 (2) the exemption continues for the unsold lots in the subdivision after

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

13 (B) a residential or commercial use is established on a lot in the
14 subdivision.