

City Code/Revenue and Finance/Property Tax

4.35.025 Exemptions.

E. The community purpose optional property tax exemption under AS 29.45.050(b)(1)(A) is adopted and incorporated by reference. All or a portion of the property of an organization not organized for business or profit making purposes and used exclusively for community purposes may be exempted if income derived from rental of that property does not exceed the actual cost to the owner of the use by the renter.

F. Business property inventory that is subject to sale and is nonreal property shall be exempt from taxation, as an optional exemption as set forth in AS 29.45.050(c)

H. Each optional exemption must receive prior approval by the assembly, giving consideration to the benefits provided the community by the organization and to the amount of property to be removed from the tax rolls.

In order to be considered a community service organization, an organization must:

1. Benefit a significant portion of the public; and
2. Not profit persons other than employees; and
3. Qualify for a federal income tax exemption under 26 USC 501.

I. Required property tax exemptions shall be granted or denied by the assessor. Optional property exemptions shall be granted or denied by the assembly. Any appeal from the final administrative decision by the assessor or the assembly must be filed within 30 days of the decision to the Alaska Superior Court at Sitka in accordance with Alaska Rules of Appellate Procedure.

Alaska State Statute

Sec. 29.45.050. Optional exemptions and exclusions.

(a) A municipality may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at an election. An exclusion or exemption authorized by this subsection may be applied with respect to taxes levied in a service area to fund the special services. An exclusion or exemption authorized by this subsection may not exceed the assessed value of \$75,000 for any one residence except that a municipality may, by ordinance, annually adjust the municipality's voter-authorized exemption by the amount calculated by the State Assessor to reflect the increase, if any, in the annual average cost of living, using the United States Department of Labor Consumer Price Index for Urban Alaska.

(b) A municipality may by ordinance
(1) classify and exempt from taxation
(A) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes if the income derived from rental of that property does not exceed the actual cost to the owner of the use by the renter;

(B) historic sites, buildings, and monuments;

(C) land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c);

(D) all or any portion of private ownership interests in property that, based upon a written agreement with the University of Alaska, is used exclusively for student housing for the University of Alaska; property may be exempted from taxation under this subparagraph for no longer than 30 years unless the exemption is specifically extended by ordinance adopted within the six months before the expiration of that period;

(E) a residential renewable energy system that is used to develop means of energy production using energy sources other than fossil or nuclear fuel, including windmills and water and solar energy devices located in the municipality;

(2) classify as to type and exempt or partially exempt some or all types of personal property from ad valorem taxes.

(c) The provisions of (a) of this section notwithstanding,

(1) a borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of a city in the borough, including adjustments excluding personal property from taxation, establishing exemptions, and extending the redemption period;

(2) a home rule or first class city has the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes if

(A) the exemptions or exclusions have been adopted as to city taxes; and

(B) the city appropriates to the borough sufficient money to equal revenue lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly;

(3) a city in a borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of the borough, including exempting or partially exempting property from taxation.