

ALASKA LEGISLATURE

Representative Jonathan Kreiss-Tomkins

Angoon · Coffman Cove · Craig · Edna Bay · Elfin Cove · Game Creek · Hollis · Hoonah · Kake · Kasaan · Klawock · Kupreanof · Naukati
Pelican · Petersburg · Point Baker · Port Alexander · Port Protection · Sitka · Tenakee Springs · Thorne Bay · Whale Pass

rep.jonathan.kreiss-tomkins@akleg.gov

Committees:
State Affairs, Chair
Fisheries
Judiciary



Juneau, Alaska 99801 (Jan. – April)
State Capitol, Room 411
907.465.3732

Sitka, Alaska 99835 (May – Dec.)
201 Katlian Street, Ste. 103
907.747.4665

HB 84 Sponsor Statement

Municipal Property Tax Exemption

HB 84 will increase the ceiling on one of Alaska’s optional residential property tax exemption. Currently, municipalities can exempt up to \$50,000 of an Alaskan’s residence from taxation. This bill would raise that limit to 150k. The new, higher exemption can only be based on a taxpayer’s primary, permanent residence.

The exemption cannot be used for non-residential buildings, or buildings in which the owner doesn’t permanently reside. If a homeowner maintains a primary residence outside of Alaska, they cannot qualify. Similarly, if they maintain more than one home in Alaska, the exemption can only be applied to their primary residence.

The goal of HB 84 is to give municipalities more tools at the local level to help Alaskans maintain housing they can afford, while incentivizing homeowners and year round residency. 48 other states currently have residential property tax exemptions of some kind — commonly called homestead exemptions — on the books. In Alaska, Anchorage, Bristol Bay, Kenai, North Slope Borough, North Star Borough, and Valdez take advantage of the current exemption. They all have — and exercise — the power to set a different exemption rate, up to the \$50k cap.

The exemption in HB 84 strengthens an elective tool, giving municipalities stronger local control and more self-determination in structuring their property taxes. Alaska is equally home to municipalities and boroughs that are vastly different from each other. As state spending contracts, all municipalities deserve more flexibility in choosing how to chart the realm of financial independence on their own terms.