LAWS OF ALASKA

2026

Source **Chapter No.**

SCS CSSSHB 13(STA) _______

AN ACT

Relating to optional municipal property tax exemptions for real property owned and occupied by volunteer certified or licensed providers of fire fighting, emergency medical, mobile intensive care paramedic services, or hazardous materials response services; 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; and relating to municipal tax refunds.

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

THE ACT FOLLOWS ON PAGE 1

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

(r) A municipality may by ordinance exempt **<u>or partially exempt</u>** from taxation [AN AMOUNT NOT TO EXCEED $10,000 OF THE ASSESSED VALUE OF] real property owned and occupied as a permanent place of abode by a resident who provides in the municipality volunteer (1) fire fighting services and is certified as a firefighter by the Department of Public Safety**;** [, OR] (2) emergency medical services or mobile intensive care paramedic services and is certified or licensed under AS 18.08.082**; or (3) hazardous materials response services**. If two or more individuals are eligible for an exemption for the same property, not more than two exemptions may be granted.

* **Sec. 2.** AS 29.45.050 is amended by adding new subsections to read:

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

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

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

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

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

(B) commercially operated hunting or wilderness camp; or

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

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

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

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

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

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

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

* **Sec. 3.** AS 29.45.500(a) is amended to read:

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

* **Sec. 4.** AS 29.45.500(b) is amended to read:

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