

**INITIATIVE PETITION:
AN ACT PROVIDING PROPERTY TAX AND ASSESSMENT RELIEF.**

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

SECTION 1. FINDINGS AND PURPOSE.

The People of the State of Alaska find and determine that political and taxation power is vested in the People; that each person has the right to the enjoyment of the rewards of his or her own industry as guaranteed by Article I, Section 1 of the Alaska Constitution; that substantial pressures will be placed on local governing bodies to raise taxes; that a substantial threat of additional and unwarranted taxation of the People presently exists; that the Alaska Legislature and the local governing bodies do not appear willing to protect the People against this taxation; that property owners should not be subjected to continuing large increases in taxes or assessments; that property owners should be entitled to rely for the future on assessed values on their properties that existed at the time of purchase; that lower taxes encourage economic growth; and that it is necessary for the People to place certain controls on the manner in which the People may be taxed.

SECTION 2. MUNICIPAL PROPERTY TAXATION AND ASSESSMENT.

(1) AS 29.45.110 is repealed and reenacted to read as follows:

(a) The assessor shall assess property at its full and true value as of January 1 of the first assessment year after this statute takes effect, except as provided in this section and any other provisions of federal, state or local laws and regulations which require or authorize the assessment to be at a lower value. The full and true value is defined as the price that the property would bring in an open market at that time in a sale between a willing seller and a willing buyer both conversant with the property.

(b) In subsequent assessment years, the assessed value may not be raised more than the rate of inflation as shown by the consumer price index, or comparable data, for the area under the taxing jurisdiction, but in no event to exceed two percent in any given year.

(c) Notwithstanding the provisions of subsection (b), property shall be reassessed at its full and true value as of January 1 of the subsequent assessment year if the property is newly constructed, or if a sale, purchase or change of ownership has taken place during an assessment year.

(d) The Legislature may create definitions and exceptions to subsection (c) to prohibit reassessment for types of sales, purchases or changes of ownership, including, but not limited to, transfers such as those within the family, creations of trust to benefit the family members, or transfers as a result of death, divorce or marital dissolution. The Legislature may also allow the transfer of an assessment from one piece of property to another under appropriate circumstances, such as, but not limited to, eminent domain, taking of property by governmental action, changes of residence of any persons over age 65 who are qualified for the tax exemption authorized by AS 29.45.050(i) and who move to a residence of equal or lesser value.

(e) The subsections of AS 29.45.010 presently designated (b) and (c) are redesignated (e) and (f).

(2) AS 29.45.090(a) is repealed and reenacted to read as follows:

A municipality may not, during any year, levy an ad valorem tax for any purpose in an amount in excess of one percent of the assessed value of property in the municipality, nor may it levy a tax on any particular piece of property in an amount in excess of one percent of the assessed value of that particular piece of property.

(3) AS 29.45.100 is amended to read as follows:

The limitations provided for in AS 29.45.080 - 29.45.090 do not apply to taxes levied or pledged to pay or secure the payment of the principal and interest on bonds issued prior to January 1, 2001, but do apply to taxes levied or pledged to pay or secure the payment of principal and interest on bonds issued on or after that date. Taxes to pay or secure the payment of principal and interest on bonds issued prior to January 1, 2001 may continue to be levied without limitation as to rate or amount, regardless of whether the bonds are in default or danger of default.

SECTION 3. SEVERABILITY.

The provisions of this Act are independent and severable, and if any provision of this Act, or the applicability of any provision to any person or circumstance, shall be held to be invalid by a court of competent jurisdiction, the remainder of this Act shall not be affected and shall be given effect to the fullest extent practicable.

SECTION 4. EFFECTIVE DATE.

This initiative shall be effective when enacted according to law.