

Introduced by:

Mayor

Date:

03/17/26

Action:

Vote:

**KENAI PENINSULA BOROUGH  
RESOLUTION 2026-017**

**A RESOLUTION REQUESTING THE STATE LEGISLATURE TO HOLD  
THE DETERMINATION OF FULL AND TRUE VALUE OF THE  
TAXABLE REAL AND PERSONAL PROPERTY UNDER ALASKA  
STATUTES SECTION 14.17.510 TO THE FY26 DETERMINATION FOR  
THREE YEARS**

**WHEREAS**, Alaska Statutes (AS) 14.17.410 sets out the State's public school funding formula, the minimum mandatory local contribution, the maximum allowable local contribution, and provisions related to school closures and consolidations; and

**WHEREAS**, AS 14.17.410(b)(2) sets out, "The required local contribution of a city or borough school district is the equivalent of a 2.65 mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under (1) of this subsection."; and

**WHEREAS**, AS 14.17.410(c) sets out, "In addition to the local contribution required under (b)(2) of this section, a city or borough school district in a fiscal year may make a local contribution of not more than the greater of

(1) the equivalent of a two mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110; or

(2) 23 percent of the total of the district's basic need for the fiscal year under (b)(1) of this section and any additional funding distributed to the district in a fiscal year according to (b) of this section."; and

**WHEREAS**, AS 14.17.510 provides that the Department of Commerce, Community and Economic Development must determine full and true value for purposes of determining the amount of required local contribution under AS 14.17.410(b)(2); and

**WHEREAS,** this request does not seek additional funds from the State; and

**WHEREAS,** this request simply asks for a freeze on ever-escalating full and true value determinations that the Department makes under AS 14.17.510 without regard for local attempts to curb the significant escalation of "full and true value" determinations have on taxpayers; and

**WHEREAS,** the determination under AS 14.17.510 disregards local control, does not take into consideration actual revenue a municipality takes in, debt servicing, nor accounts for lost revenue from State programs that are no longer funded, such as new bond debt reimbursement or reimbursement for mandatory tax exemptions; and

**WHEREAS,** binding local contribution funding to a State-issued full and true value determination under AS 14.17.510 harms municipalities and will result in municipalities' local contribution outpacing the State's constitutional obligation to fund public schools; and

**WHEREAS,** municipalities must be allowed to adequately respond to assessment increases without fear of penalty from the State for school funding purposes in the form of determinations under AS 14.17.510 that does not account for economic realities;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That the Assembly requests the State Legislature enact a three-year moratorium that holds the determination under AS 14.17.510 to the Fiscal Year 2026 determination. This will provide time to work toward a collaborative long-term solution on this issue and the intersection of local contribution and taxable values escalation.

**SECTION 2.** That the full and true value determination mandate set out in AS 14.17.510(a) serves to penalize municipal efforts to curb tax assessment increases and provides for State-issued full and true value determination that undermines local control. The emphasis on local control and self-governance is a signature aspect of the Alaska Constitution.

**SECTION 3.** That a copy of this resolution will be provided to all Alaska State Legislators.

**SECTION 4.** That this resolution takes effect immediately.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 17TH DAY OF MARCH, 2026.**

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Ryan Tunseth, Assembly President

ATTEST:

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Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent: