

Introduced by:	Mayor, Cooper
Date:	04/01/25
Action:	Postponed to 04/15/25
Date:	04/15/25
Action:	Failed as Amended
Vote:	4 Yes, 5 No, 0 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2025-017**

**A RESOLUTION REQUESTING THE STATE LEGISLATURE PROVIDE  
MUNICIPALITIES AUTHORITY TO ENACT A CAP ON REAL  
PROPERTY TAX ASSESSMENTS INCREASES**

**WHEREAS,** real estate values often rise and fall significantly from year-to-year in a manner which ordinary real property owners cannot budget for and which create real financial hardships; and

**WHEREAS,** this situation can be remedied only by action of the Alaska Legislature; and

**WHEREAS,** Alaska Constitution, Article 9, Section 3 states that: Standards for appraisal of all property assessed by the State or its political subdivisions shall be prescribed by law; and

**WHEREAS,** Alaska Constitution, Article 10, Section 2 states: "All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only."; and

**WHEREAS,** Alaska Statute 29.45.110 states in part that: "The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels..."; and

**WHEREAS,** per current AS 29.45.110, local assessors must assess property at full and true value, and full and true value is determined by market value prices, therefore, if market value prices go up, assessments necessarily increase;

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

**SECTION 1.** That the Assembly requests the current legislature review and amend AS 29.45, relating to Municipal Taxation, and any other relevant state statutes, to provide discretionary authority for municipalities to enact, at their option, a cap or limit on

real property tax assessment increases of 5% or more from the previous year's assessment unless there have been improvements or changes to the property. State law should provide that municipalities must enact such a cap by ordinance and the State shall not penalize municipalities that enact the optional cap.

**SECTION 2.** That a proposed amendment to AS 29.45.110 is provided below for the Alaska Legislature's consideration with additions shown in bold underline:

AS 29.45.110. Full and true value

(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels. The assessor shall determine the full and true value as provided in standards adopted by the department under (e) of this section or another set of standards provided by ordinance. Notwithstanding any requirements of this section to the contrary, a municipality may, by ordinance, provide a cap on real property assessments that limits assessment increases for a property to a 5% or greater increase from the previous year's assessment, unless the assessment increase for the property is based on the addition of structures or other improvements that were not previously known to the assessor. A municipality is authorized to enact other requirements to administer and enforce a limit on assessment increases in accordance with this section and the state shall not penalize, in any way, a municipality for enacting a limit on assessment increases. The department shall provide such guidance and assistance to local municipalities as may be needed to implement this provision.

**SECTION 3.** That a copy of this resolution will be provided to Governor Michael J. Dunleavy; and the State Legislators representing Kenai Peninsula Borough constituents: State Senator Gary Stevens; State Senator Jesse Bjorkman; State Representative Louise Stutes; State Representative Bill Elam; State Representative Justin Ruffridge; and State Representative Sarah Vance.

**SECTION 4.** That this resolution is effective immediately.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY  
OF \*, 2025.**

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Peter Ribbens, Assembly President

ATTEST:

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Michele Turner, CMC, Borough Clerk

04/01/25 Vote to Postpone to 04/15/25:

Yes: Baisden, Cooper, Cox, Dunne, Ecklund, Johnson, Morton, Tunseth

No: None

Absent: Ribbens

04/15/25 Vote on Motion to Enact as Amended:

Yes: Baisden, Cooper, Morton, Tunseth

No: Cox, Dunne, Ecklund, Johnson, Ribbens

Absent: None