

Introduced by:
Date:
Action:
Vote:

Mayor
12/02/25

**KENAI PENINSULA BOROUGH
RESOLUTION 2025-046**

**A RESOLUTION REQUESTING THE ALASKA 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 greater 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. **Despite any provision to the contrary, a municipality may, by ordinance, provide that the full and true value of a parcel of real property shall not increase by five percent (5%) or greater over the prior taxable year, except when title to the property is transferred or when improvements have been made to the property A municipality is authorized to enact other requirements to administer and enforce a limit on assessment increases in accordance with this section. The state shall not penalize, in any way, a municipality for enacting a limit on assessment increases in accordance with this section.**

SECTION 3. That a copy of this resolution will be provided to Governor Michael J. Dunleavy; and all members of the Alaska State Legislature.

SECTION 4. That this resolution takes effect immediately.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 2ND DAY OF DECEMBER, 2025.

Ryan Tunseth, Assembly President

ATTEST:

Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent: