

Proposition 12

**Residential Real
Property Tax
Exemption Increase**

Anchorage Regular Municipal Election
Tuesday, April 4, 2023



The question:

PROPOSITION NO. 12

RESIDENTIAL REAL PROPERTY TAX EXEMPTION INCREASE

This proposition would increase the residential real property tax exemption to 40% of the assessed value, up to a maximum of \$75,000. Currently, 20% of a residential real property's value may be exempt from taxation, up to a maximum of \$50,000.

Shall the residential real property tax exemption be increased, as described above? ([AO 2022-75\(S\)](#))

Yes []

No []



Assembly action:

Municipal Clerk's Office

Approved

Date: **September 13, 2022**

Submitted by: Assembly Vice Chair Constant and
Assembly Members Dunbar, Quinn-
Davidson, and Petersen

(S) Prepared by: Assembly Counsel

(S) For reading: September 13, 2022

**ANCHORAGE, ALASKA
AO No. 2022-75(S)**

1 **AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY TO SUBMIT TO**
2 **THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE A BALLOT**
3 **PROPOSITION THAT WOULD INCREASE THE RESIDENTIAL REAL PROPERTY**
4 **TAX EXEMPTION EFFECTIVE JANUARY 1, 2023, AND UPON VOTER APPROVAL**
5 **AND RATIFICATION, AMENDING ANCHORAGE MUNICIPAL CODE SECTION**
6 **12.15.015 ACCORDINGLY.**
7



Why is this on the ballot?

- House Bill 411 became law July 11, 2022 with effective date October 9, 2022
- Enabled Alaska communities to increase residential real property tax exemptions from \$50,000 to \$75,000
- Alaska Statute 29.45.050(a) requires changes to the residential real property exemption to be approved by voters



What does it do?

- Increases percent of residential property value eligible for exemption from 20% to 40%
- From a max of \$50,000 to \$75,000
- Would go into effect January 1, 2023



For example:

- Average price of single-family home is \$400,949
- Residential property with assessed value less than \$187,500 will see exemption double
(40% = \$75,000)
- Residential property with assessed value greater than \$187,500 will receive maximum exemption of \$75,000
- Sponsors' intent to ensure that the benefit included those property owners at the margins



Your property valuation is your share of the cost of government

- Exemption shifts cost to commercial property owners
- Residential exemption was increased to 20% a few years ago (didn't require a vote because it was in the range the voters had already approved)



Vote by Tuesday, April 4, 2023!

Ballot info:

<https://www.muni.org/departments/assembly/clerk/elections/Pages/default.aspx>

