

MEMORANDUM

13-021

TO: MAYOR AND CITY COUNCIL MEMBERS  
FROM: THOMAS F. KLINKNER  
RE: ASSESSMENT OF CONDOMINIUMS  
CLIENT: CITY OF HOMER  
FILE NO.: 506,742.205  
DATE: JANUARY 28, 2013

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I have been asked to explain why assessments in the City of Homer Natural Gas Special Assessment District must be levied on individual condominium units, rather than levying one assessment on the parcel on which the condominium project is located. The answer is that the former method of assessment is required by state law. Alaska Statute 34.08.720(b) provides:

- (b) In a condominium or planned community,
- (1) if there is a unit owner other than a declarant, each unit that has been created, together with its interest in the common elements, constitutes for all purposes a separate parcel of real estate;
  - (2) if there is a unit owner other than a declarant, each unit shall be separately taxed and assessed, and a separate tax or assessment may not be rendered against any common elements for which a declarant has reserved no development rights.

AS 34.08.720(b)(2) requires that each condominium unit shall be separately taxed and assessed, "if there is a unit owner other than the declarant." "Declarant" refers to the developer of the condominium project. This, from the time that the developer of the condominium project has sold at least one condominium unit to another owner, each unit in the condominium project must be separately assessed.

It has been suggested that the term "assessed" in AS 34.08.720(b) refers only to the valuation of property for purposes of real property taxation, and not to the levying of special assessments. Even if this were the case, AS 34.08.720(b)(1) still requires that "each unit that has been created, together with its interest in the common elements, **constitutes for all purposes a separate parcel of real estate.**" (Emphasis added). Thus, AS 34.08.720(b)(1) also would require the levying of special assessments on individual condominium units as separate parcels of real estate.

cc: Walt Wrede  
Jo Johnson