

ALASKA STATE LEGISLATURE

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REPRESENTATIVE STEVE THOMPSON **DISTRICT 3**

Sponsor Statement

HB 223 “An Act authorizing municipalities to exempt or partially exempt for up to 10 years property in a military facility zone that creates or supports industry, development, or educational or training opportunities.”

House Bill 223 gives permissive authority for a local government to seek up to 10 years of full or partial property tax exemptions to businesses in a Military Facility Zone (MFZ) that creates or supports industry, development, educational or training opportunities directly related to defense activities in Alaska. As the needs of each community with military installations are unique, HB 223 provides broad authority for local property tax exemptions to be specifically defined by individual local communities, providing the maximum benefit to their region.

This bill expands on HB 316, which provided statutory authority to the Department of Military and Veterans’ Affairs to establish Military Facility Zones, promoting industrial or economic development that directly enhance a base’s ability to fulfill its mission. Military Facility Zones are similar to economic development districts, by defining areas that may apply for financial incentives.

HB 223 provides a tool for local governments, in proximity to military installations, to support the economic development of projects that enhance the military’s operations and its missions and the economic development goals of the community.

Providing a local tax exemption within Military Facility Zone will provide a tool to communities allowing them to offer added support to the mission of the armed services, enhancement of economic development opportunities, assist in making Alaska’s military installations the “best value choice” for expansion, and help defend against potential negative impact through a future Defense Base Realignment and Closure (BRAC) process or from routine actions to reduce forces to match smaller defense budgets.

Please join Representative Thompson in supporting this legislation.

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