

Representative Cathy Tilton

Alaska State Legislature – House District 12



SUMMARY OF CHANGES – CSHB 370 (CRA)am

(29-LS1551\E.A)

"An Act relating to military facility zones; and relating to a municipal tax exemption or deferral for economic development property."

In the original version of the bill (29-LS1551\A), current statutory language was included pertaining to renewals of exemptions or deferrals in AS 29.45.050. Current statute stipulates that initial exemptions or deferrals for economic development properties may not exceed five (5) years and further allows municipalities to renew those exemptions or deferrals (Page 1, lines 7-13 of the "A" version.)

Because CSHB 370 (CRA)am significantly expands the time limit (20 years), thus allowing municipalities to far greater flexibility; the language pertaining to renewals was removed because it was no longer necessary.

The practical effect of the changes in CSHB 370(CRA)am is that local assemblies/councils will determine, through local ordinance:

- The length of these optional exemptions or deferrals up to 20 years;
- The amount of the value of the property to be exempted (all or partial); and
- The manner in which that exempted or deferred tax revenue will otherwise be paid.

Furthermore, floor amendments made to the bill in the House also allowed municipalities the flexibility to determine if proposed military facility zones (MFZ) are consistent with their comprehensive economic plans through local zoning ordinances.

Lastly, there was amendment adopted that stipulated that assemblies may not exempt or defer property taxes for those levied to fund special services in a service area.