

# Alaska State Legislature



## House Rules Committee

State Capitol Room 216, Juneau, AK 99801-1182 (907) 465-4998  
1500 W. Benson Blvd. Anchorage, AK 99501 Phone: (907) 269—0216

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### *Sectional Analysis for the HCS (RLS) to Senate Bill 100 – Municipal Powers*

**Section 1** amends AS 09.45.169(2), the Code of Civil Procedure, to exclude liens authorized by municipal code from the definition of “nonconsensual common law lien.”

**Section 2** amends AS 11.46.560(a), the crime of “offering a false instrument for recording in the second degree.” Currently, it is a crime to present a lien to the recorder’s office for recording, filing or registering if the lien was not one authorized by state or federal statute, or if it had not been imposed or authorized by a court of law. This bill section would allow a person to legally record, file or register a municipal lien.

**Section 3** amends AS 29.35.010, the law listing the general powers of municipalities, by adding a new paragraph to let municipalities adopt ordinances authorizing liens securing payment for utility bills, abatement costs, and other fees and charges. This section also establishes the priority these liens have for payment, in relation to other liens authorized by law.

**Section 4** adds a new subsection (d) to AS 29.35.490, allowing a second class borough to establish an emergency service area encompassing a state highway corridor and publicly-owned property along it.

**Section 5** amends AS 29.45.050(m) by broadening the language of the optional municipal property tax exemption for economic development property.

- It allows a municipality to provide a property tax incentive for a specified period, rather than 5 years at a time; and
- It broadens the property that can get a tax incentive from having to meet all of three factors currently in the statute to any of four much broader factors.
- In municipalities that are school districts, instead of letting an incentive take the property tax rate to zero, it protects their ability to raise school funding by setting a floor at the 2.65 mills spelled out in the education funding formula;
- It grandfathers ordinances in effect before January 1, 2017, which are limited to five years under existing law; and
- It would not let a municipality exempt economic development property from the tax rate applied for a service area controlled by a board, who set their own rates.

**Section 6** adds a new subsection (y) to AS 29.45.050 that, along with a the **Section 8** repeal, changes the property tax exemption for sprinkler systems from mandatory to optional. The mandatory exemption was passed before building codes required sprinklers in certain buildings.

**Section 7** amends the definition of “nonconsensual common law lien” in AS 34.35.950(d) (2), to conform to Section 1.

**Section 8** repeals AS 29.45.030(1), the mandatory sprinkler exemption.

**Section 9** provides for an immediate effective date. This is needed for the emergency service area sections, so the Kenai Peninsula Borough can begin ambulance service this summer.