

Alaska State Legislature

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House Community and Regional Affairs Committee

HB 411: MUNICIPAL TAX EXEMPTIONS/DEFERRALS

Version A

Sponsor Statement

Current statute provides no avenues for a municipality to provide economic incentives, tax exemptions or deferrals, inside of a service area. House Bill 411 amends the current statute to allow for municipalities to use economic incentives in service areas through passage of an ordinance. The amended statute includes a 30-day window after the ordinance is passed to allow for the service area to reject the ordinance. This change would allow for municipalities to use economic incentives within services areas to stimulate economic growth.

HB 411 is directed at allowing further economic development through local agreements between municipalities, service areas and the private sector. The changes made in statute ensure that a service area is still able to have a say in economic incentives used in their area, while also giving municipalities another tool to generate economic growth.

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