

**SENATE CS FOR CS FOR HOUSE BILL NO. 521(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-SECOND LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered: 5/10/02**

**Referred: Rules**

**Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to municipal improvement areas."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **\* Section 1.** AS 29.47.460 is repealed and reenacted to read:

4 **Sec. 29.47.460. Debt for improvement area projects.** (a) A municipality  
5 may issue bonds to finance or to make loans to finance the acquisition, construction,  
6 rehabilitation, or development of public improvements in improvement areas. The  
7 municipality may issue the bonds as general obligation bonds or as revenue bonds or  
8 as a combination of revenue bonds, general obligation bonds, and other forms of  
9 indebtedness. The municipality may pledge revenues described in (b) of this section,  
10 payments to be made by users and owners of the improvements, payments to be made  
11 by borrowers of the proceeds of the bonds, and any other revenues available to the  
12 municipality to the payment of bonds issued under this subsection. To the extent that  
13 the municipality issues general obligation bonds under this subsection, the provisions  
14 of AS 29.47.180 - 29.47.200 apply to the bonds. To the extent that the municipality  
15 issues revenue bonds under this subsection, the provisions of AS 29.47.250 and

1 29.47.260 apply to the bonds.

2 (b) A municipality may provide by ordinance that the tax increment from the  
 3 taxes levied each year by or on behalf of the municipality on the property in an  
 4 improvement area shall be issued to pay the principal and interest on bonds issued  
 5 under (a) of this section for improvements in that improvement area, and may  
 6 irrevocably pledge the tax increment from the area for that purpose. The area  
 7 described in the ordinance may be a service area. Nothing in this section obligates a  
 8 municipality that has issued bonds under (a) of this section and pledged a tax  
 9 increment to the payment of those bonds under this subsection to levy any tax in the  
 10 improvement area or any other area or to levy a tax at any particular rate within the  
 11 improvement area or any other area.

12 (c) The power granted by this section is in addition to other powers granted to  
 13 municipalities and does not restrict or limit the powers municipalities may have under  
 14 other provisions of law.

15 (d) In this section,

16 (1) "bonds" means bonds, notes, and other forms of indebtedness;

17 (2) "improvement area" means an area that a municipality determines  
 18 to be

19 (A) a blighted area on the basis of the substantial presence of  
 20 factors such as excessive vacant land on which structures were previously  
 21 located, abandoned or vacant buildings, substandard structures, and  
 22 delinquencies in payment of real property taxes; or

23 (B) an area that is capable of being substantially improved  
 24 based on the property value within the area;

25 (3) "tax increment" means the portion of a tax that is attributable to the  
 26 difference between the value of property within an improvement area shown on the  
 27 taxing agency's assessment roll for the year when the taxes are levied and the value of  
 28 the property shown on the taxing agency's last assessment roll that was equalized  
 29 before the improvements in the improvement area were authorized.