

33RD ALASKA STATE LEGISLATURE

Session:

State Capitol, Room 501

Juneau, Alaska 99801

(907) 465-4457

**Interim:**

1292 Sadler Way, Suite 308

Fairbanks, Alaska 99701

(907) 451-8172

REPRESENTATIVE FRANK TOMASZEWSKI

Sectional Analysis

House Bill 70: MUNICIPAL PROPERTY TAX EXEMPTIONS

"An Act relating to property exempt from municipal taxation"

Section 1: Amends AS 29.45.0303(a) to add new subsections (11) and (12)

(11): Adds parking lots

(A) owned by organizations incorporated under state law being exempt under 26 U.S.C. 501(c)

(B) that is used for parking or other use free of charge

(12): Adds real and personal property of a store operated by organizations incorporated under state law being exempt under 26 U.S.C. 501(c) if the store

(A) deals with exclusively donated inventory of food, shelter, clothes, or health care distributed at no cost to needy individuals

(B) sells merchandise below market value to support a literacy program or a program providing needy persons with food, shelter, clothes, or health care free of charge.

Section 2: Amends AS 29.45.030 to add a new subsection (o) stating organizations exempt from (a)(11) or (a)(12) may lease property and still qualify if

(1): the leasing organization is incorporated under state law being exempt under 26 U.S.C. 501(c) and that organization uses the property for an exempt activity under (a)(11) or (12)

(2): the lease payments are not the product of the owner's main profit motive

(3): The amount charged is incidental and reasonable for the exempt use of the property not exceeding operational requirements for the activity.

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