

## Explanation of Section 5 (SB 100)

Contains amendments to AS 29.45.050(m) that provides the following:

- There is no time limit on an optional municipal property tax exemption or deferral for economic development properties;
- However, a municipality that is a school district may not exempt the district's required local contribution (2.65 mills) under AS 14.17.410(b)(2) only any education contribution that exceeds that base rate;
- A municipality may not exempt property taxes in special service areas if the service area is supervised by a board;
- Changes the qualifiers for the exemption "or" versus "and", meaning that any one of the qualifiers can make the property eligible for the exemption or deferral;