

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 156

Page 1, lines 1 - 2:

Delete "a municipal tax exemption or deferral for economic development property"

Insert "municipal property tax exemptions; extending a mandatory exemption from municipal property taxes for certain assets of the Alaska Industrial Development and Export Authority; and providing for an effective date by amending the effective dates of sec. 2, ch. 10, SLA 2010, as amended by sec. 4, ch. 61, SLA 2012, and sec. 2, ch. 71, SLA 2010, as amended by sec. 5, ch. 61, SLA 2012"

Page 1, following line 3:

Insert a new bill section to read:

"* **Section 1.** AS 29.45.030(a) is amended to read:

(a) The following property is exempt from general taxation:

(1) municipal property, including property held by a public corporation of a municipality, state property, property of the University of Alaska, or land that is in the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

(A) a private leasehold, contract, or other interest in the property is taxable to the extent of the interest; however, an interest created by an operating agreement or [A] nonexclusive use agreement between the Alaska Industrial Development and Export Authority and a shipyard operator or a user of an integrated transportation and port facility, if the shipyard or integrated transportation and port facility is owned by the authority and

1 initially placed in service before January 1, 1999, is taxable only to the extent
2 of, and for the value associated with, those specific improvements used for
3 lodging purposes;

4 (B) notwithstanding any other provision of law, property
5 acquired by an agency, corporation, or other entity of the state through
6 foreclosure or deed in lieu of foreclosure and retained as an investment of a
7 state entity is taxable; this subparagraph does not apply to federal land granted
8 to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land
9 granted to the university by the state to replace land that had been granted
10 under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the
11 university under AS 14.40.365;

12 (C) an ownership interest of a municipality in real property
13 located outside the municipality acquired after December 31, 1990, is taxable
14 by another municipality; however, a borough may not tax an interest in real
15 property located in the borough and owned by a city in that borough;

16 (2) household furniture and personal effects of members of a
17 household;

18 (3) property used exclusively for nonprofit religious, charitable,
19 cemetery, hospital, or educational purposes;

20 (4) property of a nonbusiness organization composed entirely of
21 persons with 90 days or more of active service in the armed forces of the United States
22 whose conditions of service and separation were other than dishonorable, or the
23 property of an auxiliary of that organization;

24 (5) money on deposit;

25 (6) the real property of certain residents of the state to the extent and
26 subject to the conditions provided in (e) of this section;

27 (7) real property or an interest in real property that is

28 (A) exempt from taxation under 43 U.S.C. 1620(d), as
29 amended or under 43 U.S.C. 1636(d), as amended; or

30 (B) acquired from a municipality in exchange for land that is
31 exempt from taxation under (A) of this paragraph, and is not developed or

made subject to a lease;

(8) property of a political subdivision, agency, corporation, or other entity of the United States to the extent required by federal law; except that a private leasehold, contract, or other interest in the property is taxable to the extent of that interest unless the property is located on a military base or installation and the property interest is created under 10 U.S.C. 2871 - 2885 (Military Housing Privatization Initiative), if [PROVIDED THAT] the leaseholder enters into an agreement to make a payment in lieu of taxes to the political subdivision that has taxing authority;

(9) natural resources in place including coal, ore bodies, mineral deposits, and other proven and unproven deposits of valuable materials laid down by natural processes, unharvested aquatic plants and animals, and timber;

(10) property not exempt under (3) of this subsection that

(A) is owned by a private, nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both; and

(B) was subject to a private leasehold, contract, or other private interest on January 1, 2010, except that a holder of a private leasehold, contract, or other interest in the property shall be taxed to the extent of that interest."

Page 1, line 4:

Delete "**Section 1**"

Insert "**Sec. 2**"

Page 3, following line 8:

Insert new bill sections to read:

"* **Sec. 3.** The uncoded law of the State of Alaska is amended by adding a new section to read:

REVISOR'S INSTRUCTION. When implementing secs. 2 and 3, ch. 10, SLA 2010,

1 and sec. 2, ch. 71, SLA 2010, the legislature does not intend to retain the amendments to
2 AS 29.45.030(a)(1) made by sec. 1 of this Act, but does intend to retain the amendment to
3 AS 29.45.030(a)(8) made by sec. 1 of this Act.

4 * **Sec. 4.** Section 8, ch. 10, SLA 2010, as amended by sec. 4, ch. 61, SLA 2012, is amended
5 to read:

6 Sec. 8. Section 2, ch. 10, SLA 2010, takes effect November 30, **2027** [2017].

7 * **Sec. 5.** Section 10, ch. 71, SLA 2010, as amended by sec. 5, ch. 61, SLA 2012, is
8 amended to read:

9 Sec. 10. Section 2, ch. 71, SLA 2010, takes effect November 30, **2027** [2017]."