



LAWS OF ALASKA

2002

Source

SCS CSHB 521(FIN)

Chapter No.

126

AN ACT

Relating to municipal improvement areas.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: July 5, 2002

Actual Effective Date: October 3, 2002

AN ACT

1 Relating to municipal improvement areas.

2

3 * **Section 1.** AS 29.47.460 is repealed and reenacted to read: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

Chapter 126

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 used to pay the principal and interest on bonds issued under
5 (a) of this section for improvements in that improvement area, and may irrevocably
6 pledge the tax increment from the area for that purpose. The area described in the
7 ordinance may be a service area. Nothing in this section obligates a municipality that
8 has issued bonds under (a) of this section and pledged a tax increment to the payment
9 of those bonds under this subsection to levy any tax in the improvement area or any
10 other area or to levy a tax at any particular rate within the improvement area or any
11 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.