

CS FOR SENATE BILL NO. 186(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/6/01
Referred: Rules

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to municipal taxes on oil and gas production and pipeline property;**
2 **establishing a limit on the general obligation debt that may be authorized and issued by**
3 **home rule and general law municipalities; and providing for an effective date."**

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

5 * **Section 1.** AS 29.10.200 is amended by adding a new paragraph to read:

6 (60) AS 29.47.185 and 29.47.305 (limitations on new or additional
7 general obligation debt).

8 * **Sec. 2.** AS 29.45.080 is amended by adding a new subsection to read:

9 (f) A municipality may not levy and collect taxes on property taxable under
10 AS 43.56 in excess of 1.9 percent of the assessed value of the property. This
11 subsection only applies to a municipality if the assessed value of all taxable property
12 in the municipality equals or exceeds \$500,000 multiplied by the number of residents
13 in the municipality.

14 * **Sec. 3.** AS 29.45.080(f) is amended to read:

1 (f) A municipality may not levy and collect taxes on property taxable under
2 AS 43.56 in excess of 1.8 [1.9] percent of the assessed value of the property. This
3 subsection only applies to a municipality if the assessed value of all taxable property
4 in the municipality equals or exceeds \$500,000 multiplied by the number of residents
5 in the municipality.

6 * **Sec. 4.** AS 29.45.080(f) is amended to read:

7 (f) A municipality may not levy and collect taxes on property taxable under
8 AS 43.56 in excess of 1.7 [1.8] percent of the assessed value of the property. This
9 subsection only applies to a municipality if the assessed value of all taxable property
10 in the municipality equals or exceeds \$500,000 multiplied by the number of residents
11 in the municipality.

12 * **Sec. 5.** AS 29.45.080(f) is amended to read:

13 (f) A municipality may not levy and collect taxes on property taxable under
14 AS 43.56 in excess of 1.6 [1.7] percent of the assessed value of the property. This
15 subsection only applies to a municipality if the assessed value of all taxable property
16 in the municipality equals or exceeds \$500,000 multiplied by the number of residents
17 in the municipality.

18 * **Sec. 6.** AS 29.45.080(f) is amended to read:

19 (f) A municipality may not levy and collect taxes on property taxable under
20 AS 43.56 in excess of 1.5 [1.6] percent of the assessed value of the property. This
21 subsection only applies to a municipality if the assessed value of all taxable property
22 in the municipality equals or exceeds \$500,000 multiplied by the number of residents
23 in the municipality.

24 * **Sec. 7.** AS 29.45.080(f) is amended to read:

25 (f) A municipality may not levy and collect taxes on property taxable under
26 AS 43.56 in excess of 1.4 [1.5] percent of the assessed value of the property. This
27 subsection only applies to a municipality if the assessed value of all taxable property
28 in the municipality equals or exceeds \$500,000 multiplied by the number of residents
29 in the municipality.

30 * **Sec. 8.** AS 29.45.080(f) is amended to read:

31 (f) A municipality may not levy and collect taxes on property taxable under

1 AS 43.56 in excess of 1.3 [1.4] percent of the assessed value of the property. This
 2 subsection only applies to a municipality if the assessed value of all taxable property
 3 in the municipality equals or exceeds \$500,000 multiplied by the number of residents
 4 in the municipality.

5 * **Sec. 9.** AS 29.45.080(f) is amended to read:

6 (f) A municipality may not levy and collect taxes on property taxable under
 7 AS 43.56 in excess of 1.2 [1.3] percent of the assessed value of the property. This
 8 subsection only applies to a municipality if the assessed value of all taxable property
 9 in the municipality equals or exceeds \$500,000 multiplied by the number of residents
 10 in the municipality.

11 * **Sec. 10.** AS 29.45.080(f) is amended to read:

12 (f) A municipality may not levy and collect taxes on property taxable under
 13 AS 43.56 in excess of 1.1 [1.2] percent of the assessed value of the property. This
 14 subsection only applies to a municipality if the assessed value of all taxable property
 15 in the municipality equals or exceeds \$500,000 multiplied by the number of residents
 16 in the municipality.

17 * **Sec. 11.** AS 29.45.080(f) is amended to read:

18 (f) A municipality may not levy and collect taxes on property taxable under
 19 AS 43.56 in excess of one [1.1] percent of the assessed value of the property. This
 20 subsection only applies to a municipality if the assessed value of all taxable property
 21 in the municipality equals or exceeds \$500,000 multiplied by the number of residents
 22 in the municipality.

23 * **Sec. 12.** AS 29.45.090(a) is amended to read:

24 (a) A municipality may not, during a year, levy an ad valorem tax for any
 25 purpose in excess of three percent of the assessed value of property in the
 26 municipality. **Except for property that is subject to the limitation provided for in**
 27 **AS 29.45.080(f), all** [ALL] property on which an ad valorem tax is levied shall be
 28 taxed at the same rate during the year.

29 * **Sec. 13.** AS 29.45.100 is amended to read:

30 **Sec. 29.45.100. Application of [NO] limitations on taxes to pay bonds.**
 31 **Except as provided in (b) of this section, the** [THE] limitations provided for in

1 AS 29.45.080 - 29.45.090 do not apply to taxes levied or pledged to pay or secure the
 2 payment of the principal and interest on bonds. Taxes to pay or secure the payment of
 3 principal and interest on bonds may be levied without limitation as to rate or amount,
 4 regardless of whether the bonds are in default or in danger of default.

5 * **Sec. 14.** AS 29.45.100 is amended by adding a new subsection to read

6 (b) The limitation provided for in AS 29.45.080(f) applies to ad valorem taxes
 7 levied or pledged to pay or secure the payment of the principal or interest on bonds
 8 issued on or after January 1, 2002, regardless of whether the bonds are in default or in
 9 danger of being in default.

10 * **Sec. 15.** AS 29.47 is amended by adding a new section to read:

11 **Sec. 29.47.185. Limitations on new or additional general obligation bonds.**

12 (a) Except as provided in (b) of this section, a municipality may not incur new or
 13 additional general obligation bond debt for a purpose described in AS 29.47.180 or for
 14 another purpose for which a municipality may authorize and issue its general
 15 obligation bonds if the proposed new or additional general obligation bond debt, when
 16 added to the current total general obligation bonded indebtedness of the municipality,
 17 including the authorized but unsold bonds of the municipality, would cause the total
 18 general obligation bonded indebtedness of the municipality to exceed \$15,000 per
 19 capita based on the number of residents of the municipality.

20 (b) If a municipality has a total general obligation bonded indebtedness that,
 21 on July 1, 2001, exceeds \$15,000 per capita based on the number of residents of the
 22 municipality, the municipality may only incur additional general obligation debt
 23 during each state fiscal year thereafter in an amount that does not exceed \$1,000 per
 24 capita based on the number of residents of the municipality on the first day of the
 25 fiscal year during which the indebtedness is incurred. This subsection no longer
 26 applies to a municipality when the total general obligation bonded indebtedness of the
 27 municipality reaches an amount that does not exceed \$15,000 per capita based on the
 28 number of residents of the municipality.

29 (c) For purposes of (a) and (b) of this section, the population of the
 30 municipality shall be determined under AS 29.45.080(e) and 29.45.090(d).

31 (d) The limitations of (a) and (b) of this section apply to the entire general

1 obligation bonded indebtedness of a unified municipality or borough, whether incurred
2 as areawide debt, nonareawide debt, or debt involving a service area.

3 * **Sec. 16.** AS 29.47 is amended by adding a new section to read:

4 **Sec. 29.47.305. Limitations on new or additional bonds to refund general**
5 **obligation bonds of the municipality.** (a) A municipality with a total general
6 obligation bonded indebtedness that exceeds \$15,000 per capita based on the number
7 of residents of the municipality may only issue general obligation refunding bonds if
8 the principal and interest on the refunding bonds must be entirely repaid on or before
9 the date the final payment would have been due on the bonds being refunded.

10 (b) For purposes of (a) of this section, the population of the municipality shall
11 be determined under AS 29.45.080(e) and 29.45.090(d).

12 (c) The limitation of (a) of this section applies to the entire general obligation
13 bonded indebtedness of a unified municipality or borough, whether incurred as
14 areawide debt, nonareawide debt, or debt involving a service area.

15 * **Sec. 17.** Sections 1, 15, and 16 of this Act take effect immediately under
16 AS 01.10.070(c).

17 * **Sec. 18.** Sections 2 and 12 - 14 of this Act take effect January 1, 2002.

18 * **Sec. 19.** Section 3 of this Act takes effect January 1, 2003.

19 * **Sec. 20.** Section 4 of this Act takes effect January 1, 2004.

20 * **Sec. 21.** Section 5 of this Act takes effect January 1, 2005.

21 * **Sec. 22.** Section 6 of this Act takes effect January 1, 2006.

22 * **Sec. 23.** Section 7 of this Act takes effect January 1, 2007.

23 * **Sec. 24.** Section 8 of this Act takes effect January 1, 2008.

24 * **Sec. 25.** Section 9 of this Act takes effect January 1, 2009.

25 * **Sec. 26.** Section 10 of this Act takes effect January 1, 2010.

26 * **Sec. 27.** Section 11 of this Act takes effect January 1, 2011.