

**CS FOR HOUSE BILL NO. 521(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 4/23/02

Referred: Rules

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to municipal improvement areas."**

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

3 \* **Section 1.** AS 29.47.460 is repealed and reenacted to read: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 and general obligation bonds. The municipality  
9           may pledge revenues described in (b) of this section, payments to be made by users  
10          and owners of the improvements, payments to be made by borrowers of the proceeds  
11          of the bonds, and any other revenues available to the municipality to the payment of  
12          bonds issued under this subsection. To the extent that the municipality issues general  
13          obligation bonds under this subsection, the provisions of AS 29.47.180 - 29.47.200  
14          apply to the bonds. To the extent that the municipality issues revenue bonds under  
15          this subsection, the provisions of AS 29.47.250 and 29.47.260 apply to the bonds.

1 (b) A municipality may provide by ordinance that the tax increment from the  
2 taxes levied each year by or on behalf of the municipality on the property in an  
3 improvement area shall be issued to pay the principal and interest on bonds issued  
4 under (a) of this section for improvements in that improvement area, and may  
5 irrevocably pledge the tax increment from the area for that purpose. The area  
6 described in the ordinance may be a service area. Nothing in this section obligates a  
7 municipality that has issued bonds under (a) of this section and pledged a tax  
8 increment to the payment of those bonds under this subsection to levy any tax in the  
9 improvement area or any other area or to levy a tax at any particular rate within the  
10 improvement area or any other area.

11 (c) The power granted by this section is in addition to other powers granted to  
12 municipalities and does not restrict or limit the powers municipalities may have under  
13 other provisions of law.

14 (d) In this section,

15 (1) "bonds" means bonds, notes, and other forms of indebtedness;

16 (2) "improvement area" means an area that a municipality determines  
17 to be

18 (A) a blighted area on the basis of the substantial presence of  
19 factors such as excessive vacant land on which structures were previously  
20 located, abandoned or vacant buildings, substandard structures, and  
21 delinquencies in payment of real property taxes; or

22 (B) an area that is capable of being substantially improved  
23 based on the property value within the area;

24 (3) "tax increment" means the portion of a tax that is attributable to the  
25 difference between the value of property within an improvement area shown on the  
26 taxing agency's assessment roll for the year when the taxes are levied and the value of  
27 the property shown on the taxing agency's last assessment roll that was equalized  
28 before the improvements in the improvement area were authorized.