

SENATE BILL NO. 365

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE BY REQUEST

Introduced: 4/18/02

Referred: Community and Regional Affairs, Finance

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3 * **Section 1.** AS 29.47.460 is repealed and reenacted to read: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

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