

Introduced: 4/12/64
Referred: Finance and
Judiciary

1 IN THE HOUSE

BY THE RULES COMMITTEE
BY REQUEST

2

HOUSE BILL NO. 447

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRD LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act providing for redevelopment and
7 urban renewal loans to be repaid from in-
8 creased taxes in redevelopment and urban
9 renewal projects, and providing for an ef-
10 fective date."

11

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

12

* Section 1. Sec. 18.55.570(a) is amended to read:

13

Sec. 18.55.570. ISSUANCE OF BONDS. (a) The authority

14

may issue bonds from time to time for any of its corporate

15

purposes including the payment of principal and interest upon

16

advances for surveys and plans for redevelopment projects. The

17

authority may issue refunding bonds for the purpose of the pay-

18

ment or retirement or in exchange for bonds previously issued

19

by it. The authority may issue the types of bonds it determines,

20

including bonds on which the principal and interest are payable

21

(1) exclusively from the income, proceeds, and revenues of

22

the redevelopment project financed with the proceeds of the

23

bonds, or (2) exclusively from the income, proceeds, and

24

revenues of any of its redevelopment projects whether or not

25

they are financed in whole or in part with the proceeds of the

26

bonds, [.] or (3) in whole or in part from taxes allocated to,

27

and paid into a special fund by a city, borough or other taxing

28

agency under the provisions of sec. 696 of this chapter. The

29

bonds may be further secured by a pledge of all or any part of

1 a loan, grant or contribution from the federal government or
2 from another source, or by a mortgage of a redevelopment pro-
3 ject of the authority.

4 * Sec. 2. AS 18.55 is amended by adding new sections to read:

5 Sec. 18.55.695. AGREEMENT BETWEEN CITY, BOROUGH OR OTHER
6 TAXING AGENCY AND THE AUTHORITY REGARDING LOAN. If a redevelop-
7 ment or urban renewal plan contains the provision authorized
8 by sec. 696 of this chapter the authority and the local govern-
9 ing body of a city, borough or other taxing agency may either
10 before or after the authorization of the bonds permitted by
11 sec. 700(e) of this chapter, enter into an agreement that the
12 principal amount of any such bonds sold for such purposes to-
13 gether with all interest which the authority may pay thereon,
14 constitutes a loan by the authority to the city, borough, or
15 other taxing agency for the purpose of paying all or part of
16 the latter's share of such redevelopment or urban renewal
17 project.

18 Sec. 18.55.696. DIVISION OF TAXES FOR REPAYMENT OF LOANS.
19 Any redevelopment or urban renewal plan may contain a provision
20 that taxes, if any, levied upon taxable property in a redevel-
21 opment or urban renewal project each year by or for the benefit
22 of the state, borough, or city, including a home rule city or
23 borough, or other public corporation, after the effective date
24 of the resolution or ordinance approving the redevelopment or
25 urban renewal plan, shall be divided as follows:

26 (1) The portion of the taxes which would be
27 produced by the rate upon which the tax is levied each year by
28 or for each of the taxing agencies upon the total sum of the
29 assessed value of the taxable property in the redevelopment or

1 urban renewal project as shown upon the assessment roll used
2 in connection with the taxation of such property, shall be
3 allocated to and when collected shall be paid into the funds
4 of the respective taxing agencies as taxes by or for said
5 taxing agencies and in the manner taxes on all other property
6 are paid (for the purpose of allocating taxes levied by or
7 for any taxing agency or agencies which did not include
8 certain territory within a redevelopment or urban renewal
9 project on the effective date of such ordinance but which
10 through annexation or otherwise, includes such territory after
11 such effective date, the assessment roll of the city if the
12 added territory is within a city, or the assessment roll of
13 the borough otherwise, last equalized on the effective date
14 of the ordinance shall be used in determining the assessed
15 valuation of the taxable property in the project on the
16 effective date); and

17 (2) the portion of the levied taxes each year in
18 excess of such amount shall be allocated to and when collected
19 shall be paid into a special fund of the authority, and over
20 which the authority shall act as custodian, to repay the
21 principal of and interest on loans, money advanced to, or
22 indebtedness, whether funded, refunded, assumed or otherwise,
23 incurred by the taxing agency, in order to pay its share in
24 whole or in part, of a redevelopment or urban renewal pro-
25 ject. Unless and until the total assessed valuation of the
26 taxable property in a redevelopment or urban renewal project
27 exceeds the total assessed value of the taxable property in
28 such project as shown by the last equalized assessment rolls
29 referred to in subsec.(1) of this section, all of the taxes

1 levied and collected upon the taxable property in such pro-
2 ject shall be paid into the funds of the respective taxing
3 agencies. When such loans, advances and indebtedness, if
4 any, and interest thereon have been paid, all money thereafter
5 received from taxes upon the taxable property in such re-
6 development or urban renewal project shall be paid into the
7 funds of the respective taxing agencies, as taxes on all other
8 property are paid.

9 Sec. 18.55.697. PLEDGE OF TAXES FOR PAYMENT OF PRINCI-
10 PAL AND INTEREST ON LOANS, ADVANCES AND INDEBTEDNESS. To en-
11 able and assist a city, borough or other taxing agency to
12 repay loans, advances or indebtedness owed to the authority,
13 under this chapter, a city, borough or other taxing agency,
14 may irrevocably pledge that portion of taxes mentioned in
15 sec. 696 (2) of this chapter for the payment of the principal
16 and interest on any such loans, advances or indebtedness.

17 Sec. 18.55.698. TAX ON LEASED PROPERTY. Wherever prop-
18 erty in any redevelopment or urban renewal project has been
19 redeveloped and is leased by the authority to any person or
20 whenever the agency leases real property in any redevelopment
21 or urban renewal project to any person for redevelopment, the
22 property shall be assessed and taxed in the same manner as pri-
23 vately owned property, and the lease or contract shall provide
24 that the lessee shall pay taxes upon the assessed value of the
25 entire property and not merely the assessed value of his or
26 its leasehold interest.

27 * Sec. 3. AS 18.55.700 is amended by adding new subsections to
28 read:

29 (e) To carry out the purposes of secs. 480 - 960 of

1 this chapter the authority may issue bonds and use the pro-
2 ceeds therefrom to make loans to a borough, city or other
3 taxing agency to assist cities, boroughs or other taxing
4 agencies in financing their share of redevelopment or urban
5 renewal projects. The bonds shall be secured, as to both
6 principal and interest, from the increased tax revenues to
7 be derived from the project area which shall be pledged to a
8 special fund over which the authority shall be custodian.
9 These bonds do not pledge the general credit of the city,
10 borough or other taxing agency but payment of the bonds, both
11 as to principal and interest, may be further secured by a
12 pledge of any loan, grant, or contribution from the federal
13 government or other source, in aid of any redevelopment or
14 urban renewal project.

15 (f) Bonds issued or loans made under (e) of this section
16 shall not constitute an indebtedness within the meaning of any
17 constitutional or statutory debt limitation or restriction,
18 and shall not be subject to the provisions of any other law
19 or charter relating to the authorization, issuance, or sale of
20 bonds, bonds issued under the provisions of secs. 480 - 960 of
21 this chapter are declared to be issued for an essential public
22 and governmental purpose, and, together with interest thereon
23 and income therefrom shall be exempted from all taxes.

24 (g) Bonds issued under (e) of this section shall be
25 authorized by resolution of the authority's governing body
26 and may be issued in one or more series and shall bear the
27 date or dates, be payable upon demand or mature at the time
28 or times, bear interest at the rate or rates not exceeding
29 six per cent a year, be in the denomination or denominations,

1 be in the form either coupon or registered, carry the con-
2 version or registration privileges, have the rank or priority,
3 be executed in the manner, be payable in the medium of pay-
4 ment, at the place or places, and be subject to the terms
5 of redemption, with or without premium, be secured in the
6 manner, and have such other characteristics as may be pro-
7 vided by the resolution or trust indenture or mortgage
8 issued pursuant thereto.

9 (h) The bonds may be sold at not less than 98 per cent
10 of par at public or private sale, or may be exchanged for
11 other bonds on the basis of par. However, the bonds may be
12 sold to the federal government at private sale at not less
13 than par and, if all of the authorized principal amount of
14 the bonds is not sold to the federal government, the balance
15 may be sold at public or private sale at not less than 98
16 per cent of par at an interest cost to the authority of not
17 to exceed the interest cost to the authority of the portion
18 of the bonds sold to the federal government.

19 * Sec. 4. Sec. 18.55.950 is amended by adding a new paragraph
20 to read:

21 (19) "taxes" includes all levies on an ad valorem
22 basis upon real property.

23 * Sec. 5. This Act takes effect on the day after its passage
24 and approval or on the day it becomes law without such approval.

25
26
27
28
29