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IN THE HOUSE

BY THE JUDICIARY AND
FINANCE COMMITTEES

CS FOR HOUSE BILL NO. 447

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRD LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to financing of re-
development and urban renewal projects;
and providing for an effective date."

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

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

Sec. 18.55.570. ISSUANCE OF BONDS. (a) The
authority may issue bonds from time to time for any of its
corporate purposes including the payment of principal and
interest upon advances for surveys and plans for redevelop-
ment projects. The authority may issue refunding bonds
for the purpose of the payment or retirement or in exchange
for bonds previously issued by it. The authority may issue
the types of bonds it determines, including bonds on which
the principal and interest are payable (1) exclusively
from the income, proceeds, and revenues of the redevelop-
ment project financed with the proceeds of the bonds, or
(2) exclusively from the income, proceeds, and revenues
of any of its redevelopment projects whether or not they
are financed in whole or in part with the proceeds of the
bonds, [.] or (3) in whole or in part from taxes allo-
cated to, and paid into a special fund by a city, borough,
or other taxing agency under the provisions of secs.
695 - 700 of this chapter. The bonds may be further
secured by a pledge of all or any part of a loan, grant

1 or contribution from the federal government or from
2 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. DIVISION OF TAXES FOR REPAYMENT OF
6 LOANS. A redevelopment or urban renewal plan may contain
7 a provision that taxes, if any, levied upon taxable
8 property in a redevelopment or urban renewal project each
9 year by or for the benefit of the state, borough, city,
10 including a home rule city or borough, or other public
11 corporation, called "taxing agency" in secs. 695 - 700 of
12 this chapter, after the effective date of the resolution
13 or ordinance approving the redevelopment or urban renewal
14 plan, shall be divided as follows:

15 (1) that portion of the taxes which would be pro-
16 duced by the rate upon which the tax is levied each year by
17 or for each of the taxing agencies upon the total sum of the
18 assessed value of the taxable property in the redevelopment
19 or urban renewal project as shown upon the assessment roll
20 used in connection with the taxation of such property, last
21 equalized prior to the effective date of such ordinance shall
22 be allocated to and when collected shall be paid into the funds
23 of the respective taxing agencies as taxes by or for said tax-
24 ing agencies and in the manner as taxes on all other property
25 are paid (for the purpose of allocating taxes levied by or for
26 any taxing agency or agencies which did not include certain
27 territory within a redevelopment or urban renewal project
28 on the effective date of the ordinance but which through
29 annexation or otherwise, includes such territory after

1 such effective date, the assessment roll of the city, if
2 the added territory is within a city, or the assessment
3 roll of the borough otherwise, last equalized on the ef-
4 fective date of the ordinance shall be used in determining
5 the assessed valuation of the taxable property in the
6 project on the effective date); and

7 (2) that portion of the levied taxes each year
8 in excess of such amount shall be allocated to and when
9 collected shall be paid into a special fund of the
10 authority and over which the authority shall act as cus-
11 todian, to repay the principal of and interest on loans,
12 money advanced to, or indebtedness, whether funded, re-
13 funded, assumed or otherwise, incurred by the taxing
14 agency, in order to pay its share in whole or in part, of
15 a redevelopment or urban renewal project. Unless and
16 until the total assessed valuation of the taxable property
17 in a redevelopment or urban renewal project exceeds the
18 total assessed value of the taxable property in the project
19 as shown by the last equalized assessment rolls referred
20 to in (1) of this section, all of the taxes levied and
21 collected upon the taxable property in the project shall be
22 paid into the funds of the respective taxing agencies.
23 When such loans, advances, and indebtedness, if any, and
24 interest thereon have been paid, all money thereafter re-
25 ceived from taxes upon the taxable property in such re-
26 development or urban renewal project shall be paid into
27 the funds of the respective taxing agencies, as taxes on
28 all other property are paid.

29 Sec. 18.55.696. AGREEMENT BETWEEN CITY, BOROUGH OR

1 OTHER TAXING AGENCY AND THE AUTHORITY REGARDING LOAN. If
2 a redevelopment or urban renewal plan contains the pro-
3 vision authorized by Sec. 695 of this chapter, the author-
4 ity and the local governing body of a city, borough or
5 other taxing agency, may, either before or after the
6 authorization of the bonds permitted by sec. 700(e) of
7 this chapter enter into an agreement that the principal
8 amount of any such bonds sold for such purposes, together
9 with all interest which the authority may pay thereon,
10 constitutes a loan by the authority to the city, borough,
11 or other taxing agency for the purpose of paying all or
12 part of the latter's share of such redevelopment or urban
13 renewal project.

14 Sec. 18.55.697. PLEDGE OF TAXES FOR PAYMENT OF
15 PRINCIPAL AND INTEREST ON LOANS, ADVANCES AND INDEBTED-
16 NESS. To enable and assist a city, borough or other
17 taxing agency to repay loans, advances or indebtedness
18 owed to the authority, under any provision of this chapter,
19 the city, borough or other taxing agency, may irrevocably
20 pledge that portion of taxes mentioned in sec. 695(2) of
21 this chapter for the payment of the principal and interest
22 on any such loans, advances or indebtedness.

23 Sec. 18.55.698. TAX ON LEASED PROPERTY. Wherever
24 property in any redevelopment or urban renewal project has
25 been redeveloped and is leased by the authority to any
26 person or whenever the agency leases real property in any
27 redevelopment or urban renewal project to any person for
28 redevelopment, the property shall be assessed and taxed
29 in the same manner as privately owned property, and the

1 lease or contract shall provide that the lessee shall pay
2 taxes upon the assessed value of the entire property and
3 not merely the assessed value of his or its leasehold in-
4 terest.

5 * Sec. 3. AS 18.55.700 is amended by adding new subsections
6 to read:

7 (e). to carry out the purposes of secs. 480 -
8 960 of this chapter the authority may issue bonds and use
9 the proceeds therefrom to make loans to a borough, city
10 or other taxing agency to assist cities, boroughs or other
11 taxing agencies in financing their share of redevelopment
12 or urban renewal projects. Such bonds shall be secured,
13 as to both principal and interest, from the increased tax
14 revenues to be derived from the project area which shall
15 be pledged to a special fund over which the authority shall
16 be custodian. These bonds do not pledge the general credit
17 of the city, borough or other taxing agency except that
18 payment of the bonds, both as to principal and interest,
19 may be further secured by a pledge of any loan, grant, or
20 contribution from the federal government or other source,
21 in aid of any redevelopment or urban renewal project;

22 (f) bonds issued or loans made under (e) of
23 this section shall not constitute an indebtedness within
24 the meaning of any constitutional or statutory debt limita-
25 tion or restriction, and shall not be subject to the pro-
26 visions of any other law or charter relating to the author-
27 ization, issuance, or sale of bonds. Bonds issued under
28 the provisions of secs. 480 - 960 of this chapter are
29 declared to be issued for an essential public and govern-

1 mental purpose, and, together with interest thereon and
2 income therefrom shall be exempted from all taxes;

3 (g) bonds issued under (e) of this section shall
4 be authorized by resolution of the authority's governing
5 body and may be issued in one or more series and shall
6 bear such date or dates, be payable upon demand or mature
7 at the time or times, bear interest at the rate or rates,
8 not exceeding six per cent a year, be in the denomination
9 or denominations, be in the form either coupon or regis-
10 tered, carry the conversion or registration privileges,
11 have the rank or priority, be executed in the manner, be
12 payable in the medium of payment, at the place or places,
13 and be subject to the terms of redemption, with or without
14 premium, be secured in the manner, and have such other
15 characteristics, which the resolution, its trust indenture
16 or mortgage provides;

17 (h) such bonds may be sold at not less than
18 ninety-eight per cent of par at public or private sale,
19 or may be exchanged for other bonds on the basis of par
20 except that such bonds may be sold to the federal govern-
21 ment at private sale at not less than par and, in the
22 event less than all of the authorized principal amount of
23 such bonds is sold to the federal government, the balance
24 may be sold at public or private sale at not less than
25 ninety-eight per cent of par at an interest cost to the
26 authority of not to exceed the interest cost to the
27 authority of the portion of the bonds sold to the federal
28 government.

29 * Sec. 4. AS 18.55.950 is amended by adding a new paragraph

1 to read:

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

4 * Sec. 5. AS 18.55 is amended by adding a new section to
5 read:

6 Sec. 18.55.945. The provisions of AS 18.55.570(a)(3),
7 AS 185.55.695 - 700, and AS 18.55.950(19) apply only to re-
8 development or urban renewal projects in the areas affected
9 by the earthquakes of 1964 and all results and after effects.

10 * Sec. 6. This Act takes effect on the day after its passage
11 and approval or on the day it becomes law without such approval.

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