

1 IN THE HOUSE

BY MR. ENGSTROM

2 HOUSE BILL NO. 277

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to refunding of shared
7 taxes to the service areas from which
8 collected."

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

10 * Section 1. AS 07.10.130 is amended to read:

11 Sec. 07.10.130. INTEGRATION OF EXISTING SPECIAL
12 DISTRICTS AND SERVICE AREAS. Special service districts and
13 service areas in the unorganized borough existing at the
14 time of the incorporation of an organized borough and
15 located within the boundaries of the organized borough shall
16 be integrated into the organized borough within two years
17 after the date of the borough's incorporation. An organized
18 borough shall succeed to all the rights, powers, and duties
19 of any service area and of any school districts and public
20 utility districts included within its boundaries, including,
21 but not limited to, claims, franchises and other contractual
22 obligations, and liability for bonded and all other indebted-
23 ness, and shall succeed to all of the right, title, and
24 interest in the real and personal property held by the
25 service areas or districts. The borough assembly may levy
26 and collect special charges, taxes, or assessments including
27 interest for the purpose of amortizing bonded indebtedness
28 previously incurred by the service area or special district,
29 for continuing services in the area, or for the future

1 indebtedness in the area. The portion of the taxes shared by
2 the state with the borough which are collected within a
3 service area shall be expended by the borough on behalf of
4 that service area insofar as necessary to maintain area
5 services equivalent to those that were provided in the fiscal
6 year in which the taxes were collected and for the service
7 area debt payments. When a service area or special district
8 had a previously incurred bonded indebtedness, no less than
9 all property that was within the service area or special
10 district at the time the bonds were issued shall remain sub-
11 ject to taxation to pay the principal of and interest on the
12 bonds for as long as they remain outstanding.

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