

Original sponsor: Finance Committee

Offered: 3/28/74

Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 750

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal and state property
7 taxing powers; and providing for an effective date."

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

9 * Section 1. AS 29.53.045(b) is amended to read:

10 (b) A municipality may levy and collect a tax on the full and
11 true value of taxable property taxable under AS 43.56 as valued by
12 the Department of Revenue at a rate not to exceed that which produces
13 an amount of tax revenue from all sources [THE TOTAL MUNICIPAL
14 PROPERTY TAX] equivalent to \$1,000 a year for each person residing
15 within its boundaries.

16 * Sec. 2. AS 29.53.055 is amended by adding a new subsection to
17 read:

18 (b) General obligation bonds may not be issued or refunded by
19 a municipality if at the time the bonds are authorized the sum of (1)
20 a maximum annual payment of principal and interest on the proposed
21 issue, (2) maximum annual payments of principal and interest on all
22 its outstanding general obligation bonds for which no repayment of
23 principal was required during the current fiscal year, and (3) the
24 total amount budgeted for all other purposes in the current fiscal
25 year, less revenue from sources other than the ad valorem property
26 tax for that year, exceeds the amount of revenue which may be raised
27 in that year from the ad valorem property tax levied within the
28 municipality under secs. 45 and 50 of this chapter. For the purpose of
29 this subsection, "maximum annual payment of principal and interest" means

1 (1) for outstanding general obligation bond issues, the
2 amount of principal and interest which will be paid annually if the
3 bonds are paid according to their terms; and

4 (2) for proposed general obligation bond issues, the amount
5 of principal and interest which would be paid assuming repayment of
6 principal and interest in equal annual amounts commencing in the next
7 fiscal year and continuing over the life of the issue.

8 * Sec. 3. AS 29.58.180(a) is amended to read:

9 (a) The full faith and credit of a municipality are pledged for
10 the payment of principal and interest on general obligation bonds.

11 Subject to AS 29.53.055, the [THE] municipality may levy ad valorem
12 taxes for payment without limitation of rate or amount.

13 * Sec. 4. AS 43.56.020 is repealed and re-enacted to read:

14 Sec. 43.56.020. EXEMPTIONS. (a) There is exempt from state
15 taxes levied or authorized under sec. 10(a) of this chapter, before the
16 construction commencement date, property which is committed by contract
17 or other agreement for use in this state primarily for the production or
18 pipeline transportation of gas or unrefined oil, or in the operation or
19 maintenance of facilities for the production or pipeline transportation
20 of gas or unrefined oil.

21 (b) The following are exempt from local taxes levied or authorized
22 under sec. 10(b) of this chapter:

23 (1) property rights attached to or inherent in the right to
24 explore for or produce oil or gas;

25 (2) oil or gas leases or properties, whether producing or
26 not;

27 (3) oil or gas in place;

28 (4) oil or gas produced or extracted in the state;

29 (5) an interest in property described in AS 43.55.010(b).

1 (c) In (b)(2) of this section, "properties" means mineral inter-
2 ests in oil and gas and working interests, royalty interests, and over-
3 riding royalty interests in oil and gas leases.

4 * Sec. 5. AS 43.56.210 is amended by adding a new paragraph to read:

5 (8) "municipality" means a general law municipal corporation
6 and political subdivision, which is a first or second class borough or
7 city, or a third class borough, incorporated under the laws of the state,
8 including a home rule first class borough or city, or a unification
9 of these.

10 * Sec. 6. This Act is retroactive to January 1, 1974.

11 * Sec. 7. This Act takes effect on the day after its passage and approval
12 or on the day it becomes law without approval.
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