

Introduced: 2/16/82  
Referred: Community & Regional  
Affairs and Finance

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 802

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to tax exemptions; and providing for  
7 an effective date."

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

9 \* Section 1. AS 29.53.010(a) is amended by adding a new sub-paragraph to  
10 read:

11 (9) real property or interests therein which are exempt from tax-  
12 ation under the Alaska Native Claims Settlement Act, as amended by the  
13 Alaska National Interest Lands Conservation Act (43 USC 1620(d)(1), as  
14 more fully provided in (k) of this section.

15 \* Sec. 2. AS 29.53.020 is amended by adding a new paragraph to read:

16 (k) The tax exemption required by the Alaska Native Claims Settle-  
17 ment Act, as amended by the Alaska National Interest Land Conservation  
18 Act (43 USC 1620(d)(1), shall be implemented according to the following  
19 conditions and interpretations:

20 (1) The term "developed" shall mean a purposeful modifica-  
21 tion of the property from its original state which effectuates a condi-  
22 tion for gainful or productive present use without further substantia-  
23 tion modification. Developed property, in order to remove the exemp-  
24 tion, must be developed for purposes other than exploration, and be  
25 limited to the smallest practicable tract of the property actually used  
26 in the developed state. Surveying, platting, construction of roads,  
27 providing utilities or other similar actions normally considered to be  
28 component parts of the development process do not necessarily create a  
29 developed state within the meaning of this sub-section. Forest lands,

1 as defined in AS 41.17.950(6), shall be deemed "developed" when gainful  
2 or productive present use occurs and the owner of the forest land files  
3 a notice of conversion under AS 41.17.110.

4 (2) The term "lease" means a grant of primary possession  
5 entered into for gainful purposes with a determinable fee remaining in  
6 the hands of the grantor. With respect to lease which conveys rights of  
7 exploration and development, this exemption shall continue with re-  
8 spect to that portion of the leased tract which is used solely for the  
9 purpose of exploration.

10 (3) If the property or interest therein reverts to an under-  
11 developed state, or if the lease is terminated, or if property which is  
12 currently taxed should be used for purposes of exploration, the exemp-  
13 tion shall be reinstated, subject to the provisions of this subsection.

14 \* Sec. 3. Sections 1 and 2 of this Act are retroactive to December 31,  
15 1980.