

Offered: 3/23/82  
Referred: Finance

Original sponsor: Ferguson

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 802 (C&RA)

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 29.53.020(a) is amended by adding a new paragraph to  
10 read:

11 (9) real property or interests in real property that are exempt  
12 from taxation under 43 U.S.C. 1620(d), as amended, as more fully  
13 provided in (k) and (l) of this section.

14 \* Sec. 2. AS 29.53.020 is amended by adding new subsections to read:

15 (k) The tax exemption required by 43 U.S.C. 1620(d), as amended,  
16 shall be implemented according to the following conditions and inter-  
17 pretations:

18 (1) "developed" means a purposeful modification of the prop-  
19 erty from its original state that effectuates a condition of gainful or  
20 productive present use without further substantial modification; survey-  
21 ing, construction of roads, providing utilities or other similar actions  
22 normally considered to be component parts of the development process,  
23 but which do not create the above condition, do not constitute a  
24 developed state within the meaning of this paragraph; developed prop-  
25 erty, in order to remove the exemption, must be developed for purposes  
26 other than exploration, and be limited to the smallest practicable tract  
27 of the property actually used in the developed state;

28 (2) "exploration" means the examination and investigation of  
29 undeveloped land to determine the existence of subsurface nonrenewable

1 resources;

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

8 (1) If the property or interest in the property reverts to an un-  
9 developed state, or if the lease is terminated, the exemption shall be  
10 reinstated, subject to the provisions of (k) of this section.

11 \* Sec. 3. AS 29.45.030(a) is amended by adding a new paragraph to read:

12 (7) real property or interests in real property that are  
13 exempt from taxation under 43 U.S.C. 1620(d), as amended, as more fully  
14 provided in (k) and (1) of this section.

15 \* Sec. 4. AS 29.45.030 is amended by adding new subsections to read:

16 (k) The tax exemption required by 43 U.S.C. 1620(d), as amended,  
17 shall be implemented according to the following conditions and inter-  
18 pretations:

19 (1) "developed" means a purposeful modification of the prop-  
20 erty from its original state that effectuates a condition of gainful or  
21 productive present use without further substantiation modification;  
22 surveying, construction of roads, providing utilities or other similar  
23 actions normally considered to be component parts of the development  
24 process, but which do not create the above conditions, do not constitute  
25 a developed state within the meaning of this paragraph; developed prop-  
26 erty, in order to remove the exemption, must be developed for purposes  
27 other than exploration, and be limited to the smallest practicable tract  
28 of the property actually used in the developed state;

29 (2) "exploration" means the examination and investigation of

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undeveloped land to determine the existence of subsurface nonrenewable resources;

(3) "lease" means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor; with respect to a lease that conveys rights of exploration and development, this exemption shall continue with respect to that portion of the leased tract that is used solely for the purpose of exploration.

(1) If the property or interest in the property reverts to an undeveloped state, or if the lease is terminated, the exemption shall be reinstated, subject to the provisions of (k) of this section.

\* Sec. 5. The exemption provided under AS 29.45.030(a) as amended by sec. 3 of this Act and the additions to AS 29.45.030 under sec. 4 of this Act are retroactive to December 31, 1980.

\* Sec. 6. The amendments and additions made to AS 29.53.020 by secs. 1 and 2 of this Act are repealed.

\* Sec. 7. Sections 1 and 2 of this Act are retroactive to December 31, 1980.

\* Sec. 8. Sections 3 - 6 of this Act take effect on the effective date of a version of House Bill No. 170 or Senate Bill No. 180 revising AS 29.