

Introduced: 4/15/83
Referred: Community and Regional
Affairs and Finance

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 260

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to exemption from municipal property
7 taxation of certain property exempt from taxation
8 under federal law; and providing for an effective
9 date."

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

11 * Section 1. AS 29.53.020(a) is amended by adding a new paragraph to
12 read:

13 (9) real property or an interest in real property that is
14 exempt from taxation under 43 U.S.C. 1620(d), as amended.

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

16 (k) For the purpose of determining property exempt under (a)(9)
17 of this section, the following definitions apply to terms used in
18 43 U.S.C. 1620(d) unless superseded by applicable federal law:

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

1 (2) "exploration" means the examination and investigation
2 of undeveloped land to determine the existence of subsurface nonrenew-
3 able resources;

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

10 (1) If property or an interest in property that is determined
11 not to be exempt under (a)(9) of this section reverts to an undevel-
12 oped state, or if the lease is terminated, the exemption shall be
13 granted, subject to the provisions of (a)(9) and (k) of this section.

14 * Sec. 3. This Act takes effect January 1, 1984.