

Introduced: 5/11/85
Referred: House Special Committee
on Oil & Gas, Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY MARROU

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 339
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: " An Act relating to the limitation of municipal oil
7 and gas production and pipeline property taxes to pay
8 for bonds; and providing for an effective date."

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

10 * Section 1. AS 29.53.055 is amended to read:

11 Sec. 29.53.055. [NO] LIMITATION ON TAXES TO PAY BONDS. The
12 limitations provided for in AS 29.53.045 or 29.53.050 do not apply to
13 taxes levied or pledged to pay or secure the payment of the principal
14 and interest on bonds. Taxes to pay or secure the payment of princi-
15 pal and interest on bonds may be levied up to one percent of the
16 assessed valuation within the municipality in any year [WITHOUT
17 LIMITATION AS TO RATE OR AMOUNT], regardless of whether the bonds are
18 in default or in danger of default.

19 * Sec. 2. AS 29.58.180(a) is amended to read:

20 (a) The full faith and credit of a municipality are pledged for
21 the payment of principal and interest on general obligation bonds.
22 Except for the limitation under AS 29.53.055, the [THE] municipality
23 may levy ad valorem taxes for payment without limitation of rate or
24 amount to pay or secure the payment of the principal and interest on
25 bonds, regardless of whether the bonds are in default or in danger of
26 default.

27 * Sec. 3. The amendments to AS 29.53.055 and AS 29.58.180(a) made by
28 secs. 1 and 2 of this Act apply only to general obligation bonds, other
29 than general obligation refunding bonds under AS 29.58.180 - 29.58.280 sold

1 by a municipality on or after the effective date of this Act.

2 * Sec. 4. This Act takes effect July 1, 1985.