

Original sponsors: Menard, Larson,  
Zawacki, et al.

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 434 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to municipal development and rede-  
7 velopment."

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

9 \* Section 1. AS 29.10.200 is amended by adding a new paragraph to read:  
10 (49) AS 29.35.035 (development and redevelopment proj-  
11 ects).

12 \* Sec. 2. AS 29.35 is amended by adding a new section to read:

13 Sec. 29.35.035. DEVELOPMENT AND REDEVELOPMENT PROJECTS. (a) A  
14 municipality may undertake development and redevelopment projects in  
15 the municipality and issue bonds to finance the projects, including  
16 bonds for development or redevelopment purposes in blighted areas. In  
17 this subsection

18 (1) "blighted area" means an area that the municipality  
19 determines to be a blighted area on the basis of the substantial  
20 presence of factors such as excessive vacant land on which structures  
21 were previously located, abandoned or vacant buildings, substandard  
22 structures, vacancies, and delinquencies in payment of real property  
23 taxes;

24 (2) "redevelopment purposes" means

25 (A) the acquisition by the municipality of real prop-  
26 erty located in a blighted area;

27 (B) the clearing and preparation for redevelopment of  
28 land acquired under (A) of this paragraph;

29 (C) the rehabilitation of real property acquired under

1 (A) of this paragraph; in this subparagraph, "rehabilitation"  
2 does not include construction, other than rehabilitation, of  
3 property or the enlargement of an existing building; and

4 (D) the relocation of occupants of the real property  
5 acquired under (A) of this paragraph.

6 (b) A municipality may by ordinance create a public corporation  
7 to exercise all or some of the powers authorized under (a) of this  
8 section. The corporation so established

9 (1) is an instrumentality of the municipality, but has a  
10 legal existence independent of and separate from the municipality; and

11 (2) has continuing succession by its corporate name until  
12 terminated by ordinance.

13 (c) A municipality may provide by ordinance that the tax incre-  
14 ment from the taxes levied each year by or on behalf of the municipal-  
15 ity on the property in a development or redevelopment project shall be  
16 used to repay the principal and interest on bonds, notes, and other  
17 indebtedness that is incurred for the project. To enable and assist a  
18 public corporation to repay bonds, notes, and other indebtedness for a  
19 development or redevelopment project, the municipality may irrevocably  
20 pledge the tax increment from the project for the payment of debt  
21 service on the bonds, notes, or other indebtedness issued to finance  
22 the project. In this subsection "tax increment" means the difference  
23 between the tax due in the calendar year when the taxes are levied and  
24 the tax due in the calendar year before the project was authorized.

25 (d) This section applies to home rule and general law municipal-  
26 ities. The limitations on the exercise of borough powers under  
27 AS 29.35.200 - 29.35.220 apply to the exercise of powers under this  
28 section.