

BY THE RULES COMMITTEE  
BY REQUEST OF THE HOUSE MEMBERS  
OF THE JOINT COMMITTEE ON  
ECONOMIC RECOVERY

1 IN THE HOUSE

2

HOUSE BILL NO. 557

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 an exemption or deferral from  
7 municipal taxation for economic development property;  
8 and providing for an effective date."

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

10 \* Section 1. AS 29.45.050 is amended by adding a new subsection to  
11 read:

12 (1) A municipality may by ordinance exempt or defer from taxa-  
13 tion, in whole or in part, economic development property. An ordi-  
14 nance adopted under this subsection may not provide for an exemption  
15 or deferral that exceeds five years in duration, must establish spe-  
16 cific eligibility requirements for the exemption or deferral, must  
17 require a written application for each exemption or deferral demon-  
18 strating eligibility, and must subject each exemption or deferral to  
19 approval by the governing body after a public hearing. The governing  
20 body may deny an exemption or deferral under this subsection if it  
21 finds that the exemption or deferral would result in an unreasonable  
22 competitive disadvantage to other businesses in the municipality. In  
23 this subsection "economic development property" means real or personal  
24 property that may be depreciated for federal income tax purposes and  
25 is used in a trade or business in a way that creates employment in the  
26 municipality, generates sales outside of the municipality of goods or  
27 services produced in the municipality, or materially reduces the  
28 importation of goods or services from suppliers outside the municipal-  
29 ity.

1 \* Sec. 2. This Act takes effect January 1, 1989.