

Original sponsors: Rules/House Members of
the Joint Committee on
Economic Recovery

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

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CS FOR HOUSE BILL NO. 557 (C&RA)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FIFTEENTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act relating to an exemption or deferral from
municipal taxation for economic development property;
and providing for an effective date."

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

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

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(1) A municipality may by ordinance exempt or defer from taxation, in whole or in part, economic development property. An ordinance adopted under this subsection may not provide for an exemption or deferral that exceeds five years in duration, must establish specific eligibility requirements for the exemption or deferral, must require a written application for each exemption or deferral demonstrating eligibility, and must subject each exemption or deferral to approval by the governing body after a public hearing. The governing body may deny an exemption or deferral under this subsection if it finds that the exemption or deferral would result in an unreasonable competitive disadvantage to other businesses in the municipality. In this subsection "economic development property" means real or personal property that may be depreciated for federal income tax purposes and is used in a trade or business in a way that

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(1) creates new employment in the municipality by generating sales outside of the municipality of goods or services produced in the municipality; or

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(2) materially reduces the importation of goods or services

1 from suppliers outside the municipality.

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