

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

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 557 (Finance)

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 not provide an exemption or deferral under this subsection if
21 the exemption or deferral would result in a competitive disadvantage
22 to other businesses in the municipality. In this subsection "economic
23 development property" means real or personal property that may be
24 depreciated for federal income tax purposes and is used in a trade or
25 business in a way that

26 (1) creates new employment in the municipality by generat-
27 ing sales outside of the municipality of goods or services produced in
28 the municipality; or

29 (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.