

Original sponsor(s): REP. MACLEAN, Cato, Zawacki

1 IN THE HOUSE BY THE C&RA COMMITTEE
2 SENATE CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 159 (C&RA)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to an exemption from municipal
7 property taxation for natural resources in place; and
8 providing for an effective date."

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

10 * Section 1. PURPOSE. It is the primary purpose of the legislature in
11 providing for a temporary tax exemption for natural resources in place to
12 gain the time necessary for an orderly and comprehensive study of the
13 issues relating to exempting natural resources in place from municipal
14 property taxation.

15 * Sec. 2. TEMPORARY TAX EXEMPTION. Natural resources in place, includ-
16 ing proven or unproven mineral and other deposits of valuable materials and
17 timber stumpage, are exempt from property taxation by a municipality.

18 * Sec. 3. STUDY AND REPORT. (a) The Department of Community and
19 Regional Affairs shall study and compare the potential effects of various
20 natural resource taxation options including

21 (1) total exemption from municipal property taxation for natural
22 resources in place;

23 (2) partial exemption from municipal property taxation for
24 natural resources in place;

25 (3) no exemption from municipal property taxation for natural
26 resources in place;

27 (4) total or partial exemption from municipal property taxation
28 for natural resources in place at the option of each municipality;

29 (5) taxation of natural resources in place by municipalities

1 other than property taxation for purposes of determining whether a perma-
2 nent exemption from property taxation is the most desirable approach.

3 (b) The Department of Community and Regional Affairs shall select
4 representatives of municipalities and of unincorporated communities in
5 boroughs and in the unorganized borough to advise in the design and exe-
6 cution of the study under (a) of this section. The Department of Community
7 and Regional Affairs shall conduct the study in concert with the Department
8 of Revenue and with the Alaska Municipal League. The study must include
9 consideration of

10 (1) tax treatment by other states of natural resources in place;

11 (2) the point in time that natural resources in place acquire a
12 value for tax purposes; and

13 (3) methods for determining the value of natural resources in
14 place that may be applied on a uniform basis in all municipalities.

15 (c) By January 15, 1992, the Department of Community and Regional
16 Affairs shall report to the legislature its findings and recommendations
17 regarding municipal property taxation of natural resources in place.

18 * Sec. 4. This Act is repealed July 1, 1992.

19 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).