

Offered: 5/7/89
Referred: Rules

6-0951G

Original sponsors: Gruenberg, Ellis,
Larson, et al.

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 272 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to an optional exemption from, and
7 deferral of payment of, municipal taxes on economic
8 development property, and to an optional exemption
9 from municipal taxes on inventories intended for
10 export outside the state."

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

12 * Section 1. AS 29.45.050 is amended by adding new subsections to read:

13 (m) A municipality may by ordinance partially or totally exempt
14 all or some types of economic development property from taxation for
15 up to five years. The municipality may provide for renewal of the
16 exemption under conditions established in the ordinance. A municipal-
17 ity may by ordinance permit deferral of payment of taxes on all or
18 some types of economic development property for up to five years. The
19 municipality may provide for renewal of the deferral under conditions
20 established in the ordinance. A municipality may adopt an ordinance
21 under this subsection only if, before it is adopted, copies of the
22 proposed ordinance made available at a public hearing on it contain
23 written notice that the ordinance, if adopted, may be repealed by the
24 voters through referendum. An ordinance adopted under this subsection
25 must include specific eligibility requirements and require a written
26 application for each exemption or deferral. In this subsection
27 "economic development property" means real or personal property,
28 including developed property conveyed under 43 U.S.C. 1601 - 1629e
29 (Alaska Native Claims Settlement Act), that

1 (1) has not previously been taxed as real or personal
2 property by the municipality;

3 (2) is used in a trade or business in a way that

4 (A) creates employment in the municipality;

5 (B) generates sales outside of the municipality of
6 goods or services produced in the municipality; or

7 (C) materially reduces the importation of goods or
8 services from outside the municipality; and

9 (3) has not been used in the same trade or business in
10 another municipality for at least six months before the application
11 for deferral or exemption is filed; this paragraph does not apply if
12 the property was used in the same trade or business in an area that
13 has been annexed to the municipality within six months before the
14 application for deferral or exemption is filed; this paragraph does
15 not apply to inventories.

16 (n) A municipality may by ordinance classify as to type inven-
17 tories intended for export outside the state and partially or totally
18 exempt all or some types of those inventories from taxation. A munic-
19 ipality may adopt an ordinance under this subsection only if, before
20 it is adopted, copies of the proposed ordinance made available at a
21 public hearing on it contain written notice that the ordinance, if
22 adopted, may be repealed by the voters through referendum. The
23 ordinance may provide for different levels of exemption for different
24 classifications of inventories. An ordinance adopted under this
25 subsection must include specific eligibility requirements and require
26 a written application for each exemption.