

Introduced: 4/27/89
Referred: Community and Regional Affairs
and Labor and Commerce

6-1332A

1 IN THE SENATE

BY PEARCE

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SENATE BILL NO. 308

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to taxation of certain state property by municipalities; 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 14.25.200(a) is amended to read:

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* Sec. 2. AS 29.45.030(a) is amended to read:

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(a) The following property is exempt from general taxation:

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(1) municipal, state, or federally owned property, except

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that

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(A) a private leasehold, contract, or other interest

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in the property is taxable to the extent of the interest;

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(B) interests in real property held as investments by

1 the teachers' retirement system of Alaska under AS 14.25 or the
2 public employees' retirement system of Alaska under AS 39.35, and
3 interests in real property of the Alaska Industrial Development
4 Authority under AS 44.88 are taxable as provided in AS 29.45.-
5 010 - 29.45.600;

6 (2) household furniture and personal effects of members of
7 a household;

8 (3) property used exclusively for nonprofit religious,
9 charitable, cemetery, hospital, or educational purposes;

10 (4) property of a nonbusiness organization composed entire-
11 ly of persons with 90 days or more of active service in the armed
12 forces of the United States whose conditions of service and separation
13 were other than dishonorable, or the property of an auxiliary of that
14 organization;

15 (5) money on deposit;

16 (6) the real property of certain residents of the state to
17 the extent and subject to the conditions provided in (e) of this
18 section;

19 (7) real property or an interest in real property that is
20 exempt from taxation under 43 U.S.C. 1620(d), as amended.

21 * Sec. 3. AS 29.45 is amended by adding a new section to read:

22 Sec. 29.45.295. COLLECTION OF DELINQUENT TAXES ON CERTAIN STATE
23 PROPERTY. (a) The property of the teachers' retirement system of
24 Alaska under AS 14.25, the public employees' retirement system of
25 Alaska under AS 39.35, and the Alaska Industrial Development Authority
26 under AS 44.88 that is taxable under AS 29.45.030(a) is exempt from
27 AS 29.45.300 - 29.45.490.

28 (b) A municipality may bring an action in the superior court to
29 compel payment of property taxes due from a state entity listed in (a)

1 of this section, if the state entity does not pay the amount due
2 within six months after the date that the taxes are due.

3 * Sec. 4. AS 39.35.500 is amended to read:

4 Sec. 39.35.500. SAFEGUARD OF EMPLOYEE FUNDS HELD BY THE SYSTEM.
5 Except as provided in AS 29.45.030(a), employee [EMPLOYEE] contribu-
6 tions and other amounts held in the system are exempt from Alaska
7 state and local taxes. Amounts held on behalf of, or payable to, any
8 employee or other person who is or may become eligible for benefits
9 under the system are not subject to anticipation, alienation, sale,
10 transfer, assignment, pledge, encumbrance, or charge of any kind,
11 either voluntary or involuntary, before being received by the person
12 entitled to the amount under the terms of the system. An attempt to
13 anticipate, alienate, sell, transfer, assign, pledge, encumber,
14 charge, or otherwise dispose of a right to amounts held under the
15 system is void. However, an employee's right to receive benefits may
16 be assigned under a qualified domestic relations order.

17 * Sec. 5. AS 44.88.140(a) is amended to read:

18 (a) Except as provided in AS 29.45.030(a), the [THE] real and
19 personal property of the authority and its assets, income, and re-
20 ceipts are declared to be the property of a political subdivision of
21 the state and, together with any project or development project fi-
22 nanced under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, and a
23 leasehold interest created in a project or development project fi-
24 nanced under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, de-
25 voted to an essential public and governmental function and purpose,
26 and the property, assets, income, receipts, project, development
27 project, and leasehold interests shall be exempt from all taxes and
28 special assessments of the state or a political subdivision of the
29 state, including, without limitation, all boroughs, cities,

1 municipalities, school districts, public utility districts and other
2 taxing units. All bonds of the authority are declared to be issued by
3 a political subdivision of the state and for an essential public and
4 governmental purpose and to be a public instrumentality, and the
5 bonds, and the interest on them, the income from them and the transfer
6 of the bonds, and all assets, income and receipts pledged to pay or
7 secure the payments of the bonds, or interest on them, shall at all
8 times be exempt from taxation by or under the authority of the state,
9 except for inheritance and estate taxes and taxes on transfers by or
10 in contemplation of death. Nothing in this section affects or limits
11 an exemption from license fees, property taxes, or excise, income or
12 any other taxes, provided under any other law, nor does it create a
13 tax exemption with respect to the interest of any business enterprise
14 or other person, other than the authority, in any property, assets,
15 income, receipts, project, development project, or lease whether or
16 not financed under this chapter. By January 10 of each year, the
17 authority shall submit to the governor and the legislature a report
18 describing the nature and extent of the tax exemption of the property,
19 assets, income, receipts, project, development project and leasehold
20 interests of the authority under this section.

21 * Sec. 6. This Act takes effect January 1, 1990.