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Referred: L&C and Finance

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Original sponsor(s): SEN. PEARCE

1 IN THE SENATE

BY THE C&RA COMMITTEE

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CS FOR SENATE BILL NO. 308 (C&RA)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to taxation of certain state and federal 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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(a) Except as provided in AS 29.45.030(a)(1), member [MEMBER]

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contributions and other amounts held in the system on behalf of a member or other person who is or may become eligible for benefits under the system are exempt from Alaska state and municipal taxes and are not subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge of any kind, either voluntary or involuntary, before they are received by the person entitled to the amount under the terms of the system, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of any right to amounts accrued in the system is void. However, a member's right to receive benefits may be assigned under a qualified domestic relations order.

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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 or [,] state [, OR FEDERALLY OWNED] property,

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except 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) notwithstanding any other provision of law,

1 property acquired by a political subdivision, agency, corpo-  
2 ration, or other entity of the state through foreclosure or deed  
3 in lieu of foreclosure and retained as an investment of a state  
4 entity is taxable;

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

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

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

14 (5) money on deposit;

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

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

20 (8) property of a political subdivision, agency, corpo-  
21 ration, or other entity of the United States to the extent required by  
22 federal law.

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

24 Sec. 29.45.295. COLLECTION OF DELINQUENT TAXES ON CERTAIN STATE  
25 OR FEDERAL PROPERTY. AS 29.45.300 - 29.45.490 do not apply to prop-  
26 erty taxable under AS 29.45.030(a)(1) or (8). A municipality may  
27 bring an action in the superior court to compel payment of property  
28 taxes due from the state or federal entity if the entity does not pay  
29 the amount due within six months after the date that the taxes are

1 due.

2 \* Sec. 4. AS 39.35.500 is amended to read:

3 Sec. 39.35.500. SAFEGUARD OF EMPLOYEE FUNDS HELD BY THE SYSTEM.  
4 Except as provided in AS 29.45.030(a)(1), employee [EMPLOYEE] contri-  
5 butions and other amounts held in the system are exempt from Alaska  
6 state and local taxes. Amounts held on behalf of, or payable to, any  
7 employee or other person who is or may become eligible for benefits  
8 under the system are not subject to anticipation, alienation, sale,  
9 transfer, assignment, pledge, encumbrance, or charge of any kind,  
10 either voluntary or involuntary, before being received by the person  
11 entitled to the amount under the terms of the system. An attempt to  
12 anticipate, alienate, sell, transfer, assign, pledge, encumber,  
13 charge, or otherwise dispose of a right to amounts held under the  
14 system is void. However, an employee's right to receive benefits may  
15 be assigned under a qualified domestic relations order.

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

17 (a) Except as provided in AS 29.45.030(a)(1), the [THE] real and  
18 personal property of the authority and its assets, income, and re-  
19 cepts are declared to be the property of a political subdivision of  
20 the state and, together with any project or development project fi-  
21 nanced under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, and a  
22 leasehold interest created in a project or development project fi-  
23 nanced under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, de-  
24 voted to an essential public and governmental function and purpose,  
25 and the property, assets, income, receipts, project, development  
26 project, and leasehold interests shall be exempt from all taxes and  
27 special assessments of the state or a political subdivision of the  
28 state, including, without limitation, all boroughs, cities, municipal-  
29 ities, school districts, public utility districts and other taxing

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

20 \* Sec. 6. This Act takes effect January 1, 1991.