

Offered: 4/21/90  
Referred: Rules

6-1332J

Original sponsor(s): SEN. PEARCE

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 308 (Finance)

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 taxation by municipalities of  
7 certain property of governmental entities; and  
8 providing for an effective date."

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

10 \* Section 1. AS 29.45.030(a) is amended to read:

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

12 (1) municipal or [,] state [, OR FEDERALLY OWNED] property,  
13 except that

14 (A) a private leasehold, contract, or other interest  
15 in the property is taxable to the extent of the interest;

16 (B) notwithstanding any other provision of law, prop-  
17 erty acquired by an agency, corporation, or other entity of the  
18 state through foreclosure or deed in lieu of foreclosure and  
19 retained as an investment of a state entity is taxable; this  
20 subparagraph does not apply to property exempt from municipal  
21 taxation under AS 14.25.200(a) or AS 39.35.500;

22 (2) household furniture and personal effects of members of  
23 a household;

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

26 (4) property of a nonbusiness organization composed entire-  
27 ly of persons with 90 days or more of active service in the armed  
28 forces of the United States whose conditions of service and separation  
29 were other than dishonorable, or the property of an auxiliary of that

1 organization;

2 (5) money on deposit;

3 (6) the real property of certain residents of the state to  
4 the extent and subject to the conditions provided in (e) of this  
5 section;

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

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

11 \* Sec. 2. AS 29.45 is amended by adding a new section to read:

12 Sec. 29.45.295. COLLECTION OF DELINQUENT TAXES ON CERTAIN STATE  
13 OR FEDERAL PROPERTY. AS 29.45.300 - 29.45.490 do not apply to state  
14 property taxable under AS 29.45.030(a)(1) or to federal property not  
15 exempted under AS 29.45.030(a)(8). A municipality may bring an action  
16 in the superior court to compel payment of property taxes due from the  
17 state or federal entity if the entity does not pay the amount due  
18 within six months after the date that the taxes are due.

19 \* Sec. 3. AS 44.88.140(a) is amended to read:

20 (a) Except as provided in AS 29.45.030(a)(1), the [THE] real and  
21 personal property of the authority and its assets, income, and re-  
22 ceipts are declared to be the property of a political subdivision of  
23 the state and, together with any project or development project fi-  
24 nanced under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, and a  
25 leasehold interest created in a project or development project fi-  
26 nanced under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, de-  
27 voted to an essential public and governmental function and purpose,  
28 and the property, assets, income, receipts, project, development  
29 project, and leasehold interests shall be exempt from all taxes and

1 special assessments of the state or a political subdivision of the  
2 state, including, without limitation, all boroughs, cities, municipal-  
3 ities, school districts, public utility districts and other taxing  
4 units. All bonds of the authority are declared to be issued by a  
5 political subdivision of the state and for an essential public and  
6 governmental purpose and to be a public instrumentality, and the  
7 bonds, and the interest on them, the income from them and the transfer  
8 of the bonds, and all assets, income and receipts pledged to pay or  
9 secure the payments of the bonds, or interest on them, shall at all  
10 times be exempt from taxation by or under the authority of the state,  
11 except for inheritance and estate taxes and taxes on transfers by or  
12 in contemplation of death. Nothing in this section affects or limits  
13 an exemption from license fees, property taxes, or excise, income or  
14 any other taxes, provided under any other law, nor does it create a  
15 tax exemption with respect to the interest of any business enterprise  
16 or other person, other than the authority, in any property, assets,  
17 income, receipts, project, development project, or lease whether or  
18 not financed under this chapter. By January 10 of each year, the  
19 authority shall submit to the governor and the legislature a report  
20 describing the nature and extent of the tax exemption of the property,  
21 assets, income, receipts, project, development project and leasehold  
22 interests of the authority under this section.

23 \* Sec. 4. This Act takes effect January 1, 1991.