

## SENATE BILL NO. 70

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR PEARCE

Introduced: 1/21/91

Referred: C&amp;RA, Labor and Commerce and Finance

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to taxation by municipalities of certain property of governmental entities;  
2 and providing for an effective date."

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

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

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

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

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

9 (B) notwithstanding any other provision of law, property acquired by  
10 an agency, corporation, or other entity of the state through foreclosure or deed in  
11 lieu of foreclosure and retained as an investment of a state entity is taxable; this  
12 subparagraph does not apply to property exempt from municipal taxation under  
13 AS 14.25.200(a) or AS 39.35.500;

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

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

3 (4) property of a nonbusiness organization composed entirely of persons with 90  
4 days or more of active service in the armed forces of the United States whose conditions of  
5 service and separation were other than dishonorable, or the property of an auxiliary of that  
6 organization;

7 (5) money on deposit;

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

10 (7) real property or an interest in real property that is exempt from taxation under  
11 43 U.S.C. 1620(d), as amended;

12 **(8) property of a political subdivision, agency, corporation, or other entity**  
13 **of the United States to the extent required by federal law.**

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

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

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

22 (a) **Except as provided in AS 29.45.030(a)(1), the** [THE] real and personal property of  
23 the authority and its assets, income, and receipts are declared to be the property of a political  
24 subdivision of the state and, together with any project or development project financed under  
25 AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, and a leasehold interest created in a project  
26 or development project financed 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, and the property, assets,  
28 income, receipts, project, development project, and leasehold interests shall be exempt from all  
29 taxes and special assessments of the state or a political subdivision of the state, including, without  
30 limitation, all boroughs, cities, municipalities, school districts, public utility districts and other  
31 taxing units. All bonds of the authority are declared to be issued by a political subdivision of

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

14 \* Sec. 4. This Act takes effect January 1, 1992.