

HOUSE CS FOR CS FOR SENATE BILL NO. 70 (FINANCE) am H

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 5/20/91

Offered: 5/19/91

Referred: Rules

Sponsor(s): SENATOR PEARCE

REPRESENTATIVE Zawacki

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 federal land granted to the University of Alaska

13 under AS 14.40.380 or 14.40.390, or to other land granted to the university by the

14 state to replace land that had been granted under AS 14.40.380 or 14.40.390;

1 (C) an ownership interest of a municipality in real property located
2 outside the municipality acquired after December 31, 1990, is taxable by another
3 municipality; however, a borough may not tax an interest in real property located
4 in the borough and owned by a city in that borough;

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

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

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

12 (5) money on deposit;

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

15 (7) real property or an interest in real property that is exempt from taxation under
16 43 U.S.C. 1620(d), as amended;

17 (8) property of a political subdivision, agency, corporation, or other entity
18 of the United States to the extent required by federal law; except that a private leasehold,
19 contract, or other interest in the property is taxable to the extent of that interest.

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

21 Sec. 29.45.295. COLLECTION OF DELINQUENT TAXES ON CERTAIN
22 GOVERNMENTAL PROPERTY. AS 29.45.300 - 29.45.490 do not apply to property taxable
23 under AS 29.45.030(a)(1)(B) or (C) or to federal property not exempted under
24 AS 29.45.030(a)(8). A municipality may bring an action in the superior court to compel payment
25 of property taxes due from the state, municipal, or federal entity if the entity does not pay the
26 amount due within six months after the date that the taxes are due.

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

28 (a) Except as provided in AS 29.45.030(a)(1), the [THE] real and personal property of
29 the authority and its assets, income, and receipts are declared to be the property of a political
30 subdivision of the state and, together with any project or development project financed under
31 AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, and a leasehold interest created in a project

1 or development project financed under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177,
2 devoted to an essential public and governmental function and purpose, and the property, assets,
3 income, receipts, project, development project, and leasehold interests shall be exempt from all
4 taxes and special assessments of the state or a political subdivision of the state, including, without
5 limitation, all boroughs, cities, municipalities, school districts, public utility districts and other
6 taxing units. All bonds of the authority are declared to be issued by a political subdivision of
7 the state and for an essential public and governmental purpose and to be a public instrumentality,
8 and the bonds, and the interest on them, the income from them and the transfer of the bonds, and
9 all assets, income and receipts pledged to pay or secure the payments of the bonds, or interest
10 on them, shall at all times be exempt from taxation by or under the authority of the state, except
11 for inheritance and estate taxes and taxes on transfers by or in contemplation of death. Nothing
12 in this section affects or limits an exemption from license fees, property taxes, or excise, income
13 or any other taxes, provided under any other law, nor does it create a tax exemption with respect
14 to the interest of any business enterprise or other person, other than the authority, in any property,
15 assets, income, receipts, project, development project, or lease whether or not financed under this
16 chapter. By January 10 of each year, the authority shall submit to the governor and the
17 legislature a report describing the nature and extent of the tax exemption of the property, assets,
18 income, receipts, project, development project and leasehold interests of the authority under this
19 section.

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