

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 397

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE OLBERG

Introduced: 2/2/94

Referred: Community & Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the power to levy property taxes in second class cities and
2 to combining a property tax and incorporation question."

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

4 * Section 1. AS 29.45.010(b) is amended to read:

5 (b) A home rule, [OR] first class, or second class city may levy a property tax
6 subject to AS 29.45.550 - 29.45.560. [A SECOND CLASS CITY MAY LEVY A
7 PROPERTY TAX SUBJECT TO AS 29.45.590.]

8 * Sec. 2. AS 29.45.550 is amended to read:

9 Sec. 29.45.550. CITIES OUTSIDE BOROUGHES. Home rule, [AND] first
10 class, and second class cities outside boroughs may assess, levy, and collect a
11 property tax. A property tax if levied must be assessed, levied, and collected as
12 provided by AS 29.45.010 - 29.45.500.

13 * Sec. 3. AS 29.45.560 is amended to read:

14 Sec. 29.45.560. CITIES INSIDE BOROUGHES. Home rule, [AND] first class,

1 and second class cities inside boroughs may levy a property tax. A property tax, if
2 levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.100, 29.45.250,
3 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The council shall by June 15 of
4 each year present to the assembly a statement of the city's rate of levy unless a
5 different date is agreed upon by the borough and city.

6 * Sec. 4. AS 44.85.410(3) is amended to read:

7 (3) "municipal bond" means a bond or note or evidence of debt that
8 constitutes

9 (A) a general obligation bond that is a direct and general
10 obligation of a political subdivision of the state, all the taxable property within
11 which is subject to taxation to pay the bond, note, or evidence of debt, and the
12 interest without limitation, as to rate or amount generally to the extent
13 permitted by law [OR TO AVOID A DEFAULT AS PROVIDED FOR
14 SECOND CLASS CITIES UNDER AS 29.45.590];

15 (B) a revenue bond, except a revenue bond for electrical
16 generation purposes other than diesel-powered generation, issued by a
17 municipality or a port authority that pledges the revenue of a
18 revenue-producing capital improvement and that is payable solely from the
19 revenue of the revenue-producing capital improvement;

20 (C) a general obligation bond or revenue bond combined or
21 additionally secured;

22 (D) a bond of a borough issued as a general obligation of a
23 service area under AS 29.47.440 or former AS 29.58.340; or

24 (E) an obligation of a municipality secured only by

25 (i) special assessments on benefited property;

26 (ii) tax increments and a letter of credit or equal
27 security; or

28 (iii) a lease for equipment or building improvements if
29 the state is not a lessee;

30 * Sec. 5. AS 29.45.590 and 29.45.600 are repealed.