



# LAWS OF ALASKA

1989

**Source**

SCS CSHB 272(Fin) am S

**Chapter No.**

98

**AN ACT**

Relating to an optional exemption from, and deferral of payment of, municipal taxes on economic development property, and to an optional exemption from municipal taxes on inventories intended for export outside the state.

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

THE ACT FOLLOWS ON PAGE 1, LINE 12

Approved by the Governor: June 12, 1989  
Actual Effective Date: September 10, 1989

## AN ACT

Relating to an optional exemption from, and deferral of payment of, municipal taxes on economic development property, and to an optional exemption from municipal taxes on inventories intended for export outside the state.

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\* Section 1. AS 29.45.050 is amended by adding new subsections to read:

(m) A municipality may by ordinance partially or totally exempt all or some types of economic development property from taxation for up to five years. The municipality may provide for renewal of the exemption under conditions established in the ordinance. However, under a renewal, a municipality that is a school district may only exempt all or a portion of the amount of taxes that exceeds the amount levied on other property for the school district. A municipality may by ordinance permit deferral of payment of taxes on all or some types of economic development property for up to five years. The municipality may provide for renewal of the deferral under conditions established in the ordinance. A municipality may adopt an ordinance under this subsection only if, before it is adopted, copies of the proposed ordinance made available at a public hearing on it contain written notice that the ordinance, if adopted, may be repealed by the voters through referendum. An ordinance adopted under this subsection must include specific eligibility requirements and require a written application for each exemption or deferral. In this subsection "economic

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1 development property" means real or personal property, including  
2 developed property conveyed under 43 U.S.C. 1601 - 1629e (Alaska  
3 Native Claims Settlement Act), that

4 (1) has not previously been taxed as real or personal  
5 property by the municipality;

6 (2) is used in a trade or business in a way that

7 (A) creates employment in the municipality;

8 (B) generates sales outside of the municipality of  
9 goods or services produced in the municipality; or

10 (C) materially reduces the importation of goods or  
11 services from outside the municipality; and

12 (3) has not been used in the same trade or business in  
13 another municipality for at least six months before the application  
14 for deferral or exemption is filed; this paragraph does not apply if  
15 the property was used in the same trade or business in an area that  
16 has been annexed to the municipality within six months before the  
17 application for deferral or exemption is filed; this paragraph does  
18 not apply to inventories.

19 (n) A municipality may by ordinance classify as to type inven-  
20 tories intended for export outside the state and partially or totally  
21 exempt all or some types of those inventories from taxation. A munic-  
22 ipality that is a school district may, under this subsection, only  
23 exempt all or a portion of the amount of taxes that exceeds the amount  
24 levied on other property for the school district. A municipality may  
25 adopt an ordinance under this subsection only if, before it is adopt-  
26 ed, copies of the proposed ordinance made available at a public hear-  
27 ing on it contain written notice that the ordinance, if adopted, may  
28 be repealed by the voters through referendum. The ordinance may  
29 provide for different levels of exemption for different  
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1 classifications of inventories. An ordinance adopted under this  
2 subsection must include specific eligibility requirements and require  
3 a written application for each exemption.  
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