



# LAWS OF ALASKA

1991

**Source**

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**Chapter No.**

85

**AN ACT**

Relating to taxation by municipalities of certain property of governmental entities; and providing for an effective date.

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

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**Approved by the Governor:** June 27, 1991  
**Actual Effective Date:** January 1, 1992

AN ACT

1 Relating to taxation by municipalities of certain property of governmental entities; and  
2 providing for an effective date.

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

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

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

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

11 (B) notwithstanding any other provision of law, property acquired by  
12 an agency, corporation, or other entity of the state through foreclosure or deed in  
13 lieu of foreclosure and retained as an investment of a state entity is taxable; this  
14 subparagraph does not apply to federal land granted to the University of Alaska  
15 under AS 14.40.380 or 14.40.390, or to other land granted to the university by the  
16 state to replace land that had been granted under AS 14.40.380 or 14.40.390;

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

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

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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; except that a private leasehold,  
14 contract, or other interest in the property is taxable to the extent of that interest.

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

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

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

23 (a) Except as provided in AS 29.45.030(a)(1), the [THE] real and personal property of  
24 the authority and its assets, income, and receipts are declared to be the property of a political  
25 subdivision of the state and, together with any project or development project financed under  
26 AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, and a leasehold interest created in a project  
27 or development project financed under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177,  
28 devoted to an essential public and governmental function and purpose, and the property, assets,  
29 income, receipts, project, development project, and leasehold interests shall be exempt from all  
30 taxes and special assessments of the state or a political subdivision of the state, including, without

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

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