



LAWS OF ALASKA

1988

Source

CCS HB 538

Chapter No.

118

AN ACT

Relating to the Alaska Municipal Bond Bank Authority, municipal debt for development and redevelopment projects; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 11

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 7, 1988
Actual Effective Date: June 8, 1988

AN ACT

Relating to the Alaska Municipal Bond Bank Authority,
municipal debt for development and redevelopment projects;
and providing for an effective date.

* Section 1. AS 29.35.210(a) is amended to read:

(a) A second class borough may by ordinance exercise the following powers on a nonareawide basis:

- (1) provide transportation systems;
- (2) regulate the offering for sale, exposure for sale, sale, use, or explosion of fireworks;
- (3) license, impound, and dispose of animals;
- (4) provide garbage, solid waste, and septic waste collection and disposal;
- (5) provide air pollution control in accordance with AS 46.03.140 - 46.03.230;
- (6) provide water pollution control;
- (7) participate in federal or state loan programs for housing rehabilitation and improvement for energy conservation;
- (8) provide for economic development;
- (9) provide for the acquisition and construction of local service roads and trails under AS 19.30.111 - 19.30.251;
- (10) establish an emergency services communication center under AS 29.35.130;

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(11) subject to AS 28.01.010, regulate the licensing and operation of motor vehicles and operators;

(12) engage in activities authorized under AS 29.47.460.

* Sec. 2. AS 29.47 is amended by adding a new section to read:

Sec. 29.47.460. DEBT FOR DEVELOPMENT AND REDEVELOPMENT PROJECTS.

(a) In undertaking a development or redevelopment project, a municipality may issue bonds to finance public improvements for the project, including bonds for development or redevelopment purposes in blighted areas. In this subsection

(1) "blighted area" means an area that the municipality determines to be a blighted area on the basis of the substantial presence of factors such as excessive vacant land on which structures were previously located, abandoned or vacant buildings, substandard structures, and delinquencies in payment of real property taxes;

(2) "redevelopment purposes" means

(A) the acquisition by the municipality of real property located in a blighted area;

(B) the clearing and preparation for redevelopment of land acquired under (A) of this paragraph;

(C) the rehabilitation of real property acquired under (A) of this paragraph; in this subparagraph, "rehabilitation" does not include construction, other than rehabilitation, of property or the enlargement of an existing building; and

(D) the relocation of occupants of the real property acquired under (A) of this paragraph.

(b) A municipality may provide by ordinance that the tax increment from the taxes levied each year by or on behalf of the municipality on the property in an area described in the ordinance shall be used to repay the principal and interest on bonds, notes, or other

1 indebtedness that is incurred for a development or redevelopment
2 project, and may irrevocably pledge the tax increment from the area
3 for that purpose but only if additional security in the form of a
4 letter of credit or equal security is also pledged. The area de-
5 scribed in the ordinance may be a service area. In this subsection
6 "tax increment" means the portion of the tax that is attributable to
7 the difference between the value of the property shown on the taxing
8 agency's assessment roll for the year when the taxes are levied and
9 the value of the property shown on the taxing agency's last assessment
10 roll that was equalized before the project was authorized.

11 * Sec. 3. AS 44.85.170(b) is amended to read:

12 (b) Notwithstanding any provision of law, to the extent that any
13 department or agency of the state is the custodian of money payable to
14 a municipality, at any time after written notice to the department or
15 agency head from the bond bank authority that the municipality is in
16 default on the payment of principal or interest on municipal [GENERAL
17 OBLIGATION] bonds [OF THE MUNICIPALITY] then held or owned by the bond
18 bank authority, the department or agency shall withhold the payment of
19 that money from that municipality and pay over the money to the bond
20 bank authority for the purpose of paying principal of and interest on
21 the bonds [OF THE BOND BANK AUTHORITY].

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

23 (3) "municipal bond" means a bond or note or evidence of
24 debt that [WHICH] constitutes

25 (A) a general obligation bond that is a direct and
26 general obligation of a political subdivision of the state, all
27 the taxable property within which is subject to taxation to pay
28 the bond, note or evidence of debt, and the interest without
29 limitation, as to rate or amount generally to the extent

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1 permitted by law or to avoid a default as provided for second
2 class cities under AS 29.45.590; [OR]

3 (B) a revenue bond, except a revenue bond for elec-
4 trical generation purposes other than diesel-powered generation,
5 issued by a municipality which pledges the revenue of a revenue-
6 producing capital improvement and which is payable solely from
7 the revenue of the revenue-producing capital improvement; [OR]

8 (C) a general obligation bond or revenue bond combined
9 or additionally secured; [OR]

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

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

13 (i) special assessments on benefited property;

14 (ii) tax increments and a letter of credit or
15 equal security; or

16 (iii) a lease for equipment or building improve-
17 ments if the state is not a lessee;

18 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).
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