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99-29

CLERK'S OFFICE

APPROVED

Date: 2-2-99

Submitted by: Assemblymember Wohlforth

Prepared by: Assembly Office

For reading: February 2, 1999

ANCHORAGE, ALASKA

AR NO. 99- 29

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING CERTAIN
AMENDMENTS TO ALASKA STATUTE 29.45.050(o) REGARDING TAX EXEMPTION AND
DEFERRAL FOR DETERIORATED PROPERTY**

WHEREAS, in May, 1998, the Alaska Legislature approved HB 399, an act authorizing municipalities to permit, by ordinance, the exemption from, and deferral of payment of, municipal taxes on deteriorated property, and defining 'deteriorated property' for purposes of the exemption or deferral; and HB 399 became law on July 1, 1998 and resulted in the addition of subsection (o) to AS 29.45.050; and

WHEREAS, in September, 1998, pursuant to AS 29.45.050(o), the Assembly adopted AO 98-135, providing for tax exemption and tax deferral for deteriorated property; and

WHEREAS, it has come to the attention of the Municipality that certain ambiguities exist in the state law, AS 29.45.050(o), relating to (1) the intent of the legislature to permit a total exemption, (2) the date when the exemption shall begin, and (3) whether the exemption and deferral are permitted to run consecutively; and

WHEREAS, a bill amending AS 29.45.050(o) has been drafted (see attached) and will be introduced in the state legislature which will clarify the language of AS 29.45.050(o) and will allow partial or total tax exemption for deteriorated property, will permit the exemption to begin on or after the day of substantial rehabilitation, renovation, or replacement of a structure on deteriorated property, and will permit the exemption and deferral to run consecutively for a total of up to ten years; and

WHEREAS, the Assembly finds that the changes to AS 29.45.050(o), as proposed in the draft bill, would benefit the Municipality by stimulating the redevelopment by private enterprise of blighted property within the Municipality.

NOW, THEREFORE, the Anchorage Assembly resolves:

Section 1. That the Assembly supports the proposed amendments to AS 29.45.050(o)

Section 2. That, upon passage and approval, the Municipal Clerk shall forward this resolution to the Alaska Legislature.

PASSED AND APPROVED by the Anchorage Assembly this 2nd day of February, 1999.


Chair

ATTEST:


Municipal Clerk

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SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to an exemption from and deferral of payment on municipal
2 taxes on deteriorated property; and providing for an effective date."

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

4 * Section 1. AS 29.45.050(o) is amended to read:

5 (o) A municipality may by ordinance partially or totally exempt all or some
6 types of deteriorated property from taxation for up to five years beginning on or any
7 time after the day substantial rehabilitation, renovation, or replacement of any structure
8 on the property begins. A municipality may by ordinance permit deferral of payment
9 of taxes on all or some types of deteriorated property for up to five years beginning
10 on or any time after the day substantial rehabilitation, renovation, or replacement of
11 any structure on the property begins. However, if the ownership of property for which
12 a deferral has been granted is transferred, all tax payments deferred under this
13 subsection are immediately due and the deferral ends, or, if ownership of only part of
14 the property is transferred, all tax payments attributable to that part are immediately

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1-LS0377A

1 due and the deferral attributable to that part ends. Only one exemption and only one
2 deferral may be granted to the same property under this subsection, and, if an
3 exemption and a deferral are granted to the same property, both may not be in
4 effect during the same time. In this subsection, "deteriorated property" means real
5 property that is commercial property not used for residential purposes or that is multi-
6 unit residential property with at least eight residential units, and that

7 (1) has been the subject of an order by a government agency requiring
8 the property to be vacated, condemned, or demolished by reason of noncompliance
9 with laws, ordinances, or regulations;

10 (2) has a structure on it not less than 15 years of age that has
11 undergone substantial rehabilitation, renovation, or replacement, subject to any
12 conditions prescribed in the ordinance; or

13 (3) is located in a deteriorating or deteriorated area with boundaries that
14 have been determined by the municipality.

15 * Sec. 2. This Act takes effect July 1, 1999.