

A.S 29.45.050 Tax Optional Exemptions and Exclusions

(b) A municipality may by ordinance:

(1) classify and exempt from taxation;

(B) historic sites, buildings, and monuments;

(E) a residential renewable energy system that is used to develop means of energy production using energy sources other than fossil or nuclear fuel.

A municipality may by ordinance classify and exempt.

(e) or partially exempt from taxation privately owned land, wet land and water areas for which a scenic, conservation, or public recreation use easement is granted to a governmental body.

(f) from taxation all or part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of the natural features of the land, or new maintenance, repair, or renovation of an existing structure, and if the alteration, maintenance, repair, or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure.

(g) exempt from taxation all or part of the increase in assessed value of improvements to a single-family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date of improvement is completed.

Additionally, a municipality may by ordinance

(j) approved by the voters exempt real or personal property in a taxing unit used in processing timber after it has been delivered to the processing site from up to 75 percent of the rate of taxes levied on other property in that taxing unit.

k) approved by the voters exempt from taxation pollution control facilities that meet requirements of the United States Environmental Protection Agency or the Department of Environmental Conservation.

(l) exempt from taxation an interest, other than record ownership, in real property of an individual residing in the property if the property has been developed, improved, or acquired with federal funds for low-income housing and is owned or managed as low-income housing by the Alaska Housing Finance Corporation under AS [18.55.100](#) - [18.55.960](#) or by a regional housing authority formed under AS [18.55.996](#) .

(m) 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 development property" means real or personal property, including developed property conveyed under 43 U.S.C. 1601 et seq. (Alaska Native Claims Settlement Act), that

- (1) has not previously been taxed as real or personal property by the municipality;
- (2) is used in a trade or business in a way that
 - (A) creates employment in the municipality;
 - (B) generates sales outside of the municipality of goods or services produced in the municipality; or
 - (C) materially reduces the importation of goods or services from outside the municipality; and
- (3) has not been used in the same trade or business in another municipality for at least six months before the application for deferral or exemption is filed; this paragraph does not apply if the property was used in the same trade or business in an area that has been annexed to the municipality within six months before the application for deferral or exemption is filed; this paragraph does not apply to inventories.

(o) A municipality may by ordinance partially or totally exempt all or some types of deteriorated property from taxation for up to 10 years beginning on or any time after the day substantial rehabilitation, renovation, demolition, removal, or replacement of any structure on the property begins. A municipality may by ordinance permit deferral of payment of taxes on all or some types of deteriorated property for up to five years beginning on or any time after the day substantial rehabilitation, renovation, demolition, removal, or replacement of any structure on the property begins

(q) partially or totally exempt from taxation land from which timber is harvested that is infested by insects or at risk of being infested by insects due to an infestation in the area in which the land is located.

Lastly, I've added for following provision from the city code.

3.36 Economic Development Bonds

It is determined and declared that the purpose of this chapter is to provide a method for financing the cost of economic development facilities in the city in order to provide employment opportunities and relieve conditions of unemployment and encourage the economic development of the city, thereby reducing the evils attendant upon unemployment and furthering the welfare and prosperity of the residents of the city, and any and all of the same are declared and determined to be public purposes and a proper exercise of a governmental function of the city. It is further determined and declared that each and every matter and thing as to which provision is made in this chapter is desirable in order to carry out and effectuate the purposes of the city in accordance with the constitution and statutes of the state and the Charter of the city and to issue bonds in accordance with the terms of this chapter. (Prior code § 9-41)