



Legislation Text

File #: 17-0137, **Version:** 1

ITEM TITLE:

Discussion Item: Tax Exemptions & Exclusions

SUBMITTED BY: Lamar Cotten, ED Contract Staff

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

None. Discussion only.

SUMMARY STATEMENT:

Per the EDC request, I have summarized key tools to promote economic development. They entail:

- State allowed local tax exemptions and exclusions; and
- Under limited conditions for select project finance (debt) assistance.

I would defer to your bond attorney on the particulars on the latter approach. However, historically municipalities have, in certain allowed circumstances, issued some version of a municipal bond for a privately or non-profit owned facility. The facility owner benefits financially by the tax free-municipal bond. Such a bond is not applied against the total allowable municipal debt. The City of Valdez issued tax-free municipal bonds to finance the construction of the Valdez Marine Terminal. The original \$13 Million in impact fees from that bond sale was used to establish the City's Permanent Fund.

According to Sheri Pierce, the City Clerk, the City has not adopted any exemptions related to economic development or deteriorated property.

Current state law provides for a series of optional tax exemptions and exclusions as found in A.S. 29.45.050. For sake of clarity and easier reading, I have tried to include only abbreviated key elements of those relevant sections. I can provide the entire statutes at the meeting.

In addition to the summary off exemptions and exclusions, attached is House Bill 145, which has been introduced this year as an amendment to Title 29 in this area.