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*Date: April 1, 2006*



## **Alaska Improvement Area Projects**

### TITLE 29. MUNICIPAL GOVERNMENT CHAPTER 47. MUNICIPAL DEBT ARTICLE 6. MISCELLANEOUS PROVISIONS

#### **Sec. 29.47.460. Debt for improvement area projects**

(a) A municipality may issue bonds to finance or to make loans to finance the acquisition, construction, rehabilitation, or development of public improvements in improvement areas. The municipality may issue the bonds as general obligation bonds or as revenue bonds or as a combination of revenue bonds, general obligation bonds, and other forms of indebtedness. The municipality may pledge revenues described in (b) of this section, payments to be made by users and owners of the improvements, payments to be made by borrowers of the proceeds of the bonds, and any other revenues available to the municipality to the payment of bonds issued under this subsection. To the extent that the municipality issues general obligation bonds under this subsection, the provisions of AS 29.47.180 -- 29.47.200 apply to the bonds. To the extent that the municipality issues revenue bonds under this subsection, the provisions of AS 29.47.250 and 29.47.260 apply to the bonds.

(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 improvement area shall be used to pay the principal and interest on bonds issued under (a) of this section for improvements in that improvement area, and may irrevocably pledge the tax increment from the area for that purpose. The area described in the ordinance may be a service area. Nothing in this section obligates a municipality that has issued bonds under (a) of this section and pledged a tax increment to the payment of those bonds under this subsection to levy any tax in the improvement area or any other area or to levy a tax at any particular rate within the improvement area or any other area.

(c) The power granted by this section is in addition to other powers granted to municipalities and does not restrict or limit the powers municipalities may have under other provisions of law.

(d) In this section,

(1) "bonds" means bonds, notes, and other forms of indebtedness;

(2) "improvement area" means an area that a municipality determines to be

(A) 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; or

(B) an area that is capable of being substantially improved based on the property value within the area;

(3) "tax increment" means the portion of a tax that is attributable to the difference between the value of property within an improvement area shown on the taxing agency's assessment roll for the year when the taxes are levied and the value of the property shown on the taxing agency's last assessment roll that was equalized before the improvements in the improvement area were authorized.