CS FOR HOUSE BILL NO. 255(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 2/25/00
Referred: Finance

Sponsor(s): REPRESENTATIVES DYSON, Harris, Kookesh, Murkowski, Morgan, Kott, Austerman, Halcro

A BILL

FOR AN ACT ENTITLED

"An Act relating to cities incorporated under state law that are home rule communities."

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

* Section 1. AS 01.10.060(a)(4) is amended to read:

(4) "municipality" means a political subdivision incorporated under the laws of the state that is a home rule community, a home rule or general law city, a home rule or general law borough, or a unified municipality;

* Sec. 2. AS 01.10.060(a) is amended by adding a new paragraph to read:

(15) "city" means a home rule community, home rule city, or general law city incorporated under the laws of the state.

* Sec. 3. AS 19.30.241(4) is amended to read:

(4) "home rule city" means a city incorporated under the laws of the state that has adopted a charter and includes a home rule community [AS DEFINED IN AS 29.04.010];
* Sec. 4.  AS 29.04.040(a) is amended to read:

(a) A second class city may be reclassified as a first class city. A first class or home rule city may be reclassified as a second class city. A **home rule community may be reclassified as a home rule city.** Reclassification is proposed by filing a petition with the department. The department shall investigate the proposal and report its findings to the Local Boundary Commission with its recommendations. The commission shall hold at least one public hearing in the city on the proposal. The commission may amend the petition and may impose conditions on the reclassification. If the commission determines that the reclassification, as amended or conditioned if appropriate, meets applicable standards under the state constitution and commission regulations, meets the standards for incorporation under AS 29.05.011 for the class of city proposed in the reclassification petition, and is in the best interests of the state, it may accept the petition. Otherwise, it shall reject the petition. The commission shall notify the city of its decision. The decision may be appealed under AS 44.62 (Administrative Procedure Act).

* Sec. 5.  AS 29.04.040(d) is amended to read:

(d) The council shall, within 30 days after receiving notification from the Local Boundary Commission that a petition has been accepted, order an election on the question of reclassification. The election shall be held at least 30 days after the order and not later than the next regular election occurring after the 30-day period. If more than one question is to be voted on at the election, each shall appear separately on the ballot. **However, if reclassification from a home rule community to a home rule city requires adoption of a new charter, the question of approving the charter and the reclassification may appear as a single question.**

* Sec. 6.  AS 29.05.011(b) is amended to read:

(b) A community that meets all the standards under (a) of this section except (a)(1) may incorporate as a second class city or a **home rule community.**

* Sec. 7.  AS 29.05.060 is amended to read:

**Sec. 29.05.060. Petition.** Municipal incorporation is proposed by filing a petition with the department. The petition must include the following information about the proposed municipality:
(1) class;
(2) name;
(3) boundaries;
(4) maps, documents, and other information required by the department;
(5) composition and apportionment of the governing body;
(6) a proposed operating budget for the municipality projecting sources
of income and items of expenditure through the first full fiscal year of operation;
(7) for a borough or unified municipality, based on the number who
voted in the respective areas in the last general election, the signature and resident
address of 15 percent of the voters in
(A) home rule and first class cities in the area of the proposed
borough or unified municipality; and
(B) the area of the proposed borough or unified municipality
outside home rule and first class cities;
(8) for a first class borough or unified municipality, a designation of
areawide powers to be exercised;
(9) for a second class borough, a designation of areawide and
nonareawide powers to be exercised;
(10) for a home rule community or first class, second class, or home
rule city, a designation of the powers to be exercised;
(11) for a first class or home rule city, based on the number who voted
in the area in the last general election, the signatures and resident addresses of 50
voters in the proposed city or of 15 percent of the voters in the proposed city,
whichever is greater;
(12) for a second class city or home rule community, based on the
number who voted in the area in the last general election, the signatures and resident
addresses of 25 voters in the proposed city or of 15 percent of the voters in the
proposed city, whichever is greater;
(13) for a home rule community, home rule city, home rule borough,
or unified municipality, a proposed home rule charter.

* Sec. 8. AS 29.10.010(a) is amended to read:
(a) A general law borough [OR FIRST CLASS CITY] may adopt a charter for its own government. **A first class city may adopt a charter and become a home rule city. A second class city may adopt a charter and become a home rule community.**

* Sec. 9. AS 29.10.010(c) is amended to read:

(c) At an incorporation, merger, or consolidation election, a municipality may adopt a charter for its own government and incorporate, merge, or consolidate as a **home rule community**, home rule city, **home rule** borough, or unified municipality.

* Sec. 10. AS 29.10.010(f) is amended to read:

(f) The proposed charter for a home rule municipality to be formed by incorporation, merger, or consolidation shall be prepared by the petitioners and filed with the petition to incorporate, merge, or consolidate a **home rule community**, home rule city, **home rule** borough, or unified municipality.

* Sec. 11. AS 29.10 is amended by adding a new section to read:

**Sec. 29.10.015. Home rule community charter.** A charter for a home rule community may provide that the council shall be known by another name as set out in the charter, or that the mayor shall be known by another name as set out in the charter.

* Sec. 12. AS 29.10.020 is amended to read:

**Sec. 29.10.020. Model charters.** The department shall prepare at least one model home rule charter for a **home rule community**, a city, a borough, and a unified municipality. The model charters shall be made available to persons interested in filing a petition to form a home rule municipality under AS 29.05.060 or AS 29.06.090.

* Sec. 13. AS 29.20.640(a) is amended to read:

(a) A municipality shall file with the department

(1) maps and descriptions of all annexed or detached territory;

(2) a copy of the annual audit, or, for a second class city **or a home rule community**, an audit or statement of annual income and expenditures;

(3) tax assessment and tax levy figures as requested;

(4) a copy of the current annual budget of the municipality;
(5) a summary of the optional property tax exemptions authorized
together with the estimate of the revenues lost to the municipality by operation of each
of the exemptions.

* Sec. 14. AS 29.35.030(a) is amended to read:

(a) A municipality may, only within its boundaries, exercise the powers of
dominion and declaration of taking in the performance of a power or function
of the municipality under the procedures set out in AS 09.55.250 - 09.55.460. In the
case of a home rule community or a second class city, the exercise of the power of
dominion or declaration of taking must be by ordinance that is submitted to the
voters at the next general election or at a special election called for that purpose. A
majority of the votes on the question is required for approval of the ordinance.

* Sec. 15. AS 29.35.120(a) is amended to read:

(a) The governing body shall provide for an annual independent audit of the
accounts and financial transactions of the municipality or, in the case of a home rule
community or second class city, an audit or statement of annual income and
expenditures. To make the audit, the governing body shall designate a public
accountant who has no personal interest, direct or indirect, in the fiscal affairs of the
municipality. Copies of the audit shall be available to the public upon request.

* Sec. 16. AS 29.35.250(c) is amended to read:

(c) A home rule city in a third class borough shall provide for planning,
plating, and land use regulation as provided by AS 29.35.180(b) for home rule
boroughs. A first class city in a third class borough shall provide for planning,
plating, and land use regulation as provided by AS 29.35.180(a) for first and second
class boroughs. A home rule community or second class city in a third class borough
may provide for planning, plating, and land use regulation as provided by
AS 29.35.180(a) for first and second class boroughs.

* Sec. 17. AS 29.35.260(b) is amended to read:

(b) A home rule or first class city outside a borough is a city school district
and shall establish, operate, and maintain a system of public schools as provided by
AS 29.35.160 for boroughs. A home rule community or second class city outside
a borough is not a school district and may not establish a system of public schools.
Sec. 18. AS 29.35.260(c) is amended to read:

(c) A home rule city outside a borough shall provide for planning, platting, and land use regulation as provided by AS 29.35.180(b) for home rule boroughs. A first class city outside a borough shall, and a home rule community or a second class city outside a borough may, provide for planning, platting, and land use regulation as provided by AS 29.35.180(a) for first and second class boroughs.

Sec. 19. AS 29.45.590 is amended to read:

Sec. 29.45.590. Limited property taxing power for home rule communities and second class cities. A home rule community or second class city may by referendum levy property taxes as provided for first class cities. However, levy of an ad valorem tax by a home rule community or second class city may not exceed two percent of the assessed value of the property taxed, except that the limit does not apply to a levy necessary to avoid a default upon payment of principal and interest of bonded or other indebtedness that is secured by a pledge to levy ad valorem or other taxes without limit to meet debt payments.

Sec. 20. AS 29.60.030(e) is amended to read:

(e) In addition to the computation for municipalities that levy and collect a property tax, the department shall determine an estimated full and true assessed property value under (d) of this section for

(1) each municipality that is a school district and that does not levy and collect a property tax;

(2) each second class city or home rule community with a population of 750 or more persons; however, a computation is not required under this paragraph more often than once during a period of three successive calendar years; and

(3) all other second class cities and home rule communities, by determining the average per capita full and true assessed property value of all cities having a population of less than 750 persons in which an assessment has been completed by a municipality or for which a determination is not made under (1) or (2) of this subsection.

Sec. 21. AS 29.71.800(4) is amended to read:

(4) "city" means a general law first or second class city [OR] a home
rule city, or a home rule community;

* Sec. 22. AS 29.71.800(7) is amended to read:

(7) "council" means the governing body of a city, and includes the
governing body of a home rule community regardless of the name of that
governing body established under the community's charter;

* Sec. 23. AS 29.71.800(13) is amended to read:

(13) "municipality" means a political subdivision incorporated under
the laws of the state that is a home rule community, a home rule or general law city,
a home rule or general law borough, or a unified municipality;