

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

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

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

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

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

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

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

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

12 (4) "home rule city" means a city **incorporated under the laws of the**
13 **state that has adopted a charter and includes a home rule community** [AS
14 DEFINED IN AS 29.04.010];

1 * **Sec. 4.** AS 29.04.040(a) is amended to read:

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

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

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

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

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

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

29 **Sec. 29.05.060. Petition.** Municipal incorporation is proposed by filing a
30 petition with the department. The petition must include the following information about
31 the proposed municipality:

- 1 (1) class;
- 2 (2) name;
- 3 (3) boundaries;
- 4 (4) maps, documents, and other information required by the department;
- 5 (5) composition and apportionment of the governing body;
- 6 (6) a proposed operating budget for the municipality projecting sources
- 7 of income and items of expenditure through the first full fiscal year of operation;
- 8 (7) for a borough or unified municipality, based on the number who
- 9 voted in the respective areas in the last general election, the signature and resident
- 10 address of 15 percent of the voters in
- 11 (A) home rule and first class cities in the area of the proposed
- 12 borough or unified municipality; and
- 13 (B) the area of the proposed borough or unified municipality
- 14 outside home rule and first class cities;
- 15 (8) for a first class borough or unified municipality, a designation of
- 16 areawide powers to be exercised;
- 17 (9) for a second class borough, a designation of areawide and
- 18 nonareawide powers to be exercised;
- 19 (10) for a **home rule community or** first class, second class, or home
- 20 rule city, a designation of the powers to be exercised;
- 21 (11) for a first class or home rule city, based on the number who voted
- 22 in the area in the last general election, the signatures and resident addresses of 50
- 23 voters in the proposed city or of 15 percent of the voters in the proposed city,
- 24 whichever is greater;
- 25 (12) for a second class city **or home rule community**, based on the
- 26 number who voted in the area in the last general election, the signatures and resident
- 27 addresses of 25 voters in the proposed city or of 15 percent of the voters in the
- 28 proposed city, whichever is greater;
- 29 (13) for a **home rule community**, home rule city, home rule borough,
- 30 or unified municipality, a proposed home rule charter.
- 31 * **Sec. 8.** AS 29.10.010(a) is amended to read:

1 (a) A general law borough [OR FIRST CLASS CITY] may adopt a charter for
 2 its own government. A first class city may adopt a charter and become a home
 3 rule city. A second class city may adopt a charter and become a home rule
 4 community.

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

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

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

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

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

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

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

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

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

26 (a) A municipality shall file with the department

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

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

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

31 (4) a copy of the current annual budget of the municipality;

1 (5) a summary of the optional property tax exemptions authorized
 2 together with the estimate of the revenues lost to the municipality by operation of each
 3 of the exemptions.

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

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

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

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

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

20 (c) A home rule city in a third class borough shall provide for planning,
 21 platting, and land use regulation as provided by AS 29.35.180(b) for home rule
 22 boroughs. A first class city in a third class borough shall provide for planning,
 23 platting, and land use regulation as provided by AS 29.35.180(a) for first and second
 24 class boroughs. A **home rule community or** second class city in a third class borough
 25 may provide for planning, platting, and land use regulation as provided by
 26 AS 29.35.180(a) for first and second class boroughs.

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

28 (b) A home rule or first class city outside a borough is a city school district
 29 and shall establish, operate, and maintain a system of public schools as provided by
 30 AS 29.35.160 for boroughs. A **home rule community or** second class city outside
 31 a borough is not a school district and may not establish a system of public schools.

1 * **Sec. 18.** AS 29.35.260(c) is amended to read:

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

7 * **Sec. 19.** AS 29.45.590 is amended to read:

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

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

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

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

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

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

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

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

1 rule city, **or a home rule community**;

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

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

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

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