AN ACT

Relating to incorporation of boroughs, to annexation by local action, and to regulations of the Local Boundary Commission to provide standards and procedures for municipal incorporation, reclassification, dissolution, and certain municipal boundary changes; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1
AN ACT

Relating to incorporation of boroughs, to annexation by local action, and to regulations of the Local Boundary Commission to provide standards and procedures for municipal incorporation, reclassification, dissolution, and certain municipal boundary changes; and providing for an effective date.

*Section 1.* AS 29.05.100(a) is amended to read:

(a) After providing public notice of each proposed amendment or condition and an opportunity for public comment, the [THE] Local Boundary Commission may amend the petition and may impose conditions on the incorporation.

If the commission determines that the incorporation, 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 or 29.05.031, and is in the best interests of the state, it may accept the petition. Otherwise it shall reject the petition.
* Sec. 2. AS 29.05 is amended by adding a new section to read:

Sec. 29.05.115. Incorporation with legislative review. (a) If the Local Boundary Commission submits a proposal for borough incorporation to the legislature under art. X, sec. 12, Constitution of the State of Alaska, AS 29.05.060 - 29.05.110 do not apply. However, before the proposal is submitted to the legislature, the Local Boundary Commission shall hold at least two public hearings in the area proposed for incorporation.

(b) This section may not be construed as granting authority to the Local Boundary Commission to propose a borough incorporation under art. X, sec. 12, Constitution of the State of Alaska.

* Sec. 3. AS 29.06.040(c) is amended to read:

(c) In addition to the regulations governing annexation by local action adopted under AS 44.33.812, the Local Boundary Commission shall establish procedures for annexation and detachment of territory by municipalities by local action. The procedures established under this subsection must include a provision that

(1) a proposed annexation must be approved by a majority of votes on the question cast by voters residing in the annexing municipality;

(2) a proposed annexation or detachment must be approved by a majority of votes on the question cast by voters residing in the area proposed to be annexed or detached;

(3) municipally owned property adjoining the municipality may be annexed by ordinance without voter approval; and

(4) an area adjoining the municipality may be annexed by ordinance without an election if all property owners and voters in the area petition the governing body.

* Sec. 4. AS 44.33.812(a) is amended to read:

(a) The Local Boundary Commission shall

(1) make studies of local government boundary problems;

(2) adopt regulations providing standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification, and dissolution; the regulations providing standards and procedures are subject to
AS 29.04 - AS 29.10:

(3) consider a local government boundary change requested of it by the legislature, the commissioner of commerce, community, and economic development, or a political subdivision of the state; "boundary change" may not be construed to include a borough incorporation; and

(4) develop standards and procedures for the extension of services and ordinances of incorporated cities into contiguous areas for limited purposes upon majority approval of the voters of the contiguous area to be annexed and prepare transition schedules and prorated tax mill levies as well as standards for participation by voters of these contiguous areas in the affairs of the incorporated cities furnishing services.

* Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. A municipal incorporation, annexation, detachment, merger, consolidation, reclassification, or dissolution proposal that has not taken effect on or before the effective date of this Act and that has been initiated or considered under regulations that do not meet the requirements of AS 44.33.812(a)(2), as amended in sec. 4 of this Act, or under procedures that do not meet the requirements of AS 29.05.115, added by sec. 2 of this Act, is void. The proposal may be initiated again under regulations that do meet the requirements of AS 44.33.812(a)(2) or under procedures that do meet the requirements of AS 29.05.115.

* Sec. 6. This Act takes effect immediately under AS 01.10.070(c).