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CS FOR SENATE BILL NO. 18()

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATOR HOFFMAN

A BILL

FOR AN ACT ENTITLED

"An Act creating energy boroughs."

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

*** Section 1.** AS 14.08.011(a) is amended to read:

(a) It is the purpose of this chapter to provide for public education in the unorganized borough, energy boroughs, and the military reservations in the state.

*** Sec. 2.** AS 14.08.031(a) is amended to read:

(a) The Department of Commerce, Community, and Economic Development, in consultation with the Department of Education and Early Development and local communities, shall divide the area comprising the unorganized borough and energy boroughs into educational service areas using the boundaries or sub-boundaries of the regional corporations established under the Alaska Native Claims Settlement Act, unless by referendum a community votes to merge with another community contiguous to it but within the boundaries or sub-boundaries of another regional corporation.

*** Sec. 3.** AS 14.08.031(b) is amended to read:

(b) An educational service area established in the area comprising the unorganized borough and energy boroughs under (a) of this section constitutes a regional educational attendance area. As far as practicable, each regional educational attendance area shall contain an integrated socio-economic, linguistically and culturally homogeneous area. In the formation of the regional educational attendance areas, consideration shall be given to the transportation and communication network to facilitate the administration of education and communication between communities that comprise the area. Whenever possible, municipalities, other governmental or regional corporate entities, drainage basins, and other identifiable geographic features shall be used in describing the boundaries of the regional school attendance areas.

* **Sec. 4.** AS 14.08.071(a) is amended to read:

(a) In each regional educational attendance area in the area comprising the unorganized borough and energy boroughs, the lieutenant governor, within not less than 60, nor more than 90, days after the establishment of the regional educational attendance area, shall provide for the election of a regional school board.

* **Sec. 5.** AS 14.12.010 is amended to read:

Sec. 14.12.010. Districts of state public school system. The districts of the state public school system are as follows:

(1) each home rule and first class city in the unorganized borough or in an energy borough is a city school district;

(2) each first class, second class, third class, or home rule [ORGANIZED] borough is a borough school district;

(3) the area outside first class, second class, third class, or home rule [ORGANIZED] boroughs and outside home rule and first class cities is divided into regional educational attendance areas.

* **Sec. 6.** AS 14.60.010(7) is amended to read:

(7) "regional educational attendance area" means an educational service area in the area comprising the unorganized borough and energy boroughs, which may [OR MAY NOT] include a military reservation, and that contains one or more public schools with one or more grade levels of [GRADE LEVELS] K-12 [OR ANY PORTION OF THOSE GRADE LEVELS THAT ARE TO BE] operated under

the management and control of a single regional school board;

* **Sec. 7.** AS 23.40.250(8) is amended to read:

(8) "regional educational attendance area" means an educational service area in the area comprising the unorganized borough and energy boroughs, which [THAT] may [OR MAY NOT] include a military reservation, and that contains one or more public schools with one or more grade levels of [GRADE LEVELS] K - 12 [OR ANY PORTION OF THOSE GRADE LEVELS THAT ARE TO BE] operated under the management and control of a single regional school board;

* **Sec. 8.** AS 29.04.030 is amended to read:

Sec. 29.04.030. Classes of general law. General law municipalities are of six [FIVE] classes:

(1) first class boroughs;

(2) second class boroughs;

(3) third class boroughs;

(4) energy boroughs;

(5) [(4)] first class cities;

(6) [(5)] second class cities.

* **Sec. 9.** AS 29.05.031(a) is amended to read:

(a) An area that meets the following standards may incorporate as a home rule, first class, [OR] second class, or energy borough, or as a unified municipality:

(1) the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support borough government;

(2) the boundaries of the proposed borough or unified municipality conform generally to natural geography and include all areas necessary for full development of municipal services;

(3) the economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough or unified municipality;

(4) land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government.

* **Sec. 10.** AS 29.35.160(a) is amended to read:

(a) Each first class, second class, third class, and home rule borough constitutes a borough school district and establishes, maintains, and operates a system of public schools on an areawide basis as provided in AS 14.14.060. A military reservation in a borough is not part of the borough school district until the military mission is terminated or until inclusion in the borough school district is approved by the Department of Education and Early Development. However, operation of the military reservation schools by the borough school district may be required by the Department of Education and Early Development under AS 14.14.110. If the military mission of a military reservation terminates or continued management and control by a regional educational attendance area is disapproved by the Department of Education and Early Development, operation, management, and control of schools on the military reservation transfers to the borough school district in which the military reservation is located.

* **Sec. 11.** AS 29.35 is amended by adding a new section to article 3 to read:

Sec. 29.35.230. Energy borough powers. (a) Notwithstanding any other provision of law, an energy borough has only the following powers:

(1) to levy a property tax and impose a lien for its enforcement as provided in AS 29.45.020 - 29.45.500 on real and tangible personal property used to explore for, develop, or produce nonrenewable resources;

(2) to enter into an agreement with a taxpayer for the taxpayer to make a payment to the borough in lieu of taxes;

(3) to issue bonds to finance an energy infrastructure project in the borough; the borough may only borrow money and issue evidence of indebtedness for this purpose;

(4) to enact and enforce an ordinance necessary to carry out its powers under this subsection and to prescribe a civil penalty for violation of an ordinance.

(b) The legislative power of an energy borough shall be vested in the assembly

1 under AS 29.20.050 - 29.20.180. The assembly shall enact and enforce ordinances
2 under AS 29.25.010 - 29.25.075, except that an energy borough may not prescribe or
3 enforce a penalty of imprisonment for violation of an ordinance.

4 (c) Notwithstanding any other provision of law, an energy borough may not
5 acquire or exercise any power not listed under (a) of this section.