

CS FOR HOUSE BILL NO. 391(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 2/9/96

Referred: Judiciary, Finance

Sponsor(s): REPRESENTATIVE IVAN

A BILL

FOR AN ACT ENTITLED

**1 "An Act relating to succession to assets and liabilities of dissolved municipalities,
2 and to the administration and disposal of certain land of dissolved municipalities."**

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

4 * Section 1. AS 29.06.520 is amended to read:

**5 Sec. 29.06.520. SUCCESSION. (a) When a municipality dissolves, the
6 Local Boundary Commission shall, after consulting with the Department of
7 Natural Resources and except as provided in AS 38.05.825(d) and AS 44.47.150(f),
8 arrange for the assumption of the liabilities and assets of the dissolved
9 municipality by one or more successors. Assets or liabilities may not be
10 transferred to a successor except upon terms approved in writing by the
11 Department of Law. A successor to assets or liabilities of a dissolved municipality
12 may only be**

13 (1) a municipality;

14 (2) a council formed under 25 U.S.C. 473a;

1 **(3) a council that provides services under federal law to residents**
2 **of the area of the dissolved municipality;**

3 **(4) a nonprofit corporation that is qualified for an entitlement**
4 **under AS 29.60.140; or**

5 **(5) subject to (b) of this section, the state.**

6 **(b) In arranging for the assumption of assets and liabilities of a dissolved**
7 **municipality by one or more successors, the Local Boundary Commission shall**
8 **give preference to entities listed in (a)(1) - (4) of this section. If the Local**
9 **Boundary Commission determines that it is not practicable for an entity listed in**
10 **(a)(1) - (4) of this section to be the successor to an asset or liability of a dissolved**
11 **municipality, the state may succeed to that asset or liability.**

12 **(c) If the state or a [A] municipality succeeds [SUCCEEDING] to assets or**
13 **liabilities of a dissolved municipality, the state or successor municipality succeeds**
14 **to all rights, powers, and duties [, ASSETS, AND LIABILITIES] of the dissolved**
15 **municipality necessary for the management of the assets or liabilities. The [.**
16 **OTHERWISE, THE STATE SUCCEEDS TO THOSE RIGHTS, POWERS, DUTIES,**
17 **ASSETS, AND LIABILITIES. IF THE STATE SUCCEEDS TO A DISSOLVED**
18 **MUNICIPALITY, THE] state may enter into a contract for the performance of duties**
19 **or powers in the area of the dissolved municipality.**

20 **(d) Transfer of assets or liabilities of a dissolved municipality to an**
21 **organization under (a)(2) or (3) of this section or [HOWEVER,] a contract with an**
22 **organization for the performance of duties or powers entered into by the state under**
23 **(c) of this section does not constitute recognition by the state of any governmental**
24 **powers of that successor or organization.**

25 * **Sec. 2.** AS 44.47.150(a) is amended to read:

26 (a) The commissioner

27 (1) shall accept, administer, and dispose of land conveyed to the state
28 in trust by village corporations under 43 U.S.C. 1613(c)(3) (Sec. 14(c)(3) of the Alaska
29 Native Claims Settlement Act) for the purposes specified in that section;

30 (2) may, with the concurrence of an appropriate village entity
31 recognized by the commissioner under (b) of this section or, in the absence of an

1 appropriate village entity, under procedures prescribed by regulations of the
2 commissioner, accept, administer, and dispose of land conveyed in trust by a state or
3 federal agency;

4 **(3) may, with the concurrence of the Local Boundary Commission,**
5 **accept, administer, and dispose of land conveyed to the state under AS 29.06.520**
6 **as a result of the dissolution of a municipality** [AND BY THE DISSOLUTION OF
7 A MUNICIPALITY UNDER AS 29.06.450 - 29.06.530].

8 * **Sec. 3.** AS 44.47.150(b) is amended to read:

9 (b) Transfer of land **acquired under (a)(1) or (2) of this section** by sale, lease,
10 right-of-way, easement, or permit, including transfer of surface resources, may be made
11 by the commissioner only after approval of an appropriate village entity such as the
12 traditional council, a village meeting, or a village referendum. This approval shall be by
13 resolution filed with the department.

14 * **Sec. 4.** AS 44.47.150(c) is amended to read:

15 (c) Within one complete state fiscal year after the incorporation of a municipality
16 in the village or of a municipality **that** [WHICH] includes all or part of the village, land
17 acquired under **(a)(1) or (2) of** this section shall be conveyed without cost to the
18 municipality, and the municipality **succeeds** [SHALL SUCCEED] to all the entrusted
19 interest in the land. **Within one complete state fiscal year after incorporation of a**
20 **municipality that includes all or part of the area of a dissolved municipality, land**
21 **or an interest in land acquired under (a)(3) of this section and retained by the state**
22 **shall be conveyed without cost to the newly incorporated municipality.**