

**CS FOR HOUSE BILL NO. 133(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/13/99

Referred: Rules

Sponsor(s): REPRESENTATIVES BUNDE, Halcro

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to municipal service areas and providing for voter approval of  
2 the formation, alteration, or abolishment of certain service areas; and providing  
3 for an effective date."

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

5 \* Section 1. AS 29.10.200 is amended by adding a new paragraph to read:

6 (59) AS 29.35.450 (voter approval of alteration or abolishment of  
7 service areas).

8 \* Sec. 2. AS 29.35.450(a) is amended to read:

9 (a) A service area to provide special services in a borough or unified  
10 municipality may be established, operated, altered, or abolished by ordinance, subject  
11 to (c) of this section. Special services include services not provided by the unified  
12 municipality or a higher or different level of services. Special services include  
13 services not provided by a borough on an areawide or nonareawide basis in the  
14 borough [,] or a higher or different level of services [SERVICE] than that provided

1 on an areawide or nonareawide basis. A [THE] borough may include a city in a  
 2 service area if

3 (1) the city agrees by ordinance; or

4 (2) approval is granted by a majority of voters residing in the city, and  
 5 by a majority of voters residing inside the boundaries of the proposed service area but  
 6 outside of the city.

7 \* **Sec. 3.** AS 29.35.450 is amended by adding new subsections to read:

8 (c) If voters reside within a service area, abolishment of the service area is  
 9 subject to approval by the majority of the voters residing in the service area who vote  
 10 on the question. A service area in which voters reside may not be abolished and  
 11 replaced by a larger service area unless that proposal is approved, separately, by a  
 12 majority of the voters who vote on the question residing in the existing service area  
 13 and by a majority of the voters who vote on the question residing in the area proposed  
 14 to be included within the new service area but outside of the existing service area. A  
 15 service area in which voters reside may not be altered or combined with another  
 16 service area unless that proposal is approved, separately, by a majority of the voters  
 17 who vote on the question and who reside in each of the service areas or in the area  
 18 outside of service areas that is affected by the proposal. This subsection does not  
 19 apply to a fire service protection area.

20 (d) This section applies to home rule and general law municipalities.

21 \* **Sec. 4.** AS 29.35.470 is amended by adding a new subsection to read:

22 (b) The assembly may by ordinance establish, alter, and abolish differential tax  
 23 zones within a service area to provide and levy property taxes for a different level of  
 24 services than that provided generally in the service area.

25 \* **Sec. 5.** This Act takes effect July 1, 1999.