

**HOUSE BILL NO. 255**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES DYSON, Harris, Kookesh, Murkowski, Morgan

Introduced: 1/10/00

Referred: Community and Regional Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to villages; and providing for an effective date."

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

3 \* **Section 1.** AS 29.05.011(b) is amended to read:

4 (b) A community that meets all the standards under (a) of this section except

5 (a)(1) may incorporate as a second class city or a village.

6 \* **Sec. 2.** AS 29.05.060 is amended to read:

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

- 10 (1) class;
- 11 (2) name;
- 12 (3) boundaries;
- 13 (4) maps, documents, and other information required by the department;
- 14 (5) composition and apportionment of the governing body;
- 15 (6) a proposed operating budget for the municipality projecting sources

1 of income and items of expenditure through the first full fiscal year of operation;

2 (7) for a borough or unified municipality, based on the number who  
3 voted in the respective areas in the last general election, the signature and resident  
4 address of 15 percent of the voters in

5 (A) home rule and first class cities in the area of the proposed  
6 borough or unified municipality; and

7 (B) the area of the proposed borough or unified municipality  
8 outside home rule and first class cities;

9 (8) for a first class borough or unified municipality, a designation of  
10 areawide powers to be exercised;

11 (9) for a second class borough, a designation of areawide and  
12 nonareawide powers to be exercised;

13 (10) for a **village or a** first class, second class, or home rule city, a  
14 designation of the powers to be exercised;

15 (11) for a first class or home rule city, based on the number who voted  
16 in the area in the last general election, the signatures and resident addresses of 50  
17 voters in the proposed city or of 15 percent of the voters in the proposed city,  
18 whichever is greater;

19 (12) for a second class city **or a village**, based on the number who  
20 voted in the area in the last general election, the signatures and resident addresses of  
21 25 voters in the proposed city or of 15 percent of the voters in the proposed city,  
22 whichever is greater;

23 (13) for a **village or a** home rule city, home rule borough, or unified  
24 municipality, a proposed home rule charter.

25 \* **Sec. 3.** AS 29.10.010(c) is amended to read:

26 (c) At an incorporation, merger, or consolidation election, a municipality may  
27 adopt a charter for its own government and incorporate, merge, or consolidate as a  
28 **village**, home rule city, **home rule** borough, or unified municipality.

29 \* **Sec. 4.** AS 29.10.010(f) is amended to read:

30 (f) The proposed charter for a home rule municipality to be formed by  
31 incorporation, merger, or consolidation shall be prepared by the petitioners and filed

1 with the petition to incorporate, merge, or consolidate a **village**, home rule city, **home**  
 2 **rule** borough, or unified municipality.

3 \* **Sec. 5.** AS 29.10.020 is amended to read:

4 **Sec. 29.10.020. Model charters.** The department shall prepare at least one  
 5 model home rule charter for a city, borough, and unified municipality. **The**  
 6 **department shall prepare several alternative model home rule charters for a**  
 7 **village. A charter for a village may provide that the council shall be known by**  
 8 **another name, such as "village council," or "council of elders," or that the mayor**  
 9 **shall be known by another name, such as "chief" or "elder."** The model charters  
 10 shall be made available to persons interested in filing a petition to form a home rule  
 11 municipality under AS 29.05.060 or AS 29.06.090.

12 \* **Sec. 6.** 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 **village or**  
 15 second class city, an audit or statement of annual income and expenditures. To make  
 16 the audit, the governing body shall designate a public accountant who has no personal  
 17 interest, direct or indirect, in the fiscal affairs of the municipality. Copies of the audit  
 18 shall be available to the public upon request.

19 \* **Sec. 7.** 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 **village or** second class city in a third class borough may provide  
 25 for planning, platting, and land use regulation as provided by AS 29.35.180(a) for first  
 26 and second class boroughs.

27 \* **Sec. 8.** 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 **village or** second class city outside a borough is not  
 31 a school district and may not establish a system of public schools.

1 \* **Sec. 9.** 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 village or a second class city outside a  
5 borough may, provide for planning, platting, and land use regulation as provided by  
6 AS 29.35.180(a) for first and second class boroughs.

7 \* **Sec. 10.** AS 29.45.550 is amended to read:

8 **Sec. 29.45.550. Cities outside boroughs.** Home rule and first class cities and  
9 villages outside boroughs may assess, levy, and collect a property tax. A property tax  
10 if levied must be assessed, levied, and collected as provided by AS 29.45.010 -  
11 29.45.500.

12 \* **Sec. 11.** AS 29.45.560 is amended to read:

13 **Sec. 29.45.560. Cities inside boroughs.** Home rule and first class cities and  
14 villages inside boroughs may levy a property tax. A property tax, if levied, is subject  
15 to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.100, 29.45.250, 29.45.400 - 29.45.440  
16 and 29.45.460 - 29.45.500. The council shall by June 15 of each year present to the  
17 assembly a statement of the city's rate of levy unless a different date is agreed upon  
18 by the borough and city.

19 \* **Sec. 12.** AS 29.45.600 is amended to read:

20 **Sec. 29.45.600. Combining property tax with incorporation of a village or**  
21 **a second class city.** A petition for village or second class city incorporation may  
22 request that a property tax proposal be placed on the same ballot. The petition must  
23 state the proposed tax rate. The petition may request that incorporation be dependent  
24 on the passage of the property tax proposition. If so, the incorporation proposition  
25 fails if the property tax fails.

26 \* **Sec. 13.** AS 29.45.710 is amended to read:

27 **Sec. 29.45.710. Combining sales and use tax with incorporation of a village**  
28 **or a second class city.** A petition for incorporation of a village or a second class city  
29 may request that a sales and use tax proposal be placed on the same ballot. The  
30 petition must state the proposed tax rate. The petition may request that incorporation  
31 be dependent on the passage of the tax proposition. If so, the incorporation

1 proposition fails if the tax fails.

2 \* **Sec. 14.** AS 29.60.030(e) is amended to read:

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

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

8 (2) each second class city or village with a population of 750 or more  
9 persons; however, a computation is not required under this paragraph more often than  
10 once during a period of three successive calendar years; and

11 (3) all other second class cities and villages, by determining the  
12 average per capita full and true assessed property value of all cities having a  
13 population of less than 750 persons in which an assessment has been completed by a  
14 municipality or for which a determination is not made under (1) or (2) of this  
15 subsection.

16 \* **Sec. 15.** AS 29.71.800(4) is amended to read:

17 (4) "city" means a general law first or second class city, [OR] a home  
18 rule city, or a village;

19 \* **Sec. 16.** AS 29.71.800(7) is amended to read:

20 (7) "council" means the governing body of a city or village;

21 \* **Sec. 17.** AS 29.71.800(13) is amended to read:

22 (13) "municipality" means a political subdivision incorporated under  
23 the laws of the state that is a village, a home rule or general law city, a home rule or  
24 general law borough, or a unified municipality;

25 \* **Sec. 18.** The revisor of statutes shall, by January 31, 2001, prepare a bill making changes  
26 in statutes to conform with the provisions of this Act and submit the bill to the Alaska  
27 Legislative Council for introduction.

28 \* **Sec. 19.** Section 18 of this Act takes effect immediately under AS 01.10.070(c).

29 \* **Sec. 20.** Sections 1 - 17 of this Act take effect on July 1, 2002.