

SENATE BILL NO. 48

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY SENATORS WILKEN, Donley, Cowdery, Green, Phillips

Introduced: 1/18/01

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the determination of full and true value of taxable municipal**
2 **property for purposes of calculating funding for education and certain other programs;**
3 **and relating to incorporation of second class boroughs in the unorganized borough and**
4 **to annexation of portions of the unorganized borough to boroughs and unified**
5 **municipalities."**

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

7 *** Section 1.** AS 14.17.510(a) is amended to read:

8 (a) To determine the amount of required local contribution under
9 AS 14.17.410(b)(2) and to aid the department and the legislature in planning, the
10 Department of Community and Economic Development, in consultation with the
11 assessor for each district in a city or borough, shall determine the full and true value of
12 the taxable real and personal property in each district in a city or borough. If there is
13 no local assessor or current local assessment for a city or borough school district, then

1 the Department of Community and Economic Development shall make the
 2 determination of full and true value from information available. In making the
 3 determination, the Department of Community and Economic Development shall be
 4 guided by AS 29.45.110. **However, the full and true value of taxable real and**
 5 **personal property in any area detached shall be excluded from the determination**
 6 **of the full and true value of the municipality from which the property was**
 7 **detached for the two years immediately preceding the effective date of the**
 8 **detachment. Also, in making the determination for a municipality that is a**
 9 **school district or for a city that is within a borough school district, the assessed**
 10 **value of property taxable under AS 43.56 shall be excluded if a municipal tax is**
 11 **not levied under AS 29.45.080 in that school district.** The determination of full and
 12 true value shall be made by October 1 and sent by certified mail, return receipt
 13 requested, on or before that date to the president of the school board in each city or
 14 borough school district. Duplicate copies shall be sent to the commissioner. The
 15 governing body of a city or borough that is a school district may obtain judicial review
 16 of the determination. The superior court may modify the determination of the
 17 Department of Community and Economic Development only upon a finding of abuse
 18 of discretion or upon a finding that there is no substantial evidence to support the
 19 determination.

20 * **Sec. 2.** AS 44.33 is amended by adding a new section to article 11 to read:

21 **Sec. 44.33.830. Incorporation or annexation of unorganized areas.** (a) In
 22 addition to other methods for incorporation and annexation provided by law, an area
 23 of the unorganized borough may be incorporated as a second class borough or annexed
 24 to an existing borough or unified municipality under (b) - (f) of this section.
 25 AS 44.33.814 - 44.33.828 apply to actions taken by the commission under this section.

26 (b) The Department of Community and Economic Development shall
 27 determine which areas of the unorganized borough reasonably appear to satisfy
 28 standards for borough incorporation or for annexation to an existing borough or
 29 unified municipality. By September 30 of each year, the department shall present to
 30 the Local Boundary Commission a list of those areas that reasonably appear to satisfy
 31 standards for borough incorporation or for annexation to an existing borough or

1 unified municipality, together with the department's analysis supporting its
2 conclusions regarding the incorporation or annexation standards for each of the areas.
3 By November 30 of each year, the commission shall select areas from the list provided
4 by the department that the commission determines may warrant incorporation or
5 annexation. By March 31 of the following year, the department shall prepare a
6 petition for borough incorporation or for annexation of each of the areas selected by
7 the commission. The department shall conduct at least one public meeting in each
8 area for the purpose of gathering information needed to prepare the petition. The
9 department shall provide public notice when the petition has been prepared, make
10 copies of the petition available, and provide any interested person with the opportunity
11 to submit written comments on the petition. After considering the comments, the
12 department may amend the petition. The department shall file the original petition or,
13 if amended, the amended petition with the commission.

14 (c) Upon receipt of a petition filed under (b) of this section, the Local
15 Boundary Commission shall hold at least one public hearing in or near the area
16 proposed for incorporation or annexation. Following the hearing, the commission may
17 amend the petition and may impose conditions on the incorporation or annexation. If
18 the commission determines that the incorporation or annexation meets applicable
19 standards under the state constitution as well as those established by law and
20 commission regulation and is in the best interests of the state, it may accept the
21 petition. Otherwise, it shall reject the petition. Each incorporation or annexation
22 approved by the commission shall be submitted to the legislature under AS 44.33.828
23 and takes effect as provided in that section.

24 (d) Regulations of the Local Boundary Commission filed under authority of
25 other provisions of law that apply to incorporation and annexation petitions and that
26 deal with the form and content of petitions, public notice of the filing of petitions,
27 service of petitions, opportunity to file responsive briefs, amendment of petitions,
28 notice and conduct of hearings, conduct of decisional sessions, and reconsideration
29 apply to the preparation and consideration of petitions under this section to the extent
30 they may be applied without conflicting with this section. The Local Boundary
31 Commission may adopt regulations providing additional standards and procedures for

1 incorporations or boundary changes under this section and to carry out the purposes of
2 this section.

3 (e) When a proposal for incorporation of an area under this section becomes
4 effective, the Local Boundary Commission shall immediately notify the director of
5 elections. Within 30 days after notification, the director of elections shall order an
6 election in the area for initial borough officials. The election shall be held under
7 AS 29.05.120 not less than 30 nor more than 90 days after the date of the election
8 order. The election order must specify the dates during which nomination petitions for
9 election of initial officials may be filed. AS 29.05.130 - 29.05.150, 29.05.190 -
10 29.05.210, and AS 29.65.030 apply to boroughs incorporated under this section.

11 (f) When a proposal under this section for annexation of an area in the
12 unorganized borough becomes effective, the borough or unified municipality to which
13 the area is annexed shall receive an additional general grant land entitlement equal to
14 10 percent of the maximum total acreage of vacant, unappropriated, unreserved land
15 within the boundaries of the area annexed. Additional general grant land entitlements
16 under this subsection are subject to AS 29.65.030 - 29.65.140 to the extent that those
17 provisions can be made applicable. The borough or unified municipality to which the
18 area is annexed is also entitled to an organization grant under AS 29.05.190, and, for
19 purposes of applying that section, the effective date of the annexation shall be treated
20 as though it were the date of incorporation.