

HOUSE CS FOR CS FOR SENATE BILL NO. 183(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 5/21/03

Referred: Rules

Sponsor(s): SENATORS SEEKINS, Wilken

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to municipal property taxation in annexed and detached areas;**
2 **relating to mergers and consolidations of municipalities; and authorizing certain**
3 **boroughs to use revenue collected on an areawide or nonareawide basis for economic**
4 **development; and providing for an effective date."**

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

6 * **Section 1.** AS 29.06. is amended by adding a new section to read:

7 **Sec. 29.06.055. Property taxes in annexed or detached areas.** (a) Unless
8 the annexation takes effect on January 1, the municipality may not assess, levy, or
9 collect property taxes in an annexed area before January 1 of the year immediately
10 following the year in which the annexation takes effect.

11 (b) If an area is detached from a municipality, all property taxes that are levied
12 by that municipality on property in the detached area based on an assessment that
13 occurred before the effective date of the detachment remain valid. AS 29.45.290 -
14 29.45.500 apply to the enforcement of those taxes.

1 * **Sec. 2.** AS 29.06.100(a) is amended to read:

2 (a) Residents of two or more municipalities may file a merger or consolidation
3 petition with the department. The petition must be signed **during a period that does**
4 **not exceed 365 consecutive days** by a number of voters of each existing municipality
5 equal to at least 25 percent of the number of votes cast in each municipality's last
6 regular election.

7 * **Sec. 3.** AS 29.06.100 is amended by adding a new subsection to read:

8 (c) A petition for the merger or consolidation of a borough and more than one
9 city within that borough shall provide that, if the proposal is approved by a majority of
10 the votes in the borough area outside of the cities proposed to be merged or
11 consolidated but is not approved by a majority of the votes in each of the cities,

12 (1) the entire proposal is defeated; or

13 (2) the proposal is partially approved and the borough is merged or
14 consolidated with the cities in which the proposal has been approved.

15 * **Sec. 4.** AS 29.06.140(a) is amended to read:

16 (a) The Local Boundary Commission shall immediately notify the director of
17 elections of its acceptance of a merger or consolidation petition. Within 30 days after
18 notification, the director of elections shall order an election in the area to be included
19 in the new municipality to determine whether the voters desire merger or
20 consolidation. The election shall be held not less than 30 or more than 90 days after
21 the election order. A voter who is a resident of the area to be included in the proposed
22 municipality may vote. **Unless the proposal includes the merger or consolidation**
23 **of a borough and one or more of the cities within that borough, if a majority of**
24 **the votes in each of the municipalities proposed to be merged or consolidated**
25 **favors the merger or consolidation, the proposal is approved. Votes on a**
26 **proposal that includes the merger or consolidation of a borough and one or more**
27 **of the cities within that borough shall be separately tabulated as follows: (1) in**
28 **the borough area outside of each city in that borough proposed to be merged or**
29 **consolidated; (2) in each of the cities in the borough proposed to be merged or**
30 **consolidated; and (3) if one or more municipalities outside of the borough are**
31 **also included within the proposal, in each of those other municipalities. The**

1 **entire proposal is defeated if it is not separately approved in the borough outside**
 2 **of the cities in that borough that are proposed to be merged or consolidated and,**
 3 **if municipalities outside of the borough are included in the proposal, in those**
 4 **other municipalities. If the proposal is not approved in one or more of the cities**
 5 **within the borough that are proposed to be merged or consolidated but is**
 6 **otherwise approved in each of the areas separately tabulated, the proposal is**
 7 **either entirely defeated or partially approved as provided in the petition under**
 8 **AS 29.06.100(c). This subsection is intended to be consistent with the voting**
 9 **requirements for annexation specified in AS 29.06.040(c)(1).**

10 * **Sec. 5.** AS 29.35.110 is amended by adding a new subsection to read:

11 (c) Notwithstanding (a) of this section, a borough that has entered into an
 12 agreement with a city located in the borough to cooperatively or jointly provide for
 13 economic development may use borough revenue from taxes, whether collected on an
 14 areawide or nonareawide basis, to carry out the terms of the agreement.

15 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
 16 read:

17 APPLICABILITY. The amendments to AS 29.06.100 in secs. 2 and 3 of this Act do
 18 not apply to a merger or consolidation petition filed with the Department of Community and
 19 Economic Development before the effective date of this Act. The amendment to
 20 AS 29.06.140(a) in sec. 4 of this Act does not apply to an election held as a result of a petition
 21 filed with the Department of Community and Economic Development before the effective
 22 date of this Act, and AS 29.06.140(a) as it read before the effective date of this Act applies to
 23 that election.

24 * **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).