

1 IN THE HOUSE BY THE LOCAL GOVERNMENT COMMITTEE
2 HOUSE BILL NO. 246
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act relating to the financing of im-
7 provements in special assessment districts
8 within first and second class cities and
9 boroughs."

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

11 * Section 1. AS 29.10.300 is amended to read:

12 Sec. 29.10.300. SPECIAL ASSESSMENTS. The council may
13 provide by ordinance for doing the work authorized by sec.
14 297 of this chapter, and for the payment of all or any part
15 of the costs and expenses of it by the levy and collection
16 of special assessments for it upon the property to be
17 benefited. That is, the expense or cost of work or improve-
18 ment upon the streets, sewers, avenues, or public ways of
19 the city shall be assessed upon the lots and lands fronting
20 on the work or improvement, and adjoining, contiguous,
21 proximate and noncontiguous in the improvement district
22 proximate or specially benefited thereby. Each lot shall
23 be separately assessed for the cost in proportion to the
24 benefits upon the property, sufficient in amount to cover
25 the proportion of the [TOTAL] expense of the work which is
26 to be paid by special assessment. Any part of the costs and
27 expenses of such work which is not authorized by ordinance
28 to be paid from special assessments shall be paid by the
29 city.

1 * Sec. 2. AS 29.10 is amended by adding a new section to read:

2 Sec. 29.10.301. SPECIAL ASSESSMENT BONDS AUTHORIZED.

3 (a) The council may include in an ordinance adopted pur-
4 suant to sec. 300 of this chapter provisions authorizing
5 the issuance and sale of special assessment bonds to pay
6 all or part of the cost of an improvement in the district.
7 The principal and interest of bonds issued shall be payable
8 solely from the levy of special assessments against the
9 property to be benefited. The assessments shall constitute
10 a sinking fund for the payment of principal and interest on
11 the bonds. The property benefited may be pledged by the
12 council to secure payment.

13 (b) Upon default in a payment due on a special assess-
14 ment bond, a bondholder may enforce payment of principal
15 and interest and costs of collection in a civil action in
16 the same manner and with the same effect as actions for the
17 foreclosure of mortgages on real property. Foreclosure
18 shall be against all property on which assessments are in
19 default. The period for redemption shall be the same as in
20 the case of a mortgage foreclosure on real property.

21 (c) Before the council may issue special assessment
22 bonds, it shall establish a guarantee fund equal to a per-
23 centage of the value of the special assessment bonds out-
24 standing. The percentage shall be established by ordinance,
25 and shall not be less than 20 per cent of the special assess-
26 ment bonds outstanding. Interest on the guarantee fund
27 shall be a cost of the improvement district.

28 * Sec. 3. AS 29.10.303(b) is amended to read:

29 (b) The notice shall state the nature, extent and

1 approximate cost of the improvement, the percentage of the
2 cost to be paid by special assessments, whether special
3 assessment bonds will be issued and sold to provide funds
4 to pay the expense or cost of the improvement, and describe
5 the boundary of the district to which all or a part of the
6 cost of the improvement will be assessed, and it shall
7 contain a date not less than 60 days from the beginning of
8 publication, on or before which the owners of the property
9 affected may file objections to the work.

10 * Sec. 4. AS 29.10.306 is amended to read:

11 Sec. 29.10.306. OBJECTIONS AND REVISION. Five days
12 or more after the termination of the 60-day period referred
13 to in sec. 303 of this chapter, the council may proceed with
14 the proposed improvement, unless objections are filed either
15 severally or by petition by the owners of property bearing
16 50 per cent or more of the estimated cost of the improve-
17 ment to be paid from special assessments. If objections
18 are made by the owners of property bearing 50 per cent or
19 more of the estimated cost of the improvement to be paid
20 from special assessments, the council may not proceed
21 with the improvement unless it revises the plans to meet
22 the objections raised. After the council revises the plans,
23 it shall, if it determines to proceed with the improvement
24 under the revised plan, readvertise the proposed improvement
25 and be subjected to the same limitation as required in the
26 first instance, and so on until the objections have been
27 reduced to less than 50 per cent referred to above.
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