

Introduced: 2/18/80  
Referred: Community & Regional  
Affairs and Finance

1 IN THE SENATE

BY HOHMAN

2 SENATE BILL NO. 488

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for establishment of streamlined home  
7 rule boroughs within regional educational attendance  
8 areas, for establishment of unified local governments  
9 with home rule powers, and for the adoption of home  
10 rule charters by these boroughs and unified local  
11 governments; and providing for an effective date."

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

13 \* Section 1. AS 14.08.071 is amended by adding a new subsection to read:

14 (d) At the election required to be held under (b) of this section  
15 in October, 1980, and at each election required to be held under (b) of  
16 this section at intervals of two years thereafter, the lieutenant gover-  
17 nor shall submit to the voters within each regional educational atten-  
18 dance area the following questions:

19 "Shall the ..... (name of regional educational  
20 attendance area) be incorporated as a streamlined borough  
21 with the charter provided in AS 29.68.475 as the charter  
22 for the borough?

23 Yes [ ] No [ ]"

24 If a majority of the votes cast at an election under this subsection is  
25 in the negative, the lieutenant governor shall certify that the proposal  
26 to incorporate a streamlined borough has been rejected. If a majority  
27 of the votes cast at an election under this subsection is in the affirm-  
28 ative, the lieutenant governor shall certify that the proposal has been  
29 approved, and shall call for the nomination and election of the first

1 borough mayor and members of the initial assembly of the borough. The  
2 election of the initial municipal officers shall occur not less than 60  
3 nor more than 90 days after the date of the election order. The elec-  
4 tion order must specify the dates during which nomination petitions for  
5 election of initial officers may be filed. The provisions of AS 29.-  
6 18.120(b) regulate requirements for petitions for nomination under this  
7 subsection.

8 (e) The Local Boundary Commission shall review the establishment  
9 and boundaries of each borough established under this section within two  
10 years of the establishment. It may present proposed boundary changes or  
11 proposed dissolution of the borough to the legislature during the first  
12 10 days of any regular session of the legislature. A proposal becomes  
13 effective 45 days after presentation or at the end of the session unless  
14 disapproved by a resolution concurred in by a majority of the members of  
15 each house.

16 (f) All cities within a borough organized under this section are  
17 dissolved within three years after formation of the borough unless the  
18 borough is dissolved as provided in (e) of this section.

19 (g) For the first three years after incorporation of a borough  
20 under this section, the borough is entitled to 150 percent of the state  
21 support under the public school foundation program to which it would  
22 have otherwise been entitled, 140 percent for the fourth year, 130  
23 percent for the fifth year, 120 percent for the sixth year, and 110  
24 percent for the seventh year. For the eighth and succeeding years no  
25 additional state support is provided under this section.

26 (h) The commissioner of transportation and public facilities shall  
27 develop a comprehensive facility plan for each borough organized under  
28 this section. The facilities identified in the plan shall be constructed  
29 by the Department of Transportation and Public Facilities within six

1 years after incorporation if funds are available from appropriations for  
2 the purpose. All costs of a facility shall be borne by the state.

3 \* Sec. 2. AS 29.73 is amended by adding a new section to read:

4 Sec. 29.73.070. STREAMLINED BOROUGHs INCORPORATED DIRECTLY FROM  
5 REGIONAL EDUCATIONAL ATTENDANCE AREAS. (a) The initial elected borough  
6 mayor of a streamlined borough incorporated under AS 14.08.071(d) serves  
7 until the first regular election occurring after he has served two years  
8 in office and until his successor is elected and has qualified.

9 (b) The initial assembly of a streamlined borough incorporated  
10 under AS 14.08.071(d) has the same number of members as the school board  
11 for the regional educational attendance area which the borough replaces.

12 (c) At the same time that the lieutenant governor orders an elec-  
13 tion of the mayor and initial members of the borough assembly for a  
14 borough incorporated under AS 14.08.071(d), he shall prepare and transmit  
15 to the commissioner of community and regional affairs a legal descrip-  
16 tion of the proposed streamlined borough. The commissioner of community  
17 and regional affairs may require the Local Boundary Commission to review  
18 the boundaries of the streamlined borough for conformity with the borough  
19 incorporation standards of AS 29.18.030. If the Local Boundary Commis-  
20 sion determines that the boundaries must be altered to meet the borough  
21 incorporation standards, it may propose alteration of the boundaries. A  
22 proposed alteration of the boundaries of a borough constitutes a boundary  
23 change which shall be submitted to the legislature in accordance with  
24 AS 44.19.260(b)(2).

25 \* Sec. 3. AS 44.47 is amended by adding a new section in article 2 to  
26 read:

27 Sec. 44.47.055. TRANSITIONAL ASSISTANCE TO THE UNORGANIZED BOROUGH.  
28 The department shall establish the initial assessment roll for a stream-  
29 lined borough incorporated under AS 14.08.071(d). The initial assessment

1 roll shall contain all the information required by AS 29.53.100(a) and  
2 shall be sufficient for purposes of computing tax levies by the munici-  
3 pality and the amount of local effort required by the municipality under  
4 AS 14.17.021(c)(3) and 14.17.071. In the preparation of the initial  
5 assessment roll, the department may contract for the services of apprai-  
6 sers and others whose services are required to complete and report the  
7 initial assessment. When completed, the initial assessment roll shall  
8 be certified by the commissioner, and the completed roll, together with  
9 all supporting information and materials prepared by the department,  
10 shall be transmitted to the borough assembly. The department, to the  
11 extent appropriations are available for the purpose, shall continue to  
12 fund the assessor and related staff for a period of three years after  
13 the completion of the initial roll.

14 \* Sec. 4. AS 14.17.210(a) is amended to read:

15 (a) A regional educational attendance area school which becomes a  
16 city or borough district school by incorporation under AS 29.18 is  
17 considered a regional educational attendance area school for purposes of  
18 financial support until the expiration of a complete fiscal year after  
19 the date on which the school becomes a city or borough district school.  
20 A regional educational attendance area school which becomes a stream-  
21 lined borough district school by direct incorporation under AS 14.08.  
22 071(d) is considered a regional educational attendance area school for  
23 purposes of financial support until the expiration of three complete  
24 fiscal years after the date on which the school becomes a borough school  
25 or until the fiscal year after the commissioner of community and regional  
26 affairs certifies the initial assessment roll of the streamlined borough  
27 under AS 47.44.055, whichever is later. This subsection does not prevent  
28 a local government from spending money to contribute to the financial  
29 support of a regional educational attendance area school which becomes a

1 city or borough district school.

2 \* Sec. 5. AS 29.68 is amended by adding new sections to article 3 to  
3 read:

4 Sec. 29.68.475. GENERAL HOME RULE CHARTER FOR UNIFIED MUNICI-  
5 PALITY. Until superseded by a home rule charter adopted in the manner  
6 prescribed in AS 29.13.010 - 29.13.090, the following shall operate as  
7 the home rule charter of a municipality organized under AS 14.08.071(d):

8 NAME AND BOUNDARIES

9 Section 1.01. NAME OF MUNICIPALITY. The municipality shall  
10 be a municipal corporation known as (INSERT THE NAME OF THE MUNICI-  
11 PALITY OR THE NAME OF THE REGIONAL EDUCATIONAL ATTENDANCE AREA  
12 UNTIL CHANGED BY ORDINANCE).

13 Section 1.02. BOUNDARIES. The boundaries of the municipality  
14 shall include all areas within the former regional educational  
15 attendance area or borough on the effective date of this charter.  
16 The boundaries may be altered in the manner provided by law.

17 POWERS

18 Section 2.01. POWERS. The municipality may exercise all  
19 legislative powers not prohibited by law or by this charter.

20 Section 2.02. CONSTRUCTION. The powers of the municipality  
21 shall be liberally construed. The specific enumeration of a parti-  
22 cular power in this charter shall not be construed as limiting the  
23 powers of the municipality.

24 Section 2.03. INTERGOVERNMENTAL RELATIONS. The municipality  
25 may exercise any of its powers or perform any of its functions and  
26 may participate in their financing, jointly or in cooperation, by  
27 agreement with any one or more local governments, the State, or the  
28 United States, or any agency or instrumentality of these govern-  
29 ments.

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THE ASSEMBLY

Section 3.01. POWERS AND DUTIES. The legislative power of the municipality is vested in the assembly. The assembly shall provide for the performance of all duties and obligations imposed upon the municipality by this charter.

Section 3.02. TERM AND COMPOSITION. The assembly shall be composed of four members elected at large and the mayor. Seats of the four members shall be designated by letter. A member of the assembly shall serve a three-year term.

Section 3.03. ELIGIBILITY. (a) Only a qualified voter of the municipality who has been a resident of the municipality for at least one year immediately preceding his election or appointment to office shall be qualified for the office of member of the assembly.

(b) A member of the assembly shall remain a resident of the municipality while in office.

(c) The assembly shall be the judge of the election and qualification of its members. For these purposes the assembly shall have power to subpoena witnesses, administer oaths, take testimony, and require the production of evidence. A qualified voter may appeal to the superior court for review of a decision of the assembly under this section.

Section 3.04. PRESIDING OFFICER, MEETINGS AND PROCEDURES. (a) The mayor shall serve as a presiding officer.

(b) The assembly shall meet in regular session at least once each month. The mayor or any three members of the assembly may call special meetings.

(c) The assembly, by ordinance, shall determine its own rules and order of business, including provision for reasonable notice to the public and to all assemblymen of regular and special meetings.

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The assembly shall maintain a journal of its proceedings as a public record.

(d) Three members of the assembly constitute a quorum; however, a smaller number may recess from time to time and compel the attendance of absent members as prescribed by assembly rule.

Section 3.05. MUNICIPAL CLERK. The assembly shall appoint a municipal clerk and prescribe the duties of that office. The clerk serves at the pleasure of the assembly.

Section 3.06. STAFF. Pursuant to ordinance, the assembly may engage legal counsel, other professional advisers, and staff as it requires in the execution of its legislative functions.

THE EXECUTIVE BRANCH

Section 4.01. THE OFFICE OF THE MAYOR. (a) The executive and administrative power of the municipality is vested in the mayor. The mayor is elected at large for a three-year term.

(b) A candidate for the office of mayor shall be a qualified voter of the municipality and a resident of the municipality for at least one year immediately preceding his election.

(c) The mayor shall remain a resident of the municipality while in office.

(d) The compensation of the mayor shall be determined by the assembly by ordinance and may not be reduced during his term of office without his consent.

Section 4.02. POWERS. (a) The mayor shall appoint all heads of municipal departments, subject to confirmation by the assembly, on the basis of professional qualification. Persons appointed by the mayor serve at the pleasure of the mayor.

(b) The mayor may participate in all assembly meetings to the same extent as an assembly member, but may not vote.

1 (c) The mayor has the veto power. The veto must be exercised  
2 and submitted to the assembly with a written explanation within 10  
3 days of passage of the ordinance affected. The assembly, by vote  
4 of three members, may override a veto any time within 30 days after  
5 its exercise.

6 Section 4.03. MUNICIPAL ATTORNEY. There shall be a municipal  
7 attorney, appointed by the mayor and confirmed by the assembly.  
8 The attorney serves at the pleasure of the mayor. The attorney  
9 shall advise and assist the municipal government on legal matters.

10 Section 4.04. MUNICIPAL OFFICERS. The municipal clerk and  
11 other officers of the municipality are appointed by the mayor or by  
12 the assembly, as determined by ordinance. Officers serve at the  
13 pleasure of the appointing authority. Appointments by the mayor  
14 are subject to confirmation by the governing body.

15 Section 4.05. ADMINISTRATIVE CODE. The assembly, by ordi-  
16 nance, shall adopt an administrative code providing for

17 (1) the identity, function and responsibility of each  
18 executive department;

19 (2) rules of practice and procedure governing adminis-  
20 trative proceedings; and

21 (3) personnel policies and rules preserving the merit  
22 principle of employment.

23 Sec. 4.06. BOARDS AND COMMISSIONS. (a) The assembly, by  
24 ordinance, may provide for advisory, regulatory or appellate boards  
25 or commissions. The ordinance shall prescribe the duties, terms  
26 and qualifications of members.

27 (b) Unless otherwise specifically provided in this charter,  
28 the mayor shall appoint members of boards and commissions. Ap-  
29 pointments are subject to confirmation by the assembly.

1 (c) Boards and commissions may make recommendations to the  
2 assembly, the mayor and heads of executive departments on matters  
3 specified in the ordinance creating the board or commission.

4 (d) The assembly, by ordinance, may create or designate  
5 itself to be a board of review, adjustment or equalization. The  
6 ordinance shall prescribe the rules of procedure, including quorum  
7 and voting requirements.

#### 8 EDUCATION

9 Section 5.01. PUBLIC SCHOOL SYSTEM. The system of public  
10 schools for the municipality shall be operated by a school board  
11 consisting of the five assembly members.

12 Section 5.02. POWERS. The assembly sitting as the school  
13 board has the powers provided by law, including but not limited to,  
14 the power to

- 15 (1) formulate policy for the operation of the schools;  
16 (2) appoint and provide for suspension and removal of  
17 school personnel, including the superintendent;  
18 (3) serve as a board of personnel appeals; and  
19 (4) generally supervise school district fiscal affairs,  
20 including the preparation and submission of the annual budget and  
21 capital construction program.

#### 22 PLANNING

23 Section 6.01. PLANNING COMMISSION. There shall be a planning  
24 commission consisting of five members who shall be appointed by the  
25 mayor from among the qualified voters of the municipality.

26 Section 6.02. TERM AND COMPENSATION. (a) The assembly, by  
27 ordinance, shall prescribe the terms of office of the members of  
28 the planning commission.

29 (b) The compensation of the members of the planning commis-

1 sion shall be determined by the assembly by ordinance. The mayor  
2 shall budget for staff assistance and support of the commission.

3 Section 6.03. DUTIES. The planning commission shall

4 (1) report its recommendations and advice to the assem-  
5 bly on all proposals submitted to it by the assembly and on such  
6 other matters pertaining to planning and zoning as the commission  
7 may desire or the assembly may request;

8 (2) formulate and develop planning proposals for sub-  
9 mission to the assembly whenever requested to do so by the assembly  
10 or upon its own motion;

11 (3) promote public interest in, and understanding of,  
12 the municipal comprehensive plan and related matters;

13 (4) perform other advisory functions and duties and  
14 exercise other powers as the assembly may establish or which are  
15 prescribed by law.

16 Section 6.04. COMPREHENSIVE PLAN. There shall be a compre-  
17 hensive plan that shall serve as a guide to all future assembly  
18 action concerning land use and development regulations, urban re-  
19 newal programs, and expenditures for capital improvements.

20 VACANCIES IN ELECTIVE OFFICE

21 Section 7.01. DETERMINING VACANCIES. (a) An elective office  
22 becomes vacant if the incumbent

23 (1) ceases to meet the qualifications prescribed for the  
24 office by this charter;

25 (2) resigns;

26 (3) dies;

27 (4) is judicially determined to be incompetent;

28 (5) is convicted of a felony;

29 (6) is removed from office for breach of public trust;

1 or

2 (7) is recalled.

3 (b) Proceedings for the removal of an elected official for  
4 breach of the public trust may be initiated by a majority of all  
5 members of the assembly or, if the removal involves a member of the  
6 school board, by a majority of all members of the school board.  
7 The assembly, by ordinance, shall establish procedures for removal  
8 of elected officials for breach of the public trust, including  
9 provision for notice, a complete statement of the charge, a public  
10 hearing conducted by an impartial hearing officer, and judicial  
11 review. Removal must be approved by two-thirds of the authorized  
12 membership of the assembly or school board, as applicable.

13 Section 7.02. FILLING VACANCIES IN ELECTIVE OFFICE. (a) If  
14 a vacancy occurs on the assembly or the school board, the remaining  
15 members shall appoint a qualified person to fill the vacancy within  
16 30 days. The person appointed shall serve until the next regular  
17 election, at which time a successor shall be elected to serve the  
18 balance of the term. If less than 30 days remain in a term when a  
19 vacancy occurs, the vacancy shall not be filled. However, if at  
20 any time membership is reduced to fewer than a quorum, the remain-  
21 ing members, within seven days, shall appoint a number of qualified  
22 persons sufficient to constitute a quorum.

23 (b) A vacancy in the office of mayor shall be filled at a  
24 regular or special election held not less than 45 days nor more  
25 than 90 days from the time the vacancy occurs. If less than 45  
26 days remain in the term when the vacancy occurs, the vacancy shall  
27 not be filled. The assembly, by ordinance, shall provide for  
28 succession to the office of acting mayor. The acting mayor has the  
29 veto power.

1 INITIATIVE, REFERENDUM AND RECALL

2 Section 8.01. INITIATIVE AND REFERENDUM. (a) The powers of  
3 initiative and referendum are reserved for exercise by the people  
4 of the municipality in the manner provided by law. The powers of  
5 initiative and referendum do not apply to ordinances establishing  
6 budgets, fixing mill levies, authorizing the issuance of bonds, or  
7 appropriating funds. A petition for initiative or referendum shall  
8 be signed by a number of qualified voters equal to at least 10 per-  
9 cent of the voters who cast ballots in the last regular mayoral  
10 election.

11 (b) Within 10 days of the filing of a petition for initiative  
12 or referendum, the municipal clerk shall certify on the petition  
13 whether or not it is sufficient. An initiative shall be submitted  
14 to the voters at the next regular election held at least 45 days  
15 after certification of the petition. A referendum shall be sub-  
16 mitted to the voters at a regular or special election held not  
17 later than 75 days after certification of the petition. However,  
18 the assembly may submit a referendum to the voters at a later  
19 regular or special election if the assembly suspends the ordinance  
20 until the election.

21 (c) A referendum petition may be filed at any time. However,  
22 filing a referendum petition suspends the ordinance or resolution  
23 only if the petition is filed within 60 days after the effective  
24 date of the ordinance or resolution. The suspension of the ordi-  
25 nance or resolution terminates on a finding of insufficiency of the  
26 petition or upon certification of a majority vote against repeal.

27 (d) An initiative petition is void if the assembly enacts an  
28 identical measure before the election. A referendum petition is  
29 void if the assembly repeals the ordinance or resolution in ques-

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tion before the election.

(e) The assembly may not repeal or substantially alter an ordinance enacted by initiative or enacted under (d) of this section, or reenact a measure rejected by referendum, within two years after certification of the election at which the enactment or rejection occurred.

Section 8.02. RECALL. An elected official may be recalled by the voters in the manner provided by law. A petition to place the recall of an elected official before the voters shall be signed by a number of qualified voters equal to at least 10 per cent of the voters who cast ballots in that district at the last municipal election, excluding a runoff election, at which the official was a candidate. Signers of a petition shall be residents of the municipality. A person appointed to fill a vacancy may be recalled in the same manner as his elected predecessor.

LEGISLATION

Section 9.01. INTRODUCTION AND ENACTMENT OF ORDINANCES. (a) An ordinance shall be introduced in writing in the form required by assembly rule.

(b) An ordinance may be introduced by a member of the assembly at a regular or special meeting of the assembly. Following introduction and upon approval of three members of the assembly, the clerk shall publish a notice containing the text of the ordinance or an informative summary of its contents, the time and place for a public hearing on the ordinance, and the time when and place where copies of the ordinance will be available. The public hearing shall be held at least five days after publication of the notice.

(c) An ordinance takes effect upon adoption or at a later

1 date specified in the ordinance. Ordinances shall be attested by  
2 the municipal clerk and by the mayor.

3 Section 9.02. ACTIONS REQUIRING AN ORDINANCE. In addition to  
4 other actions which require an ordinance, the assembly shall use  
5 ordinances to

- 6 (1) adopt and amend the administrative code;
- 7 (2) levy taxes;
- 8 (3) authorize borrowing of money;
- 9 (4) grant, renew or extend a franchise;
- 10 (5) regulate the rate charged by a utility of the munici-  
11 pality;
- 12 (6) provide for a fine or other penalty or establish a  
13 rule or regulation for the violation of which a fine or other  
14 penalty is imposed;
- 15 (7) adopt or amend zoning or similar land use control  
16 measures;
- 17 (8) convey or lease, or authorize the conveyance or  
18 lease, of any interest in lands of the municipality.

19 Section 9.03. EMERGENCY ORDINANCES. In case of an emergency,  
20 an ordinance may be introduced and adopted at the same meeting. An  
21 emergency ordinance shall contain a finding that an emergency  
22 exists and a statement of the facts constituting the emergency. An  
23 emergency ordinance is adopted by the affirmative vote of all  
24 members of the assembly present or of four of the total membership,  
25 whichever is less. The mayor may veto an emergency ordinance. An  
26 emergency ordinance is effective for 60 days unless sooner repealed  
27 by resolution.

28 Section 9.04. ADOPTION BY REFERENCE. The assembly, by ordi-  
29 nance, may adopt by reference a standard code of regulations or a

1 portion of the statutes of the State of Alaska. The matter adopted  
2 by reference shall be made available to the public in a manner pre-  
3 scribed by rule of the assembly.

4 Section 9.05. CODIFICATION. The assembly shall provide for  
5 the indexing and codification of all ordinances adopted by the  
6 assembly. Following adoption of the initial code, all proposed  
7 amendments shall be adopted as amendments or additions to the code.

#### 8 FINANCE

9 Section 10.01. FISCAL YEAR. The fiscal year shall start on  
10 July 1 and end on June 30 of the following year.

11 Section 10.02. CAPITAL IMPROVEMENT PROGRAM. At least 120  
12 days before the end of the fiscal year of the municipality, the  
13 mayor shall submit to the assembly, with recommendations from the  
14 planning commission, a six-year program for public services, fiscal  
15 policies and capital improvements of the municipality. The program  
16 shall include estimates of the effect of capital improvement pro-  
17 jects on maintenance, operation and personnel costs. The assembly  
18 shall hold at least two public hearings on the six-year program  
19 before its adoption.

20 Section 10.03. OPERATING AND CAPITAL BUDGET. At least 120  
21 days before the end of the fiscal year of the municipality, the  
22 mayor shall submit to the assembly proposed capital and operating  
23 budgets for the next fiscal year. The form and content of the  
24 operating and capital budgets shall be consistent with the capital  
25 improvement program. The mayor shall submit with the budgets an  
26 analysis of the fiscal implications of all tax levies and programs.

27 Section 10.04. BUDGET HEARINGS. The assembly shall hold at  
28 least two public hearings on the proposed capital and operating  
29 budgets and the appropriation ordinances for the next fiscal year,

1 including one public hearing at the next regular meeting after the  
2 budgets are submitted to the assembly and one hearing not later  
3 than 60 days before the beginning of the next fiscal year.

4 Section 10.05. ASSEMBLY ACTION ON THE MUNICIPAL BUDGETS. The  
5 assembly may increase or decrease any item, and may add or delete  
6 items, in the proposed operating or capital budgets of the munici-  
7 pality. The assembly shall approve the budgets of the municipality  
8 as amended and appropriate by ordinance the necessary funds at  
9 least 60 days before the end of the fiscal year of the municipality.  
10 If the assembly fails to approve the capital and operating budgets  
11 and to adopt the necessary appropriation ordinance within the time  
12 stated, the capital and operating budget proposal shall become the  
13 proposed budgets and appropriation ordinances for the fiscal year  
14 without further action by the assembly.

15 Section 10.06. LAPSE OF APPROPRIATIONS. At the close of the  
16 fiscal year, an unexpended appropriation shall lapse into the fund  
17 from which appropriated. An appropriation for a capital improve-  
18 ment, or an appropriation in connection with requirements of federal  
19 or state grants, shall not lapse until the purpose of the appropria-  
20 tion has been accomplished or abandoned.

21 Section 10.07. BUDGET ADMINISTRATION. (a) No payment shall  
22 be made or obligation incurred except in accordance with appropria-  
23 tions. Obligations otherwise incurred are void. The assembly, by  
24 ordinance, may provide for exceptions in the case of tax refunds or  
25 other routine payments.

26 (b) The assembly, by ordinance, may authorize a contract,  
27 lease or obligation requiring funds from future appropriations. A  
28 lease-purchase agreement with respect to the acquisition of a capi-  
29 tal improvement valued in excess of one million dollars is not

1 valid until approved by a majority of the qualified voters voting  
2 on the question.

3 Section 10.08. COMPETITIVE BIDDING. The assembly, by ordi-  
4 nance, shall provide for competitive bidding for goods and services  
5 and shall make provision for exceptions.

6 Section 10.09. FINANCIAL AUDIT. (a) The assembly shall  
7 provide for an annual independent audit of all municipal accounts  
8 by a certified public accountant. The audit shall be completed  
9 within 90 days following the close of the fiscal year.

10 (b) A contract entered into under this section shall provide  
11 that the auditor may not engage in any other consultant capacity  
12 during the audit or for a period of two years after completion of  
13 the contract for audit services.

#### 14 TAXATION

15 Section 11.01. TAXING AUTHORITY. (a) The taxing power of  
16 the municipality is vested in the assembly. The taxing power may  
17 not be surrendered, delegated, suspended, or contracted away except  
18 as provided by law.

19 (b) Private leaseholds, contracts or other interests in land  
20 or property owned or held by the United States, the state or other  
21 political subdivisions shall be taxable only to the extent of fair  
22 market value of the private interest.

23 Section 11.02. TAXING PROCEDURES. (a) The assembly, by  
24 ordinance, shall adopt procedures for assessment, levy and collec-  
25 tion of property taxes. The procedures shall provide for the  
26 assessment of property at full and true value, except as otherwise  
27 provided by law, and for notice of assessment, appeal and judicial  
28 review. Property taxes, with associated collection charges, penal-  
29 ties and interest, are first liens upon the property. Property tax

1 becomes payable on the first day of each fiscal year.

2 (b) The assembly by ordinance may adopt a sales and use tax.

3 (c) The assembly by ordinance may adopt an income tax to be  
4 collected by the applicable state department on its behalf.

5 MUNICIPAL BORROWING

6 Section 12.01. AUTHORITY. The municipality may borrow money  
7 for any public purpose and issue its evidences of indebtedness.

8 Section 12.02. LIMITATIONS. (a) No general obligation  
9 bonded indebtedness may be incurred unless authorized by the assem-  
10 bly and ratified by a majority vote of those in the municipality  
11 voting on the question, except that refunding bonds may be issued  
12 without an election.

13 (b) Tax or revenue anticipation notes shall be repaid within  
14 12 months of the date of issue. When the taxes or revenues antici-  
15 pated are not received within this time, the assembly may renew the  
16 notes for an additional period not to exceed six months.

17 Section 12.03. FORM AND MANNER OF SALE. The assembly, by  
18 ordinance, shall provide for the form and manner of sale of bonds  
19 and notes. The sale of bonds and notes to financial consultants of  
20 the municipality is prohibited.

21 Section 12.04. PROCEEDS FROM THE SALE OF OBLIGATIONS. Pro-  
22 ceeds derived from the sale of obligations shall be used solely for  
23 the purposes for which the obligations were issued or for the  
24 payment of principal or interest or other charges with respect to  
25 the obligations.

26 SERVICE AREAS AND ASSESSMENT DISTRICTS

27 Section 13.01. SERVICE AREAS. (a) A service area to provide  
28 a special service within a borough may be established, operated,  
29 altered or abolished by the assembly by ordinance.

1 (b) The assembly, by ordinance, shall adopt procedures for  
2 establishing, altering, abolishing or operating service areas.  
3 Services provided in a service area shall be financed by a uniform  
4 tax levy within the area.

5 (c) The assembly may provide for appointed or elected boards  
6 to supervise the furnishing of special services in a service area.

7 Section 13.02. ASSESSMENT DISTRICTS. (a) The assembly, by  
8 ordinance, may establish assessment districts to provide and  
9 finance capital improvements by means of an assessment, or services  
10 by means of a tax levy, and shall prescribe criteria for allocating  
11 the cost of improvement or service within an assessment district.

12 (b) An assessment district may be established or extended  
13 only with the approval of property owners who would bear the cost  
14 of more than 50 percent of the estimated cost of the improvement or  
15 service. An assessment district established to finance a capital  
16 improvement may be dissolved by assembly resolution at any time  
17 after the district's share of the cost of the improvement has been  
18 paid. An assessment district established to finance a service may  
19 not be dissolved without the approval of the property owners who  
20 bear more than 50 percent of the cost of providing the service.

21 (c) A special assessment for capital improvements, with  
22 interest and collection charges, is a lien on property assessed,  
23 second only to property taxes and prior special assessments.

24 (d) An account or accounts for each special assessment dis-  
25 trict shall be established and maintained separate from all other  
26 municipal accounts. Revenues collected within a special assessment  
27 district may be applied only to costs incurred with respect to that  
28 assessment district.

29 GENERAL PROVISIONS

1           Section 14.01. CONFLICT OF INTEREST. An elected municipal  
2 official may not participate in any official action in which he or  
3 a member of his household has a substantial financial interest  
4 unless after disclosure of the interest the member's participation  
5 is approved by a majority of the body. The assembly, by ordinance,  
6 shall implement this section as to elected officials and members of  
7 boards and commissions and shall adopt procedures dealing with  
8 conflict of interest on the part of municipal employees.

9           Section 14.02. PROHIBITIONS. (a) Except where authorized by  
10 ordinance, an elected official of the municipality may hold no  
11 other compensated municipal office or employment or elected posi-  
12 tion under the state or municipality while in office.

13           (b) For a period of one year after he leaves office, no  
14 member of the assembly or school board may hold compensated munici-  
15 pal office or employment which was established, or the salary or  
16 benefits of which were specially increased, during the last year in  
17 office by the body of which he was a member. The provisions of  
18 this subsection do not apply to employment by or election to a  
19 charter commission.

20           Section 14.03. PUBLIC MEETINGS. All meetings of the assem-  
21 bly, school board, and other boards and commissions shall be public.  
22 The assembly, by ordinance, shall adopt procedures for maximum  
23 reasonable public notice of all meetings. At each meeting the  
24 public shall have reasonable opportunity to be heard. An executive  
25 session may be held to discuss pending litigation or any matter the  
26 immediate public knowledge of which would tend to affect adversely  
27 the finances of the municipality or to defame or prejudice the  
28 character or reputation of any person. The general matter for  
29 consideration in executive session shall be expressed in the motion

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calling for the session. No official action may be taken in executive session.

Section 14.04. CLAIMS. The assembly, by ordinance, shall provide for the administration of claims against it.

Section 14.05. OATHS OF OFFICE. Each municipal officer, before taking office, shall take and subscribe to the following oath or affirmation: "I solemnly swear (or affirm) that I will support and defend the Constitution of the United States, the Constitution of the State of Alaska, and the charter of this municipality, and that I will faithfully perform the duties of .....  
.....to the best of my ability."

Section 14.06. CONTINUATION IN OFFICE. Each elected official shall continue to serve until his successor qualifies and takes office.

TRANSITION

Section 15.01. INITIAL TERMS OF MEMBERS OF ASSEMBLY. Assembly seats A and D shall be designated two-year seats. Assembly seats B and C shall be designated three-year seats. Candidates for the initial municipal assembly shall designate in the declaration of candidacy or other form of nomination the letter of the seat for which election is sought.

Section 15.02. ORGANIZATION OF COMBINED ASSEMBLY-SCHOOL BOARD. Members of the assembly-school board first elected under the provisions of this charter shall take office in accordance with AS 29.68.460(d).

Section 15.03. ORGANIZATIONS AND INSTITUTIONS CONTINUED. Special assessment districts, service areas, and regulatory and advisory boards and commissions existing within municipalities on the effective date of unification under this charter continue to

1 function until altered in accordance with this charter.

2 Section 15.04. TRANSITIONAL BUDGET. The municipality shall  
3 operate under the governments of the municipalities to be unified  
4 until a municipal budget is adopted in accordance with this charter.

5 Section 15.05. EMPLOYMENT CONTINUED. All employees of govern-  
6 ments being unified shall continue in employment until the assembly  
7 adopts by ordinance an administrative code. Current employees of  
8 the former governments may be terminated, upon unification, only  
9 for cause. Salaries and benefits enjoyed under employment by the  
10 former municipalities shall continue until the new code is effec-  
11 tive. Pension plans, collective bargaining agreements, and similar  
12 benefits shall not be diminished by unification under this charter.

13 Section 15.06. EMPLOYEE RETIREMENT. The municipality shall  
14 join the Public Employees' Retirement System of Alaska, and all  
15 prior services in local government shall be credited to each  
16 employee at no cost to the employee.

17 Sec. 29.68.480. ELECTION OF CHARTER COMMISSION. If unification is  
18 approved in the manner required by AS 14.08.071(d), the assembly of the  
19 streamlined borough shall, not later than 90 days before the first  
20 regular election of the unified municipality, adopt a resolution calling  
21 for a charter commission election in accordance with AS 29.13.010.

22 Sec. 29.68.485. POWERS OF A UNIFIED MUNICIPALITY. A municipality  
23 organized under AS 14.08.071(d) shall have all powers

24 (1) not prohibited it by law or by the charter set out in  
25 AS 29.68.475;

26 (2) granted to organized boroughs and first class cities.

27 \* Sec. 6. AS 29.13 is amended by adding a new section to article 1 to  
28 read:

29 Sec. 29.13.090. ASSEMBLY MAY SERVE AS SCHOOL BOARD. The charter

1 commission elected to prepare a charter under the provisions of this  
2 chapter within a unified municipality established in accordance with  
3 AS 29.68.475 - 29.68.485 may provide that the borough mayor and assembly  
4 shall serve as the school board. If the proposed charter provides that  
5 the assembly serve as the school board, the assembly, by ordinance,  
6 shall determine the manner of choosing members to serve as the officers  
7 of the school board from among the members of the assembly.

8 \* Sec. 7. AS 29.68 is amended by adding new sections to article 3 to  
9 read:

10 ARTICLE 3. UNIFICATION OF LOCAL GOVERNMENTS.

11 Sec. 29.68.201. UNIFICATION OF LOCAL GOVERNMENTS AUTHORIZED. An  
12 organized borough or a streamlined borough incorporated under AS 14.08.-  
13 071(d) and all cities within the borough may unite to form a single unit  
14 of home rule local government by complying with the provisions of AS 29.-  
15 68.201 - 29.68.251.

16 Sec. 29.68.211. UNIFICATION PROPOSALS. (a) Unification of local  
17 governments authorized by AS 29.68.201 shall be proposed by resolution  
18 of the borough assembly. The resolution shall read:

19 "Shall the .....Borough and all cities within  
20 it unite as a single unit of home rule government having the powers,  
21 duties and functions of a unified government as authorized by law?

22 Yes [ ] No [ ]"

23 (b) The assembly of each general law borough and each home rule  
24 borough shall place the proposition set out in (a) of this section on  
25 the ballot at the first regular election which occurs more than 90 days  
26 after the effective date of this Act and at the regular election of the  
27 borough occurring every two years thereafter.

28 Sec. 29.68.221. ELECTION. (a) After adoption of a resolution for  
29 the purpose, the borough assembly shall submit to the voters the question

1 of whether the borough and all cities within it shall unite to form a  
2 single unit of home rule government. The election shall be held at the  
3 next regular borough election scheduled at least 60 days after receipt  
4 of the valid petition or adoption of the resolution by the borough  
5 assembly.

6 (b) The ballot proposition on the question of unification shall be  
7 worded exactly as in AS 29.68.211(a).

8 (c) The election on the unification proposition shall be conducted  
9 in accordance with the election code of the borough. All costs incurred  
10 in the conduct of a vote on the proposition shall be paid by the borough.

11 (d) If a majority of those voting on the question favors unifica-  
12 tion, the home rule charter set out in AS 29.68.251 takes effect on  
13 July 1 next following the election in which unification was approved.  
14 The charter operates to dissolve all local governments within the area  
15 of unification.

16 Sec. 29.68.231. ELECTION OF INITIAL MUNICIPAL OFFICIALS. If  
17 unification is approved in the manner required by AS 29.68.221, the  
18 borough assembly shall provide for the first election of municipal  
19 officials. The election of officials shall conform to provisions of the  
20 home rule charter set out in AS 29.68.251. The election shall take  
21 place not less than 45 nor more than 60 days after the date of certifi-  
22 cation of the results of the unification election. The election of  
23 municipal officials shall be conducted in accordance with the election  
24 code of the borough. All costs incurred in conducting the election  
25 required by this section shall be paid by the borough.

26 Sec. 29.68.241. EFFECT OF UNIFICATION. (a) A municipality estab-  
27 lished by unification succeeds to all the assets and liabilities of the  
28 local governments it unified. A bonded indebtedness or other debt  
29 incurred before unification shall remain the tax obligation of the area

1 which contracted the debt, except that the tax obligation may be spread  
2 over a larger area by ordinance if the governing body determines that  
3 the asset for which the bonded indebtedness or other debt was incurred  
4 was used for the benefit of the larger area before unification, or is so  
5 used after unification.

6 (b) All provisions of law authorizing contributions of any kind,  
7 in money or otherwise, from the state or federal government to boroughs  
8 and cities shall remain in full force and effect with respect to a  
9 unified municipality organized under AS 29.68.201 - 29.68.251.

10 (c) Within two years after the effective date of unification, the  
11 governing body of the unified municipality shall revise, repeal, or re-  
12 affirm all borough and city ordinances, resolutions and orders in force  
13 within the borough at the time of unification. Each ordinance, resolu-  
14 tion or order in force at the time of unification shall remain in force  
15 until superseded by action of the governing body of the unified munici-  
16 pality.

17 Sec. 29.68.251. GENERAL HOME RULE CHARTER FOR UNIFIED MUNICIPALITY.  
18 Until superseded by a home rule charter adopted in the manner prescribed  
19 in AS 29.13.010 - 29.13.090, the following shall operate as the home  
20 rule charter of a municipality organized under AS 29.68.201 - 29.68.251:

21 NAME AND BOUNDARIES

22 Section 1.01. NAME OF MUNICIPALITY. The municipality shall  
23 be a municipal corporation known as (INSERT THE NAME OF THE MUNICI-  
24 PALITY).

25 Section 1.02. BOUNDARIES. The boundaries of the municipality  
26 shall include all areas within the former borough on the effective  
27 date of this charter. The boundaries may be altered in the manner  
28 provided by law.

29 POWERS



1 shall have power to subpoena witnesses, administer oaths, take  
2 testimony, and require the production of evidence. A qualified  
3 voter may appeal to the superior court for review of a decision of  
4 the assembly under this section.

5 Section 3.04. PRESIDING OFFICER, MEETINGS AND PROCEDURES.

6 (a) The assembly shall elect annually from its membership a pre-  
7 siding officer known as the "chairman". The chairman shall serve  
8 at the pleasure of the assembly.

9 (b) The assembly shall meet in regular session at least twice  
10 each month. The mayor, chairman of the assembly, or any four  
11 members of the assembly may call special meetings.

12 (c) The assembly, by ordinance, shall determine its own rules  
13 and order of business, including provision for reasonable notice to  
14 the public and to all assemblymen of regular and special meetings.  
15 The assembly shall maintain a journal of its proceedings as a  
16 public record.

17 (d) Four members of the assembly constitute a quorum; however,  
18 a smaller number may recess from time to time and compel the atten-  
19 dance of absent members as prescribed by assembly rule.

20 Section 3.05. MUNICIPAL CLERK. The assembly shall appoint a  
21 municipal clerk and prescribe the duties of that office. The clerk  
22 serves at the pleasure of the assembly.

23 Section 3.06. STAFF. Pursuant to ordinance, the assembly may  
24 engage legal counsel, other professional advisers, and staff as it  
25 requires in the execution of its legislative functions.

26 THE EXECUTIVE BRANCH

27 Section 4.01. THE OFFICE OF THE MAYOR. (a) The executive  
28 and administrative power of the municipality is vested in the  
29 mayor. The mayor is elected at large for a three-year term.

1 (b) A candidate for the office of mayor shall be a qualified  
2 voter of the municipality and a resident of the municipality for at  
3 least one year immediately preceding his election.

4 (c) The mayor shall remain a resident of the municipality  
5 while in office.

6 (d) The compensation of the mayor shall be determined by the  
7 assembly by ordinance and may not be reduced during his term of  
8 office without his consent.

9 Section 4.02. POWERS. (a) The mayor shall appoint all heads  
10 of municipal departments, subject to confirmation by the assembly,  
11 on the basis of professional qualification. Persons appointed by  
12 the mayor serve at the pleasure of the mayor.

13 (b) The mayor may participate in all assembly meetings to the  
14 same extent as an assembly member, but may not vote.

15 (c) The mayor has the veto power. The veto must be exercised  
16 and submitted to the assembly with a written explanation within 10  
17 days of passage of the ordinance affected. The assembly, by vote  
18 of six members, may override a veto any time within 30 days after  
19 its exercise.

20 Section 4.03. MUNICIPAL ATTORNEY. There shall be a municipal  
21 attorney, appointed by the mayor and confirmed by the assembly.  
22 The attorney serves at the pleasure of the mayor. The attorney  
23 shall advise and assist the municipal government on legal matters.

24 Section 4.04. MUNICIPAL OFFICERS. The municipal clerk and  
25 other officers of the municipality are appointed by the mayor or by  
26 the assembly, as determined by ordinance. Officers serve at the  
27 pleasure of the appointing authority. Appointments by the mayor  
28 are subject to confirmation by the governing body.

29 Section 4.05. ADMINISTRATIVE CODE. The assembly, by ordi-

1 nance, shall adopt an administrative code providing for

2 (1) the identity, function and responsibility of each  
3 executive department;

4 (2) rules of practice and procedure governing adminis-  
5 trative proceedings; and

6 (3) personnel policies and rules preserving the merit  
7 principle of employment.

8 Sec. 4.06. BOARDS AND COMMISSIONS. (a) The assembly, by  
9 ordinance, may provide for advisory, regulatory or appellate boards  
10 or commissions. The ordinance shall prescribe the duties, terms  
11 and qualifications of members.

12 (b) Unless otherwise specifically provided in this charter,  
13 the mayor shall appoint members of boards and commissions. Appoint-  
14 ments are subject to confirmation by the assembly.

15 (c) Boards and commissions may make recommendations to the  
16 assembly, the mayor and heads of executive departments on matters  
17 specified in the ordinance creating the board or commission.

18 (d) The assembly, by ordinance, may create or designate  
19 itself to be a board of review, adjustment or equalization. The  
20 ordinance shall prescribe the rules of procedure, including quorum  
21 and voting requirements.

22 EDUCATION

23 Section 5.01. PUBLIC SCHOOL SYSTEM. The system of public  
24 schools for the municipality shall be operated by a school board of  
25 seven persons elected at large. Seats shall be designated by  
26 letter.

27 Section 5.02. QUALIFICATIONS, TERM AND COMPENSATION. (a) A  
28 candidate for school board shall be a qualified municipal voter,  
29 and a resident of the municipality for one year immediately preced-

1 ing the election. A school board member shall serve a three-year  
2 term and shall remain a resident of the municipality while in  
3 office.

4 (b) The compensation of members of the school board shall be  
5 determined by the assembly by ordinance.

6 Section 5.03. POWERS. The school board has the powers pro-  
7 vided by law, including but not limited to, the power to

8 (1) formulate policy for the operation of the schools;

9 (2) appoint and provide for suspension and removal of  
10 school personnel, including the superintendent;

11 (3) serve as a board of personnel appeals; and

12 (4) generally supervise school district fiscal affairs,  
13 including the preparation and submission of the annual budget and  
14 capital construction program.

15 Section 5.04. JOINT CONFERENCES. The assembly and school  
16 board shall meet at least twice yearly in public session to discuss  
17 and coordinate financial planning, capital improvement needs, the  
18 comprehensive plan, and other matters of mutual concern.

19 Section 5.05. BUDGET AND CAPITAL CONSTRUCTION PLAN. (a) The  
20 superintendent of schools shall submit to the school board at such  
21 time as the board directs a proposed budget for the next fiscal  
22 year and a proposed six-year program for capital improvements and  
23 fiscal policies. The board shall hold at least one public hearing  
24 on the proposed budget and program before submitting them to the  
25 assembly, and at least one public hearing after assembly action if  
26 the total amount is different. The proposed budget and program  
27 shall be approved and submitted to the assembly at least 90 days  
28 before the end of the current fiscal year of the school district.

29 (b) The assembly may increase or decrease the budget of the

1 school district only as to total amount.

2 (c) The assembly shall approve the budget of the school dis-  
3 trict as amended and appropriate the necessary funds at least 60  
4 days before the end of the fiscal year of the school district. If  
5 the assembly fails to approve the school district budget and make  
6 the necessary appropriation within the time stated, the budget pro-  
7 posal shall become the budget and appropriation for the fiscal year  
8 of the school district without further assembly action.

9 PLANNING

10 Section 6.01. PLANNING COMMISSION. There shall be a planning  
11 commission consisting of seven members who shall be appointed by  
12 the mayor from among the qualified voters of the municipality.

13 Section 6.02. TERM AND COMPENSATION. (a) The assembly, by  
14 ordinance, shall prescribe the terms of office of the members of  
15 the planning commission.

16 (b) The compensation of the members of the planning commis-  
17 sion shall be determined by the assembly by ordinance. The mayor  
18 shall budget for staff assistance and support of the commission.

19 Section 6.03. DUTIES. The planning commission shall

20 (1) report its recommendations and advice to the assem-  
21 bly on all proposals submitted to it by the assembly and on such  
22 other matters pertaining to planning and zoning as the commission  
23 may desire or the assembly may request;

24 (2) formulate and develop planning proposals for sub-  
25 mission to the assembly whenever requested to do so by the assembly  
26 or upon its own motion;

27 (3) promote public interest in, and understanding of,  
28 the municipal comprehensive plan and related matters;

29 (4) perform other advisory functions and duties and

1 exercise other powers as the assembly may establish or which are  
2 prescribed by law.

3 Section 6.04. COMPREHENSIVE PLAN. There shall be a compre-  
4 hensive plan that shall serve as a guide to all future assembly  
5 action concerning land use and development regulations, urban re-  
6 newal programs, and expenditures for capital improvements.

7 VACANCIES IN ELECTIVE OFFICE

8 Section 7.01. DETERMINING VACANCIES. (a) An elective office  
9 becomes vacant if the incumbent

10 (1) ceases to meet the qualifications prescribed for the  
11 office by this charter;

12 (2) resigns;

13 (3) dies;

14 (4) is judicially determined to be incompetent;

15 (5) is convicted of a felony;

16 (6) is removed from office for breach of public trust;

17 or

18 (7) is recalled.

19 (b) Proceedings for the removal of an elected official for  
20 breach of the public trust may be initiated by a majority of all  
21 members of the assembly or, if the removal involves a member of the  
22 school board, by a majority of all members of the school board.  
23 The assembly, by ordinance, shall establish procedures for removal  
24 of elected officials for breach of the public trust, including  
25 provision for notice, a complete statement of the charge, a public  
26 hearing conducted by an impartial hearing officer, and judicial  
27 review. Removal must be approved by two-thirds of the authorized  
28 membership of the assembly or school board, as applicable.

29 Section 7.02. FILLING VACANCIES IN ELECTIVE OFFICE. (a) If

1 a vacancy occurs on the assembly or the school board, the remaining  
2 members shall appoint a qualified person to fill the vacancy within  
3 30 days. The person appointed shall serve until the next regular  
4 election, at which time a successor shall be elected to serve the  
5 balance of the term. If less than 30 days remain in a term when a  
6 vacancy occurs, the vacancy shall not be filled. However, if at  
7 any time membership is reduced to fewer than a quorum, the remain-  
8 ing members, within seven days, shall appoint a number of qualified  
9 persons sufficient to constitute a quorum.

10 (b) A vacancy in the office of mayor shall be filled at a  
11 regular or special election held not less than 45 days nor more  
12 than 90 days from the time the vacancy occurs. If less than 45  
13 days remain in the term when the vacancy occurs, the vacancy shall  
14 not be filled. When a vacancy occurs in the office of mayor, the  
15 chairman of the assembly shall serve as the acting mayor until a  
16 successor is elected and takes office. The acting mayor has the  
17 veto power, but may not vote on assembly action. The assembly, by  
18 ordinance, shall provide for further succession to the office of  
19 acting mayor.

#### 20 INITIATIVE, REFERENDUM AND RECALL

21 Section 8.01. INITIATIVE AND REFERENDUM. (a) The powers of  
22 initiative and referendum are reserved for exercise by the people  
23 of the municipality in the manner provided by law. The powers of  
24 initiative and referendum do not apply to ordinances establishing  
25 budgets, fixing mill levies, authorizing the issuance of bonds, or  
26 appropriating funds. A petition for initiative or referendum shall  
27 be signed by a number of qualified voters equal to at least 10 per-  
28 cent of the voters who cast ballots in the last regular mayoral  
29 election.

1 (b) Within 10 days of the filing of a petition for initiative  
2 or referendum, the municipal clerk shall certify on the petition  
3 whether or not it is sufficient. An initiative shall be submitted  
4 to the voters at the next regular election held at least 45 days  
5 after certification of the petition. A referendum shall be sub-  
6 mitted to the voters at a regular or special election held not  
7 later than 75 days after certification of the petition. However,  
8 the assembly may submit a referendum to the voters at a later  
9 regular or special election if the assembly suspends the ordinance  
10 until the election.

11 (c) A referendum petition may be filed at any time. However,  
12 filing a referendum petition suspends the ordinance or resolution  
13 only if the petition is filed within 60 days after the effective  
14 date of the ordinance or resolution. The suspension of the ordi-  
15 nance or resolution terminates on a finding of insufficiency of the  
16 petition or upon certification of a majority vote against repeal.

17 (d) An initiative petition is void if the assembly enacts an  
18 identical measure before the election. A referendum petition is  
19 void if the assembly repeals the ordinance or resolution in ques-  
20 tion before the election.

21 (e) The assembly may not repeal or substantially alter an  
22 ordinance enacted by initiative or enacted under (d) of this sec-  
23 tion, or reenact a measure rejected by referendum, within two years  
24 after certification of the election at which the enactment or  
25 rejection occurred.

26 Section 8.02. RECALL. An elected official may be recalled by  
27 the voters in the manner provided by law. A petition to place the  
28 recall of an elected official before the voters shall be signed by  
29 a number of qualified voters equal to at least 10 per cent of the

1 voters who cast ballots in that district at the last municipal  
2 election, excluding a runoff election, at which the official was a  
3 candidate. Signers of a petition shall be residents of the municipi-  
4 pality. A person appointed to fill a vacancy may be recalled in  
5 the same manner as his elected predecessor.

#### 6 LEGISLATION

7 Section 9.01. INTRODUCTION AND ENACTMENT OF ORDINANCES. (a)  
8 An ordinance shall be introduced in writing in the form required by  
9 assembly rule.

10 (b) An ordinance may be introduced by a member of the assem-  
11 bly at a regular or special meeting of the assembly. The mayor may  
12 cause an ordinance to be introduced. Following introduction and  
13 upon approval of three members of the assembly, the clerk shall  
14 publish a notice containing the text of the ordinance or an infor-  
15 mative summary of its contents, the time and place for a public  
16 hearing on the ordinance, and the time when and place where copies  
17 of the ordinance will be available. The public hearing shall be  
18 held at least five days after publication of the notice.

19 (c) An ordinance takes effect upon adoption or at a later  
20 date specified in the ordinance. Ordinances shall be attested by  
21 the municipal clerk and by the chairman of the assembly.

22 Section 9.02. ACTIONS REQUIRING AN ORDINANCE. In addition to  
23 other actions which require an ordinance, the assembly shall use  
24 ordinances to

- 25 (1) adopt and amend the administrative code;
- 26 (2) levy taxes;
- 27 (3) authorize borrowing of money;
- 28 (4) grant, renew or extend a franchise;
- 29 (5) regulate the rate charged by a utility of the municipi-

1           pality;

2                   (6) provide for a fine or other penalty or establish a  
3 rule or regulation for the violation of which a fine or other  
4 penalty is imposed;

5                   (7) adopt or amend zoning or similar land use control  
6 measures;

7                   (8) convey or lease, or authorize the conveyance or  
8 lease, of any interest in lands of the municipality.

9           Section 9.03. EMERGENCY ORDINANCES. In case of an emergency,  
10 an ordinance may be introduced and adopted at the same meeting. An  
11 emergency ordinance shall contain a finding that an emergency  
12 exists and a statement of the facts constituting the emergency. An  
13 emergency ordinance is adopted by the affirmative vote of all  
14 members of the assembly present or of three-fourths of the total  
15 membership, whichever is less. The mayor may veto an emergency  
16 ordinance. An emergency ordinance is effective for 60 days unless  
17 sooner repealed by resolution.

18           Section 9.04. ADOPTION BY REFERENCE. The assembly, by ordi-  
19 nance, may adopt by reference a standard code of regulations or a  
20 portion of the statutes of the State of Alaska. The matter adopted  
21 by reference shall be made available to the public in a manner pre-  
22 scribed by rule of the assembly.

23           Section 9.05. CODIFICATION. The assembly shall provide for  
24 the indexing and codification of all ordinances adopted by the  
25 assembly. Following adoption of the initial code, all proposed  
26 amendments shall be adopted as amendments or additions to the code.

27                                   **FINANCE**

28           Section 10.01. FISCAL YEAR. The fiscal year shall start on  
29 July 1 and end on June 30 of the following year.

1 Section 10.02. CAPITAL IMPROVEMENT PROGRAM. At least 120  
2 days before the end of the fiscal year of the municipality, the  
3 mayor shall submit to the assembly, with recommendations from the  
4 planning commission, a six-year program for capital improvements of  
5 the municipality. The program shall include estimates of the  
6 effect of capital improvement projects on maintenance, operation  
7 and personnel costs. The assembly shall hold at least two public  
8 hearings on the six-year program before its adoption.

9 Section 10.03. OPERATING AND CAPITAL BUDGET. At least 120  
10 days before the end of the fiscal year of the municipality, the  
11 mayor shall submit to the assembly proposed capital and operating  
12 budgets for the next fiscal year. The form and content of the  
13 operating and capital budgets shall be consistent with the capital  
14 improvement program. The mayor shall submit with the budgets an  
15 analysis of the fiscal implications of all tax levies and programs.

16 Section 10.04. BUDGET HEARINGS. The assembly shall hold at  
17 least two public hearings on the proposed capital and operating  
18 budgets for the next fiscal year, including one public hearing at  
19 the next regular meeting after the budgets are submitted to the  
20 assembly and one hearing not later than 60 days before the begin-  
21 ning of the next fiscal year.

22 Section 10.05. ASSEMBLY ACTION ON THE MUNICIPAL BUDGETS. The  
23 assembly may increase or decrease any item, and may add or delete  
24 items, in the proposed operating or capital budgets of the munici-  
25 pality. The assembly shall approve the budgets of the municipality  
26 as amended and by ordinance appropriate the necessary funds at  
27 least 60 days before the end of the fiscal year of the municipality.  
28 If the assembly fails to approve the capital and operating budgets  
29 and to adopt the necessary appropriation ordinance within the time

1 stated, the budget proposals shall become the proposed budgets and  
2 appropriation ordinances for the fiscal year without further action  
3 by the assembly.

4 Section 10.06. LAPSE OF APPROPRIATIONS. At the close of the  
5 fiscal year, an unexpended appropriation shall lapse into the fund  
6 from which appropriated. An appropriation for a capital improve-  
7 ment, or an appropriation in connection with requirements of federal  
8 or state grants, shall not lapse until the purpose of the appropria-  
9 tion has been accomplished or abandoned.

10 Section 10.07. BUDGET ADMINISTRATION. (a) No payment shall  
11 be made or obligation incurred except in accordance with appropria-  
12 tions. Obligations otherwise incurred are void. The assembly, by  
13 ordinance, may provide for exceptions in the case of tax refunds or  
14 other routine payments.

15 (b) The assembly, by ordinance, may authorize a contract,  
16 lease or obligation requiring funds from future appropriations. A  
17 lease-purchase agreement with respect to the acquisition of a capi-  
18 tal improvement valued in excess of one million dollars is not  
19 valid until approved by a majority of the qualified voters voting  
20 on the question.

21 Section 10.08. COMPETITIVE BIDDING. The assembly, by ordi-  
22 nance, shall provide for competitive bidding for goods and services  
23 and shall make provision for exceptions.

24 Section 10.09. FINANCIAL AUDIT. (a) The assembly shall  
25 provide for an annual independent audit of all municipal accounts  
26 by a certified public accountant. The audit shall be completed  
27 within 90 days following the close of the fiscal year.

28 (b) A contract entered into under this section shall provide  
29 that the auditor may not engage in any other consultant capacity

1 during the audit or for a period of two years after completion of  
2 the contract for audit services.

3 TAXATION

4 Section 11.01. TAXING AUTHORITY. (a) The taxing power of  
5 the municipality is vested in the assembly. The taxing power may  
6 not be surrendered, delegated, suspended, or contracted away except  
7 as provided by law.

8 (b) Private leaseholds, contracts or other interests in land  
9 or property owned or held by the United States, the state or other  
10 political subdivisions shall be taxable only to the extent of fair  
11 market value of the private interest.

12 Section 11.02. TAXING PROCEDURES. (a) The assembly, by  
13 ordinance, shall adopt procedures for tax assessment, levy and  
14 collection of property taxes. The procedures shall provide for the  
15 assessment of property at full and true value, except as otherwise  
16 provided by law, and for notice of assessment, appeal and judicial  
17 review. Property taxes, with associated collection charges, penal-  
18 ties and interest, are first liens upon the property.

19 (b) The assembly by ordinance may adopt a sale and use tax.

20 MUNICIPAL BORROWING

21 Section 12.01. AUTHORITY. The municipality may borrow money  
22 for any public purpose and issue its evidences of indebtedness.

23 Section 12.02. LIMITATIONS. (a) No general obligation  
24 bonded indebtedness may be incurred unless authorized by the assem-  
25 bly and ratified by a majority vote of those in the municipality  
26 voting on the question, except that refunding bonds may be issued  
27 without an election.

28 (b) Tax or revenue anticipation notes shall be repaid within  
29 12 months of the date of issue. When the taxes or revenues antici-

1 pated are not received within this time, the assembly may renew the  
2 notes for an additional period not to exceed six months.

3 Section 12.03. FORM AND MANNER OF SALE. The assembly, by  
4 ordinance, shall provide for the form and manner of sale of bonds  
5 and notes. The sale of bonds and notes to financial consultants of  
6 the municipality is prohibited.

7 Section 12.04. PROCEEDS FROM THE SALE OF OBLIGATIONS. Pro-  
8 ceeds derived from the sale of obligations shall be used solely for  
9 the purposes for which the obligations were issued or for the  
10 payment of principal or interest or other charges with respect to  
11 the obligations.

#### 12 SERVICE AREAS AND ASSESSMENT DISTRICTS

13 Section 13.01. SERVICE AREAS. (a) A service area to provide  
14 a special service within a borough may be established, operated,  
15 altered or abolished by the assembly by ordinance.

16 (b) The assembly, by ordinance, shall adopt procedures for  
17 establishing, altering, abolishing or operating service areas.  
18 Services provided in a service area shall be financed by a uniform  
19 tax levy within the area.

20 (c) The assembly may provide for appointed or elected boards  
21 to supervise the furnishing of special services in a service area.

22 Section 13.02. ASSESSMENT DISTRICTS. (a) The assembly, by  
23 ordinance, may establish assessment districts to provide and  
24 finance capital improvements by means of an assessment, or services  
25 by means of a tax levy, and shall prescribe criteria for allocating  
26 the cost of improvement or service within an assessment district.

27 (b) An assessment district may be established or extended  
28 only with the approval of property owners who would bear the cost  
29 of more than 50 percent of the estimated cost of the improvement or

1 service. An assessment district established to finance a capital  
2 improvement may be dissolved by assembly resolution at any time  
3 after the district's share of the cost of the improvement has been  
4 paid. An assessment district established to finance a service may  
5 not be dissolved without the approval of the property owners who  
6 bear more than 50 percent of the cost of providing the service.

7 (c) A special assessment for capital improvements, with  
8 interest and collection charges, is a lien on property assessed,  
9 second only to property taxes and prior special assessments.

10 (d) An account or accounts for each special assessment dis-  
11 trict shall be established and maintained separate from all other  
12 municipal accounts. Revenues collected within a special assessment  
13 district may be applied only to costs incurred with respect to that  
14 assessment district.

#### 15 GENERAL PROVISIONS

16 Section 14.01. CONFLICT OF INTEREST. An elected municipal  
17 official may not participate in any official action in which he or  
18 a member of his household has a substantial financial interest  
19 unless after disclosure of the interest the member's participation  
20 is approved by a majority of the body. The assembly, by ordinance,  
21 shall implement this section as to elected officials and members of  
22 boards and commissions and shall adopt procedures dealing with  
23 conflict of interest on the part of municipal employees.

24 Section 14.02. PROHIBITIONS. (a) Except where authorized by  
25 ordinance, an elected official of the municipality may hold no  
26 other compensated municipal office or employment; or elected posi-  
27 tion under the state or municipality while in office.

28 (b) For a period of one year after he leaves office, no  
29 member of the assembly or school board may hold compensated municipi-

1 pal office or employment which was established, or the salary or  
2 benefits of which were specially increased, during the last year in  
3 office by the body of which he was a member. The provisions of  
4 this subsection do not apply to employment by or election to a  
5 charter commission.

6 Section 14.03. PUBLIC MEETINGS. All meetings of the assem-  
7 bly, school board, and other boards and commissions shall be public.  
8 The assembly, by ordinance, shall adopt procedures for maximum  
9 reasonable public notice of all meetings. At each meeting the  
10 public shall have reasonable opportunity to be heard. An executive  
11 session may be held to discuss pending litigation or any matter the  
12 immediate public knowledge of which would tend to affect adversely  
13 the finances of the municipality or to defame or prejudice the  
14 character or reputation of any person. The general matter for  
15 consideration in executive session shall be expressed in the motion  
16 calling for the session. No official action may be taken in execu-  
17 tive session.

18 Section 14.04. CLAIMS. The assembly, by ordinance, shall  
19 provide for the administration of claims against it.

20 Section 14.05. OATHS OF OFFICE. Each municipal officer,  
21 before taking office, shall take and subscribe to the following  
22 oath or affirmation: "I solemnly swear (or affirm) that I will  
23 support and defend the Constitution of the United States, the  
24 Constitution of the State of Alaska, and the charter of this munic-  
25 ipality, and that I will faithfully perform the duties of .....  
26 .....to the best of my ability."

27 Section 14.06. CONTINUATION IN OFFICE. Each elected official  
28 shall continue to serve until his successor qualifies and takes  
29 office.

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TRANSITION

Section 15.01. INITIAL TERMS OF MEMBERS OF ASSEMBLY. Assembly seats A, D and G shall be designated one-year seats. Assembly seats B and E shall be designated two-year seats. Assembly seats C and F shall be designated three-year seats. Candidates for the initial municipal assembly shall designate in the declaration of candidacy or other form of nomination the letter of the seat for which election is sought.

Section 15.02. INITIAL TERMS OF SCHOOL BOARD MEMBERS. School board seats A and D shall be designated one-year seats. School board seats B, E and G shall be designated two-year seats. School board seats C and F shall be designated three-year seats. Candidates for the initial school board shall designate in the declaration of candidacy or other form of nomination the letter of the seat for which election is sought.

Section 15.03. ORGANIZATION OF ASSEMBLY AND SCHOOL BOARD. Members of the assembly and school board first elected under the provisions of this charter shall take office in accordance with AS 29.68.221(d).

Section 15.04. ORGANIZATIONS AND INSTITUTIONS CONTINUED. Special assessment districts, service areas, and regulatory and advisory boards and commissions existing within municipalities on the effective date of unification under this charter continue to function until altered in accordance with this charter.

Section 15.05. TRANSITIONAL BUDGET. The municipality shall operate under the governments of the municipalities to be unified until a municipal budget is adopted in accordance with this charter.

Section 15.06. EMPLOYMENT CONTINUED. All employees of governments being unified shall continue in employment until the assembly

1           adopts by ordinance an administrative code. Current employees of  
2           the former governments may be terminated, upon unification, only  
3           for cause. Salaries and benefits enjoyed under employment by the  
4           former municipalities shall continue until the new code is effec-  
5           tive. Pension plans, collective bargaining agreements, and similar  
6           benefits shall not be diminished by unification under this charter.

7           Sec. 29.68.261. ELECTION OF CHARTER COMMISSION. If unification is  
8           approved in the manner required by AS 29.68.221, the assembly of the  
9           unified municipality shall, not later than 90 days before the first  
10          regular election of the unified municipality, adopt a resolution calling  
11          for a charter commission election in accordance with AS 29.13.010.

12          Sec. 29.68.271. POWERS OF A UNIFIED MUNICIPALITY. A municipality  
13          organized under AS 29.68.201 - 29.68.251 shall have all powers

14                 (1) not prohibited it by law or the charter set out in sec.  
15                 251 of this chapter;

16                 (2) granted to organized boroughs and first class cities.

17          \* Sec. 8. AS 29.13.010 is amended to read:

18                 Sec. 29.13.010. MUNICIPAL CHARTER ADOPTION. A first class munici-  
19                 pality, a municipality established in accordance with AS 29.68.201 -  
20                 29.68.251 and a municipality established under AS 29.13.010 may adopt a  
21                 charter for its own government. A home rule municipality may amend its  
22                 charter or adopt a new one. A charter is framed by a charter commission  
23                 of five [SEVEN] members chosen by the municipal voters at a regular or  
24                 special election. A candidate for the commission must be a qualified  
25                 voter of the municipality and a resident of the municipality for three  
26                 years immediately preceding the election. A charter commission election  
27                 is called by filing a petition with the borough assembly, the assembly  
28                 of a unified municipality, or the city council, or by resolution of the  
29                 borough assembly, the assembly of a unified municipality, or the city

1 council. The petition must be signed by a number of municipal voters  
2 equal to 10 percent of the votes cast in the last regular election of  
3 the municipality.

4 \* Sec. 9. AS 29.13 is amended by adding a new section to read:

5 Sec. 29.13.090. ASSEMBLY MAY SERVE AS SCHOOL BOARD. The charter  
6 commission elected to prepare a charter under the provisions of this  
7 chapter within a unified municipality established in accordance with  
8 AS 29.68.201 - 29.68.251 may provide that the borough mayor and assembly  
9 serve as the school board. If the proposed charter provides that the  
10 assembly serve as the school board, the assembly, by ordinance, shall  
11 determine the manner of choosing members to serve as the officers of the  
12 school board from among the members of the assembly.

13 \* Sec. 10. AS 29.68.240, 29.68.250, 29.68.260, 29.68.270, 29.68.280,  
14 29.68.290, 29.68.300, 29.68.310, 29.68.320, 29.68.330, 29.68.340, 29.68.350,  
15 29.68.360, 29.68.370, 29.68.380, 29.68.390, 29.68.400, 29.68.410, 29.68.420,  
16 29.68.430 and 29.68.440 are repealed.

17 \* Sec. 11. A right or liability of a municipality established by unifica-  
18 tion in accordance with AS 29.68.240 - 29.68.440 and repealed by sec. 10 of  
19 this Act is not affected by the enactment of this Act.

20 \* Sec. 12. This Act takes effect immediately in accordance with AS 01.10.-  
21 070(c).

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