

Original sponsor: Rules/Legislative Council

Offered: 2/5/82  
Referred: Rules

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 170 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal government; and providing  
7 for an effective date."

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

9 \* Section 1. AS 29.03 is amended by adding a new section to read:

10 Sec. 29.03.030. PLATTING AUTHORITY. Subject to AS 40.15.075, the  
11 Department of Natural Resources is the platting authority in the un-  
12 organized borough in the area outside all cities.

13 \* Sec. 2. AS 29 is amended by adding a new chapter to read:

14 CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

15 Sec. 29.04.010. HOME RULE. A home rule municipality is a municipi-  
16 pal corporation and political subdivision. It is a city or a borough  
17 that has adopted a home rule charter, or it is a unified municipality.  
18 A home rule municipality has all legislative powers not prohibited by  
19 law or charter.

20 Sec. 29.04.020. GENERAL LAW. A general law municipality is a  
21 municipal corporation and political subdivision and is an unchartered  
22 borough or city. It has legislative powers conferred by law.

23 Sec. 29.04.030. CLASSES OF GENERAL LAW. General law municipali-  
24 ties are of five classes:

- 25 (1) first class boroughs;  
26 (2) second class boroughs;  
27 (3) third class boroughs;  
28 (4) first class cities;  
29 (5) second class cities.

1           Sec. 29.04.040. RECLASSIFICATION. (a) A second class city may be  
2 reclassified as a first class city by holding an election on the ques-  
3 tion, if the department determines from the best figures available that  
4 the population of the city has reached 400 permanent residents.

5           (b) An election on the question of reclassification may be ini-  
6 tiated in two ways:

7           (1) a number of voters equal to 15 percent of the number of  
8 votes cast in the city at the preceding regular election may file a  
9 petition with the council; or

10           (2) the council may propose reclassification.

11           (c) The council shall hold at least one public hearing in the city  
12 on the question of reclassification. The council shall then evaluate  
13 the ability of the city to assume first class status and make its find-  
14 ings public.

15           (d) The council shall, within 30 days after its findings have been  
16 made public, order an election on the question of reclassification. The  
17 election shall be held at least 30 days after the order and not later  
18 than the next regular election occurring after the 30-day period. If  
19 more than one question is to be voted on at the election, each appears  
20 separately on the ballot.

21           (e) The council shall certify the election results to the depart-  
22 ment. If the majority of votes cast is favorable, the city shall be  
23 considered reclassified to first class status 30 days after certification  
24 of the election results.

25           (f) A second class borough may reclassify as a first class borough  
26 in the manner provided by AS 29.35.320 - 29.35.330 for the addition of  
27 an areawide power by a first or second class borough, except the petition  
28 or proposal requests reclassification instead of requesting addition of  
29 a power.

1 (g) A third class borough may reclassify as a first or second  
2 class borough in the manner provided by AS 29.35.320 - 29.35.330 for the  
3 addition of an areawide power by a first or second class borough, except  
4 the petition or proposal requests reclassification instead of requesting  
5 addition of a power.

6 (h) At the time of voting on reclassification of a third class  
7 borough to first or second class status, voters shall vote also on  
8 whether the borough shall on reclassification retain a combined assembly  
9 and school board or elect a separate assembly and board as otherwise  
10 provided for first and second class boroughs. If the majority of votes  
11 cast on the question favors retention of the combined assembly and  
12 board, the assembly serving at the time of the reclassification election  
13 continues to serve as the assembly and board on voter approval of re-  
14 classification and until terms of assemblymen expire as provided before  
15 reclassification. If a separate board and assembly are approved at the  
16 reclassification election, a school board shall be elected in conformity  
17 with AS 14.12.030 - 14.12.100 at the next regular election, if it occurs  
18 within 90 days of the date of the reclassification election, or otherwise  
19 at a special election within 90 days of the date of the reclassification  
20 election. Expiration dates of terms of school board members elected at  
21 a special election must coincide with the date of the regular election.  
22 Until a board is elected and qualified, the assembly continues to serve  
23 as the board.

24 \* Sec. 3. AS 29 is amended by adding a new chapter to read:

25 CHAPTER 05. INCORPORATION.

26 ARTICLE 1. REQUIREMENTS.

27 Sec. 29.05.010. INCORPORATION OF A CITY. (a) A community that  
28 meets the following standards may incorporate as a first class city:

- 29 (1) the community has 400 or more permanent residents;

1 (2) the boundaries of the proposed city include all areas  
2 necessary to provide municipal services on an efficient scale;

3 (3) the economy of the community includes the human and  
4 financial resources necessary to provide municipal services; in con-  
5 sidering the economy of the community, the Local Boundary Commission  
6 shall consider property values, economic base, personal income, resource  
7 and commercial development, anticipated functions, and the expenses and  
8 income of the proposed city, including the ability of the community to  
9 generate local revenue;

10 (4) the population of the community is stable enough to  
11 support city government;

12 (5) there is a demonstrated need for city government.

13 (b) A community that meets all the standards established in (a) of  
14 this section except (a)(1) may incorporate as a second class city.

15 Sec. 29.05.020. LIMITATIONS ON INCORPORATION OF A CITY. (a) A  
16 community in the unorganized borough may not incorporate as a city if  
17 the services to be provided by the proposed city can be provided by  
18 annexation to an existing city.

19 (b) A community within a borough may not incorporate as a city if  
20 the services to be provided by the proposed city can be provided on an  
21 areawide or nonareawide basis by the borough in which the proposed city  
22 is located, or by annexation to an existing city.

23 Sec. 29.05.030. INCORPORATION OF A BOROUGH. An area may not  
24 incorporate as a third class borough. An area that meets the following  
25 standards may incorporate as a first or second class borough:

26 (1) the population of the area is interrelated and integrated  
27 as to its social, cultural, and economic activities, and is large and  
28 stable enough to support borough government;

29 (2) the boundaries of the proposed borough conform generally

1 to natural geography and include all areas necessary for full develop-  
2 ment of municipal services;

3 (3) the economy of the area includes the human and financial  
4 resources capable of providing municipal services; evaluation of an  
5 area's economy includes land use, property values, total economic base,  
6 total personal income, resource and commercial development, anticipated  
7 functions, expenses, and income of the proposed borough;

8 (4) land, water, and air transportation facilities allow the  
9 communication and exchange necessary for the development of integrated  
10 borough government.

11 ARTICLE 2. PROCEDURE.

12 Sec. 29.05.060. PETITION. Municipal incorporation is proposed by  
13 filing a petition with the department. The petition shall include the  
14 following information about the proposed municipality:

- 15 (1) class;
- 16 (2) name;
- 17 (3) boundaries;
- 18 (4) maps, documents, and other information required by the  
19 department;
- 20 (5) composition and apportionment of the governing body;
- 21 (6) a proposed operating budget for the municipality project-  
22 ing sources of income and items of expenditure through the first full  
23 fiscal year of operation;
- 24 (7) for a first or second class borough, based on the number  
25 who voted in the respective areas in the last general election, the  
26 signature and resident address of 15 percent of the voters in
- 27 (A) home rule and first class cities in the area of the  
28 proposed borough; and
- 29 (B) the area of the proposed borough outside home rule

1 and first class cities;

2 (8) for a first class borough, a designation of areawide  
3 powers to be exercised;

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

6 (10) for a first or second class city, a designation of the  
7 powers to be exercised;

8 (11) for a first class city, based on the number who voted in  
9 the area in the last general election, the signatures and resident  
10 address of 50 voters in the proposed city or of 15 percent of the voters  
11 in the proposed city, whichever is greater;

12 (12) for a second class city, based on the number who voted in  
13 the area in the last general election, the signature and resident address  
14 of 25 voters in the proposed city or of 15 percent of the voters in the  
15 proposed city, whichever is greater.

16 Sec. 29.05.070. REVIEW. The department shall review an incorpora-  
17 tion petition for content and signatures and shall return a deficient  
18 petition for correction and completion.

19 Sec. 29.05.080. INVESTIGATION. (a) If an incorporation petition  
20 contains the required information and signatures, the department shall  
21 investigate the proposal and shall hold at least one public informational  
22 meeting in the area proposed for incorporation. The department shall  
23 publish notice of the meeting.

24 (b) The department may combine incorporation petitions from the  
25 same general area.

26 (c) The department shall report its findings to the Local Boundary  
27 Commission with its recommendations regarding the incorporation.

28 Sec. 29.05.090. HEARING. The Local Boundary Commission shall hold  
29 at least one public hearing in the area proposed to be incorporated for

1 the purpose of receiving testimony and evidence on the proposal.

2 Sec. 29.05.100. DECISION. (a) If the Local Boundary Commission  
3 determines that a proposed municipality fails to meet the standards for  
4 incorporation, it shall reject the petition. If the commission deter-  
5 mines that the proposed municipality meets the standards, it shall  
6 accept the petition. If the commission determines that the proposed  
7 boundaries can be altered to meet the standards, it may alter the bound-  
8 aries and accept the petition.

9 (b) A Local Boundary Commission decision under this section may be  
10 appealed under the Administrative Procedure Act (AS 44.62).

11 Sec. 29.05.110. INCORPORATION ELECTION. (a) The Local Boundary  
12 Commission shall immediately notify the director of elections of its  
13 acceptance of an incorporation petition. Within 30 days after notifi-  
14 cation, the director of elections shall order an election in the pro-  
15 posed municipality to determine whether the voters desire incorporation  
16 and, if so, to elect the initial municipal officials. If incorporation  
17 is rejected, no officials are elected. The election must be held not  
18 less than 30 or more than 90 days after the date of the election order.  
19 The election order must specify the dates during which nomination peti-  
20 tions for election of initial officials may be filed.

21 (b) A voter who has been a resident of the area within the pro-  
22 posed municipality for 30 days before the date of the election order may  
23 vote.

24 (c) Areawide borough powers included in an incorporation petition  
25 are considered to be part of the incorporation question. In an election  
26 for the incorporation of a second class borough, each nonareawide power  
27 to be exercised is placed separately on the ballot. Adoption of a  
28 nonareawide power requires a majority of the votes cast on the question,  
29 and the vote is limited to the voters residing in the proposed borough

1 but outside all cities in the borough.

2 (d) The director of elections shall supervise the election in the  
3 general manner prescribed by the Alaska Election Code (AS 15). The  
4 state shall pay all election costs under this section.

5 Sec. 29.05.120. ELECTION OF INITIAL OFFICIALS. (a) Nominations  
6 for initial municipal officials are made by petition. The petition  
7 shall be in the form prescribed by the director of elections and include  
8 the name and address of the nominee and a statement of the nominee that  
9 he is qualified under the provisions of this title for the office that  
10 he seeks. A person may file for and occupy more than one office, but he  
11 may not serve simultaneously as borough mayor and as a member of the  
12 assembly or as city mayor and as a member of the council.

13 (b) Except for a proposed second class city, petitions to nominate  
14 initial officials must include the signature and resident address of 50  
15 voters in the area of the proposed municipality, or that area of the  
16 proposed municipality from which the officials are to be elected under  
17 the composition and apportionment set out in the accepted incorporation  
18 petition.

19 (c) Petitions to nominate initial officials of a second class city  
20 must include the signature and resident address of 10 voters in the area  
21 of the proposed city.

22 (d) The director of elections shall supervise the election in the  
23 general manner prescribed by the Alaska Election Code (AS 15). The  
24 state shall pay all election costs.

25 (e) The initial elected officials take office on the first Monday  
26 following certification of their election.

27 (f) The initial elected members of the governing body shall deter-  
28 mine by lot the length of their terms of office so that a proportionate  
29 number of terms expire each year, resulting in staggered terms of office

1 for members subsequently elected.

2 Sec. 29.05.130. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE  
3 AREAS. A service area in a newly incorporated municipality shall be  
4 integrated into the municipality within two years after the date of  
5 incorporation. On integration the municipality succeeds to all the  
6 rights, powers, duties, assets and liabilities of the service area.  
7 After integration, the municipality may exercise in a former service  
8 area all of the rights and powers exercised by the service area at the  
9 time of integration, and, as successor to the service area, may levy and  
10 collect special charges, taxes, or assessments to amortize bonded in-  
11 debtedness incurred by the service area or by a municipality in which  
12 the service area was formerly located. On integration all property in  
13 the service area subject to taxation to pay the principal and interest  
14 on bonds at the time of integration remains subject to taxation for that  
15 purpose.

16 Sec. 29.05.140. TRANSITION. (a) The powers and duties exercised  
17 by cities and service areas that are succeeded to by a newly incorporated  
18 municipality continue to be exercised by the cities and service areas  
19 until the new municipality assumes the powers and functions, which may  
20 not exceed two years after the date of incorporation. Ordinances,  
21 rules, resolutions, procedures, and orders in effect before the transfer  
22 remain in effect until superseded by the action of the new municipality.

23 (b) Before the assumption, the new municipality shall give written  
24 notice of its assumption of the rights, powers, duties, assets, and  
25 liabilities under this section and AS 29.05.130 to the city or service  
26 area concerned. Municipal officials shall consult with the officials of  
27 the city or service area concerned and arrange an orderly transfer.

28 (c) After the incorporation of a new municipality, no service area  
29 in it may assume new bonded indebtedness, make a contract, or transfer

1 an asset without the consent of the governing body.

2 (d) This section applies to home rule and general law municipali-  
3 ties.

4 Sec. 29.05.150. CHALLENGE OF LEGALITY. A person may not challenge  
5 the formation of a municipality except within six months after the date  
6 of its incorporation.

7 ARTICLE 3. TRANSITIONAL ASSISTANCE.

8 Sec. 29.05.180. ORGANIZATION GRANTS. (a) For the purpose of  
9 defraying the cost of transition to municipal government and in order to  
10 provide for development and interim governmental operations, each first  
11 class borough, second class borough, and city incorporated after July 1,  
12 1982, or, in the case of a second class city, incorporated or reclassi-  
13 fied after July 1, 1982, is entitled to an organization grant equal to  
14 \$10 for every voter who voted in the incorporation election. However,  
15 each first or second class borough and each first class city incorporated  
16 or established by reclassification outside an organized borough is  
17 entitled to at least \$25,000.

18 (b) Within 30 days after the date of incorporation of a first  
19 class borough, second class borough, or city after July 1, 1982, the  
20 department shall determine the number of voters in the municipality who  
21 voted in the incorporation election.

22 (c) Within 30 days after the completion of its findings, or as  
23 soon after that as money is appropriated to it for the purpose, the  
24 department shall transmit to the municipality the total amount of money  
25 to which the municipality is entitled under this section.

26 (d) This section does not apply to a borough incorporated by  
27 consolidation or to a unified municipality.

28 \* Sec. 4. AS 29 is amended by adding a new chapter to read:

29 CHAPTER 06. ALTERATION OF MUNICIPALITIES.

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ARTICLE 1. CHANGE OF NAME.

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Sec. 29.06.010. CHANGE OF MUNICIPAL NAME. (a) The governing body of a municipality may change the official municipal name by adopting an ordinance for the purpose and filing the ordinance with the office of the lieutenant governor. Upon receipt of an ordinance ratified by the voters, the lieutenant governor shall issue an order to the municipality changing its existing name. The name change shall become effective on a date fixed in the order and occurring within 45 days after receipt of the ordinance. A copy of the order shall be transmitted to the department.

(b) If an ordinance adopted under (a) of this section that results in a change of the municipal name is subsequently repealed, the lieutenant governor shall issue an order reinstating the former name within 45 days after the date of the order, unless a different name is adopted as provided in (a) of this section.

(c) When a municipal name change takes effect by means of an order issued under (a) or (b) of this section, a civil or criminal suit, application, petition, hearing or other proceeding to which the municipality is a party and that is pending at or brought after the date the name change takes effect shall proceed in the municipal name as changed by the order.

(d) This section applies to home rule and general law municipalities.

ARTICLE 2. ANNEXATION AND DETACHMENT.

Sec. 29.06.040. LOCAL BOUNDARY COMMISSION. (a) The Local Boundary Commission may consider any proposed municipal boundary change. It may reject the proposed change, accept the proposed change, or alter the boundaries and accept the proposal as altered. A Local Boundary Commission decision under this subsection may be appealed under the Adminis-

1 trative Procedure Act (AS 44.62).

2 (b) The Local Boundary Commission may present a proposed municipal  
3 boundary change to the legislature during the first 10 days of a regular  
4 session. The change becomes effective 45 days after presentation or at  
5 the end of the session, whichever is earlier, unless disapproved by a  
6 resolution concurred in by a majority of the members of each house.

7 (c) In addition to the regulations governing annexation by local  
8 action adopted under AS 44.47.567, the Local Boundary Commission shall  
9 establish procedures for annexation and detachment of territory by  
10 municipalities by local action. The procedures established under this  
11 subsection include a provision that

12 (1) a proposed annexation and detachment must be approved by  
13 a majority of votes on the question cast by voters residing in the area  
14 proposed to be annexed or detached;

15 (2) municipally owned property adjoining the municipality may  
16 be annexed by ordinance without voter approval; and

17 (3) an area adjoining the municipality may be annexed by  
18 ordinance without an election if all property owners and voters in the  
19 area petition the governing body.

20 (d) A boundary change effected under (a) and (b) of this section  
21 prevails over a boundary change initiated by local action, without  
22 regard to priority in time.

23 Sec. 29.06.050. ANNEXATION OF MILITARY RESERVATIONS. A military  
24 reservation may be annexed to a municipality in the same manner as pre-  
25 scribed for other territory under AS 29.06.040. If a city in a borough  
26 annexes a military reservation under this section, the area encompassing  
27 the military reservation automatically is annexed to the borough in which  
28 the city is located.

29 Sec. 29.06.060. APPLICATION. AS 29.06.040 - 29.06.060 apply to

1 home rule and general law municipalities.

2 ARTICLE 3. MERGER AND CONSOLIDATION.

3 Sec. 29.06.090. MERGER AND CONSOLIDATION. (a) Two or more muni-  
4 cipalities may merge or consolidate to form a single municipality,  
5 except a third class borough may not be formed through merger or consoli-  
6 dation.

7 (b) Two methods may be used to initiate merger or consolidation of  
8 municipalities:

9 (1) petition to the Local Boundary Commission under regula-  
10 tions adopted by the commission; or

11 (2) the local option method specified in AS 29.06.100 -  
12 29.06.160.

13 Sec. 29.06.100. PETITION. (a) Residents of two or more munici-  
14 palities may file a merger or consolidation petition with the depart-  
15 ment. The petition must be signed by a number of voters of each exist-  
16 ing municipality equal to at least 25 percent of the number of votes  
17 cast in each municipality's last regular election.

18 (b) The petition includes

19 (1) the name and class of each existing municipality;

20 (2) the name and class of the proposed municipality;

21 (3) the proposed composition and apportionment of the govern-  
22 ing body;

23 (4) maps, documents, and other information that shows that  
24 the proposed municipality meets the standards for municipal incorpora-  
25 tion.

26 Sec. 29.06.110. REVIEW. (a) The department shall review a merger  
27 or consolidation petition for content and signatures and shall return a  
28 deficient petition for correction or completion.

29 (b) If the petition contains the required information and signa-

1 tures, the department shall investigate the proposal.

2 (c) The department shall report its findings to the Local Boundary  
3 Commission with its recommendations regarding the merger or consolida-  
4 tion.

5 Sec. 29.06.120. HEARING. After receipt of the report by the  
6 department on a merger or consolidation petition, the Local Boundary  
7 Commission shall hold at least one public hearing in each of the existing  
8 municipalities included in the petition, unless officials of the muni-  
9 cipalities agree to a single hearing.

10 Sec. 29.06.130. DECISION. (a) If the Local Boundary Commission  
11 determines that the proposed municipality fails to meet the standards  
12 for incorporation, it shall reject the merger or consolidation petition.  
13 If the commission determines that the proposed municipality meets these  
14 standards, it shall accept the petition. If the commission determines  
15 that the proposed boundaries or the composition and apportionment of the  
16 governing body can be altered to meet the standards, it may change the  
17 proposal and accept the petition.

18 (b) A Local Boundary Commission decision under this section may be  
19 appealed under the Administrative Procedure Act (AS 44.62).

20 Sec. 29.06.140. ELECTION. (a) The Local Boundary Commission  
21 shall immediately notify the director of elections of its acceptance of  
22 a merger or consolidation petition. Within 30 days after notification,  
23 the director of elections shall order an election in the area to be  
24 included in the new municipality to determine whether the voters desire  
25 merger or consolidation. The election must be held not less than 30 or  
26 more than 90 days after the election order. A voter who is a resident  
27 of the area to be included in the proposed municipality may vote.

28 (b) The director of elections shall supervise the election in the  
29 general manner prescribed by the Alaska Election Code (AS 15). The

1 state shall pay all election costs.

2 (c) The director of elections shall certify the election results.  
3 If merger or consolidation is approved, he shall, within 10 days, set a  
4 date for election of officials of the new municipality. The election  
5 date must be not less than 60 or more than 90 days after the election  
6 order and it is the effective date for the merger or consolidation.

7 Sec. 29.06.150. ASSETS AND LIABILITIES. (a) When two or more  
8 municipalities merge, one succeeds to the rights, powers, duties, assets,  
9 and liabilities of the others.

10 (b) When two or more municipalities consolidate, the newly incor-  
11 porated municipality succeeds to the rights, powers, duties, assets, and  
12 liabilities of the consolidated municipalities.

13 Sec. 29.06.160. TRANSITION. After merger or consolidation, the  
14 ordinances, resolutions, regulations, procedures, and orders of the  
15 former municipalities remain in force in their respective territories  
16 until superseded by the action of the new municipality.

17 Sec. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to  
18 home rule and general law municipalities.

19 ARTICLE 4. UNIFICATION OF MUNICIPALITIES.

20 Sec. 29.06.190. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A  
21 borough and all cities in the borough may unite to form a single unit of  
22 home rule government by complying with AS 29.06.190 - 29.06.400.

23 Sec. 29.06.200. UNIFICATION PROPOSED. (a) Formation of a charter  
24 commission to prepare a unification charter shall be proposed by resolu-  
25 tion of the assembly or by petition. A resolution to propose formation  
26 of a charter commission may be adopted not more often than once every 12  
27 months.

28 (b) An assembly, a council, or a person living in the area proposed  
29 for unification may initiate a unification petition.

1           Sec. 29.06.210. PETITION REQUIREMENTS. (a) A unification peti-  
2 tion shall read:

3           "PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICATION  
4 CHARTER. We, the undersigned, qualified voters of the borough do hereby  
5 petition that the following proposition be placed before the voters as  
6 provided by law: 'Shall a charter commission be formed (and charter com-  
7 mission members be elected as elsewhere provided on this ballot) to  
8 prepare, adopt and submit to the voters for their approval or rejection  
9 a proposed charter uniting the borough and all cities within it as a  
10 single unit of home rule government having the powers, duties and func-  
11 tions of a unified municipality as authorized by law? Yes [] No []'  
12    Inside First Class    Outside First  
13    Class or    or  
14 Signature           Address                   Home Rule City           Home Rule City"

15           (b) The petition shall be signed by at least

16           (1) the number of voters residing outside all home rule and  
17 first class cities in the borough equal to 25 percent of the votes cast  
18 in that area in the last regular borough election; and

19           (2) the number of voters residing in home rule or first class  
20 cities in the borough equal to 25 percent of the votes cast in all home  
21 rule and first class cities in the borough in the last regular borough  
22 election.

23           Sec. 29.06.220. REVIEW OF PETITION. The assembly shall review a  
24 unification petition within 15 days to determine whether it complies  
25 with AS 29.06.210. If the petition does not meet the designated re-  
26 quirements, it shall be immediately returned to the person who initiated  
27 the petition with a statement indicating which requirements have not  
28 been satisfied.

29           Sec. 29.06.230. COMPOSITION OF CHARTER COMMISSION. The charter

1 commission shall consist of 11 voters, three of whom are residents  
2 elected at large from the borough and eight of whom, proportionate to  
3 the population as determined by the department, are

4 (1) residents of and elected from the area outside all home  
5 rule and first class cities in the borough; or,

6 (2) residents of and elected from home rule or first class  
7 cities in the borough.

8 Sec. 29.06.240 CHARTER COMMISSION NOMINATIONS. (a) If the  
9 assembly determines that a unification petition meets the requirements  
10 of AS 29.06.210, or the assembly by its resolution proposes an election  
11 on formation of a charter commission, the assembly shall issue a call  
12 for the nomination of commission candidates, specifying the filing  
13 deadline and the procedure for making nominations.

14 (b) Charter commission candidates shall be nominated by petition  
15 signed by at least 50 voters of the area from which the candidate seeks  
16 election, or by a number of voters from that area equal to at least 10  
17 percent of the number of votes cast from that area in the last regular  
18 borough election, whichever is less.

19 (c) Nomination petitions shall be filed with the borough clerk at  
20 least 30 days after notice of the call for nominations has been given on  
21 or before a date fixed by the assembly.

22 (d) If at least one nomination of a qualified charter commission  
23 candidate for each available seat is not filed, the unification petition  
24 or resolution to propose formation of a charter commission is void and  
25 no election on the question shall be held.

26 Sec. 29.06.250. QUALIFICATIONS OF CANDIDATES. A person is eli-  
27 gible to be nominated as a candidate for the charter commission if he  
28 has been a voter of the area from which he seeks election for at least  
29 one year immediately preceding the date his nomination petition is

1 filed.

2 Sec. 29.06.260. ELECTION. (a) After receipt of a valid unifica-  
3 tion petition or adoption of an assembly resolution to propose formation  
4 of a charter commission, the assembly shall submit to the voters the  
5 question of whether a charter commission shall be formed to prepare a  
6 proposed unification charter. The vote shall be held at the next regular  
7 borough election scheduled at least 90 days after receipt of the petition  
8 or adoption of the resolution. The ballot shall be worded exactly as in  
9 AS 29.06.210(a).

10 (b) The election of charter commission members shall take place at  
11 the same time as the election on the question of formation of the commis-  
12 sion.

13 (c) All costs incurred in conducting an election under AS 29.06.-  
14 190 - 29.06.400 shall be paid by the borough.

15 Sec. 29.06.270. REQUIREMENTS FOR APPROVAL OF FORMATION AND ELECTION  
16 OF CHARTER COMMISSION. (a) The votes on the question of formation of a  
17 charter commission shall be tabulated in two separate classifications.  
18 One classification consists of all votes cast in first class and home  
19 rule cities in the borough. The other classification consists of all  
20 votes cast in the remaining area of the borough. In order for formation  
21 of a charter commission to be approved, a majority of the votes in each  
22 classification must favor formation of the commission.

23 (b) If formation of a charter commission is approved, candidates  
24 who received the highest number of votes from their respective areas  
25 shall serve as members of the commission.

26 Sec. 29.06.280. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

27 (a) The charter commission shall hold its first meeting within 30 days  
28 after certification of its election. The commission shall elect from  
29 among its members a chairman and a deputy chairman.

1 (b) A majority of the total membership of the charter commission  
2 constitutes a quorum. A decision of the commission is not valid or  
3 binding unless approved by the number of members necessary to constitute  
4 a quorum.

5 (c) The charter commission may elect other officials from among  
6 its membership, adopt rules governing its procedures that are consistent  
7 with AS 29.06.190 - 29.06.400 and hire and discharge employees.

8 (d) Meetings of the charter commission shall be open to the public  
9 at all times. A journal of commission proceedings shall be kept and  
10 made available for public inspection at the borough office.

11 Sec. 29.06.290. VACANCIES. (a) Vacancies on the charter commis-  
12 sion shall be filled by a majority vote of the commission, except the  
13 assembly shall appoint members to fill vacancies if, after a proposed  
14 charter is rejected by the voters, more than one-half of the members  
15 resign.

16 (b) A person who fills a vacancy on the charter commission must be  
17 a voter of the same area as the person whom he succeeds and must have  
18 been a voter of that area for at least one year immediately preceding  
19 the date he fills the vacancy.

20 Sec. 29.06.300. PER DIEM. The assembly may grant a per diem  
21 allowance to members of the charter commission and may reimburse the  
22 members for travel expenses incurred in carrying out the duties pre-  
23 scribed by AS 29.06.190 - 29.06.400. Costs, fees, and other expenses  
24 incurred by the commission are a debt of the borough and shall be paid  
25 upon proper verification.

26 Sec. 29.06.310. CHARTER PREPARATION. The charter commission shall  
27 prepare, adopt, and submit a proposed home rule charter for the area to  
28 be unified to the voters for approval or rejection. The charter shall  
29 include

1 (1) provision for adjustment of existing bonded indebtedness  
2 and other obligations in a manner that will reserve a fair and equitable  
3 burden of taxation for debt service, subject to AS 29.06.370;

4 (2) provision for

5 (A) the establishment of service areas; and

6 (B) if election of members of the governing body is not  
7 areawide, the establishment of districts for the election of members  
8 of the governing body of the proposed unified municipality and  
9 procedures by which to reapportion the election districts;

10 (C) reapportionment of districts if they are established;

11 (3) provision for nonpartisan government, and the selection,  
12 organization, authority, and responsibilities of the governing body and  
13 its executive and administrator;

14 (4) the transfer or other disposition of property and other  
15 rights, claims, assets, and franchises of the municipalities to be  
16 unified under the charter;

17 (5) provision for exercise of the rights of initiative and  
18 referendum;

19 (6) a method of amending the charter;

20 (7) the date on which the charter, if approved at the charter  
21 election, is effective;

22 (8) designation of the proposed unified municipality's offi-  
23 cial name;

24 (9) other charter provisions that may be included in a home  
25 rule charter.

26 Sec. 29.06.320. PUBLIC HEARINGS. Both before and after drafting  
27 the proposed home rule charter, the charter commission shall hold a  
28 public hearing in each area represented on the assembly. Other public  
29 hearings may be held by the commission as it considers necessary.

1           Sec. 29.06.330. FILING OF PROPOSED CHARTER. Upon the adoption of  
2 a proposed home rule charter by the charter commission, the charter  
3 shall be signed by at least a majority of the total membership of the  
4 commission and shall be filed with the borough clerk. A copy of the  
5 charter with signatures affixed shall also be filed with the clerk of  
6 each city in the borough.

7           Sec. 29.06.340. PUBLICATION AND POSTING OF PROPOSED CHARTER.  
8 Within 10 days after filing the proposed home rule charter, the borough  
9 clerk shall have it published. In addition, the clerk shall have a copy  
10 of the proposed charter posted in at least three public places in each  
11 city and each unincorporated community in the borough. Copies of the  
12 proposed charter shall be made available by the assembly to the public  
13 at both the office of the borough clerk and the office of the clerk of  
14 each city in the borough. The clerk shall have notice of the publica-  
15 tion, posting, and availability of the proposed charter published.

16           Sec. 29.06.350. ELECTION ON CHARTER. (a) The proposed home rule  
17 charter adopted by the charter commission shall be submitted to the  
18 voters at a borough election held within 60 days of the date of publi-  
19 cation and posting of the proposed charter. The borough clerk shall  
20 prepare the ballots for use in the election and shall give notice of the  
21 election by radio and television in a manner intended to apprise the  
22 entire borough population of the election. The election shall be con-  
23 ducted under procedures applicable to regular elections.

24           (b) A person who is a voter of the borough may vote in the elec-  
25 tion on the proposed charter.

26           (c) If a majority of the votes in the area of the borough outside  
27 all home rule or first class cities, and a majority of the votes in all  
28 home rule and first class cities in the borough are cast in favor of the  
29 proposed charter, the charter is ratified. If the charter is ratified,

1 election results shall be certified to the commission and two copies of  
2 the charter shall be filed with

- 3 (1) the lieutenant governor;
- 4 (2) the commissioner of the department;
- 5 (3) the district recorder for the area of the borough;
- 6 (4) the clerk of the borough;
- 7 (5) the clerk of each city in the borough.

8 (d) If a proposed charter is rejected, the charter commission  
9 shall prepare, adopt, and submit another proposed charter to the voters  
10 at a borough election held within one year after the date of the first  
11 charter election. If the second proposed charter is also rejected, the  
12 charter commission shall be dissolved and the question of unification  
13 shall be treated as if it had never been proposed or approved.

14 Sec. 29.06.360. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon  
15 ratification, the home rule charter of a unified municipality operates  
16 to dissolve all municipalities in the area unified in accordance with  
17 the charter.

18 Sec. 29.06.370. ASSETS AND LIABILITIES. A unified municipality  
19 shall succeed to all the assets and liabilities of the municipalities it  
20 unified. A bonded indebtedness or other debt incurred before unifi-  
21 cation remains the tax obligation of the area that contracted the debt,  
22 except that by ordinance the tax obligation may be assumed by a larger  
23 area if the governing body determines that the asset for which the  
24 bonded indebtedness or other debt was incurred benefited the larger area  
25 before unification, or benefits the larger area after unification.  
26 However, bonded indebtedness or other debt for sewage collection sys-  
27 tems, water distribution systems, and streets, even if determined to be  
28 benefiting a larger area than that which incurred the debt, remains the  
29 tax obligation of the area that incurred the debt.

1           Sec. 29.06.380. TRANSITION. Within two years after ratification  
2 of the home rule charter, the unified municipality shall revise, repeal,  
3 or reaffirm all municipal ordinances, resolutions, and orders in effect  
4 in the area of the unified municipality on the date of unification.  
5 Each ordinance, resolution, regulation, or order in effect on the date  
6 of unification remains in effect until superseded by action of the  
7 unified municipality.

8           Sec. 29.06.390. RIGHT TO STATE AND FEDERAL AID. All provisions of  
9 law authorizing aid from the state or federal government to a former  
10 municipality that was in the area of a unified municipality remain in  
11 effect after unification.

12           Sec. 29.06.400. POWERS OF A UNIFIED MUNICIPALITY. A municipality  
13 unified under AS 29.06.190 - 29.06.400 has all powers

- 14                   (1) not prohibited by law or charter; and  
15                   (2) granted to a home rule borough.

16           Sec. 29.06.410. APPLICATION. AS 29.06.190 - 29.06.410 apply to  
17 home rule and general law municipalities.

18                                   ARTICLE 5. DISSOLUTION.

19           Sec. 29.06.450. METHODS OF DISSOLUTION. (a) Two petition methods  
20 may be used to initiate dissolution of a municipality;

21                   (1) petition to the Local Boundary Commission under regula-  
22 tions adopted by the commission; or

23                   (2) the local option method specified in AS 29.06.460 -  
24 29.06.520.

25                   (b) The department shall investigate a municipality that it con-  
26 siders to be inactive and shall report to the Local Boundary Commission  
27 on the status of the municipality. The commission may submit its  
28 recommendation to the legislature that the municipality be dissolved in  
29 the manner provided for submission of boundary changes in art. X, sec.

1 12 of the state constitution.

2 (c) A borough is dissolved when its entire territory is included  
3 in a home rule or first class city or cities. A city is dissolved when  
4 all its powers become areawide borough powers.

5 Sec. 29.06.460. PETITION. (a) Residents of a municipality may  
6 file a dissolution petition with the department in the form prescribed  
7 by the department. The petition must be signed by a number of voters  
8 equal to at least 25 percent of the number of votes cast in the last  
9 regular election in that municipality.

10 (b) The petition must include

11 (1) the name of the municipality;

12 (2) maps, documents, and other information showing that the  
13 municipality meets the standards for dissolution.

14 Sec. 29.06.470. STANDARDS. (a) Except as provided in (b) of this  
15 section, residents of a municipality may petition for dissolution when

16 (1) it is free of debt, or, if in debt, each of its creditors  
17 is satisfied with a method of repayment; and

18 (2) either it no longer meets the minimum standards pre-  
19 scribed for incorporation by AS 29.05, or former AS 29.18.030 if it is a  
20 third class borough, or it ceases to use each one of its mandatory  
21 powers.

22 (b) Residents of a city in a borough may petition for dissolution  
23 if the borough consents to assume the city's rights, powers, duties,  
24 assets, and liabilities. The consent must be ratified by a majority of  
25 borough voters voting on the question.

26 Sec. 29.06.480. REVIEW. (a) The department shall review a dis-  
27 solution petition for content and signatures, and shall return a defi-  
28 cient petition for correction or completion.

29 (b) If the petition contains the required information and signa-

1 tures, the department shall investigate the proposal.

2 Sec. 29.06.490. REPORT AND HEARING. (a) The department shall  
3 report its findings to the Local Boundary Commission with its recommen-  
4 dation regarding the dissolution of a municipality .

5 (b) The Local Boundary Commission shall hold at least one public  
6 hearing in the municipality proposed to be dissolved.

7 Sec. 29.06.500. DECISION. (a) If the Local Boundary Commission  
8 determines that a municipality fails to meet the standards for dissolu-  
9 tion, it shall reject the petition. If the commission determines that  
10 the municipality meets the standards, it shall accept the petition.

11 (b) A Local Boundary Commission decision under this section may be  
12 appealed under the Administrative Procedure Act (AS 44.62).

13 Sec. 29.06.510. ELECTION. (a) The Local Boundary Commission  
14 shall immediately notify the director of elections of its acceptance of  
15 a dissolution petition. Within 30 days after notification, the director  
16 of elections shall order an election in the municipality to determine  
17 whether the voters desire dissolution. The election must be held at  
18 least 30 and not more than 90 days after the election order. A person  
19 who is a voter of the municipality may vote in the dissolution election.

20 (b) The director of elections shall supervise the election in the  
21 general manner prescribed by the Alaska Election Code (AS 15). The  
22 state shall pay all election costs.

23 (c) The director of elections shall certify the election results.  
24 If dissolution is approved, he shall declare that the municipality is  
25 dissolved effective on the date of certification.

26 Sec. 29.06.520. SUCCESSION. The government succeeding to a dis-  
27 solved municipality succeeds to all its rights, powers, duties, assets,  
28 and liabilities.

29 Sec. 29.06.530. APPLICATION. AS 29.06.450 - 29.06.530 apply to

1 home rule and general law municipalities.

2 \* Sec. 5. AS 29 is amended by adding a new chapter to read:

3 CHAPTER 10. HOME RULE MUNICIPALITIES.

4 ARTICLE 1. CHARTERS.

5 Sec. 29.10.010. MUNICIPAL CHARTER ADOPTION. (a) A general law  
6 borough or first class city may adopt a charter for its own government.  
7 A second class city may adopt a charter for its own government if the  
8 department determines from the best figures available that the popula-  
9 tion of the city is at least 400 permanent residents. A home rule  
10 municipality may adopt a new charter.

11 (b) A charter is prepared by a charter commission of seven  
12 elected members. A candidate for the commission shall be a voter of the  
13 municipality for three years immediately preceding the charter commis-  
14 sion election.

15 (c) A charter commission election is called by filing a  
16 petition with the governing body or by resolution of the governing body.  
17 The petition shall be signed by a number of voters equal to 15 percent  
18 of the votes cast in the last regular election in the municipality.

19 Sec 29.10.020. NOMINATION. (a) A charter commission candidate is  
20 nominated by a petition signed by 50 voters or the number of voters  
21 equal to 10 percent of the number of votes cast in the municipality  
22 during the last regular election, whichever is less.

23 (b) A nomination petition shall be filed with the municipal clerk  
24 on or before a date fixed by the governing body. If at least seven  
25 nominations for qualified charter commission candidates are not filed,  
26 the petition or resolution calling for a charter commission is void and  
27 no election on the question may be held.

28 Sec. 29.10.030. ELECTION. At a charter commission election the  
29 voters shall consider the question "Shall a charter commission be elected

1 to prepare a proposed charter?" and shall elect the members of the  
2 commission. If the question is approved, the seven candidates receiving  
3 the highest number of votes shall immediately organize as a charter  
4 commission.

5 Sec. 29.10.040. PREPARATION OF CHARTER. The charter commission  
6 shall, within one year, prepare a proposed home rule charter. The  
7 proposed charter shall be signed by a majority of the members of the  
8 commission and filed in the office of the municipal clerk. Within 15  
9 days, the clerk shall have the proposed charter published and make  
10 copies available. The commission shall give published notice of and  
11 hold at least one public hearing on the proposed charter before the  
12 signing and filing of the charter.

13 Sec. 29.10.050. INITIATIVE AND REFERENDUM. (a) A home rule  
14 charter shall provide procedures for initiative and referendum.

15 (b) A charter may not require an initiative or referendum petition  
16 to have a number of signatures greater than 25 percent of the total  
17 votes cast in the municipality at the last regular election.

18 (c) A charter may not permit the initiative and referendum to be  
19 used for a purpose prohibited by art. XI, sec. 7 of the state constitu-  
20 tion.

21 Sec. 29.10.060. CHARTER ELECTION. The proposed home rule charter  
22 shall be submitted to the voters at an election held not less than 30  
23 days or more than 90 days after the proposed charter is published.

24 Sec. 29.10.070. CHARTER ADOPTION. (a) If a majority of those  
25 voting on the question favor the proposed charter, it becomes the organic  
26 law of the municipality effective on the date the election is certified.  
27 Thereafter, a court shall take judicial notice of the charter. The new  
28 home rule municipality shall file the indicated number of copies of the  
29 charter with

1 (1) the lieutenant governor -- two copies;

2 (2) the department -- two copies;

3 (3) the district recorder -- one copy;

4 (4) the municipal clerk -- one copy.

5 (b) At the time of voting on the proposed charter in a third class  
6 borough, voters shall vote also on whether the borough shall on adoption  
7 of the charter retain a combined assembly and school board or elect a  
8 separate assembly and board as otherwise provided for home rule boroughs.  
9 If the majority of votes cast on the question favors retention of the  
10 combined assembly and board, the assembly serving at the time of the  
11 charter election continues to serve as the assembly and board on voter  
12 approval of the charter and until terms of assemblymen expire as pro-  
13 vided before adoption of the charter. If a separate board and assembly  
14 are approved at the charter election, a school board shall be elected in  
15 conformity with AS 14.12.030 - 14.12.100 at the next regular election,  
16 if it occurs within 90 days of the date of the charter election, or  
17 otherwise at a special election within 90 days of the date of the charter  
18 election. Expiration dates of terms of school board members elected at  
19 a special election must coincide with the date of the regular election.  
20 Until a board is elected and qualified, the assembly continues to serve  
21 as the board.

22 (c) If a proposed charter is rejected, the charter commission  
23 shall prepare another proposed charter to be submitted to the voters at  
24 an election to be held within one year after the date of the first  
25 charter election. If the second proposed charter is also rejected, the  
26 charter commission shall be dissolved and the question of adoption of a  
27 charter shall be treated as if it had never been proposed or approved.

28 Sec. 29.10.080. CHARTER AMENDMENT. (a) A home rule charter may  
29 be amended as provided in the charter except that no amendment is effec-

1 tive unless ratified by the voters.

2 (b) This section applies to home rule municipalities.

3 ARTICLE 2. HOME RULE LIMITATIONS.

4 Sec. 29.10.110. LIMITATION OF HOME RULE POWERS. Only the follow-  
5 ing provisions of this title apply to home rule municipalities as pro-  
6 hibitions on acting otherwise than as provided. These provisions super-  
7 sede existing and prohibit future home rule enactments that provide  
8 otherwise:

- 9 (1) AS 29.05.140 (transition)
- 10 (2) AS 29.06.010 (change of municipal name)
- 11 (3) AS 29.06.040 - 29.06.060 (annexation and detachment)
- 12 (4) AS 29.06.090 - 29.06.170 (merger and consolidation)
- 13 (5) AS 29.06.190 - 29.06.410 (unification of municipalities)
- 14 (6) AS 29.06.450 - 29.06.530 (dissolution)
- 15 (7) AS 29.10.080 (charter amendment)
- 16 (8) AS 29.20.010 (conflict of interest)
- 17 (9) AS 29.20.020 (meetings public)
- 18 (10) AS 29.20.050 (legislative power)
- 19 (11) AS 29.20.060 - 29.20.120 (assembly composition and  
20 apportionment)
- 21 (12) AS 29.20.140 (qualifications of members of governing  
22 bodies)
- 23 (13) AS 29.20.150 (term of office)
- 24 (14) AS 29.20.220 (executive power)
- 25 (15) AS 29.20.630 (prohibitions)
- 26 (16) AS 29.20.640 (reports)
- 27 (17) AS 29.25.010(a)(10) (municipal exemption on contractor  
28 bond requirements)
- 29 (18) AS 29.25.050 (codification)

- 1 (19) AS 29.25.060 (resolutions)  
2 (20) AS 29.26.030 (notice of elections)  
3 (21) AS 29.26.050 (voter qualification)  
4 (22) AS 29.26.240 - 29.26.360 (recall)  
5 (23) AS 29.35.020 (extraterritorial jurisdiction)  
6 (24) AS 29.35.030 (eminent domain)  
7 (25) AS 29.35.050 (garbage and solid waste services)  
8 (26) AS 29.35.070 (public utilities)  
9 (27) AS 29.35.110 (post audit)  
10 (28) AS 29.35.150(b) (effect of areawide exercise of borough  
11 powers)  
12 (29) AS 29.35.160 (education)  
13 (30) AS 29.35.170(b) (assessment and collection of taxes)  
14 (31) AS 29.35.180(b) (land use regulation)  
15 (32) AS 29.35.250 (cities inside boroughs)  
16 (33) AS 29.35.260 (cities outside boroughs)  
17 (34) AS 29.35.340 (acquisition of areawide power)  
18 (35) AS 29.40.160(a) - (c) (title to vacated areas)  
19 (36) AS 29.40.200 (subdivisions of state land)  
20 (37) AS 29.45.010 - 29.45.570 (property taxes)  
21 (38) AS 29.45.650(c) and (d) (sales and use tax)  
22 (39) AS 29.46.090 (exemption from special assessment)  
23 (40) AS 29.47.200(b) (security for bonds)  
24 (41) AS 29.47.260 (construction)  
25 (42) AS 29.60.050(a) (limitation on computation and use of  
26 payment)  
27 (43) AS 29.60.120(a) and (c) (state aid for health facilities  
28 and hospitals)  
29 (44) AS 29.60.230 (state aid for hospital and health facility

1 construction)

2 (45) AS 29.65.010 - 29.65.140 (general grant land)

3 \* Sec. 6. AS 29 is amended by adding a new chapter to read:

4 CHAPTER 14. CAPITAL CITY.

5 Sec. 29.14.010. INCORPORATION. There is created and incorporated  
6 a city of the state as the capital city of Alaska that is a city of the  
7 first class. The capital city has all the powers of a first class city.

8 Sec. 29.14.020. BOUNDARIES. The boundaries of the capital city  
9 shall include all of that area of land designated by the voters of  
10 Alaska as the new capital site of the state.

11 Sec. 29.14.030. CITY COUNCIL. (a) Until council members elected  
12 by the residents of the capital city take office as provided in AS 29.-  
13 14.060, the council of the capital city shall have five members, four of  
14 whom shall be appointed by the governor and shall serve at the pleasure  
15 of the governor. The development corporation shall designate one person  
16 to serve as a member of the council. The council members appointed by  
17 the governor or designated by the development corporation shall serve an  
18 initial term that expires on the Monday following the first Tuesday in  
19 October of the calendar year following the calendar year of initial  
20 appointment or designation. Council members may be reappointed by the  
21 governor or redesignated by the development corporation. Except as  
22 provided in AS 29.14.040, the successors of the initial appointees and  
23 designee serve for a term of two years beginning on the date the initial  
24 appointments and designation expire. Each appointee and designee holds  
25 office for the term of his appointment and until his successor is ap-  
26 pointed or designated and qualifies.

27 (b) Council members appointed by the governor or designated by the  
28 development corporation need not be residents of the capital city.

29 (c) The council shall elect a chairman from among its membership.

1 The chairman presides at council meetings, determines the agenda for  
2 council meetings, and carries out the other duties specified by ordi-  
3 nance.

4 Sec. 29.14.040. FILLING A VACANCY. If a vacancy occurs among the  
5 members appointed by the governor, the governor shall appoint the re-  
6 placement who shall serve for the unexpired portion of the term.

7 Sec. 29.14.050. APPOINTMENT OF CITY OFFICIALS. Until a mayor is  
8 elected in accordance with AS 29.14.060, the council shall appoint a  
9 city manager for the capital city to serve at the pleasure of the  
10 council. The city manager may not be a council member.

11 Sec. 29.14.060. TRANSITION. (a) When the capital city attains a  
12 population of 400 permanent residents, as certified by the director of  
13 elections based on the best information available, the director of  
14 elections shall notify the council of this determination. The director  
15 of elections shall specify an election date which shall be the first  
16 Tuesday of October following the notification, except that if it is less  
17 than six months from the date of the certification to the first Tuesday  
18 of October then the election date shall be the first Tuesday of October  
19 of the year following. The elected members take office on the Monday  
20 following the election.

21 (b) After the director of elections specifies the election date,  
22 the council shall make arrangements for an election at which five council  
23 members and a mayor shall be elected in the manner prescribed by ordi-  
24 nance and law. The expenses of the election shall be borne by the  
25 state. The council of the capital city shall have six members. The  
26 governor shall appoint one council member holding office on the date of  
27 the election to remain a member of the council for a single three-year  
28 term beginning on the date the elected council members take office. The  
29 successors to the appointed council members shall be elected by the

1 residents, except that if the appointed council member leaves office  
2 during the three years, the governor may appoint a successor. The terms  
3 of all other appointed or designated council members expire when the  
4 elected council members take office. The term of elected council members  
5 is as provided in AS 29.20.150 except that three of the members are  
6 elected for an initial term of one year.

7 Sec. 29.14.070. PLANNING AND LAND USE REGULATION. The general  
8 development plan and specific development plans constitute the land use  
9 plan for the capital city area. When a parcel of land has been developed  
10 in accordance with the applicable specific development plan, that parcel  
11 becomes subject to all planning, zoning, subdivision, building code or  
12 other similar ordinances of the Matanuska-Susitna Borough.

13 Sec. 29.14.080. TRANSFER OF UTILITIES TO THE CAPITAL CITY. (a)  
14 The development corporation, in cooperation with the capital city, shall  
15 arrange for an orderly schedule for transferring to the capital city  
16 ownership of and financial and operational responsibility for utilities  
17 and other facilities that the development corporation considers to be  
18 integral parts of the capital city infrastructure. Before January 1,  
19 1985, the development corporation and the council of the capital city  
20 shall jointly retain independent consultants to study and determine an  
21 orderly schedule for transfer of the utilities and facilities to the  
22 capital city. The study shall consider the capabilities of the capital  
23 city to finance the cost of the utilities and other facilities and their  
24 operating expenses. The consultants shall propose a recommended schedule  
25 for and terms of transfer that are commensurate with the capital city's  
26 existing and anticipated population, tax base, and other factors relating  
27 to its capability to finance and operate the utilities and other facili-  
28 ties as they consider appropriate. The development corporation shall,  
29 after considering the consultants' report, propose a schedule of and

1 terms of the transfer to the capital city that shall, upon review and  
2 approval by the council, be included in an agreement between the develop-  
3 ment corporation and the capital city.

4 (b) If the development corporation and the capital city are unable  
5 to agree within six months after the development corporation submits its  
6 proposal, the development corporation shall submit the proposal to the  
7 Legislative Budget and Audit Committee which shall consider the proposal,  
8 and if the committee considers it appropriate to do so, shall recommend  
9 to the legislature legislation it considers desirable for the disposition  
10 of the utilities and other facilities. If the legislature does not  
11 enact legislation regarding the disposition within one year after the  
12 proposal is submitted to the Legislative Budget and Audit Committee, the  
13 development corporation may at any time thereafter sell or dispose of  
14 all or some of the utilities and facilities, or continue to operate  
15 them.

16 Sec. 29.14.090. DEFINITIONS. In this chapter, unless the context  
17 requires otherwise,

18 (1) "capital city area" means the area described in AS 29.-  
19 14.020;

20 (2) "capital city " means the municipality incorporated by  
21 this chapter;

22 (3) "development corporation" means the Alaska Capital City  
23 Development Corporation;

24 (4) "general development plan" has the same meaning as pro-  
25 vided in AS 44.07.360 and includes amendments to the general development  
26 plan;

27 (5) "specific development plan" has the same meaning as  
28 provided in AS 44.07.360 and includes amendments to each specific  
29 development plan.

1       Sec. 29.14.100. SHORT TITLE. This chapter may be cited as the  
2       Capital City Incorporation Act.

3       \* Sec. 7. AS 29 is amended by adding a new chapter to read:

4               CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

5               ARTICLE 1. CONFLICT OF INTEREST, PUBLIC MEETINGS.

6       Sec. 29.20.010. CONFLICT OF INTEREST. (a) Each municipality  
7       shall adopt a conflict of interest ordinance that provides that

8               (1) a member of the governing body shall declare a substantial  
9       financial interest he has in an official action and ask to be excused  
10       from a vote on the matter;

11              (2) the presiding officer shall rule on a request to be  
12       excused from a vote; and

13              (3) the decision of the presiding officer on a request to be  
14       excused from a vote may be overridden by the majority vote of the govern-  
15       ing body.

16              (b) This section applies to home rule and general law municipali-  
17       ties.

18       Sec. 29.20.020. MEETINGS PUBLIC. (a) Meetings of all municipal  
19       bodies shall be public as provided in AS 44.62.310. The governing body  
20       shall provide reasonable opportunity for the public to be heard at  
21       regular and special meetings.

22              (b) This section applies to home rule and general law municipali-  
23       ties.

24              ARTICLE 2. GOVERNING BODIES.

25       Sec. 29.20.050. LEGISLATIVE POWER. (a) The legislative power of  
26       a borough is vested in the assembly. The legislative power of a city is  
27       vested in the council.

28              (b) This section applies to home rule and general law municipali-  
29       ties.

1           Sec. 29.20.060. ASSEMBLY COMPOSITION AND APPORTIONMENT. (a)  
2 Assembly composition and apportionment shall be consistent with  
3 the equal representation standards of the Constitution of the United  
4 States.

5           (b) The assembly of a newly incorporated borough is, after incor-  
6 poration and until the adoption of an ordinance providing for a change  
7 in composition or apportionment, composed of the number of members and  
8 apportioned as set out in the incorporation petition approved by the  
9 voters. If the borough is already incorporated, the assembly shall be  
10 composed and apportioned in a manner that is consistent with the re-  
11 quirements of this section and prescribed by charter or ordinance.

12           (c) An assembly may not provide for weighted voting.

13           (d) A member of the assembly may not be elected or appointed by  
14 and from the council of a city in the borough.

15           (e) This section applies to home rule and general law municipali-  
16 ties.

17           Sec. 29.20.070. COMPOSITION AND FORM OF REPRESENTATION. (a) The  
18 assembly shall provide for its composition and for the form of its  
19 representation.

20           (b) Not later than the first regular election that occurs after  
21 the report of a federal decennial census, the assembly shall propose and  
22 submit to the voters of the borough, at that regular election or at a  
23 special election called for the purpose, one or more forms of assembly  
24 representation. The forms of representation that the assembly may  
25 submit to the voters are:

26           (1) election of members of the assembly at large by the  
27 voters throughout the borough;

28           (2) election of members of the assembly by district, includ-  
29 ing

1 (A) election at large by the voters throughout the  
2 borough, but with a requirement that a candidate live in an election  
3 district established by the borough for election of assembly  
4 members; or

5 (B) election from election districts established by the  
6 borough for the election of assembly members by the voters of a  
7 district;

8 (3) election of members of the assembly both at large and by  
9 district.

10 (c) A form of assembly representation that includes election of  
11 assembly members under (b)(2) or (b)(3) of this section shall be sub-  
12 mitted to the voters of the borough with a plan of apportionment as  
13 required by AS 29.20.080.

14 (d) The assembly shall, within 30 days after certification of the  
15 results of the election held under this section, adopt an ordinance  
16 providing for

17 (1) composition of the assembly;

18 (2) the form of assembly representation that received the  
19 most votes; and

20 (3) if applicable, the apportionment of assembly seats in  
21 accordance with the form of representation that received the most votes.

22 (e) This section does not apply to a

23 (1) unified municipality;

24 (2) home rule borough if the home rule charter contains  
25 procedures for changing assembly composition and form of representation.

26 Sec. 29.20.080. ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT. (a)  
27 Not later than two months after the official report of a federal de-  
28 cennial census, the assembly shall determine and declare by resolution  
29 whether the existing apportionment of the assembly meets the standards

1 of AS 29.20.060. If the assembly submits to the voters a form of repre-  
2 sentation that includes election of assembly members under AS 29.-  
3 20.070(b)(2) or (b)(3) the assembly shall submit with the proposition a  
4 proposed plan of apportionment that corresponds to the form of represen-  
5 tation proposed. The assembly shall describe the plan of apportionment  
6 in the ballot proposition, and may present the plan in any manner that  
7 it believes accurately describes the apportionment that is proposed  
8 under the form of representation. If the assembly determines that its  
9 existing apportionment meets the standards of AS 29.20.060, the assembly  
10 may include the existing apportionment as a proposed plan of apportion-  
11 ment of assembly seats that corresponds to a form of representation that  
12 is proposed.

13 (b) The assembly shall provide, by ordinance, for a change in an  
14 existing apportionment of the assembly whenever it determines that the  
15 apportionment does not meet the standards of AS 29.20.060. At the same  
16 time, the assembly may, by ordinance, change the composition of the  
17 assembly.

18 (c) If a petition signed by not less than 50 voters requests  
19 the assembly to determine whether the existing apportionment meets  
20 the standards for apportionment in AS 29.20.060, and the petition con-  
21 tains evidence that the existing apportionment does not meet those  
22 standards, the assembly may make the determination requested. The  
23 assembly shall make a determination required by this subsection within  
24 two months of receipt of a petition that meets the requirements of this  
25 subsection.

26 (d) An ordinance adopted by the assembly under (b) or (c) of this  
27 section shall be submitted to the voters for approval. In order for the  
28 ordinance to be approved it must receive the approval of a majority of  
29 the votes cast.

1 (e) Within six months after a determination by the assembly under  
2 (b) or (c) of this section that the current apportionment does not meet  
3 the standards of AS 29.20.060 the assembly shall adopt an ordinance  
4 providing for reapportionment and submit the ordinance to the voters.  
5 If, at the end of the six-month time period, an ordinance providing for  
6 reapportionment has not been approved by the voters, the commissioner  
7 shall provide for the reapportionment in accordance with the standards  
8 of AS 29.20.060 by preparing an order of reapportionment and delivering  
9 the order to the borough mayor.

10 Sec. 29.20.090. APPORTIONMENT APPEALS. (a) A reapportionment  
11 ordinance approved by the voters, or a decision of the assembly that the  
12 standards of AS 29.20.060 do not require a change in apportionment, may  
13 be appealed to the commissioner. Fifty voters may submit a petition to  
14 the commissioner requesting the commissioner to determine whether the  
15 proposed reapportionment ordinance approved by the voters meets the  
16 standards of AS 29.20.060 or whether a decision of the assembly that the  
17 standards of AS 29.20.060 do not require a change of apportionment is  
18 correct. If the petition asks the commissioner to review an ordinance  
19 approved by the voters under AS 29.20.080(e), the petition shall be  
20 delivered to the commissioner not later than 20 days after certification  
21 of the election. If the petition asks the commissioner to review a  
22 decision of the assembly under AS 29.20.080(c), the petition shall be  
23 delivered to the commissioner within 20 days of the decision of the  
24 assembly.

25 (b) The commissioner shall review the petition and may make the  
26 determination requested. The commissioner shall provide copies of his  
27 determination to the persons petitioning for appeal and to borough  
28 officials not later than 60 days after he receives the petition.

29 (c) If the commissioner determines that the proposed reapportionment-

1 ment ordinance approved by the voters does not meet the standards of  
2 AS 29.20.060, or if he determines that the decision of the assembly that  
3 the standards of AS 29.20.060 do not require a change of apportionment  
4 is not correct, the commissioner shall, by order, direct the assembly to  
5 prepare a reapportionment ordinance that meets the standards of AS 29.-  
6 20.060 and submit the ordinance to the voters.

7 (d) When the assembly has been directed by the commissioner to  
8 prepare a reapportionment ordinance under (c) of this section, the  
9 assembly shall, within two months after its receipt of the commissioner's  
10 order, adopt an ordinance providing for reapportionment. The assembly  
11 shall submit an ordinance adopted under this subsection to the voters at  
12 an election held within 60 days after the date of adoption of the re-  
13 apportionment ordinance.

14 (e) If at the end of the time period provided under (d) of this  
15 section an ordinance providing for reapportionment has not been approved  
16 by the voters, the commissioner shall provide for the reapportionment of  
17 the assembly in accordance with the standards of AS 29.20.060 by pre-  
18 paring an order of reapportionment and delivering the order to the  
19 borough mayor.

20 Sec. 29.20.100. JUDICIAL REVIEW AND RELIEF. (a) The commissioner  
21 may request the superior court to enforce a reapportionment order issued  
22 under AS 29.20.090(e).

23 (b) Each of the following is subject to judicial review:

24 (1) a plan of reapportionment approved by the voters under  
25 AS 29.20.080(a);

26 (2) a determination by the assembly under AS 29.20.080 that  
27 the standards of AS 29.20.060 do not require a change in apportionment;

28 (3) a reapportionment ordinance approved by the voters under  
29 AS 29.20.080(d);

1 (4) a reapportionment order of the commissioner made under  
2 AS 29.20.090(c);

3 (5) a reapportionment ordinance approved by the voters under  
4 AS 29.20.090(d); and

5 (6) a reapportionment order of the commissioner made under  
6 AS 29.20.090(e).

7 Sec. 29.20.110. EFFECTIVE DATE OF APPORTIONMENT. (a) A change in  
8 assembly apportionment or composition under AS 29.20.080 or 29.20.090 is  
9 effective beginning with the first regular election for members of the  
10 assembly that is held more than 60 days after the later of

11 (1) approval of a reapportionment ordinance by the voters  
12 under AS 29.20.080(a), 29.20.080(e), or 29.20.090(d); or

13 (2) the delivery to the mayor of a reapportionment order of  
14 the commissioner under AS 29.20.090(d).

15 (b) The provisions of (a) of this section do not apply to a borough  
16 in which a change in assembly composition or apportionment is subject to  
17 review and approval or determination of nonobjection by the Attorney  
18 General of the United States under the Voting Rights Act of 1965, as  
19 amended (42 U.S.C. 1971 - 1974). A change in assembly composition or  
20 apportionment subject to review under the Voting Rights Act of 1965, as  
21 amended, is effective beginning with the first regular election for  
22 members of the assembly that is held more than 60 days after

23 (1) receipt by the assembly of approval by the Attorney  
24 General of the United States of the proposed change in the composition  
25 or apportionment of the assembly;

26 (2) the delivery to the mayor of a reapportionment order of  
27 the commissioner under AS 29.20.090(e); or

28 (3) the last day on which the Attorney General of the United  
29 States may review a proposed change in the composition or apportionment

1 of the assembly.

2 Sec. 29.20.120. APPLICABILITY OF APPORTIONMENT PROVISIONS. The  
3 provisions of AS 29.20.080 - 29.20.110 do not apply to a

4 (1) unified municipality;

5 (2) home rule borough if the borough, by home rule charter,  
6 provides for reapportionment of the assembly.

7 Sec. 29.20.130. CITY COUNCIL COMPOSITION. Each first class city  
8 has a council of six members elected by the voters at large. Each  
9 second class city has a council of seven members elected by the voters  
10 at large. The council of a first or second class city may by ordinance  
11 provide for election of members other than on an at-large basis for all  
12 members.

13 Sec. 29.20.140 QUALIFICATIONS. (a) A borough voter is eligible  
14 to be a member of the assembly and a city voter is eligible to be a  
15 member of the council. A member of the governing body who ceases to be  
16 a voter in the municipality immediately forfeits his office.

17 (b) A municipality may by ordinance establish a durational resi-  
18 dency requirement not to exceed three years for members of the governing  
19 body.

20 (c) A municipality may by ordinance establish district residency  
21 requirements for members of its governing body. A member of the govern-  
22 ing body who represents a district and who becomes a resident of another  
23 district in the municipality continues to serve until the next regular  
24 election unless provided otherwise by ordinance.

25 (d) Except by ordinance ratified by the voters, no limit may be  
26 placed on the total number of terms or number of consecutive terms a  
27 voter may serve on the governing body.

28 (e) This section applies to home rule and general law municipali-  
29 ties.

1           Sec. 29.20.150. TERM OF OFFICE. (a) A member of the governing  
2 body is elected for a three-year term and until his successor qualifies,  
3 unless a different term not exceeding four years is prescribed by home  
4 rule charter or ordinance.

5           (b) Except when otherwise required by a change in composition or  
6 apportionment, if the term of a member of a governing body is changed by  
7 charter or ordinance the term of an official holding office at the time  
8 the change becomes effective is not affected.

9           (c) The regular term of office begins on the first Monday fol-  
10 lowing certification of the election, unless a different date is pre-  
11 scribed by charter or ordinance.

12           (d) This section applies to home rule and general law municipali-  
13 ties.

14           Sec. 29.20.160. PROCEDURES OF GOVERNING BODIES. (a) The assembly  
15 shall elect from among its members a presiding officer and a deputy  
16 presiding officer to serve at the pleasure of the members, except that  
17 in a borough that has adopted a manager form of government under AS 29.-  
18 20.450 - 29.20.520 the mayor serves as presiding officer. In a city the  
19 mayor serves as presiding officer. If the presiding officer is not  
20 present or disqualifies himself, the deputy presiding officer shall  
21 preside.

22           (b) A governing body shall hold at least one regular meeting each  
23 month unless otherwise provided by ordinance. If a majority of the  
24 members are given at least 24 hours oral or written notice and reasonable  
25 efforts are made to notify all members, a special meeting of the govern-  
26 ing body may be held at the call of the presiding officer or at least  
27 one-third of the members. A special meeting may be conducted with less  
28 than 24 hours notice if all members are present or if absent members  
29 have waived in writing the required notice. Waiver of notice can be

1 made before or after the special meeting is held. A waiver of notice  
2 shall be made a part of the journal for the meeting.

3 (c) A majority of the total membership of a governing body autho-  
4 rized by law constitutes a quorum. A member disqualified by law from  
5 voting on a question may be considered present for purposes of consti-  
6 tuting a quorum. In the absence of a quorum any number of members may  
7 recess or adjourn the meeting to a later date.

8 (d) Actions of a governing body are adopted by a majority of the  
9 total membership of the body. All members present shall vote on every  
10 question, unless they are required to abstain from voting on a question  
11 by law. The final vote of each member on each ordinance, resolution, or  
12 substantive motion shall be recorded "yes" or "no", except that if the  
13 vote is unanimous it may be recorded "unanimous".

14 (e) A governing body shall maintain a journal of its official  
15 proceedings that shall be a public record.

16 (f) To the extent otherwise permitted by law, a governing body may  
17 determine by ordinance its own rules of procedure and order of business.

18 Sec. 29.20.170. VACANCIES. The governing body may provide by  
19 ordinance the manner in which a vacancy occurs in any elected office  
20 except the office of mayor or school board member. Unless otherwise  
21 provided by ordinance, the governing body shall declare an elective  
22 office, other than the office of mayor or school board member, vacant  
23 when the person elected

24 (1) fails to qualify or take office within 30 days after his  
25 election or appointment;

26 (2) unless excused by the governing body, is physically  
27 absent from the municipality for 90 consecutive days;

28 (3) resigns and his resignation is accepted;

29 (4) is physically or mentally unable to perform the duties

1 of his office as determined by two-thirds vote of the governing body;

2 (5) is convicted of a felony or of an offense involving a  
3 violation of his oath of office;

4 (6) is convicted of a felony or misdemeanor described in  
5 AS 15.56 and two-thirds of the members of the governing body concur in  
6 expelling him;

7 (7) no longer physically resides in the municipality and the  
8 governing body by two-thirds vote declares the seat vacant; or

9 (8) if a member of the governing body, misses three consecu-  
10 tive regular meetings and is not excused.

11 Sec. 29.20.180. FILLING A VACANCY. (a) If a vacancy occurs in a  
12 governing body, the remaining members shall, within 30 days unless a  
13 different period is provided by ordinance, appoint a qualified person to  
14 fill the vacancy. If less than 30 days remain in a term, a vacancy may  
15 not be filled.

16 (b) Notwithstanding (a) of this section, if the membership is  
17 reduced to fewer than the number required to constitute a quorum, the  
18 remaining members shall, within seven days, appoint a number of qualified  
19 persons to constitute a quorum.

20 (c) A person appointed under this section serves until the next  
21 regular election, when a successor shall be elected to serve the balance  
22 of the term.

23 ARTICLE 3. MUNICIPAL EXECUTIVE AND ADMINISTRATOR.

24 Sec. 29.20.220. EXECUTIVE POWER. (a) The executive power in a  
25 municipality is vested in a mayor. The mayor of a home rule or unified  
26 municipality is elected by the voters, and the mayor of other municipali-  
27 ties is elected in accordance with AS 29.20.230.

28 (b) The mayor acts as ceremonial head of government, executes  
29 official documents on authorization of the governing body, and is

1 responsible for additional duties and powers prescribed by this chapter  
2 or by home rule charter.

3 (c) This section applies to home rule and general law municipali-  
4 ties.

5 Sec. 29.20.230. ELECTION AND TERM OF MAYOR. (a) The mayor of a  
6 borough or first class city is elected at large. The mayor of a borough  
7 or first class city serves a term of three years, unless by ordinance a  
8 different term not to exceed four years is provided. The current term  
9 of an incumbent mayor may not be altered. The regular term of a mayor  
10 of a borough or first class city begins on the first Monday following  
11 certification of his election.

12 (b) The mayor of a second class city is elected by and from the  
13 council, and serves until a successor is elected and qualifies. The  
14 council of a second class city shall meet on the first Monday after  
15 certification of the regular election and elect a mayor who takes office  
16 immediately. The mayor of a second class city serves a one-year term,  
17 unless a longer term is provided by ordinance. The mayor of a second  
18 class city may serve only while he is a member of the council regardless  
19 of the term established for the office of mayor.

20 (c) Except by ordinance ratified by the voters, no limit may be  
21 placed on the total number of terms or number of consecutive terms a  
22 mayor may serve.

23 Sec. 29.20.240. QUALIFICATIONS FOR THE OFFICE OF MAYOR. (a) A  
24 voter of the municipality is eligible to hold the office of mayor in a  
25 borough or first class city. A member of the city council is eligible to  
26 hold the office of mayor in a second class city.

27 (b) Residency requirements for the office of mayor not exceeding  
28 three years may be prescribed by ordinance.

29 Sec. 29.20.250. POWERS AND DUTIES OF MAYOR. (a) If a municipality

1 has not adopted a manager plan of government under AS 29.20.460 -  
2 29.20.520, the administrative power is vested in the mayor and the mayor  
3 has the same powers and duties as those of the manager.

4 (b) The mayor may take part in the discussion of a matter before  
5 the governing body. The mayor may not vote, except that the mayor of a  
6 first class city may vote in the case of a tie and the mayor of a second  
7 class city, as a council member, may vote on all matters.

8 Sec. 29.20.260. EXECUTIVE ABSENCE. The borough mayor, subject to  
9 assembly approval, shall designate a person to act as mayor during the  
10 borough mayor's temporary absence or disability. If a manager plan has  
11 been adopted, the assembly shall designate by resolution a borough  
12 administrative official to act as manager during the manager's absence  
13 or disability.

14 Sec. 29.20.270. VETO. (a) Except as provided in (c) and (d) of  
15 this section, the mayor may veto an ordinance, resolution, motion, or  
16 other action of the governing body and may strike or reduce appropria-  
17 tion items.

18 (b) A veto must be exercised before the next regular meeting of  
19 the governing body and must be accompanied by a written explanation of  
20 the reasons for the veto. A veto may be overridden by vote of two-  
21 thirds of the authorized membership of the governing body within 21 days  
22 following exercise of the veto, or at the next regular meeting, whichever  
23 is later.

24 (c) The veto does not extend to

- 25 (1) appropriation items in a school budget ordinance;  
26 (2) actions of the governing body sitting as board of equali-  
27 zation or the board of adjustment;  
28 (3) adoption or repeal of a manager plan of government.

29 (d) The mayor of a second class city has no veto power.

1           Sec. 29.20.280. VACANCY IN THE OFFICE OF MAYOR. (a) The govern-  
2 ing body shall, by two-thirds concurring vote, declare the office of  
3 mayor vacant only when the person elected

4           (1) fails to qualify or take office within 30 days after his  
5 election or appointment;

6           (2) unless excused by the governing body, is physically  
7 absent for 90 consecutive days;

8           (3) resigns and his resignation is accepted;

9           (4) is physically or mentally unable to perform the duties of  
10 his office;

11           (5) is convicted of a felony or of an offense involving a  
12 violation of his oath of office;

13           (6) is convicted of a felony or misdemeanor described in  
14 AS 15.56; or

15           (7) no longer physically resides in the municipality; or

16           (8) if, as a member of the governing body in a second class  
17 city, he misses three consecutive regular meetings and is not excused.

18           (b) A vacancy in the office of mayor occurring six months before a  
19 regular election shall be filled by the governing body. The person  
20 appointed serves until the next regular election when a successor is  
21 elected to serve the balance of the term. If a member of the governing  
22 body is appointed mayor, he shall resign his seat on the governing body.  
23 If a vacancy occurs more than six months before a regular election, the  
24 governing body shall call a special election to fill the unexpired term.

25           (c) Notwithstanding (b) of this section, a vacancy in the office  
26 of mayor of a second class city shall be filled by and from the council.  
27 A mayor appointed under this section serves the balance of the term to  
28 which appointed, except he may serve only while he is a member of the  
29 council.

1 ARTICLE 4. BOARDS AND COMMISSIONS.

2 Sec. 29.20.300. SCHOOL BOARDS. (a) Each municipal school district  
3 has a school board. Except as provided in (b) of this section members  
4 are elected at the regular election for three-year terms and until their  
5 successors take office. Members are elected at large unless a different  
6 method of election has been approved by the voters in a regular election.

7 (b) The assembly is the school board for a third class borough.  
8 The mayor is the presiding officer of the assembly and president of the  
9 school board; however, he may not veto an action of the school board.

10 Sec. 29.20.310. UTILITY BOARDS. (a) The governing body of a  
11 municipality operating a public utility may provide by ordinance for a  
12 managing board of five members and define the board's powers and duties.

13 (b) As determined by ordinance, members of a utility board are  
14 appointed by the municipal executive and confirmed by the governing body  
15 or are elected at a regular election. The term of a utility board  
16 member is two years and until a successor is selected and qualifies.  
17 However, the governing body may by ordinance provide for a different  
18 term not to exceed four years. The current term of an elected incumbent  
19 may not be altered.

20 (c) Vacancies on a utility board are filled by the municipal  
21 executive. Executive appointments shall be confirmed by the governing  
22 body. A person appointed to fill a vacancy on a utility board serves  
23 until the expiration of the term for which appointed and until a  
24 successor is elected and qualifies.

25 (d) Unless otherwise provided by ordinance, a utility board shall

26 (1) choose its chairman and secretary;

27 (2) appoint the manager of the public utility for a term not  
28 longer than five years and set his salary;

29 (3) formulate and enforce the general rules and policies of

1 the utility.

2 Sec. 29.20.320. OTHER BOARDS AND COMMISSIONS. (a) The governing  
3 body may by ordinance establish advisory, administrative, technical, or  
4 quasi-judicial boards and commissions.

5 (b) Members of boards and commissions, except for members of the  
6 board of adjustment and assembly members serving on the board of equali-  
7 zation, are appointed by the mayor and confirmed by the governing body.

8 ARTICLE 5. OTHER OFFICIALS AND EMPLOYEES.

9 Sec. 29.20.360. APPOINTMENT OF OFFICIALS. Unless otherwise pro-  
10 vided by ordinance, the municipal clerk, attorney, treasurer, and police  
11 chief are appointed by the chief administrative official. Unless other-  
12 wise provided by ordinance, an official described in this section serves  
13 at the pleasure of the appointing authority and, if appointed by the  
14 chief administrative official, must be confirmed by the governing body.

15 Sec. 29.20.370. MUNICIPAL ATTORNEY. The municipal attorney is the  
16 legal advisor of the governing body, the school board, and the other  
17 officials of the municipality. He represents the municipality as  
18 attorney in civil and criminal proceedings. The school board may hire  
19 independent counsel when in its judgment independent counsel is needed.

20 Sec. 29.20.380. MUNICIPAL CLERK. (a) The municipal clerk shall

21 (1) give notice of the time and place of meetings of the  
22 governing body to the governing body and to the public;

23 (2) attend meetings of the governing body and keep the  
24 journal;

25 (3) arrange publication of notices, ordinances, and resolu-  
26 tions;

27 (4) maintain and make available for public inspection an  
28 indexed file containing municipal ordinances, resolutions, rules, regula-  
29 tions, and codes;

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(5) attest deeds and other documents;

(6) perform other duties specified in this title or prescribed by the chief executive or by the governing body.

(b) The governing body may combine the office of clerk with that of treasurer. If the offices are combined, the clerk-treasurer shall, as required of the treasurer, give his bond to the municipality for the faithful performance of his duties as clerk-treasurer.

Sec. 29.20.390. MUNICIPAL TREASURER. (a) Except as provided in AS 14.14.060, the treasurer is the custodian of all municipal funds. He shall keep an itemized account of money received and disbursed. He shall pay money on vouchers drawn against appropriations.

(b) The treasurer shall give bond to the municipality in a sum that the governing body directs.

Sec. 29.20.400. DEPARTMENTS. (a) The governing body may establish municipal departments and distribute functions among them.

(b) Each municipal department is administered by a department head. With the consent of the governing body, the mayor may serve as head of one or more departments or a single administrator may serve as head of two or more departments.

Sec. 29.20.410. PERSONNEL SYSTEM. (a) Except as provided by (b) of this section, appointments and promotions of municipal employees are made on the basis of merit. The governing body may provide for a personnel system and classified service.

(b) By ordinance the governing body may designate confidential or managerial positions that are wholly or partially exempt from the classified service. A wholly or partially exempt position is filled by a person who serves at the pleasure of the appointing authority and whose term of employment is determined by the appointing authority.

ARTICLE 6. MANAGER PLAN.

1           Sec. 29.20.460. MANAGER PLAN. A municipality may adopt a manager  
2 plan of government. Adoption of a manager plan may be initiated either  
3 by petition or by motion of the governing body. A petition for the  
4 adoption of a manager plan is submitted to the governing body. The  
5 petition must be signed by a number of voters equal to the following  
6 percentage of the votes cast at the preceding regular election:

7           (1) 25 percent if the municipality has fewer than 7,500  
8 persons;

9           (2) 15 percent if the municipality has 7,500 persons or more.

10          Sec. 29.20.470. ELECTION. On receipt of a petition to adopt a  
11 manager plan or on its own motion to adopt a manager plan, the governing  
12 body shall provide by ordinance or resolution for a vote on the question  
13 at the next election.

14          Sec. 29.20.480. ADOPTION. (a) If a manager plan is approved, the  
15 governing body shall, within 60 days, adopt the plan by ordinance or  
16 resolution.

17          (b) The governing body shall notify the department of the adoption  
18 of a manager plan.

19          Sec. 29.20.490. APPOINTMENT. (a) The governing body shall appoint  
20 a manager by a majority vote of its membership. He is chosen on the  
21 basis of his administrative qualifications and receives the compensation  
22 set by the governing body. A member of the governing body may not be  
23 appointed manager of the municipality sooner than one year after leaving  
24 office, except by a vote of three-fourths of the authorized membership  
25 of the governing body.

26          (b) Subject to the contract of employment, the manager holds  
27 office at the pleasure of the governing body.

28          Sec. 29.20.500. POWERS AND DUTIES OF A MANAGER. As chief admin-  
29 istrator the manager shall

1 (1) appoint, suspend, or remove municipal employees and  
2 administrative officials, except as provided otherwise in this title and  
3 AS 14.14.065; he may hire necessary administrative assistants and may  
4 authorize an administrative official to appoint, suspend, or remove  
5 subordinates;

6 (2) supervise the enforcement of municipal law and carry out  
7 the directives of the governing body;

8 (3) prepare and submit an annual budget and capital improve-  
9 ment program for consideration by the governing body, and execute the  
10 budget and capital improvement program adopted;

11 (4) make monthly financial reports and other reports on  
12 municipal finances and operations as required by the governing body;

13 (5) exercise custody over all real and personal property of  
14 the municipality, except property of the school district;

15 (6) perform other duties required by law or by the governing  
16 body; and

17 (7) serve as personnel officer, unless the governing body  
18 authorizes him to appoint a personnel officer.

19 Sec. 29.20.510. INTERGOVERNMENT APPOINTMENTS. A borough adopting  
20 a manager plan may, on agreement with a city in the borough, provide  
21 that the manager of the city serve also as borough manager. A city  
22 adopting a manager plan may, on agreement with the borough in which it  
23 is located, provide that the manager of the borough serve also as city  
24 manager. Appointment and service of the manager shall be as provided in  
25 AS 29.20.490 - 29.20.500. Nothing in this section affects the authority  
26 of the governing body to provide for other dual officeholding if the  
27 dual offices held are compatible, or otherwise to appoint officials and  
28 employees in accordance with law.

29 Sec. 29.20.520. REPEAL. A municipality may repeal a manager plan

1 in the same manner used for its adoption. Within 60 days after repeal  
2 of a manager plan, the governing body shall enact provisions for the  
3 reorganization of the municipal executive and administrative functions.

4 ARTICLE 7. MISCELLANEOUS PROVISIONS.

5 Sec. 29.20.600. OATHS OF OFFICE. Before taking office a municipal  
6 official shall affirm in writing that he will honestly, faithfully, and  
7 impartially perform his duties. The oath is filed with the municipal  
8 clerk.

9 Sec. 29.20.610. BONDING. The manager and the other municipal  
10 officials or employees that the governing body may designate shall give  
11 bond in the amount and with the security prescribed by the governing body.  
12 Premiums on bonds are paid by the municipality.

13 Sec. 29.20.620. COMPENSATION FOR ELECTED OFFICIALS. The governing  
14 body shall by ordinance provide a method of determining the salaries of  
15 elected officials. The salary of the mayor may not be reduced during  
16 his term of office, unless during his term a manager plan is adopted.  
17 An elected official may not receive compensation for service to the  
18 municipality in addition to his salary, unless otherwise provided by  
19 ordinance. Per diem payments or reimbursements for expenses are not  
20 compensation under this section.

21 Sec. 29.20.630. PROHIBITIONS. (a) Subject to AS 14.14.140, a  
22 state employee or school district employee may not be denied the right  
23 to serve as an elected municipal official because of his employment by  
24 the state or a school district. For purposes of this section a school  
25 district employee is not a municipal employee.

26 (b) This section applies to home rule and general law municipali-  
27 ties.

28 Sec. 29.20.640. REPORTS. (a) A municipality shall file with the  
29 department

1 (1) maps and descriptions of all annexed or detached ter-  
2 ritory;

3 (2) a copy of the annual audit, or, for a second class city,  
4 an audit or statement of annual income and expenditures;

5 (3) tax assessment and tax levy figures as requested;

6 (4) a copy of the current annual budget of the municipality;

7 (5) a summary of the optional property tax exemptions autho-  
8 rized together with the estimate of the revenues lost to the municipal-  
9 ity by operation of each of the exemptions.

10 (b) Compliance with the provisions of this section is a prerequi-  
11 site to receipt of municipal tax resource equalization assistance under  
12 AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal  
13 services under AS 29.60.100 - 29.60.180. The department shall withhold  
14 annual allocations under those sections in the event of noncompliance  
15 until the report requirements are met.

16 (c) This section applies to home rule and general law municipali-  
17 ties.

18 \* Sec. 8. AS 29 is amended by adding a new chapter to read:

19 CHAPTER 25. MUNICIPAL ENACTMENTS.

20 Sec. 29.25.010. ACTS REQUIRED TO BE BY ORDINANCE. (a) In addi-  
21 tion to other actions that this title requires to be by ordinance, the  
22 governing body of a municipality shall use ordinances to

23 (1) establish, alter, or abolish municipal departments;

24 (2) provide for a fine or other penalty, or establish rules  
25 or regulations for violation of which a fine or other penalty is im-  
26 posed;

27 (3) provide for the levying of taxes;

28 (4) make appropriations, including supplemental appropriations  
29 or transfer of appropriations;

1 (5) grant, renew, or extend a franchise;

2 (6) adopt, modify, or repeal the comprehensive plan, land use  
3 and subdivision regulations, building and housing codes, and the official  
4 map;

5 (7) approve the transfer of a power to a first or second  
6 class borough from a city;

7 (8) designate the borough seat;

8 (9) provide for the retention or sale of tax-foreclosed  
9 property;

10 (10) exempt contractors from compliance with general require-  
11 ments relating to payment and performance bonds in the construction or  
12 repair of municipal public works projects within the limitations set out  
13 in AS 36.25.025; this paragraph applies to home rule and general law  
14 municipalities.

15 (b) This section grants no authority but requires the governing  
16 body to use ordinances in exercising certain of its powers.

17 Sec. 29.25.020. ORDINANCE PROCEDURE. (a) An ordinance is intro-  
18 duced in writing in the form required by the governing body.

19 (b) The following procedure governs the enactment of all ordi-  
20 nances, except emergency ordinances:

21 (1) an ordinance may be introduced by a member or committee  
22 of the governing body, or by the mayor or manager;

23 (2) an ordinance shall be set by the governing body for a  
24 public hearing by the affirmative vote of a majority of the votes autho-  
25 rized on the question;

26 (3) at least five days before the public hearing a summary of  
27 the ordinance shall be published together with a notice of the time and  
28 place for the hearing;

29 (4) copies of the ordinance shall be available to all persons

1 present at the hearing, or the ordinance shall be read in full;

2 (5) during the hearing the governing body shall hear all  
3 interested persons wishing to be heard;

4 (6) after the public hearing the governing body shall consider  
5 the ordinance, and may adopt it with or without amendment;

6 (7) the governing body shall print and make available copies  
7 of an ordinance that is adopted.

8 (c) An ordinance takes effect upon adoption or at a later date  
9 specified in the ordinance.

10 Sec. 29.25.030. EMERGENCY ORDINANCES. (a) To meet a public  
11 emergency the governing body may adopt an emergency ordinance effective  
12 on adoption. Each emergency ordinance shall contain a finding by the  
13 governing body that an emergency exists and a statement of the facts  
14 upon which the finding is based. An emergency ordinance may be adopted,  
15 amended and adopted, or rejected at the meeting at which it is intro-  
16 duced. The affirmative vote of all members present, or the affirmative  
17 vote of three-fourths of the total membership, whichever is less, is  
18 required for adoption of an emergency ordinance. The governing body  
19 shall print and make available copies of adopted emergency ordinances.

20 (b) An emergency ordinance may not be used to levy taxes, to  
21 grant, renew, or extend a franchise, or to regulate the rate charged by  
22 a public utility for its services.

23 (c) An emergency ordinance is effective for 60 days.

24 Sec. 29.25.040. CODES OF REGULATION. The governing body may in a  
25 single ordinance adopt or amend by reference provisions of a published  
26 code of municipal regulations. The procedure under AS 29.25.050 applies  
27 to an ordinance adopted under this section, except that neither the  
28 ordinance or its amendments must be distributed to the public or read in  
29 full at the public hearing. For a period of 15 days before adoption of

1 an ordinance under this section, at least five copies of the code of  
2 regulations shall be made available for public inspection at a time and  
3 place set out in the hearing notice. Only the ordinance must be printed  
4 after it is adopted under this section. The governing body shall provide  
5 for an adopted code of regulations to be made available to the public at  
6 no more money than cost.

7 Sec. 29.25.050. CODIFICATION. (a) Each ordinance shall be codi-  
8 fied after it is adopted.

9 (b) Within three years after incorporation of a municipality, the  
10 municipal clerk or his designee shall have prepared a general codifi-  
11 cation of all municipal ordinances of general applicability having the  
12 force and effect of law. The municipal code shall be revised and printed  
13 at least every five years, unless the code is kept current by regular  
14 supplements.

15 (c) In (a) of this section, "codified" means

16 (1) the ordinance has been given a serial number or other  
17 permanent identifying number, and, bearing a notation of the date of  
18 adoption and the adopting authority, it has been entered by the municipal  
19 clerk in a properly indexed book maintained for the purposes of organ-  
20 izing and recording the ordinances; or

21 (2) the ordinance is a provision that establishes a rule of  
22 conduct or behavior and that is included, or to be included, in a code  
23 of ordinances or other complete system of law enacted and kept current  
24 at reasonable intervals.

25 (d) This section applies to home rule and general law munici-  
26 palities.

27 Sec. 29.25.060. RESOLUTIONS. (a) The governing body shall provide  
28 for the maintenance of a permanent file of resolutions that have been  
29 adopted.

1 (b) This section applies to home rule and general law municipali-  
2 ties.

3 Sec. 29.25.070. PENALTIES. (a) For the violation of an ordinance,  
4 a municipality may prescribe penalties not to exceed those imposed for a  
5 class B misdemeanor and may require mandatory, nonsuspendable imprison-  
6 ment not to exceed five days.

7 (b) The municipality or an aggrieved person may institute a civil  
8 action against a person who violates an ordinance. In addition to  
9 injunctive and compensatory relief, a civil penalty not to exceed \$1,000  
10 may be imposed for each violation. An action to enjoin a violation may  
11 be brought notwithstanding the availability of any other remedy. On  
12 application for injunctive relief and a finding of a violation or a  
13 threatened violation, the superior court shall grant the injunction.  
14 Each day that a violation of an ordinance continues constitutes a  
15 separate violation.

16 (c) The penalties authorized under this section may be imposed  
17 only if copies of the ordinance are made available for distribution to  
18 the public at no more money than cost.

19 \* Sec. 9. AS 29 is amended by adding a new chapter to read:

20 CHAPTER 26. ELECTIONS.

21 ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

22 Sec. 29.26.010. ADMINISTRATION. The governing body shall pre-  
23 scribe the rules for conducting an election and shall appoint an elec-  
24 tion board composed of at least three judges for each precinct. A judge  
25 shall be a voter of the precinct for which he is appointed unless no  
26 voter is willing to serve.

27 Sec. 29.26.020. NOMINATIONS. (a) Subject to other provisions of  
28 this title, the governing body shall provide by ordinance for nomina-  
29 tions of elected officials by providing for declaration of candidacy or

1 for petition requiring the signatures of not more than 10 voters, or for  
2 both.

3 (b) A person may be nominated for and occupy more than one office,  
4 but he may not serve simultaneously as borough mayor and as a member of  
5 the assembly or, in a first class city, as city mayor and as a member of  
6 the council.

7 Sec. 29.26.030. NOTICE OF ELECTIONS. (a) Subject to other pro-  
8 visions of this title, a municipality shall give at least 20 days notice  
9 of an election.

10 (b) This section applies to home rule and general law municipali-  
11 ties.

12 Sec. 29.26.040. DATE. The date of a regular election is the first  
13 Tuesday of October annually, unless a different date or interval of  
14 years is provided by ordinance.

15 Sec. 29.26.050. VOTER QUALIFICATION. (a) A person may vote in a  
16 municipal election only if he

17 (1) is a United States citizen who is qualified to vote in  
18 state elections;

19 (2) has been a resident of the municipality for 30 days  
20 immediately preceding the election;

21 (3) is registered to vote in state elections; and

22 (4) is not disqualified under art. V of the state constitu-  
23 tion.

24 (b) Voter registration by the municipality may not be required.  
25 However, a municipality may by ordinance require that a person be  
26 registered to vote in state elections in the precinct in which he seeks  
27 to vote in municipal elections.

28 (c) This section applies to home rule and general law municipali-  
29 ties.

1           Sec. 29.26.060. MAJORITY ELECTIONS. (a) Unless otherwise pro-  
2 vided by ordinance, a runoff election shall be held if no candidate  
3 receives over 40 percent of the votes cast for the office of mayor or  
4 member of the governing body or school board.

5           (b) Unless otherwise provided by ordinance, a runoff election  
6 shall be held within three weeks after the date of certification of the  
7 election for which a runoff is required, and notice of the runoff elec-  
8 tion shall be published at least five days before the election date.

9           Sec. 29.26.070. ELECTION CONTEST AND APPEAL. (a) The governing  
10 body may provide by ordinance the time and procedure for the contest of  
11 an election.

12           (b) Unless otherwise provided by ordinance, an election may be  
13 contested only by a voter by filing a written affidavit with the municip-  
14 al clerk specifying with particularity the grounds for the contest. An  
15 election may be contested before or during the first canvass of ballots  
16 by the governing body.

17           (c) Unless otherwise provided by ordinance, the governing body  
18 shall declare the election results at the first meeting to canvass the  
19 election, record the results in the minutes of that meeting, and autho-  
20 rize the results to be certified.

21           (d) A contestant shall pay all costs and expenses incurred in a  
22 recount of an election demanded by the contestant if the recount fails  
23 to reverse a result of the election, or the difference between the  
24 winning and losing vote on the result contested is more than two per-  
25 cent.

26           (e) A person may not appeal or seek judicial review of an election  
27 for any cause unless the person is a municipal voter, has exhausted his  
28 administrative remedies before the governing body, and has commenced,  
29 within 10 days after the governing body has declared the election

1 results, an action in the superior court in the judicial district in  
2 which the municipality is located. If court action is not commenced  
3 within the 10-day period, the election and election results are con-  
4 clusive and valid.

5 ARTICLE 2. INITIATIVE AND REFERENDUM.

6 Sec. 29.26.100. RESERVATION OF POWERS. The powers of initiative  
7 and referendum are reserved to the residents of municipalities, except  
8 the powers do not extend to matters restricted by art. XI, sec. 7 of the  
9 state constitution.

10 Sec. 29.26.110. APPLICATION FOR PETITION. (a) An initiative or  
11 referendum is proposed by filing an application with the municipal clerk  
12 containing the bill to be initiated or the act to be referred and the  
13 address to which all correspondence relating to the petition may be  
14 sent. An application shall be signed by at least 10 voters who will  
15 sponsor the petition. An additional sponsor may be added at any time  
16 before the petition is filed by submitting his name to the clerk.  
17 Within two weeks the clerk shall certify the application if he finds  
18 that it is in proper form and, for an initiative petition, that the  
19 matter

20 (1) is not restricted by AS 29.26.100;

21 (2) includes only a single subject;

22 (3) relates to a legislative rather than to an administrative  
23 matter; and

24 (4) would be enforceable as a matter of law.

25 (b) A decision by the clerk on an application for petition shall  
26 be subject to judicial review.

27 Sec. 29.26.120. CONTENTS OF PETITION. (a) Within two weeks after  
28 certification of an application for an initiative or referendum petition,  
29 a petition shall be prepared by the municipal clerk. Each copy of the

1 petition shall contain

2 (1) a summary of the bill to be initiated or the act to be  
3 referred;

4 (2) the complete ordinance or resolution sought to be ini-  
5 tiated or referred as submitted by the sponsors;

6 (3) the date on which the petition is issued by the clerk;

7 (4) notice that signatures must be secured within 60 days  
8 after the date the petition is issued;

9 (5) spaces for each signature, the printed name of each  
10 signer, the date each signature is affixed, and the residence and mailing  
11 addresses of each signer;

12 (6) a statement, with space for the sponsor's sworn signature  
13 and date of signing, that the sponsor personally circulated the petition,  
14 that all signatures were affixed in his presence, and that he believes  
15 the signatures to be those of the persons whose names they purport to  
16 be; and

17 (7) space for indicating the total number of signatures on  
18 the petition.

19 (b) If a petition consists of more than one page, each page shall  
20 contain the summary of the bill to be initiated or the act to be re-  
21 ferred.

22 (c) Copies of the petition shall be provided to each sponsor by  
23 the clerk.

24 Sec. 29.26.130. SIGNATURE REQUIREMENTS. (a) The signatures on an  
25 initiative or referendum petition shall be secured within 60 days after  
26 the clerk issues the petition. The statement provided under AS 29.26.-  
27 120(a)(6) shall be signed and dated by the sponsor. Signatures shall be  
28 in ink or indelible pencil.

29 (b) The clerk shall determine the number of signatures required on

1 a petition and inform each sponsor. A petition shall be signed by a  
2 number of voters based on the number of votes cast at the last regular  
3 election held before the date the petition was issued equal to

4 (1) 25 percent of the votes cast if a municipality has fewer  
5 than 7,500 persons; or

6 (2) 15 percent of the votes cast if a municipality has 7,500  
7 persons or more.

8 (c) Illegible signatures shall be rejected by the clerk unless  
9 accompanied by a legible printed name. Signatures not accompanied by a  
10 legible residence address shall be rejected.

11 (d) A petition signer may withdraw his signature on written appli-  
12 cation to the clerk before certification of the petition.

13 Sec. 29.26.140. SUFFICIENCY OF PETITION. (a) All copies of an  
14 initiative or referendum petition shall be assembled and filed as a  
15 single instrument. Within 10 days after the date the petition is filed,  
16 the municipal clerk shall

17 (1) certify on the petition whether it is sufficient; and

18 (2) if the petition is insufficient, identify the insuffi-  
19 ciency and notify the sponsors at the address provided under AS 29.26.-  
20 110(a) by certified mail.

21 (b) A petition that is insufficient may be supplemented with  
22 additional signatures obtained and filed within 10 days after the date  
23 on which the petition is rejected.

24 (c) A petition that is insufficient shall be rejected and filed as  
25 a public record unless it is supplemented under (b) of this section.  
26 Within 10 days after a supplementary filing the clerk shall recertify  
27 the petition. If it is still insufficient, the petition is rejected and  
28 filed as a public record.

29 Sec. 29.26.150. PROTEST. If the municipal clerk certifies an

1 initiative or referendum petition is insufficient, a signer of the  
2 petition may file a protest with the mayor within seven days after the  
3 certification. The mayor shall present the protest at the next regular  
4 meeting of the governing body. The governing body shall hear and decide  
5 the protest.

6 Sec. 29.26.160. NEW PETITION. Failure to secure sufficient signa-  
7 tures does not preclude the filing of a new initiative or referendum  
8 petition. However, a new petition on substantially the same matter may  
9 not be filed sooner than six months after a petition is rejected as  
10 insufficient.

11 Sec. 29.26.170. INITIATIVE ELECTION. (a) Unless substantially  
12 the same measure is adopted, when a petition seeks an initiative vote  
13 the clerk shall submit the matter to the voters at the next regular  
14 election occurring no sooner than 45 days after certification of the  
15 petition. If no regular election occurs within 75 days after the certi-  
16 fication of a petition, the governing body shall hold a special election  
17 within 75 days, but not sooner than 45 days after certification.

18 (b) If the governing body adopts substantially the same measure,  
19 the petition is void and the matter initiated may not be placed before  
20 the voters.

21 (c) The ordinance or resolution initiated shall be published in  
22 full in the notice of the election, but may be summarized on the ballot  
23 to indicate clearly the proposal submitted.

24 (d) If a majority vote favors the ordinance or resolution, it  
25 becomes effective upon certification of the election, unless a different  
26 effective date is provided in the ordinance or resolution.

27 Sec. 29.26.180. REFERENDUM ELECTION. (a) Unless the ordinance or  
28 resolution is repealed, when a petition seeks a referendum vote the  
29 clerk shall submit the matter to the voters at the next election occur-

1 ring no sooner than 45 days after certification of the petition. If no  
2 election occurs within 75 days of certification of a petition, the  
3 governing body shall hold a special election within 75 days, but not  
4 sooner than 45 days after certification.

5 (b) If a petition is certified before the effective date of the  
6 matter referred, the ordinance or resolution against which the petition  
7 is filed shall be suspended pending the referendum vote. During the  
8 period of suspension, the governing body may not enact an ordinance or  
9 resolution substantially similar to the suspended measure.

10 (c) If the governing body repeals the ordinance or resolution  
11 before the referendum election, the petition is void and the matter  
12 referred shall not be placed before the voters.

13 (d) If a majority vote favors the repeal of the matter referred,  
14 it is repealed. Otherwise, the matter referred remains in effect or, if  
15 it has been suspended, becomes effective on certification of the elec-  
16 tion.

17 Sec. 29.26.190. EFFECT. (a) An ordinance or resolution may not  
18 be repealed or amended within one year after its effective date if  
19 adopted in an initiative election or if adopted after a petition that  
20 contains substantially the same measure has been filed.

21 (b) If an ordinance or resolution is repealed in a referendum  
22 election or by the governing body after a petition that contains sub-  
23 stantially the same measure has been filed, substantially similar legis-  
24 lation may not be enacted by the governing body for a period of one  
25 year.

26 (c) If an initiative or referendum measure fails to receive voter  
27 approval, a new petition application for substantially the same measure  
28 may not be filed sooner than six months after the election results are  
29 certified.

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ARTICLE 3. RECALL.

Sec. 29.26.240. RECALL. An official who is elected or appointed to an elective municipal office may be recalled by the voters after he has served the first 120 days of the term for which elected or appointed.

Sec. 29.26.250. GROUNDS. Grounds for recall are misconduct in office, incompetence, or failure to perform prescribed duties.

Sec. 29.26.260. APPLICATION FOR RECALL PETITION. (a) An application for a recall petition shall be filed with the municipal clerk and shall contain

(1) the signatures and residence addresses of at least 10 municipal voters who will sponsor the petition;

(2) the address to which all correspondence relating to the petition may be sent;

(3) a statement in 200 words or less of the grounds of the recall stated with particularity.

(b) An additional sponsor may be added at any time before the petition is filed by submitting his name to the clerk.

Sec. 29.26.270. RECALL PETITION. (a) If the municipal clerk determines that an application for a recall petition meets the requirements of AS 29.26.260, he shall prepare a recall petition. All copies of the petition shall contain

(1) the name of the official sought to be recalled;

(2) the statement of the grounds for recall as set out in the application for petition;

(3) the date the petition is issued by the clerk;

(4) notice that signatures must be secured within 60 days after the date the petition is issued;

(5) spaces for each signature, the printed name of each signer, the date of each signature, and the residence and mailing

1 addresses of each signer;

2 (6) a statement, with space for the sponsor's sworn signature  
3 and date of signing, that the sponsor personally circulated the peti-  
4 tion, that all signatures were affixed in his presence, and that he  
5 believes the signatures to be those of the persons whose names they  
6 purport to be; and

7 (7) space for indicating the number of signatures on the  
8 petition.

9 (b) Copies of the petition shall be provided to each sponsor by  
10 the clerk.

11 Sec. 29.26.280. SIGNATURE REQUIREMENTS. (a) The signatures on a  
12 recall petition shall be secured within 60 days after the date the clerk  
13 issues the petition. The statement provided under AS 29.26.270(a)(6)  
14 shall be completed and signed by the sponsor. Signatures shall be in  
15 ink or indelible pencil.

16 (b) The clerk shall determine the number of signatures required on  
17 a petition and inform each sponsor. If a petition seeks to recall an  
18 official who represents the municipality at large, the petition shall be  
19 signed by a number of voters equal to 25 percent of the number of votes  
20 cast for that office at the last regular election held before the date  
21 the petition was issued. If a petition seeks to recall an official who  
22 represents a district, the petition shall be signed by a number of the  
23 voters residing in the district equal to 25 percent of the number of  
24 votes cast in the district for that office at the last regular election  
25 held before the date the petition was issued.

26 (c) Illegible signatures shall be rejected by the clerk unless  
27 accompanied by a legible printed name. Signatures not accompanied by a  
28 legible residence address shall be rejected.

29 (d) A petition signer may withdraw his signature upon written

1 application to the clerk before certification of the petition.

2 Sec. 29.26.290. SUFFICIENCY OF PETITION. (a) The copies of a  
3 recall petition shall be assembled and filed as a single instrument. A  
4 petition may not be filed within 180 days before the end of the term of  
5 office of the official sought to be recalled. Within 10 days after the  
6 date a petition is filed, the municipal clerk shall

7 (1) certify on the petition whether it is sufficient; and

8 (2) if the petition is insufficient, identify the insuffi-  
9 ciency and notify the sponsors at the address provided under AS 29.26.-  
10 260(a)(2) by certified mail.

11 (b) A petition that is insufficient may be supplemented with addi-  
12 tional signatures obtained and filed within 10 days after the date on  
13 which the petition is rejected if

14 (1) the petition contains an adequate number of signatures,  
15 counting both valid and invalid signatures; and

16 (2) the supplementary petition is filed more than 180 days  
17 before the end of the term of office of the official sought to be re-  
18 called.

19 (c) A petition that is insufficient shall be rejected and filed as  
20 a public record unless it is supplemented under (b) of this section.  
21 Within 10 days after the supplementary filing the clerk shall recertify  
22 the petition. If it is still insufficient, the petition is rejected and  
23 filed as a public record.

24 Sec. 29.26.300. NEW RECALL PETITION APPLICATION. A new applica-  
25 tion for a petition to recall the same official may not be filed sooner  
26 than six months after a petition is rejected as insufficient.

27 Sec. 29.26.310. SUBMISSION. If a recall petition is sufficient,  
28 the clerk shall submit it to the governing body at the next regular  
29 meeting or at a special meeting held before the next regular meeting.

1       Sec. 29.26.320. ELECTION. (a) If a regular election occurs  
2 within 75 days but not sooner than 45 days after submission of the  
3 petition to the governing body, the governing body shall submit the  
4 recall at that election.

5       (b) If no regular election occurs within 75 days, the governing  
6 body shall hold a special election on the recall question within 75 days  
7 but not sooner than 45 days after a petition is submitted to the govern-  
8 ing body.

9       (c) If a vacancy occurs in the office after a sufficient recall  
10 petition is filed with the clerk, the recall question may not be sub-  
11 mitted to the voters. The governing body may not appoint to the same  
12 office an official who resigns after a sufficient recall petition is  
13 filed naming him.

14       Sec. 29.26.330. FORM OF RECALL BALLOT. A recall ballot shall  
15 contain

16       (1) the grounds of recall as stated in 200 words or less on  
17 the recall petition;

18       (2) a statement by the official named on the recall petition  
19 of 200 words or less, if the statement is filed with the clerk for  
20 publication and public inspection within 20 days before the election;

21       (3) the following question: "Shall (name of person) be  
22 recalled from the office of (office)? YES ( ) NO ( )".

23       Sec. 29.26.340. EFFECT. (a) If a majority vote favors recall,  
24 the office becomes vacant upon certification of the recall election.

25       (b) If an official is not recalled at the election, an application  
26 for a petition to recall the same official may not be filed sooner than  
27 six months after the election.

28       Sec. 29.26.350. SUCCESSORS. (a) If an official is recalled from  
29 the governing body, his office is filled in accordance with AS 29.20.-

1 180. If all members of the governing body are recalled, the governor  
2 shall appoint three qualified persons to the governing body. The  
3 appointees shall appoint additional members to fill remaining vacancies  
4 in accordance with AS 29.20.180.

5 (b) If a member of the school board is recalled, his office is  
6 filled in accordance with AS 14.12.070. If all members are recalled  
7 from a school board, the governor shall appoint three qualified persons  
8 to the school board. The appointees shall appoint additional members to  
9 fill remaining vacancies in accordance with AS 14.12.070.

10 (c) A person appointed under (a) or (b) of this section serves  
11 until a successor is elected and takes office.

12 (d) If an official other than a member of the governing body or  
13 school board is recalled, a successor shall be elected to fill the  
14 unexpired portion of the term. The election shall be held not more  
15 than 60 days after the date the recall election is certified, except  
16 that if a regular election occurs within 75 days after certification  
17 the successor shall be chosen at that election.

18 (e) Nominations for a successor may be filed until seven days  
19 before the last date on which a first notice of the election must be  
20 given. Nominations may not be filed before the certification of the  
21 recall election.

22 Sec. 29.26.360. APPLICATION. AS 29.26.240 - 29.26.360 apply to  
23 home rule and general law municipalities.

24 \* Sec. 10. AS 29 is amended by adding a new chapter to read:

25 CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

26 ARTICLE 1. GENERAL POWERS.

27 Sec. 29.35.010. GENERAL POWERS. All municipalities have the  
28 following general powers, subject to other provisions of law:

29 (1) to establish and prescribe a salary for an elected or

1 appointed municipal official or employee;

2 (2) to combine two or more appointive or administrative  
3 offices;

4 (3) to establish and prescribe the functions of a municipal  
5 department, office, or agency;

6 (4) to require periodic and special reports from a municipal  
7 department to be submitted through the mayor;

8 (5) to investigate an affair<sup>s</sup> of the municipality and make  
9 inquiries into the conduct of a municipal department;

10 (6) to levy a tax or special assessment, and impose a lien  
11 for its enforcement;

12 (7) to enforce an ordinance and to prescribe a penalty for  
13 violation of an ordinance;

14 (8) to acquire, manage, control, use, and dispose of real  
15 and personal property, whether the property is situated inside or  
16 outside the municipal boundaries; this power includes the power of a  
17 borough to expend, for any purpose authorized by law, money received  
18 from the disposal of land in a service area established under AS 29.-  
19 35.450;

20 (9) to expend money for a community purpose, facility, or  
21 service for the good of the municipality to the extent the municipality  
22 is otherwise authorized by law to exercise the power necessary to  
23 accomplish the purpose or provide the facility or service;

24 (10) to regulate the operation and use of a municipal right-  
25 of-way, facility, or service;

26 (11) to borrow money and issue evidences of indebtedness;

27 (12) to acquire membership in an organization that promotes  
28 legislation for the good of the municipality;

29 (13) to enter into an agreement, including an agreement for

1 cooperative or joint administration of any function or power with a  
2 municipality, the state, or the United States;

3 (14) to sue and be sued.

4 Sec. 29.35.020. EXTRATERRITORIAL JURISDICTION. (a) To the  
5 extent a municipality is otherwise authorized by law to exercise the  
6 power necessary to provide the facility or service, the municipality may  
7 provide parks, playgrounds, cemeteries, emergency medical services,  
8 solid and septic waste disposal, utility services, airports, streets  
9 (including ice roads), trails, transportation facilities, wharves,  
10 harbors and other marine facilities outside its boundaries and may  
11 regulate their use and operation to the extent that the jurisdiction in  
12 which they are located does not regulate them. A regulation adopted  
13 under this section must state that it applies outside the municipality.

14 (b) A municipality may adopt an ordinance to protect its water  
15 supply and watershed, and may enforce the ordinance outside its bound-  
16 aries. Before this power may be exercised inside the boundaries of  
17 another municipality, the approval of the other municipality must be  
18 given by ordinance.

19 (c) This section applies to home rule and general law municipali-  
20 ties.

21 Sec. 29.35.030. EMINENT DOMAIN. (a) A municipality may exercise  
22 the powers of eminent domain and declaration of taking in the perfor-  
23 mance of a power or function of the municipality under the procedures  
24 set out in AS 09.55.250 - 09.55.460.

25 (b) This section applies to home rule and general law municipali-  
26 ties.

27 Sec. 29.35.040. EMERGENCY DISASTER POWERS. (a) A municipality  
28 that is wholly or partially in an area that is declared by the President  
29 or governor to be a disaster area may participate in and provide for

1 housing, urban renewal, and redevelopment in the same manner as a home  
2 rule city. The exercise of these powers by a borough shall be on a  
3 nonareawide basis, except a borough may exercise the powers transferred  
4 to it by a city as provided by AS 29.35.310.

5 (b) Powers granted by this section must be initiated within a  
6 period of not more than five years after the date of declaration of a  
7 natural disaster by the President or governor, but these powers may be  
8 extended for an additional period of not more than three years.

9 Sec. 29.35.050. GARBAGE AND SOLID WASTE SERVICES. (a) A municipi-  
10 pality may by ordinance

11 (1) provide for the establishment, maintenance, and operation  
12 of a system of garbage and solid waste collection and disposal for the  
13 entire municipality, or for districts or portions of it;

14 (2) require all persons in the municipality or district to  
15 use the system and to dispose of their garbage and solid wastes as  
16 provided in the ordinance;

17 (3) award contracts for collection and disposal, or provide  
18 for the collection and disposal of garbage and solid waste by municipal  
19 officials and employees;

20 (4) pay for garbage and solid waste collection and disposal  
21 from available money;

22 (5) require property owners or occupants of premises to use  
23 the garbage and solid waste collection and disposal system provided by  
24 the municipality;

25 (6) fix charges against the property owners or occupants of  
26 premises for the collection and disposal; and

27 (7) provide penalties for violations of the ordinances.

28 (b) The governing body of a municipality may not prohibit a  
29 person holding a valid certificate from the Alaska Public Utilities

1 Commission from continuing to collect and dispose of garbage, refuse,  
2 trash, waste material, or provide other related services in an area in  
3 the municipality if the certificate authorizes the collection and  
4 disposal of garbage, refuse, trash, or other waste material and provid-  
5 ing of other services in the area, and the certificate was originally  
6 issued before the municipality provided similar services. A municipal-  
7 ity may not provide for a garbage, refuse, trash, or other waste  
8 material collection and disposal service in an area to the extent it  
9 lies in an area granted to a garbage, refuse, trash, or other waste  
10 material carrier by a certificate issued by the Alaska Public Utilities  
11 Commission to the carrier until it has purchased the certificate,  
12 equipment and facilities of the carrier, or that portion of the certi-  
13 ficate that would be affected, at fair market value. A municipality  
14 may exercise the right of eminent domain to determine fair market  
15 value.

16 (c) This section applies to home rule and general law municipal-  
17 ities.

18 Sec. 29.35.060. FRANCHISES AND PERMITS. (a) The assembly acting  
19 for the area outside all cities in the borough and the council acting  
20 for the area in a city may grant franchises, including exclusive fran-  
21 chise privileges, and may permit the use of streets and other public  
22 places by the franchise holder under regulations prescribed by ordi-  
23 nance.

24 (b) Unless the grant is made on a competitive basis, the grant of  
25 an exclusive right to use a public street or right-of-way for more than  
26 five years to a utility or a transportation system not certificated by  
27 the Alaska Public Utilities Commission or by the Alaska Transportation  
28 Commission shall be valid only if approved by a majority of the voters  
29 at an election.

1           Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for  
2 the area outside all cities in the borough and the council acting for  
3 the area in a city may regulate, fix, establish, and change the rates  
4 and charges imposed for a utility service provided to the municipality  
5 or its inhabitants by a utility to the extent that it is not regulated  
6 under AS 42.05, and may provide a reasonable deposit for meters and  
7 service to be given if interest is paid on the deposit. All rates,  
8 charges, and regulations shall be reasonable and shall permit a fair  
9 return on invested capital.

10           (b) This section applies to home rule and general law municipali-  
11 ties.

12           Sec. 29.35.080. MUNICIPAL PROPERTY. The governing body shall by  
13 ordinance establish a formal procedure for acquisition and disposal of  
14 land and interests in land by the municipality.

15           Sec. 29.35.090. BUDGET AND CAPITAL PROGRAM. (a) The governing  
16 body shall establish the manner for the preparation and submission of  
17 the budget and capital program. After a public hearing, the governing  
18 body may approve the budget with or without amendments, and shall  
19 appropriate the money required for the approved budget.

20           (b) The governing body may make supplemental and emergency appro-  
21 priations. Payment may not be authorized or made and an obligation may  
22 not be incurred except in accordance with appropriations.

23           Sec. 29.35.100. EXPENDITURE OF BOROUGH REVENUES. Borough revenues  
24 received through taxes collected on an areawide basis by the borough  
25 may be expended on general administrative costs and on areawide func-  
26 tions only. Borough revenues received through taxes collected on a  
27 nonareawide basis may be expended on general administrative costs and  
28 functions that render service only to the area outside all cities in  
29 the borough.

1       Sec. 29.35.110. POST AUDIT. (a) The governing body shall provide  
2       for an annual independent audit of the accounts and financial trans-  
3       actions of the municipality or, in the case of a second class city, an  
4       audit or statement of annual income and expenditures. To make the  
5       audit the governing body shall designate a public accountant who has no  
6       personal interest, direct or indirect, in the fiscal affairs of the  
7       municipality. Copies of the audit shall be available to the public  
8       upon request.

9       (b) This section applies to home rule and general law municipali-  
10      ties.

11                   ARTICLE 2. MANDATORY AREAWIDE POWERS.

12      Sec. 29.35.150. SCOPE OF AREAWIDE POWERS. (a) A borough shall  
13      exercise the powers as specified and in the manner specified in AS 29.-  
14      35.150 - 29.35.190 on an areawide basis.

15      (b) A city may not exercise an areawide power once that power is  
16      being exercised by a borough. This subsection applies to home rule and  
17      general law municipalities.

18      Sec. 29.35.160. EDUCATION. (a) Each borough constitutes a  
19      borough school district and establishes, maintains, and operates a  
20      system of public schools on an areawide basis as provided in AS 14.14.-  
21      060. A military reservation in a borough is not part of the borough  
22      school district until the military mission is terminated or until  
23      inclusion in the borough school district is approved by the Department  
24      of Education. However, operation of the military reservation schools  
25      by the borough school district may be required by the Department of  
26      Education under AS 14.14.110. If the military mission of a military  
27      reservation terminates or continued management and control by a regional  
28      educational attendance area is disapproved by the Department of Educa-  
29      tion, operation, management, and control of schools on the military

1 reservation transfers to the borough school district in which the  
2 military reservation is located.

3 (b) This section applies to home rule and general law municipali-  
4 ties.

5 Sec. 29.35.170. ASSESSMENT AND COLLECTION OF TAXES. (a) A  
6 borough shall assess and collect property, sales, and use taxes that  
7 are levied in its boundaries, subject to AS 29.45.

8 (b) Taxes levied by a city shall be collected by a borough and  
9 returned in full to the levying city. This subsection applies to home  
10 rule and general law municipalities.

11 Sec. 29.35.180. LAND USE REGULATION. (a) A first or second  
12 class borough shall provide for planning, platting, and land use regula-  
13 tion in accordance with AS 29.40.

14 (b) A home rule borough shall provide for planning, platting, and  
15 land use regulation.

16 ARTICLE 3. ADDITIONAL POWERS.

17 Sec. 29.35.200. FIRST CLASS BOROUGH POWERS. (a) A first class  
18 borough may exercise on a nonareawide basis any power not otherwise  
19 prohibited by law.

20 (b) A first class borough may by ordinance exercise the following  
21 powers on an areawide basis:

- 22 (1) provide transportation systems;  
23 (2) provide water pollution control;  
24 (3) provide air pollution control in accordance with AS 46.-  
25 03.140 - 46.03.240;  
26 (4) license day care facilities;  
27 (5) license, impound, and dispose of animals.

28 (c) In addition to powers conferred by (b) of this section, a  
29 first class borough may, on an areawide basis, exercise a power not

1 otherwise prohibited by law if the power has been acquired in accordance  
2 with AS 29.35.300.

3 Sec. 29.35.210. SECOND CLASS BOROUGH POWERS. (a) A second class  
4 borough may by ordinance exercise the following powers on a nonareawide  
5 basis:

- 6 (1) provide transportation systems;
- 7 (2) regulate the offering for sale, exposure for sale, sale,  
8 use or explosion of fireworks;
- 9 (3) license, impound, and dispose of animals;
- 10 (4) provide garbage, solid waste, and septic waste collec-  
11 tion and disposal;
- 12 (5) provide air pollution control in accordance with AS 46.-  
13 03.140 - 46.03.240;
- 14 (6) provide water pollution control;
- 15 (7) participate in federal or state loan programs for housing  
16 rehabilitation and improvement for energy conservation;
- 17 (8) provide for economic development;
- 18 (9) provide for the acquisition and construction of local  
19 service roads and trails under AS 19.30.111 - 19.30.251;
- 20 (10) establish an emergency communications center.

21 (b) A second class borough may by ordinance exercise the following  
22 powers on an areawide basis:

- 23 (1) provide transportation systems;
- 24 (2) license, impound, and dispose of animals;
- 25 (3) provide air pollution control in accordance with AS 46.-  
26 03.140 - 46.03.240;
- 27 (4) provide water pollution control;
- 28 (5) license day care facilities.

29 (c) In addition to powers conferred by (a) of this section, a

1 second class borough may, on a nonareawide basis, exercise a power not  
2 otherwise prohibited by law if the exercise of the power has been  
3 approved at an election by a majority of voters living in the borough  
4 but outside all cities in the borough.

5 (d) In addition to powers conferred by (b) of this section, a  
6 second class borough may, on an areawide basis, exercise a power not  
7 otherwise prohibited by law if the power has been acquired in accordance  
8 with AS 29.35.300.

9 Sec. 29.35.220. THIRD CLASS BOROUGH POWERS. (a) A third class  
10 borough may borrow money and issue negotiable or nonnegotiable bonds or  
11 other evidences of indebtedness as provided by AS 29.47.

12 (b) Areawide exercise of a power by a third class borough other  
13 than education and tax assessment and collection is not authorized.

14 (c) A third class borough may acquire under AS 29.35.300(b) the  
15 power to provide for planning, platting, and land use regulation as  
16 provided in AS 29.40 for first and second class boroughs, except the  
17 power may only be exercised within a service area.

18 (d) A third class borough may acquire under AS 29.35.300(b) any  
19 power not otherwise prohibited by law, except the power may only be  
20 exercised within a service area.

#### 21 ARTICLE 4. CITY POWERS.

22 Sec. 29.35.250. CITIES INSIDE BOROUGHES. (a) A city inside a  
23 borough may exercise any power not otherwise prohibited by law. On  
24 adoption of a borough ordinance to provide for areawide exercise of a  
25 power, no city may exercise the power unless the borough ordinance  
26 provides otherwise or the borough by ordinance ceases to exercise the  
27 power.

28 (b) A home rule or first class city in a third class borough  
29 shall provide for planning, platting, and land use regulation as pro-

1 vided by AS 29.40 for first and second class boroughs. A second class  
2 city in a third class borough may provide for planning, platting, and  
3 land use regulation as provided by AS 29.40 for first and second class  
4 boroughs.

5 (c) This section applies to home rule and general law cities.

6 Sec. 29.35.260. CITIES OUTSIDE BOROUGHES. (a) A city outside a  
7 borough may exercise a power not otherwise prohibited by law. Powers  
8 that are incorporated by reference to laws governing boroughs apply to  
9 home rule cities outside boroughs only in those cases in which they are  
10 made applicable to home rule boroughs in the provisions incorporated.

11 (b) A home rule or first class city outside a borough is a city  
12 school district and shall establish, operate, and maintain a system of  
13 public schools as provided by AS 29.35.160 for boroughs. A second  
14 class city is not a school district and may not establish a system of  
15 public schools.

16 (c) A home rule or first class city outside a borough shall, and  
17 a second class city outside a borough may, provide for planning,  
18 platting, and land use regulation as provided by AS 29.40 for first and  
19 second class boroughs.

20 (d) This section applies to home rule and general law cities.

21 ARTICLE 5. ACQUISITION OF ADDITIONAL POWERS.

22 Sec. 29.35.300. ADDITIONAL POWERS. (a) A first or second class  
23 borough acquires an additional power by transfer from a city in accor-  
24 dance with AS 29.35.310, or by holding an election on the question.  
25 For acquisition of an areawide power, the election shall be held area-  
26 wide. For acquisition of a nonareawide power, the election shall be  
27 held nonareawide.

28 (b) A third class borough acquires an additional power to exercise  
29 in service areas by holding an election on the question in which each

1 person who is a voter of the borough may vote.

2 Sec. 29.35.310. TRANSFER BY CITY. (a) A city in a first or  
3 second class borough may transfer to the borough in which it is located  
4 any of its powers or functions, subject to the approval of the assembly.

5 (b) A first or second class borough shall exercise all powers  
6 transferred to it by a city.

7 Sec. 29.35.320. INITIATION OF ACQUISITION OF POWER. (a) An  
8 election on the question of adding an areawide or nonareawide power in  
9 a first or second class borough may be initiated in two ways:

10 (1) a number of voters equal to 15 percent of the number of  
11 votes cast at the preceding regular election in the area, either area-  
12 wide or nonareawide, in which the election is to be held may file a  
13 petition with the borough clerk; or

14 (2) the assembly may propose the acquisition of the power.

15 (b) An election on the question of adding a power in a third  
16 class borough for exercise in service areas may be initiated in two  
17 ways:

18 (1) a number of voters equal to 15 percent of the number of  
19 votes cast at the preceding regular election in a proposed service area  
20 in which the power is sought to be exercised may file a petition with  
21 the assembly; or

22 (2) the assembly may propose the acquisition of the power.

23 (c) The borough clerk shall certify whether a petition filed  
24 under (a) or (b) of this section contains the required number of signa-  
25 tures.

26 (d) Within 30 days after a petition is certified as containing  
27 the required number of signatures or the assembly proposes the acquisi-  
28 tion of a power, at least one public hearing shall be held in the  
29 borough on the question. The assembly shall then evaluate the ability

1 of the borough to exercise the power and make its findings public.  
2 Within 60 days after its findings have been made public, the assembly  
3 shall order an election on the question.

4 Sec. 29.35.330. ELECTION. (a) If more than one power is proposed  
5 for acquisition under AS 29.35.320, each shall appear separately on the  
6 ballot.

7 (b) A vote on the question of adding an areawide power in a first  
8 or second class borough shall be tabulated in two separate classifica-  
9 tions. One shall consist of all votes cast in all cities located in  
10 the borough. The other shall consist of all votes cast in the borough  
11 area outside all cities. If the majority of the votes cast in each  
12 classification is favorable, the borough shall assume the added power  
13 within 30 days after certification of the election results.

14 (c) If a majority of the votes cast on the question of adding a  
15 nonareawide power in a first or second class borough or a power to be  
16 exercised in service areas in a third class borough is favorable, the  
17 borough shall assume the added power within 30 days after certification  
18 of the election results.

19 (d) The borough mayor shall certify the election results to the  
20 department.

21 Sec. 29.35.340. EFFECT OF ACQUIRING AN AREAWIDE POWER. (a) On  
22 acquisition of an areawide power the first or second class borough  
23 succeeds to all of the rights, powers, and duties of any city or service  
24 area with respect to that power. The borough succeeds to claims,  
25 franchises, and other contractual obligations, liability for bonded and  
26 all other indebtedness, and to all of the right, title, and interest in  
27 the real and personal property held by a city or service area for the  
28 exercise of the power.

29 (b) The assembly may levy and collect special charges, taxes, or

1 assessments including interest for the purpose of amortizing bonded in-  
2 debtedness previously incurred by a city or service area for exercis-  
3 ing an areawide power acquired by the borough. When a city or service  
4 area had previously incurred bonded indebtedness, all property that was  
5 in the city or service area at the time the bonds were issued re-  
6 mains subject to taxation to pay the principal of and interest on the  
7 bonds.

8 (c) On acquisition of an additional areawide power the first or  
9 second class borough, in consultation with the city or service area  
10 personnel, shall arrange for an orderly and equitable transfer of  
11 rights, assets, liabilities, powers, duties, and other matters related  
12 to acquisition of the areawide powers.

13 (d) This section applies to home rule and general law cities.

#### 14 ARTICLE 6. CONSTRUCTION OF POWERS.

15 Sec. 29.35.400. GENERAL CONSTRUCTION. A liberal construction  
16 shall be given to all powers and functions of a municipality conferred  
17 in this title.

18 Sec. 29.35.410. EXTENT OF POWERS. Unless otherwise limited by  
19 law, a municipality has and may exercise all powers and functions  
20 necessarily or fairly implied in or incident to the purpose of all  
21 powers and functions conferred in this title.

22 Sec. 29.35.420. ENUMERATION OF POWERS. Specific examples in an  
23 enumerated power or function conferred upon a municipality in this  
24 title is illustrative of the object and not a limitation on or exclusion  
25 from the exercise of the power or function.

#### 26 ARTICLE 7. SERVICE AREAS.

27 Sec. 29.35.450. SERVICE AREAS. (a) A service area to provide  
28 special services in a borough may be established, operated, altered, or  
29 abolished by ordinance. Special services include services not provided

1 on an areawide or nonareawide basis in the borough, or a higher or  
2 different level of service than that provided on an areawide or non-  
3 areawide basis. The borough may include a city in a service area if

4 (1) the city agrees by ordinance; or

5 (2) approval is granted by a majority of voters residing in  
6 the city, and by a majority of voters residing inside the boundaries of  
7 the proposed service area but outside of the city.

8 (b) A new service area may not be established if, consistent with  
9 the purposes of art. X of the state constitution, the new service can  
10 be provided by an existing service area, by annexation to a city, or by  
11 incorporation as a city.

12 Sec. 29.35.460. SERVICE AREA BOARDS. The assembly may provide  
13 for an appointed or elected board to supervise the furnishing of special  
14 services in a service area.

15 Sec. 29.35.470. FINANCING. The assembly may levy or authorize  
16 the levying of taxes, charges, or assessments in a service area to  
17 finance the special services. If the assembly authorizes the levying  
18 of taxes, charges, or assessments, the rate of taxation and the issuance  
19 of bonds are subject to assembly approval.

20 Sec. 29.35.480. SERVICE AREAS IN FIRST CLASS BOROUGHES. In a  
21 first class borough, the assembly may exercise in a service area any  
22 power granted a first class city by law. The assembly may exercise in  
23 a service area any nonareawide power that may be exercised by a first  
24 class borough.

25 Sec. 29.35.490. SERVICE AREAS IN SECOND AND THIRD CLASS BOROUGHES.

26 (a) A second class borough may exercise in a service area any power  
27 granted a first class city by law or a nonareawide power that may be  
28 exercised by a first class borough if

29 (1) the exercise of the power is approved by a majority vote

1 at an election held in the service area; or

2 (2) all owners of real property in the service area consent  
3 in writing to the exercise of the power if no voters reside in the  
4 service area.

5 (b) A third class borough may exercise in a service area any  
6 power acquired under AS 29.35.300(b) if the exercise of the power is  
7 approved by a majority vote at an election held in the service area.

8 (c) A second or third class borough may establish a service area  
9 that includes only vacant, unappropriated, and unreserved land owned by  
10 the borough. A second or third class borough may establish a service  
11 area, with the concurrence of the commissioner of natural resources,  
12 that includes only vacant, unappropriated, and unreserved land owned by  
13 the state and classified for disposal to individuals. By ordinance a  
14 second or third class borough may provide the services in a service  
15 area established under this subsection necessary to develop state or  
16 municipal land as required by the planning, platting, and land use  
17 regulations of the borough.

18 \* Sec. 11. AS 29 is amended by adding a new chapter to read:

19 CHAPTER 40. PLANNING, PLATTING, AND LAND USE REGULATION.

20 Sec. 29.40.010. PLANNING, PLATTING, AND LAND USE REGULATION. (a)

21 A first or second class borough shall provide for planning, platting,  
22 and land use regulation on an areawide basis.

23 (b) If a city in a borough consents by ordinance, the assembly  
24 may by ordinance delegate any of its powers and duties under this  
25 chapter to the city. The assembly may by ordinance, without first ob-  
26 taining the consent of the city, revoke any power or duty delegated  
27 under this section.

28 Sec. 29.40.020. PLANNING COMMISSION. (a) Each first and second  
29 class borough shall establish a planning commission consisting of five

1 residents unless a greater number is required by ordinance. Commission  
2 membership shall be apportioned so that the number of members from home  
3 rule and first class cities reflects the proportion of borough popula-  
4 tion residing in home rule and first class cities located in the  
5 borough. A member shall be appointed by the borough mayor for a term  
6 of three years subject to confirmation by the assembly, except that a  
7 member from a home rule or first class city shall be selected from a  
8 list of recommendations submitted by the council. Members first  
9 appointed shall draw lots for one, two, and three year terms. Appoint-  
10 ments to fill vacancies are for the unexpired term. The compensation  
11 and expenses of the planning commission and its staff are paid as  
12 directed by the assembly.

13 (b) In addition to the duties prescribed by ordinance, the plan-  
14 ning commission shall

15 (1) prepare and submit to the assembly a proposed comprehen-  
16 sive plan in accordance with AS 29.40.030 for the systematic and organ-  
17 ized development of the borough;

18 (2) review, recommend, and administer measures necessary to  
19 implement the comprehensive plan, including measures provided under  
20 AS 29.40.040.

21 Sec. 29.40.030. COMPREHENSIVE PLAN. (a) The comprehensive plan  
22 is a compilation of policy statements, goals, standards, and maps for  
23 guiding the physical, social, and economic development, both private  
24 and public, of the first or second class borough, and may include, but  
25 is not limited to, the following:

- 26 (1) statements of policies, goals, and standards;  
27 (2) a land use plan;  
28 (3) a community facilities plan;  
29 (4) a transportation plan; and

1 (5) recommendations for implementation of the plan.

2 (b) With the recommendations of the planning commission, the  
3 assembly shall adopt by ordinance a comprehensive plan. The assembly  
4 shall, after receiving the recommendations of the planning commission,  
5 periodically undertake an overall review of the plan and update the  
6 plan as necessary.

7 Sec. 29.40.040. LAND USE REGULATION. (a) In accordance with a  
8 comprehensive plan adopted under AS 29.40.030 and in order to implement  
9 the plan, the assembly by ordinance shall adopt or amend provisions  
10 governing the use and occupancy of land that may include, but are not  
11 limited to,

12 (1) zoning regulations restricting the use of land and  
13 improvements by geographic districts;

14 (2) land use permit requirements designed to encourage or  
15 discourage specified uses and construction of specified structures, or  
16 to minimize unfavorable effects of uses and the construction of struc-  
17 tures;

18 (3) measures to further the goals and objectives of the  
19 comprehensive plan.

20 (b) A variance from a land use regulation adopted under this  
21 section may not be granted if

22 (1) special conditions that require the variance are caused  
23 by the person seeking the variance;

24 (2) the variance will permit a land use in a district in  
25 which that use is prohibited; or

26 (3) the variance is sought solely to relieve pecuniary  
27 hardship or inconvenience.

28 Sec. 29.40.050. APPEALS FROM ADMINISTRATIVE DECISIONS. (a) By  
29 ordinance the assembly shall provide for an appeal from an administra-

1        tive decision of a municipal employee, board, or commission made in the  
2        enforcement, administration, or application of a land use regulation  
3        adopted under this chapter. The assembly may provide for an appeal to  
4        a court, hearing officer, board of adjustment, or other body. The  
5        assembly shall provide for an appeal from a decision on a request for a  
6        variance from the terms of a land use regulation when literal enforce-  
7        ment would deprive a property owner of rights commonly enjoyed by other  
8        properties in the district.

9                (b) By ordinance the assembly may provide for appointment of a  
10       hearing officer, or for the composition, appointment, and terms of  
11       office of a board of adjustment or other body established to hear  
12       appeals from administrative actions. The assembly may define proper  
13       parties and prescribe evidentiary rules, standards of review, and  
14       remedies available to the hearing officer, board of adjustment, or  
15       other body.

16                Sec. 29.40.060. JUDICIAL REVIEW. (a) The assembly shall provide  
17       by ordinance for an appeal by a municipal officer or person aggrieved  
18       from a decision of a hearing officer, board of adjustment, or other  
19       body to the superior court.

20                (b) An appeal to the superior court under this section is an  
21       administrative appeal heard solely on the record established by the  
22       hearing officer, board of adjustment, or other body. A proceeding  
23       under this section has preference over all other civil actions and  
24       proceedings.

25                Sec. 29.40.070. PLATTING REGULATION. By ordinance the assembly  
26       shall adopt platting requirements that may include, but are not limited  
27       to, the control of

28                (1) form, size, and other aspects of subdivision, dedica-  
29       tions, and vacations of land;

1 (2) dimensions and design of lots;

2 (3) street width, arrangement, and rights-of-way, including  
3 requirements for public access to lots and installation of street  
4 paving, curbs, gutters, sidewalks, sewers, water lines, drainage and  
5 other public utility facilities and improvements;

6 (4) dedication of streets, rights-of-way, public utility  
7 easements and areas considered necessary by the platting authority for  
8 other public uses.

9 Sec. 29.40.080. PLATTING AUTHORITY. (a) The assembly by ordi-  
10 nance shall establish a platting authority to administer subdivision  
11 regulations and to perform other duties as required by the assembly.  
12 The platting authority may consist of members of the planning commission  
13 or of other municipal residents.

14 (b) The assembly may by ordinance provide for an administrative  
15 official to act as the platting authority with regard to short plats.

16 Sec. 29.40.090. SHORT PLAT PROCEDURE. (a) Notwithstanding  
17 other provisions of this chapter, the assembly may by ordinance estab-  
18 lish a short or abbreviated plat filing procedure for a plat that will  
19 only relocate or vacate lot lines, or subdivide a single lot into not  
20 more than four lots, and that will not

21 (1) deny legal and physical public access to a lot created  
22 or adjacent to the subdivision, or require construction or improvements  
23 necessary for access;

24 (2) alter a dedicated street or right-of-way, or require any  
25 dedication other than a dedication needed for an existing right-of-way;

26 (3) allow a change in the permitted use to which the land  
27 may be devoted; or

28 (4) require the granting of a vacation or a variance from a  
29 subdivision regulation.

1 (b) The assembly may establish notice, hearing, and other pro-  
2 cedural requirements for the review, consideration, approval, alteration  
3 and replatting of short plats.

4 Sec. 29.40.100. INFORMATION REQUIRED. A plat shall show

5 (1) initial point of survey;

6 (2) original or reestablished corners and their descrip-  
7 tions;

8 (3) actual traverse showing area of closure and all dis-  
9 tances, angles, and calculations required to determine initial point,  
10 corners, and distances of the plat; and

11 (4) other information that may be required by ordinance.

12 Sec. 29.40.110. PLAT PROCEDURE. (a) The platting authority  
13 shall approve or disapprove a plat within 60 days after it is filed, or  
14 shall return it to the applicant for modification or correction.  
15 Unless the applicant for plat approval consents to an extension of  
16 time, the plat is considered approved and a certificate of approval  
17 shall be issued by the platting authority on demand if the platting  
18 authority fails to act within 60 days.

19 (b) The platting authority shall state in writing its reasons for  
20 disapproval of a plat. If the platting authority approves a plat, the  
21 plat shall be acknowledged and filed in accordance with AS 40.15.010 -  
22 40.15.020.

23 Sec. 29.40.120. ALTERATION OR REPLAT PETITION. A recorded plat  
24 may not be altered or replatted except by the platting authority on  
25 petition of the state, the borough, a public utility, or the owners of  
26 a majority of the land affected by the alteration or replat. A platted  
27 street may not be vacated, except on petition of the state, the borough,  
28 a public utility, or owners of a majority of the land fronting the part  
29 of the street sought to be vacated. The petition shall be filed with

1 the platting authority and shall be accompanied by a copy of the exist-  
2 ing plat showing the proposed alteration or replat.

3 Sec. 29.40.130. NOTICE OF HEARING. The platting authority shall  
4 fix a time for a hearing on an alteration or replat petition that may  
5 not be more than 60 days after the petition is filed. Notice shall be  
6 published by the platting authority stating when and by whom the peti-  
7 tion was filed, its purpose, and the time and place of the hearing.  
8 The notice shall generally describe the alteration or replat sought.  
9 The platting authority shall also mail a copy of the notice to each  
10 affected property owner who did not sign the petition.

11 Sec. 29.40.140. HEARING AND DETERMINATION. (a) The platting  
12 authority shall consider the alteration or replat petition at a hearing  
13 and make its decision on the merits of the proposal.

14 (b) Vacation of a city street may not be made without the consent  
15 of the council. Vacation of a street in the borough area outside all  
16 cities may not be made without the consent of the assembly. The govern-  
17 ing body shall have 30 days from the decision of the platting authority  
18 in which to veto a vacation of a street. If no veto is received by the  
19 platting authority within the 30-day period, consent is considered to  
20 have been given to the vacation.

21 Sec. 29.40.150. RECORDING. If the alteration or replat is ap-  
22 proved, the revised plat shall be acknowledged and filed in accordance  
23 with AS 40.15.010 - 40.15.020.

24 Sec. 29.40.160. TITLE TO VACATED AREA. (a) The title to the  
25 street or other public area vacated on a plat attaches to the lot or  
26 lands bordering the area in equal proportions, except that if the area  
27 was originally dedicated by different persons, original boundary lines  
28 shall be adhered to so that the street area that lies on one side of  
29 the boundary line shall attach to the abutting property on that side,

1 and the street area that lies on the other side of the boundary line  
2 shall attach to the property on that side. The portion of a vacated  
3 street that lies inside the limits of a platted addition attaches to  
4 the lots of the platted addition bordering on the area. If a public  
5 square is vacated, the title to it vests in a city if it lies inside  
6 the city, and in the borough if it lies inside the borough but outside  
7 all cities. If the property vacated is a lot, title vests in the  
8 rightful owner.

9 (b) If the municipality acquired the street or other public area  
10 vacated for legal consideration or by express dedication to the muni-  
11 cipality other than as a subdivision platting requirement, before the  
12 final act of vacation the fair market value of the street or public  
13 area shall be deposited with the platting authority to be paid to the  
14 municipality on final vacation.

15 (c) The provisions of (a) and (b) of this section apply to home  
16 rule and general law municipalities.

17 (d) The council of a second class city located outside a borough  
18 may vacate streets, alleys, crossings, sidewalks, or other public ways  
19 that may have been previously dedicated or established when the council  
20 finds that the streets, alleys, crossings, sidewalks, or other public  
21 ways are no longer necessary for the public welfare, or when the public  
22 welfare will be enhanced by the vacation. If the council determines  
23 that all or a portion of the area vacated under this subsection should  
24 be devoted to another public purpose, title to the area vacated and  
25 held for another public purpose does not vest as provided in (a) of  
26 this section but remains in the city.

27 Sec. 29.40.170. DELEGATIONS. The planning ~~commission~~ and the  
28 platting authority may, as authorized by ordinance, delegate powers to  
29 hear and decide cases under this chapter, including, but not limited

1 to, delegations to

2 (1) one or more members of the planning commission or plat-  
3 ting authority;

4 (2) other boards or commissions;

5 (3) a hearing officer designated by the planning commission  
6 or platting authority.

7 Sec. 29.40.180. VIOLATIONS. It is unlawful for the owner of land  
8 located in a subdivision to transfer, sell, offer to sell, or enter  
9 into a contract to sell land in a subdivision before a plat of the sub-  
10 division has been prepared, approved, and filed in accordance with this  
11 chapter. It is unlawful for a person to file a plat or other document  
12 depicting subdivided land in a public recorder's office unless the plat  
13 or document has been approved by the platting authority. A person con-  
14 victed of violating a provision of this chapter, a subdivision regula-  
15 tion adopted under this chapter, or a term, condition, or limitation  
16 imposed by a platting authority in the exercise of its powers under  
17 this chapter is guilty of a class B misdemeanor.

18 Sec. 29.40.190. REMEDIES. (a) The municipality or an aggrieved  
19 person may institute a civil action against a person who violates a  
20 provision of this chapter, a subdivision regulation adopted under this  
21 chapter, or a term, condition, or limitation imposed by a platting  
22 authority. In addition to other relief, a civil penalty not to exceed  
23 \$1,000 may be imposed for each violation. An action to enjoin a viola-  
24 tion may be brought notwithstanding the availability of any other  
25 remedy. Upon application for injunctive relief and a finding of a  
26 violation or threatened violation, the superior court shall grant the  
27 injunction.

28 (b) Each day that an unlawful act or condition continues consti-  
29 tutes a separate violation.

1           Sec. 29.40.200. SUBDIVISIONS OF STATE LAND. (a) The subdivision  
2 requirements adopted under this chapter apply to a subdivision plat of  
3 undeveloped state land for disposal under AS 38.05 or AS 38.08 filed  
4 with the platting authority. The platting authority may not disapprove  
5 the subdivision plat on the basis of requirements for capital improve-  
6 ments on or to state land included in the subdivision plat. Subdivision  
7 ordinances and regulations adopted after the platting authority is  
8 notified by the commissioner of natural resources of a proposed sale of  
9 subdivided state land under AS 38.05 or AS 38.08 do not apply to the  
10 state land in the proposed sale.

11           (b) The platting authority must approve and sign a subdivision  
12 plat of state land within 60 days after its receipt from the commis-  
13 sioner of natural resources unless the platting authority

14           (1) determines that the plat does not comply with subdivision  
15 requirements other than those requiring capital improvements to state  
16 land; and

17           (2) notifies the commissioner of each determination of non-  
18 compliance within the 60-day period established in this subsection.

19           (c) The commissioner of natural resources may withdraw the sub-  
20 division plat and amend it in response to the determination of non-  
21 compliance by the platting authority under (b) of this section. The  
22 platting authority shall respond within 30 days to the amendment or  
23 response from the commissioner of natural resources.

24           (d) Notwithstanding any other provision of law, the provisions of  
25 this section apply to all disposals of land under AS 38.05 or AS 38.08.

26           (e) Nothing in this section relieves the Department of Natural  
27 Resources of its obligation to provide legal access to a subdivision.

28           (f) As used in this section, "capital improvements" includes but  
29 is not limited to access roads, other physical improvements, and their

1 design and engineering.

2 (g) This section applies to home rule and general law municipali-  
3 ties.

4 \* Sec. 12. AS 29 is amended by adding a new chapter to read:

5 CHAPTER 45. MUNICIPAL TAXATION.

6 ARTICLE 1. MUNICIPAL PROPERTY TAX.

7 Sec. 29.45.010. PROPERTY TAX. (a) A unified municipality may  
8 levy a property tax. A borough may levy

9 (1) an areawide property tax for areawide functions;

10 (2) a nonareawide property tax for functions limited to the  
11 area outside cities;

12 (3) a property tax in a service area for functions limited  
13 to the service area.

14 (b) A home rule or first class city may levy a property tax  
15 subject to AS 29.45.550 - 29.45.560. A second class city may levy a  
16 property tax subject to AS 29.45.590.

17 (c) A tax if levied on real property and personal property must  
18 be assessed, levied, and collected as provided in this chapter.

19 Sec. 29.45.020. TAXPAYER NOTICE. (a) If a municipality levies  
20 and collects property taxes, the governing body shall provide the  
21 following notice:

22 "NOTICE TO TAXPAYER

23 For the current fiscal year the (city)(borough) has been allocated  
24 the following amount of state aid for school and municipal purposes  
25 under the applicable financial assistance Acts:

26 PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE

27 (AS 14.17) \$

28 STATE AID FOR RETIREMENT OF SCHOOL CONSTRUC-

29 TION DEBT (AS 43.18.100) \$

1 MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE

2 (AS 29.60.010 - 29.60.080) \$

3 STATE AID FOR MISCELLANEOUS MUNICIPAL

4 SERVICES (AS 29.60.100 - 29.60.180) \$

5 TOTAL AID \$

6 The millage equivalent of this state aid, based on the dollar  
7 value of a mill in the municipality during the current assessment  
8 year and for the preceding assessment year, is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
9		
10		
11		
12		
13		
14		
15		
16		
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20 Notice shall be provided

21 (1) by furnishing a copy of the notice with tax statements  
22 mailed for the fiscal year for which aid is received; or

23 (2) by publishing in a newspaper of general circulation in  
24 the municipality a copy of the notice once each week for a period of  
25 three successive weeks, with publication to occur not later than 45  
26 days after the final adoption of the municipality's budget.

27 (b) Compliance with the provisions of this section is a prerequi-  
28 site to receipt of municipal tax resource equalization assistance under  
29 AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal

1 services under AS 29.60.100 - 29.60.180. The department shall withhold  
2 annual allocations under those sections until municipal officials  
3 demonstrate that the requirements of this section have been met.

4 Sec. 29.45.030. REQUIRED EXEMPTIONS. (a) The following property  
5 is exempt from general taxation:

6 (1) municipal, state, or federally owned property, except  
7 that a private leasehold, contract, or other interest in the property  
8 is taxable to the extent of the interest;

9 (2) household furniture of the head of a family or house-  
10 hold;

11 (3) property used exclusively for nonprofit religious,  
12 charitable, cemetery, hospital, or educational purposes;

13 (4) property of a nonbusiness organization or its auxiliary  
14 composed entirely of persons with 90 days or more of active service in  
15 the armed forces of the United States whose conditions of service and  
16 separation were other than dishonorable;

17 (5) money on deposit;

18 (6) the real property of certain residents of the state to  
19 the extent and subject to the conditions provided in (e) of this sec-  
20 tion.

21 (b) "Property used exclusively for religious purposes" includes  
22 the following property owned by a religious organization:

23 (1) the residence of a bishop, pastor, priest, rabbi,  
24 minister, or religious order of a recognized religious organization;

25 (2) a structure, its furniture, and its fixtures used solely  
26 for public worship, charitable purposes, religious administrative  
27 offices, religious education, or a nonprofit hospital;

28 (3) lots required by local ordinance for parking near a  
29 structure defined in (2) of this subsection.

1 (c) Property described in (a)(3) or (4) or (b) of this section  
2 from which income is derived is exempt only if that income is solely  
3 from use of the property by nonprofit religious, charitable, hospital,  
4 or educational groups. If used by nonprofit educational groups, the  
5 property is exempt only if used exclusively for classroom space.

6 (d) Laws exempting certain property from execution under the Code  
7 of Civil Procedure (AS 09) do not exempt the property from taxes levied  
8 and collected by municipalities.

9 (e) The real property owned and occupied as a permanent place of  
10 abode by a resident 65 years of age or over is exempt from taxation of  
11 the assessed value of the real property. Real property may not be  
12 exempted under this subsection that the assessor determines, after  
13 notice and hearing to the parties concerned, has been conveyed to the  
14 applicant primarily for the purpose of obtaining the exemption. The  
15 determination of the assessor is appealable under AS 44.62.560 and  
16 44.62.570.

17 (f) An exemption may not be granted under (e) of this section  
18 except upon written application for the exemption on a form prescribed  
19 by the state assessor for use by local assessors. The claimant must  
20 file the application no later than January 15, or a date provided by  
21 ordinance that is not later than March 31, of the assessment year for  
22 which the exemption is sought. The governing body of the municipality  
23 for good cause shown may waive during a year the claimant's failure to  
24 make timely application for exemption for that year and authorize the  
25 assessor to accept the application as if timely filed. The claimant  
26 must file a separate application for each assessment year in which the  
27 exemption is sought. If an application is filed within the required  
28 time and is approved by the assessor, he shall allow an exemption in  
29 accordance with the provisions of this section. If a failure to file

1 by January 15, or a date provided by ordinance that is not later than  
2 March 31, of the assessment year has been waived as provided in this  
3 subsection and the application for exemption is approved, the amount of  
4 tax that the claimant has already paid for the assessment year for the  
5 property exempted shall be refunded to him. The assessor may at any  
6 time require proof in the form he considers necessary of the right and  
7 amount of an exemption claimed under (e) of this section.

8 (g) The state shall reimburse a borough or city, as appropriate,  
9 for the real property tax revenues lost to it by the operation of (e)  
10 of this section. However, reimbursement will be made to a municipality  
11 for revenue lost to it only to the extent that the loss exceeds an  
12 exemption that was granted by the municipality, or that on proper  
13 application by an individual would have been granted under AS 29.45.-  
14 050(a).

15 (h) Except as provided in (g) of this section, nothing in (e) -  
16 (i) of this section affects similar exemptions from property taxes  
17 granted by a municipality on September 10, 1972, or prevents a munici-  
18 pality from granting similar exemptions by ordinance as provided in  
19 AS 29.45.050.

20 (i) In (e) - (i) of this section "real property" includes but is  
21 not limited to mobile homes, whether classified as real or personal  
22 property for municipal tax purposes.

23 (j) Two percent of the assessed value of a structure is exempt  
24 from taxation if the structure contains a fire protection system ap-  
25 proved under AS 19.70.081, in operating condition, and incorporated as  
26 a fixture or part of the structure. The exemption granted by this  
27 subsection is limited to

28 (1) an amount equal to two percent of the value of the  
29 structure based on the assessment for 1981, if the fire protection

1 system is a fixture of the structure on January 1, 1981; or

2 (2) an amount equal to two percent of the value of the  
3 structure based on the assessment as of January 1 of the year immedi-  
4 ately following the installation of the fire protection system if the  
5 fire protection system becomes a fixture of the structure after  
6 January 1, 1981.

7 Sec. 29.45.040. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A  
8 resident of the state 65 years of age or older who rents a permanent  
9 place of abode is eligible for tax equivalency payments from the state  
10 through the department.

11 (b) For purposes of determining payments to eligible persons, the  
12 department shall calculate a property tax equivalent percentage for  
13 each municipality that levies a property tax at the rate of one percent  
14 per mill. The property tax equivalent percentage applied to the annual  
15 rent charged to the applicant equals the property tax equivalency  
16 payment payable under this section.

17 (c) To obtain tax equivalency payments the eligible resident must  
18 apply to the department for payment for the preceding year by January 15  
19 of each year on forms and in the manner prescribed by the department.  
20 Each applicant shall submit with the application rental receipts or, if  
21 rental receipts are not available, other evidence satisfactory to the  
22 department for determination of the fact of payment of rent and the  
23 amount paid.

24 (d) If two or more persons occupy a residence as tenants, not all  
25 of whom are eligible for tax equivalency payments under this section,  
26 the assessor shall determine equitable partial payments to be made to  
27 the eligible tenants. However, tax equivalency payments to an eligible  
28 applicant may not be reduced because the spouse is less than 65 years  
29 of age. If all occupants in a residence are eligible for tax equiva-

1 lency payments under this section, the occupants shall decide between  
2 and among themselves which shall receive payment.

3 Sec. 29.45.050. OPTIONAL EXEMPTIONS AND EXCLUSIONS. (a) A  
4 municipality may exclude or exempt or partially exempt residential  
5 property from taxation by ordinance ratified by the voters at an elec-  
6 tion. An exclusion or exemption authorized by this section may not  
7 exceed the assessed value of \$10,000 for any one residence.

8 (b) A municipality may by ordinance

9 (1) classify boats and vessels for the purposes of taxation  
10 and may establish the assessed valuation of boats and vessels on the  
11 basis of their registered or certificated net tonnage;

12 (2) classify and exempt from taxation

13 (A) the property of an organization not organized for  
14 business or profit-making purposes and used exclusively for commun-  
15 ity purposes if the income derived from rental of that property  
16 does not exceed the actual cost to the owner of the use by the  
17 renter;

18 (B) historic sites, buildings, and monuments;

19 (C) land of a nonprofit organization used for agricul-  
20 tural purposes if rights to subdivide the land are conveyed to the  
21 state and the conveyance includes a covenant restricting use of  
22 the land to agricultural purposes only; rights conveyed to the  
23 state under this subparagraph may be conveyed by the state only in  
24 accordance with AS 38.05.069(c);

25 (3) exempt personal property from taxation.

26 (c) The provisions of (a) of this section notwithstanding,

27 (1) a borough may, by ordinance, adjust its property tax  
28 structure in whole or in part to the property tax structure of a city  
29 in the borough, including but not limited to, excluding personal prop-

1 erty from taxation, establishing exemptions, and extending the redemp-  
2 tion period;

3 (2) a home rule or first class city has the same power to  
4 grant exemptions or exclude property from borough taxes that it has as  
5 to city taxes if

6 (A) the exemptions or exclusions have been adopted as  
7 to city taxes; and

8 (B) the city appropriates to the borough sufficient  
9 money to equal revenues lost by the borough because of the exemp-  
10 tions or exclusions, the amount to be determined annually by the  
11 assembly;

12 (3) a city in a borough may, by ordinance, adjust its prop-  
13 erty tax structure in whole or in part to the property tax structure of  
14 the borough, including but not limited to exempting or partially exempt-  
15 ing property from taxation.

16 (d) Exemptions or exclusions from property tax that have been  
17 granted by a home rule municipality in addition to exemptions autho-  
18 rized or required by law, and that are in effect on September 10, 1972,  
19 and not later withdrawn, are not affected by this chapter.

20 (e) A municipality may by ordinance classify and exempt or par-  
21 tially exempt from taxation privately owned land, wet land and water  
22 areas for which a scenic, conservation, or public recreation use ease-  
23 ment is granted to a governmental body. To be eligible for a tax  
24 exemption, or partial exemption, the easement must be in perpetuity.  
25 However, the easement is automatically terminated before an eminent  
26 domain taking of fee simple title or less than fee simple title to the  
27 property, so that the property owner is compensated at a rate that does  
28 not reflect the easement grant.

29 (f) A municipality may by ordinance exempt from taxation all or

1 part of the increase in assessed value of improvements to real property  
2 if an increase in assessed value is directly attributable to alteration  
3 of the natural features of the land, or new maintenance, repair, or  
4 renovation of an existing structure, and if the alteration, maintenance,  
5 repair, or renovation, when completed, enhances the exterior appearance  
6 or aesthetic quality of the land or structure. An exemption may not be  
7 allowed under this subsection for the construction of an improvement to  
8 a structure if the principal purpose of the improvement is to increase  
9 the amount of space for occupancy or nonresidential use in the structure  
10 or for the alteration of land as a consequence of construction activity.  
11 An exemption provided in this subsection may continue for up to four  
12 years from the date the improvement is completed, or from the date of  
13 approval for the exemption by the local assessor, whichever is later.

14 (g) A municipality may by ordinance exempt from taxation all or  
15 part of the increase in assessed value of improvements to a single-  
16 family dwelling if the principal purpose of the improvement is to  
17 increase the amount of space for occupancy. An exemption provided in  
18 this subsection may continue for up to two years from the date the  
19 improvement is completed, or from the date of approval of an application  
20 for the exemption by the local assessor, whichever is later.

21 Sec. 29.45.060. FARM OR AGRICULTURAL LAND AND GREENHOUSES. (a)  
22 Farm use land included in a farm unit and not dedicated or being used  
23 for nonfarm purposes shall be assessed on the basis of full and true  
24 value for farm use and may not be assessed as if subdivided or used for  
25 some other nonfarm purpose. A farm use greenhouse, whether classified  
26 as real or personal property for municipal tax purposes, shall be  
27 assessed on the basis of full and true value for farm use. The assessor  
28 shall maintain records valuing the land or greenhouse for both full and  
29 true value and farm use value. If the land or greenhouse is sold,

1 leased, or otherwise disposed of for uses incompatible with farm use or  
2 converted to a use incompatible with farm use by the owner, the owner  
3 is liable to pay an amount equal to the additional tax at the current  
4 mill levy together with eight percent interest for the preceding seven  
5 years, as though the land or greenhouse had not been assessed for farm  
6 use purposes. Payment by the owner shall be made to the state to the  
7 extent of its reimbursement for revenue loss under (e) of this section  
8 for the preceding seven years. The balance of the payment shall be  
9 made to the municipality.

10 (b) An owner of farm use land or a farm use greenhouse must, to  
11 secure the assessment under this section, apply to the assessor before  
12 May 15 of each year in which the assessment is desired. The application  
13 shall be made upon forms prescribed by the state assessor for the use  
14 of the local assessor, and shall include information that may reasonably  
15 be required to determine the entitlement of the applicant. If the land  
16 or greenhouse is leased for farm use purposes, the applicant shall  
17 furnish to the assessor a copy of the lease bearing the signatures of  
18 both lessee and lessor along with the completed application. The  
19 applicant shall furnish the assessor a copy of the lease covering the  
20 period for which the exemption is requested.

21 (c) In this section "farm use" means the use of land or a green-  
22 house for profit for raising and harvesting crops or ornamental plants,  
23 for the feeding, breeding, and management of livestock, for dairying,  
24 or another agricultural use, or any combination of these. To be farm  
25 use land, the owner or lessee must be actively engaged in farming the  
26 land, and derive at least 10 percent of his yearly gross income from  
27 the land. To be a farm use greenhouse, the owner or lessee must derive  
28 at least 10 percent of his yearly gross income from the greenhouse or  
29 from the greenhouse together with other commercial greenhouses or farm

1 use land. This section does not apply to land for which the owner has  
2 granted, and has outstanding, a lease or option to buy the surface  
3 rights. A property owner wishing to file for farm use classification  
4 having no history of farm-related income may submit a declaration of  
5 intent at the time of filing the application with the assessor setting  
6 out the intended use of the land or greenhouse and the anticipated  
7 percentage of income. An applicant using this procedure shall file  
8 with the assessor before February 1 of the following year a notarized  
9 statement of the percentage of gross income attributable to the land or  
10 greenhouse. Failure to make the filing required in this subsection  
11 forfeits the exemption.

12 (d) In the event of a crop failure by an act of God the previous  
13 year, the owner or lessee may submit an affidavit affirming that 10  
14 percent of his gross income for the past three years was from farming.

15 (e) Subject to legislative appropriations for the purpose, the  
16 state shall reimburse a borough or city, as appropriate, for the prop-  
17 erty tax revenues lost to it by the operation of this section.

18 Sec. 29.45.070. MOBILE HOMES. Mobile homes, trailers, house  
19 trailers, trailer coaches and similar property used or intended to be  
20 used for residential, office, or commercial purposes and attached to  
21 the land or connected to water, gas, electric, or sewage facilities are  
22 classified as real property for tax purposes unless expressly classified  
23 as personal property by ordinance. This section does not apply to  
24 house trailers and mobile homes that are unoccupied and held for sale  
25 by persons engaged in the business of selling mobile homes.

26 Sec. 29.45.080. TAX ON OIL AND GAS PRODUCTION AND PIPELINE PROP-  
27 ERTY. (a) A municipality may levy and collect taxes on property  
28 taxable under AS 43.56 only by using one of the methods set out in (b)  
29 or (c) of this section.

1 (b) A municipality may levy and collect a tax on the full and  
2 true value of property taxable under this chapter and under AS 43.56 as  
3 valued by the Department of Revenue at a rate not to exceed that which  
4 produces an amount of revenue from the total municipal property tax  
5 equivalent to \$1,500 a year for each person residing in its boundaries.

6 (c) A municipality may levy and collect a tax on the full and  
7 true value of that portion of property taxable under this chapter and  
8 under AS 43.56 as assessed by the Department of Revenue which value,  
9 when combined with the value of property otherwise taxable by the  
10 municipality, does not exceed the product of 225 percent of the average  
11 per capita assessed full and true value of property in the state multi-  
12 plied by the number of residents of the taxing municipality. For  
13 purposes of this subsection, the average per capita assessed full and  
14 true value of property in the state shall be calculated without regard  
15 to the assessed value of taxable property under AS 43.58.

16 (d) By February 1 of each assessment year a taxing municipality  
17 must inform the Department of Revenue which method of taxation the  
18 municipality will use.

19 (e) For purposes of this section, population shall be determined  
20 by the commissioner based on the latest statistics of the United States  
21 Bureau of the Census or on other reliable population data, and the  
22 commissioner shall advise each municipality of its population by  
23 January 15 of each year.

24 Sec. 29.45.090. TAX LIMITATION. (a) A municipality may not,  
25 during a year, levy and tax for any purpose in excess of three percent  
26 of the assessed value of property in the municipality. All property on  
27 which a tax is levied shall be taxed at the same rate during the year.

28 (b) A municipality, or combination of municipalities occupying  
29 the same geographical area, in whole or in part, may not levy taxes (1)

1 that will result in tax revenues from all sources exceeding \$1,500 a  
2 year for each person residing within the municipal boundaries; or (2)  
3 upon value that, when combined with the value of property otherwise  
4 taxable by the municipality, exceeds the product of 225 percent of the  
5 average per capita assessed full and true value of property in the  
6 state multiplied by the number of residents of the taxing municipality.  
7 If two or more municipalities occupying the same geographical area, in  
8 whole or in part, attempt to levy a tax (1) the combined levy of which  
9 would result in tax revenues from all sources exceeding \$1,500 a year  
10 for each person residing within the municipal boundaries; or (2) upon  
11 value that, when combined with the value of property otherwise taxable  
12 by the municipality, exceeds the product of 225 percent of the average  
13 per capita assessed full and true value of property in the state multi-  
14 plied by the number of residents of the taxing municipality, the commis-  
15 sioner shall apportion the lawful levy and equitably divide these  
16 revenues on the basis of need, services performed, and other considera-  
17 tions in the public interest. For the purpose of this subsection,  
18 population shall be determined by the commissioner based on the latest  
19 statistics of the United States Bureau of the Census or on other reli-  
20 able population data. For purposes of this subsection, the average per  
21 capita assessed full and true value of property in the state shall be  
22 calculated without regard to the assessed value of taxable property  
23 under AS 43.58.

24 Sec. 29.45.100. NO LIMITATIONS ON TAXES TO PAY BONDS. The limita-  
25 tions provided for in AS 29.45.080 - 29.45.090 do not apply to taxes  
26 levied or pledged to pay or secure the payment of the principal and  
27 interest on bonds. Taxes to pay or secure the payment of principal and  
28 interest on bonds may be levied without limitation as to rate or amount,  
29 regardless of whether the bonds are in default or in danger of default.

1           Sec. 29.45.110. FULL AND TRUE VALUE. (a) The assessor shall  
2 assess property at its full and true value as of January 1 of the  
3 assessment year, except as provided in this section, AS 29.45.060, and  
4 29.45.230. The full and true value is the estimated price that the  
5 property would bring in an open market and under the then prevailing  
6 market conditions in a sale between a willing seller and a willing  
7 buyer both conversant with the property and with prevailing general  
8 price levels.

9           (b) Assessment of business inventories may be based on the average  
10 monthly method of assessment rather than the value existing on  
11 January 1. The method used to assess business inventories shall be  
12 prescribed by the governing body.

13           (c) In the case of cessation of business during the tax year, the  
14 municipality may provide for reassessment of business inventories using  
15 the average monthly method of assessment for the tax year rather than  
16 the value existing on January 1 of the tax year, and for reduction and  
17 refund of taxes. In enacting an ordinance authorized by this section,  
18 the municipality may prescribe procedures, restrictions, and conditions  
19 of assessing or reassessing business inventories and of remitting or  
20 refunding taxes.

21           Sec. 29.45.120. RETURNS. (a) The municipality may require each  
22 person having ownership or control of or an interest in property to  
23 submit a return in the form prescribed by the assessor, based on prop-  
24 erty values existing on January 1, except as otherwise provided in this  
25 chapter.

26           (b) The assessor may, by written notice, require a person to  
27 provide additional information within 30 days.

28           Sec. 29.45.130. INDEPENDENT INVESTIGATION. (a) The assessor is  
29 not bound to accept a return as correct. He may make an independent

1 investigation of property returned or of taxable property on which no  
2 return has been filed. In either case, the assessor may make his own  
3 valuation of the taxable property and this valuation is prima facie  
4 evidence.

5 (b) For investigation, the assessor or his agent may enter a  
6 premise during reasonable hours and may examine property on the pre-  
7 mise. He may examine all property records involved. A person shall,  
8 on request, furnish to the assessor or his agent every facility and  
9 assistance for the investigation. The assessor may seek a court order  
10 to compel entry and production of records needed for assessment pur-  
11 poses.

12 (c) An assessor may examine a person on oath. On request, the  
13 person shall present himself for examination by the assessor.

14 Sec. 29.45.140. VIOLATIONS. A person who knowingly fails to file  
15 a statement required by ordinance or who knowingly makes a false affi-  
16 davit to a statement required by a tax ordinance relative to the amount,  
17 location, kind or value of property subject to taxation with intent to  
18 evade the taxation, is guilty of a class B misdemeanor.

19 Sec. 29.45.150. REEVALUATION. A systematic reevaluation of  
20 taxable real and personal property undertaken by the assessor, whether  
21 of specific areas in which real property is located or of specific  
22 classes of real or personal property to be assessed, shall be made only  
23 in accordance with a resolution or other act of the municipality direct-  
24 ing a systematic reevaluation of all taxable property in the municipal-  
25 ity over the shortest period of time practicable, as fixed in the  
26 resolution or act.

27 Sec. 29.45.160. ASSESSMENT ROLL. (a) The assessor shall prepare  
28 an annual assessment roll. The roll shall contain

29 (1) a description of all taxable property;

1 (2) the assessed value of all taxable property;  
2 (3) the names and addresses of persons with property subject  
3 to assessment and taxation.

4 (b) The assessor may list real property by any description that  
5 may be made certain. Real property is assessed to the record owner.  
6 The district recorder shall at least monthly provide the assessor a  
7 copy of each recorded change of ownership showing the name and mailing  
8 address of the owner and the name and mailing address of the person  
9 recording the change of ownership. Other persons having an interest in  
10 the property may be listed on the assessment records with the owner.  
11 The person in whose name property is listed as owner is conclusively  
12 presumed to be the legal record owner. If the property owner is un-  
13 known, the property may be assessed to "unknown owner". An assessment  
14 is not invalidated by a mistake, omission, or error in the name of the  
15 owner, if the property is correctly described.

16 Sec. 29.45.170. ASSESSMENT NOTICE. (a) The assessor shall give  
17 each person named in the assessment roll a notice of assessment, showing  
18 the assessed value of his property. On each notice is printed a brief  
19 summary of the dates when taxes are payable, delinquent, and subject to  
20 penalty and interest, and the dates when the board of equalization will  
21 sit.

22 (b) Sufficient assessment notice is given if mailed by first  
23 class mail 30 days before the equalization hearings. If the address is  
24 not known to the assessor, the notice may be addressed to the person at  
25 the post office nearest the property. Notice is effective on the date  
26 of mailing.

27 Sec. 29.45.180. CORRECTIONS. (a) A person receiving an assess-  
28 ment notice shall advise the assessor of errors or omissions in the  
29 assessment of his property. The assessor may correct errors or omis-

1 sions in the roll before the board of equalization hearing.

2 (b) If errors found in the preparation of the assessment roll are  
3 adjusted, the assessor shall mail a corrected notice allowing 30 days  
4 for appeal to the board of equalization.

5 Sec. 29.45.190. APPEAL. (a) A person whose name appears on the  
6 assessment roll or his agent or assigns may appeal to the board of  
7 equalization for relief from an alleged error in valuation not adjusted  
8 by the assessor to the taxpayer's satisfaction.

9 (b) The appellant shall, within 30 days after the date of mailing  
10 of notice of assessment, submit to the assessor a written appeal speci-  
11 fying grounds in the form that the board of equalization may require.  
12 Otherwise, the right of appeal ceases unless the board of equalization  
13 finds that the taxpayer was unable to comply.

14 (c) The assessor shall notify an appellant by mail of the time  
15 and place of his hearing.

16 (d) The assessor shall prepare for use by the board of equaliza-  
17 tion a summary of assessment data relating to each assessment that is  
18 appealed.

19 (e) A city in a borough may appeal an assessment to the borough  
20 board of equalization in the same manner as a taxpayer. Within five  
21 days after receipt of the appeal, the assessor shall notify the person  
22 whose property assessment is being appealed by the city.

23 Sec. 29.45.200. BOARD OF EQUALIZATION. (a) The governing body  
24 sits as a board of equalization for the purpose of hearing an appeal  
25 from a determination of the assessor, or it may delegate this authority  
26 to one or more boards appointed by it. An appointed board may be  
27 composed of not less than three persons, who may be members of the  
28 governing body, municipal residents, or a combination of members of the  
29 governing body and residents. The governing body shall by ordinance

1 establish the qualifications for membership.

2 (b) The board of equalization is governed in its proceedings by  
3 rules adopted by ordinance that are consistent with general rules of  
4 administrative procedure. The board may alter an assessment of a lot  
5 only pursuant to an appeal filed as to the particular lot.

6 (c) Notwithstanding other provisions in this section, a deter-  
7 mination of the assessor as to whether property is taxable under law  
8 may be appealed directly to the superior court.

9 Sec. 29.45.210. HEARING. (a) If an appellant fails to appear,  
10 the board of equalization may proceed with the hearing in his absence.

11 (b) The appellant bears the burden of proof. The only grounds  
12 for adjustment of assessment are proof of unequal, excessive, improper,  
13 or under valuation based on facts that are stated in a valid written  
14 appeal or proven at the appeal hearing. If a valuation is found to be  
15 too low, the board of equalization may raise the assessment.

16 (c) The board of equalization shall certify its actions to the  
17 assessor within seven days. Except as to supplementary assessments,  
18 the assessor shall enter the changes and certify the final assessment  
19 roll by June 1.

20 (d) An appellant or the assessor may appeal a determination of  
21 the board of equalization to the superior court as provided by rules of  
22 court applicable to appeals from the decisions of administrative  
23 agencies. Appeals are heard on the record established at the hearing  
24 before the board of equalization.

25 Sec. 29.45.220. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor  
26 shall include property omitted from the assessment roll on a supplemen-  
27 tary roll, using the procedures set out in this chapter for the original  
28 roll.

29 Sec. 29.45.230. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATURAL

1 DISASTER. (a) The municipality may provide for assessment or reassess-  
2 ment and reduction of taxes for property destroyed, damaged, or other-  
3 wise reduced in value as a result of a natural disaster.

4 (b) An assessment or reassessment under this section may be made  
5 by the assessor only upon the receipt of a sworn statement of the  
6 taxpayer that his losses exceed \$1,000. A reduction of taxes may be  
7 made only on losses in excess of \$1,000 for the remainder of the year  
8 following the disaster. On reassessment, the municipality shall re-  
9 compute this tax and refund taxes that have already been paid.

10 (c) The municipality shall give notice of assessment or reassess-  
11 ment under this section and shall hold an equalization hearing as  
12 provided in this chapter, except that a notice of appeal must be filed  
13 with the board of equalization within 10 days after notice of assessment  
14 or reassessment is given to the person appealing. Otherwise, the right  
15 of appeal ceases unless the board finds that the taxpayer is unable to  
16 comply.

17 (d) In enacting an ordinance or resolution authorized by this  
18 section the municipality may, consistent with this section, prescribe  
19 procedures, restrictions, and conditions of assessing or reassessing  
20 property and of remitting, refunding, or forgiving taxes.

21 (e) In this section "disaster" means a major disaster declared by  
22 the President of the United States under the provisions of the Federal  
23 Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g, or  
24 other federal law, or a disaster declared by the governor under AS 26.-  
25 23.010 - 26.23.110.

26 Sec. 29.45.240. TAX LEVY AND RATE. (a) The power granted to a  
27 municipality to assess, levy, and collect a property tax shall be  
28 exercised by means of an ordinance. The rate of levy, the date of  
29 equalization, and the date when taxes become delinquent shall be fixed

1 by resolution.

2 (b) A municipality shall annually determine the rate of levy  
3 before June 15. By July 1 the tax collector shall mail tax statements  
4 setting out the levy, dates when taxes are payable and delinquent, and  
5 penalties and interest.

6 Sec. 29.45.250. RATES OF PENALTY AND INTEREST. (a) A penalty  
7 not to exceed 20 percent of the tax due may be added to all delinquent  
8 taxes, and interest not to exceed 15 percent a year shall accrue upon  
9 all unpaid taxes, not including penalty, from the due date until paid  
10 in full. A municipality may impose a penalty not to exceed 20 percent  
11 of the tax due upon the late return of personal property assessment  
12 forms. A penalty under this section may be imposed according to a  
13 formula that increases the amount of the penalty as the length of time  
14 increases during which payment is delinquent or assessment forms are  
15 not returned.

16 (b) If a taxpayer is given the right to pay the tax in two in-  
17 stallments, penalty and interest on an unpaid installment accrues from  
18 the date the installment becomes due.

19 ARTICLE 2. ENFORCEMENT OF TAX LIENS.

20 Sec. 29.45.290. VALIDITY. Certified assessment and tax rolls are  
21 valid and binding on all persons, notwithstanding a defect, error,  
22 omission, or invalidity in the assessment rolls or proceedings pertain-  
23 ing to the assessment roll.

24 Sec. 29.45.300. TAX LIABILITY. (a) The owner of assessed per-  
25 sonal property is personally liable for the amount of taxes assessed  
26 against his property. The tax, together with penalty and interest, may  
27 be collected in a personal action brought in the name of the municipal-  
28 ity.

29 (b) Property taxes, together with penalty and interest, are a

lien upon the property assessed, and the lien is prior and paramount to all other liens or encumbrances against the property.

Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY DISTRAINT AND SALE. (a) A lien for personal property taxes may be enforced by distraint and sale of the property. The municipality shall provide the procedure for distraint and sale by ordinance. A seizure, levy, or distraint is not legal unless demand is first made of the person assessed for the amount of the tax, penalty, and interest, and a sale is not valid unless made at public auction no sooner than 15 days after notice is published. The seizure is made by virtue of a warrant issued by the municipal clerk to a peace officer.

(b) If the personal property sold is not sufficient to satisfy the tax, penalty, and interest, and costs of sale, the warrant may authorize the seizure of other personal property sufficient to satisfy the tax, penalty, interest, and costs of sale. If the property is sold for more money than is needed to satisfy the tax, the municipality shall remit the excess to the former record owner upon presentation of a proper claim. A claim for the excess filed after six months of the date of sale is forever barred.

Sec. 29.45.320. REAL PROPERTY TAX COLLECTION. (a) The municipality shall enforce delinquent real property tax liens by annual foreclosure, unless otherwise provided by ordinance.

(b) If the tax on property described in AS 29.45.070 or on a taxable interest in tax-exempt property is not paid when due, a municipality may enforce the tax by a personal action against the delinquent taxpayer brought in the district or superior court, in addition to other remedies available to enforce the lien.

Sec. 29.45.330. FORECLOSURE LIST. (a) A municipality shall  
(1) annually present a petition for judgment and a certified

1 copy of the foreclosure list for the previous year's delinquent taxes  
2 in the superior court for judgment;

3 (2) publish the foreclosure list for four consecutive weeks  
4 in a newspaper of general circulation distributed in the municipality  
5 or, if there is no newspaper of general circulation distributed in the  
6 municipality, post the list at three public places for at least 30  
7 days;

8 (3) within 10 days after the first publication or posting,  
9 mail to the last known owner of each property as his name and address  
10 appear on the list a notice advising of the foreclosure proceeding in  
11 which a petition for judgment of foreclosure has been filed and describ-  
12 ing the property and the amount due as stated on the list.

13 (b) The list shall be arranged in alphabetical order as to the  
14 last name and shall include

15 (1) the last known owner;

16 (2) the property description as stated on the assessment  
17 roll;

18 (3) years and amounts of delinquency;

19 (4) penalty and interest due;

20 (5) a statement that the list is available for public inspec-  
21 tion at the clerk's office;

22 (6) a statement that the list has been presented to the  
23 superior court with a petition for judgment and decree.

24 (c) Completion of the requirements of (a) of this section consti-  
25 tutes and has the same force and effect as the filing of an individual  
26 and separate complaint and service of summons to foreclose a lien  
27 against each property described on the foreclosure list.

28 Sec. 29.45.340. CLEARING DELINQUENCIES. During the publication  
29 or posting of the foreclosure list and up to the time of transfer to

1 the municipality a person may pay the taxes, together with the penalty,  
2 interest, and costs. The collector shall note payment on the foreclo-  
3 sure list.

4 Sec. 29.45.350. LIST TO LIENHOLDER. A holder of a mortgage or  
5 other lien on real property may request the clerk to send by certified  
6 mail notice of a foreclosure list that includes the real property.

7 Sec. 29.45.360. GENERAL FORECLOSURE. A municipality shall bring  
8 one general foreclosure proceeding in rem against the properties in-  
9 cluded in the foreclosure list. If the owner is unknown, the property  
10 is proceeded against as belonging to "unknown owner". Tax foreclosure  
11 proceedings have priority over all other civil proceedings except  
12 appeals under AS 29.40.060.

13 Sec. 29.45.370. ANSWER AND OBJECTION. A person having an interest  
14 in a lot on the foreclosure list may file an answer within 30 days of  
15 the date of last publication, specifying his objection. The court  
16 shall make its decision in summary proceedings. The foreclosure list  
17 is prima facie evidence that the assessment and levy of the tax is  
18 valid and that the tax is unpaid.

19 Sec. 29.45.380. JUDGMENT. The court shall in a proper case give  
20 judgment and decree that the tax liens be foreclosed. It is a several  
21 judgment against each lot and a lien on each lot.

22 Sec. 29.45.390. TRANSFER AND APPEAL. (a) Foreclosed properties  
23 are transferred to the municipality for the lien amount. When answers  
24 are filed the court may enter judgment against and order the transfer  
25 to the municipality of all other properties on the list pending deter-  
26 mination of the matters in controversy. The court shall hear and  
27 determine the issues raised by the complaint and answers in the same  
28 manner and under the same rules as it hears and determines other  
29 actions.

1 (b) The court clerk shall deliver a certified copy of the judgment  
2 and decree to the municipal clerk. The certified judgment and decree  
3 constitutes a transfer to the municipality.

4 (c) The judgment and decree stops objections to it that could  
5 have been presented before judgment and decree. Appeal from a judgment  
6 and decree of foreclosure, or from a final order in the proceeding, may  
7 be taken in the manner provided for appeals in civil actions.

8 Sec. 29.45.400. REDEMPTION PERIOD. Properties transferred to the  
9 municipality are held by the municipality for at least one year.  
10 During the redemption period a party having an interest in the property  
11 may redeem it by paying the lien amount plus penalties, interest, and  
12 costs, including all costs incurred under AS 29.45.440(a). Property  
13 redeemed is subject to all accrued taxes, assessments, liens, and  
14 claims as though it had continued in private ownership. Only the  
15 amount applicable under the judgment and decree must be paid in order  
16 to redeem the property.

17 Sec. 29.45.410. EFFECT. Receipt of redemption money by the  
18 municipality releases the judgment obtained under AS 29.45.380. The  
19 clerk or his designee shall record the redemption and issue a certifi-  
20 cate containing a property description, the redemption amount, and the  
21 dates of judgment and decree of foreclosure. The clerk or his designee  
22 shall collect the recording fee at the time of redemption and shall  
23 file the certificate with the record as part of the judgment roll.

24 Sec. 29.45.420. ADDITIONAL LIENS. If a property included in a  
25 foreclosure list is removed after payment of delinquencies or redemption  
26 by another lienholder, the payment represented by receipt for payment  
27 constitutes an additional lien on the property, collectible by the  
28 lienholder in the same manner as the original lien.

29 Sec. 29.45.430. POSSESSION DURING REDEMPTION PERIOD. Foreclosure

1 does not affect the former owner's right to possession during the  
2 redemption period. If waste is committed by the former owner or by  
3 anyone acting under his permission or control, the municipality may  
4 declare an immediate forfeiture of the right to possession.

5 Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the  
6 expiration of the redemption period the clerk or his designee shall  
7 publish a redemption period expiration notice. The notice shall contain  
8 the date of judgment, the date of expiration of the period of redemp-  
9 tion, and a warning that all properties ordered sold under the judgment,  
10 unless redeemed, shall be deeded to the municipality immediately on  
11 expiration of the period of redemption and that every right or interest  
12 of a person in the properties will be forfeited forever to the muni-  
13 cipality. The notice appears once a week for four consecutive weeks in  
14 a newspaper of general circulation distributed in the municipality. If  
15 there is no newspaper of general circulation distributed in the muni-  
16 cipality, the notice is posted in three public places for at least four  
17 consecutive weeks. The clerk shall send a copy of the notice by certi-  
18 fied mail to each record owner of property against which a judgment of  
19 foreclosure has been taken and, if the assessed value of the property  
20 is more than \$100,000, to all holders of mortgages or other liens of  
21 record on the property. The notice shall be mailed within five days  
22 after the first publication. The mailing shall be sufficient if mailed  
23 to the property owner and to the holder of a mortgage or recorded lien  
24 at the last address of record.

25 (b) The right of redemption expires 30 days after the date of the  
26 first notice publication.

27 (c) Costs incurred in the determination of holders of mortgages  
28 and other liens of record and costs of notice publication incurred by a  
29 municipality under (a) of this section are a lien on the property and

1 may be recovered by the municipality.

2 Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) Unredeemed property  
3 in the area of the borough outside all cities is deeded to the borough  
4 by the clerk of the court. Unredeemed property in a city is deeded to  
5 the city subject to the payment by the city of unpaid borough taxes and  
6 costs of foreclosure levied against the property before foreclosure.  
7 The deed shall be recorded in the recording district in which the  
8 property is located.

9 (b) Conveyance gives the municipality clear title, except for  
10 prior recorded tax liens of the United States and the state.

11 (c) If unredeemed property lies in a city and if the city has no  
12 immediate public use for the property but the borough does have an  
13 immediate public use, the city shall deed the property to the borough.  
14 If unredeemed property lies in the borough outside all cities and if  
15 the borough does not have an immediate public use for the property but  
16 a city does have an immediate public use, the borough shall deed the  
17 property to the city.

18 (d) No deed is invalid for irregularities, omissions, or defects  
19 in the proceedings under this chapter unless the former owner has been  
20 misled to his injury. Two years after the date of the deed, its valid-  
21 ity is conclusively presumed and a claim of the former owner or other  
22 person having an interest in the property is forever barred.

23 Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTY. (a)  
24 The municipality shall determine by ordinance whether foreclosed prop-  
25 erty deeded to the municipality shall be retained for a public purpose.  
26 The ordinance shall contain the legal description of the property, the  
27 address or a general description of the property sufficient to provide  
28 the public with notice of its location, and the name of the last record  
29 owner of the property as his name appears on the assessment rolls.

1 (b) Tax-foreclosed property conveyed to a municipality by tax  
2 foreclosure and not required for a public purpose may be sold. Before  
3 the sale of tax-foreclosed property held for a public purpose, the  
4 municipality, by ordinance, shall determine that a public need does not  
5 exist. The ordinance shall contain the information required under (a)  
6 of this section.

7 (c) The clerk or his designee shall send a copy of the published  
8 notice of hearing of an ordinance to consider a determination required  
9 under (a) or (b) of this section by certified mail to the former record  
10 owner of the property that is the subject of the ordinance. The notice  
11 shall be mailed within five days after its first publication and shall  
12 be sufficient if mailed to the last record owner of the property as his  
13 name appears on the assessment rolls of the municipality.

14 (d) The provisions of (c) of this section do not apply with  
15 respect to property that has been held by the municipality for a period  
16 of more than 10 years after the close of the redemption period.

17 Sec. 29.45.470. REPURCHASE BY RECORD OWNER. (a) The record  
18 owner at the time of tax foreclosure of property acquired by a munic-  
19 ipality, or his assigns, may, within 10 years and before the sale or  
20 contract of sale of the tax-foreclosed property by the municipality,  
21 repurchase the property. The municipality shall sell the property for  
22 the full amount applicable to the property under the judgment and  
23 decree, with interest not to exceed 15 percent a year from the date of  
24 entry of the judgment of foreclosure to the date of repurchase, delin-  
25 quent taxes assessed and levied as though it had continued in private  
26 ownership, and costs of foreclosure and sale.

27 (b) After adoption of an ordinance providing for the retention of  
28 tax-foreclosed property by the municipality for a public purpose, the  
29 right of the former record owner to repurchase the property ceases.

1           Sec. 29.45.480. PROCEEDS OF TAX SALE. (a) On sale of foreclosed  
2 real or personal property the municipality shall divide the proceeds  
3 less cost of collection, between the borough and the city having unpaid  
4 taxes against the property. The division is in proportion to the  
5 respective municipal taxes against the property at the time of fore-  
6 closure.

7           (b) The former record owner of tax-foreclosed real property that  
8 has been held by a municipality for less than 10 years after the close  
9 of the redemption period and never designated for a public purpose that  
10 is sold at a tax-foreclosure sale is entitled to the portion of the  
11 proceeds of the sale that exceeds the amount sufficient to satisfy  
12 unpaid taxes, delinquent taxes assessed and levied as if the property  
13 had continued in private ownership, penalty, interest, and costs of  
14 property sold, including costs incurred under AS 29.45.440(a). If the  
15 proceeds of the sale of tax-foreclosed property exceed the total of  
16 unpaid and delinquent taxes, penalty, interest, and costs, the muni-  
17 cipality shall provide the former owner of the property written notice  
18 advising of the amount of the excess and the manner in which a claim  
19 for the balance of the proceeds may be submitted. Notice is sufficient  
20 under this subsection if mailed to the former owner at his last address  
21 of record. On presentation of a proper claim, the municipality shall  
22 remit the excess to the former record owner. A claim for the excess  
23 filed after six months of the date of sale is forever barred.

24           Sec. 29.45.490. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a  
25 municipality takes title to tax-foreclosed property for a public pur-  
26 pose, the municipality shall satisfy unpaid taxes and assessments  
27 against the property held by other municipalities, with accrued interest  
28 but without penalty. If the amount required to satisfy the unpaid  
29 taxes and assessments exceeds the assessed value of the property, the

1 municipality shall pay the other municipalities the assessed value,  
2 which shall be divided between the other municipalities in proportion  
3 to their respective taxes and assessments against the property at the  
4 time of foreclosure.

5 Sec. 29.45.500. REFUND OF TAXES. (a) If a taxpayer pays taxes  
6 under protest, he may bring suit in the superior court against the  
7 municipality for recovery of the taxes. If judgment for recovery is  
8 given against the municipality, or, if in the absence of suit, it  
9 becomes obvious to the governing body that judgment for recovery of the  
10 taxes would be obtained if legal proceedings were brought, the munici-  
11 pality shall refund the amount of the taxes to the taxpayer with inter-  
12 est at eight percent from the date of payment plus costs.

13 (b) If, in payment of taxes legally imposed, a remittance by a  
14 taxpayer through error or otherwise exceeds the amount due, and the  
15 municipality, on audit of the account in question, is satisfied that  
16 this is the case, the municipality shall refund the excess to the  
17 taxpayer with interest at eight percent from the date of payment. A  
18 claim for refund filed one year after the due date of the tax is forever  
19 barred.

20 (c) The governing body may correct manifest clerical errors at  
21 anytime.

22 ARTICLE 3. CITY PROPERTY TAX.

23 Sec. 29.45.550. CITIES OUTSIDE BOROUGHES. Home rule and first  
24 class cities outside boroughs may assess, levy, and collect a property  
25 tax. A property tax if levied must be assessed, levied, and collected  
26 as provided by AS 29.45.010 - 29.45.500.

27 Sec. 29.45.560. CITIES INSIDE BOROUGHES. Home rule and first  
28 class cities inside boroughs may levy a property tax. A property tax,  
29 if levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.-

1 100, 29.45.250, 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The  
2 council shall by June 15 of each year present to the assembly a state-  
3 ment of the city's rate of levy unless a different date is agreed upon  
4 by the borough and city.

5 Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to  
6 home rule and general law municipalities.

7 Sec. 29.45.580. DIFFERENTIAL TAX ZONES. A city may by ordinance  
8 establish, alter, and abolish differential tax zones to provide and  
9 levy property taxes for services not provided generally in the city or  
10 a different level of service than that provided generally in the city.

11 Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS  
12 CITIES. A second class city may by referendum levy property taxes as  
13 provided for first class cities. However, levy by a second class city  
14 may not exceed one-half of one percent of the assessed value of the  
15 property taxed, except that the limit does not apply to a levy necessary  
16 to avoid a default upon payment of principal and interest of bonded or  
17 other indebtedness that is secured by a pledge to levy ad valorem or  
18 other taxes without limit to meet debt payments.

19 Sec. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A  
20 SECOND CLASS CITY. A petition for second class city incorporation may  
21 request that a property tax proposal be placed on the same ballot. The  
22 petition must state the proposed tax rate. The petition may request  
23 that incorporation be dependent on the passage of the property tax  
24 proposition. If so, the incorporation proposition fails if the prop-  
25 erty tax fails.

26 ARTICLE 4. BOROUGH SALES AND USE TAX.

27 Sec. 29.45.650. SALES AND USE TAX. (a) A borough may levy and  
28 collect a sales tax not exceeding six percent on sales, rents, and on  
29 services made in the borough. The sales tax may apply to any or all of

1 these sources. Exemptions may be granted by ordinance.

2 (b) A borough levying a sales tax may also by ordinance levy a  
3 use tax on the storage, use, or consumption of tangible personal prop-  
4 erty in the borough. The use tax rate must equal the sales tax rate  
5 and the use tax shall be levied only on buyers.

6 (c) A person who furnishes proof, in the form required by the  
7 borough tax collector, that he has paid a sales tax on the source on  
8 which a use tax is levied by the borough is required to pay the use tax  
9 only to the extent of the difference between the amount of the sales  
10 tax paid and the amount of the use tax levied by the borough. This  
11 subsection applies to a sales tax levied in any taxing jurisdiction  
12 whether inside or outside the state.

13 (d) If the assembly charges interest on sales taxes not paid when  
14 due, the rate of interest may not exceed 15 percent a year on the  
15 delinquent taxes and shall be charged from the due date until paid in  
16 full. This subsection applies to home rule and general law municipali-  
17 ties.

18 (e) A borough may provide for the creation, recording, and notice  
19 of a lien on real or personal property to secure the payment of a sales  
20 and use tax, and the interest, penalties, and administration costs in  
21 the event of delinquency. When recorded, a lien authorized under this  
22 section has priority over other liens except those for property taxes  
23 and special assessments.

24 Sec. 29.45.660. NOTICE OF SALES AND USE TAX. (a) If the borough  
25 levies and collects only a sales tax and use tax, the assembly shall  
26 provide a notice substantially in the form set out in AS 29.45.020. In  
27 providing notice under this subsection, the assembly shall substitute  
28 for the millage equivalency its estimate of the equivalent sales tax  
29 rate for each of the categories of financial assistance set out in

1 AS 29.45.020. Notice shall be provided

2 (1) by publishing in a newspaper of general circulation in  
3 the borough a copy of the notice once each week for a period of three  
4 successive weeks, with publication to occur not later than 45 days  
5 after the final adoption of the borough's budget; or

6 (2) if there is no newspaper of general circulation in the  
7 borough, by posting a copy of the notice for at least 20 days in at  
8 least two public places in the borough, with posting to occur not later  
9 than 45 days after the final adoption of the borough's budget.

10 (b) Compliance with the provisions of this section is a prerequi-  
11 site to receipt of municipal tax resource equalization assistance under  
12 AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal  
13 services under AS 29.60.100 - 29.60.180. The department shall withhold  
14 annual allocations under those sections until municipal officials  
15 demonstrate that the requirements of this section have been met.

16 Sec. 29.45.670. REFERENDUM, ADOPTION, AND MODIFICATION. A new  
17 sales and use tax or an increase in the rate of levy of a sales tax  
18 approved by ordinance does not take effect until ratified by a majority  
19 of the voters at an election.

20 ARTICLE 5. CITY SALES AND USE TAXES.

21 Sec. 29.45.700. POWER OF LEVY. (a) A city in a borough that  
22 levies and collects areawide sales and use taxes may levy sales and use  
23 taxes on all sources taxed by the borough in the manner provided for  
24 boroughs, except that the assembly may by ordinance authorize a city to  
25 levy and collect sales and use taxes on other sources.

26 (b) A city in a borough that does not levy and collect sales and  
27 use taxes for areawide borough functions may levy and collect sales and  
28 use taxes in the manner provided for boroughs.

29 (c) A city outside a borough may levy and collect sales and use

1 taxes in the manner provided for boroughs.

2 Sec. 29.45.710. COMBINING SALES AND USE TAX WITH INCORPORATION OF  
3 A SECOND CLASS CITY. A petition for incorporation of a second class  
4 city may request that a sales and use tax proposal be placed on the  
5 same ballot. The petition must state the proposed tax rate. The  
6 petition may request that incorporation be dependent on the passage of  
7 the tax proposition. If so, the incorporation proposition fails if the  
8 tax fails.

9 \* Sec. 13. AS 29 is amended by adding a new chapter to read:

10 CHAPTER 46. SPECIAL ASSESSMENTS.

11 Sec. 29.46.010. ASSESSMENT AND PROPOSAL. The municipality may  
12 assess against the property of a state or federal governmental unit and  
13 private real property to be benefited by an improvement all or a portion  
14 of the cost of acquiring, installing, or constructing capital improve-  
15 ments. The state shall pay an assessment levied, except as otherwise  
16 provided by law and subject to its right of protest under AS 29.46.020-  
17 (a)(8). If a governmental unit other than the state benefited by an  
18 improvement refuses to pay the assessment, it shall be denied the  
19 benefit of the improvement. An improvement proposal may be initiated  
20 by

21 (1) petition to the governing body of the owners of one-half  
22 in value of the property to be benefited; or

23 (2) the governing body.

24 Sec. 29.46.020. PROCEDURE. (a) The municipality may prescribe  
25 by ordinance the procedures relating to creating special assessment  
26 districts, making local improvements, levying and collecting assess-  
27 ments, and financing improvements, including the following:

28 (1) a procedure for filing petitions;

29 (2) a survey and report by the mayor concerning the need

1 for, desirable extent of, and estimated cost of each proposed local  
2 improvement;

3 (3) a public hearing on the necessity for the proposed local  
4 improvement;

5 (4) a resolution or ordinance determining to proceed or not  
6 to proceed with the proposed local improvement;

7 (5) a public hearing by the governing body on the special  
8 assessment roll for the proposed local improvement;

9 (6) published notice of each public hearing required by this  
10 section and mailing notice to each record owner of real property in the  
11 special assessment district;

12 (7) a resolution or ordinance confirming the special assess-  
13 ment roll for the proposed local improvement;

14 (8) if protests as to the necessity of a proposed local  
15 improvement are made by owners of property that will bear 50 percent or  
16 more of the estimated cost of the improvement, the governing body may  
17 not proceed with the improvement until the objections have been reduced  
18 to less than 50 percent, except on approval of not fewer than three-  
19 fourths of the governing body.

20 (b) To the extent that the municipality does not prescribe a  
21 procedure for special assessments as permitted by this section, the  
22 municipality shall comply with the special assessment procedures set  
23 out in AS 29.46.030 - 29.46.100.

24 Sec. 29.46.030. CREATION OF DISTRICT. (a) When an improvement  
25 proposal is filed with the municipal clerk and presented to the govern-  
26 ing body, the municipality shall find by resolution or ordinance whether  
27 (1) the improvement requested is necessary and should be made, and (2)  
28 if by petition, the request has sufficient and proper petitioners. The  
29 findings under this section are conclusive.

1 (b) If the municipality approves an improvement proposal, it  
2 shall develop a proposed improvement plan including the total cost  
3 estimate and the percentage of the cost to be assessed against the  
4 benefited property. The improvement plan shall be filed with the  
5 municipal clerk.

6 (c) The governing body shall set a time for public hearing on the  
7 improvement plan and the period for filing objections to the plan. The  
8 governing body shall publish a notice of the hearing and of the period  
9 during which objections may be filed at least once a week for four  
10 consecutive weeks in a newspaper of general circulation if distributed  
11 in the municipality and shall send notice by mail to every record owner  
12 of property in the special assessment district.

13 Sec. 29.46.040. RECORD OWNER. The person in whose name property  
14 is listed on the municipal property tax roll as owner is conclusively  
15 presumed to be the legal owner of record. If the owner is unknown, the  
16 assessment roll may designate "unknown owner".

17 Sec. 29.46.050. OBJECTIONS AND REVISION. (a) Objections to an  
18 improvement plan may be filed during a period of 60 days after publica-  
19 tion of notice. The municipality may by resolution or ordinance approve  
20 the plan and order the improvement subject to the limitation of (b) of  
21 this section.

22 (b) If objections are made in writing during the period set for  
23 objections by the owners of property bearing 50 percent or more of the  
24 estimated total cost of the improvement, the governing body may not  
25 proceed with the improvement unless it revises the plan to meet the  
26 objections and the objections are reduced to less than 50 percent. A  
27 revised plan shall be approved and adopted as an original plan in  
28 accordance with AS 29.46.030.

29 Sec. 29.46.060. ASSESSMENT ROLL. (a) At any time after approval

1 of an improvement plan, the governing body shall assess the authorized  
2 percentage of the cost against property in the district included in the  
3 plan in proportion to the benefit received.

4 (b) The special assessment roll shall contain property descrip-  
5 tions, names of record owners, and assessment amounts.

6 (c) The governing body shall fix a time to hear objections to the  
7 roll. The municipal clerk shall send an assessment and hearing notice  
8 by mail to each record owner of an assessed property not less than 15  
9 days before the hearing.

10 Sec. 29.46.070. HEARING AND SETTLEMENT. After the public hearing,  
11 the governing body shall correct errors and inequalities in the roll.  
12 If an assessment is increased, a new hearing shall be set and notice  
13 published, except that a new hearing and notice is not required if all  
14 record owners of property subject to the increased assessment consent  
15 in writing to the increase. Objections to the increased assessment  
16 shall be limited to record owners of property on which the assessment  
17 was increased. When the roll is corrected, it shall be confirmed by  
18 resolution or ordinance.

19 Sec. 29.46.080. PAYMENT. (a) The governing body shall fix times  
20 of payment, penalties on delinquent payments, and the rate of interest  
21 on the unpaid balance of the assessment. Payment may be in one sum or  
22 by installments. If payment is to be in one sum, payment may not be  
23 required sooner than 60 days after mailing of the assessment statement.  
24 The entire assessment may be prepaid without interest or penalty within  
25 30 days after mailing of the assessment statement, and thereafter the  
26 assessment may be prepaid in whole or in part with interest to the  
27 payment date.

28 (b) Within 30 days after fixing the time of payment the municipal  
29 clerk shall mail a statement to the record owner of each property

1 assessed. The statement designates the property, the assessment amount,  
2 method of payment, rate of interest on the unpaid balance of the assess-  
3 ment, the time of delinquency, and penalties on delinquent payments.  
4 Within five days after the statements are mailed, the clerk shall have  
5 notice published that the statements have been mailed.

6 (c) Assessments are liens on the property assessed and are prior  
7 and paramount to all liens except municipal tax liens. They may be  
8 enforced as provided in AS 29.45.320 - 29.45.470 for enforcement of  
9 property tax liens.

10 Sec. 29.46.090. EXEMPTION. (a) The real property owned and  
11 occupied by a resident 65 years of age or over, or the spouse, widow,  
12 widower, or minor heir of the original applicant, on which is located  
13 only his permanent abode that is a single-family residence, is exempt  
14 from (1) special sewer assessments levied by a municipality after  
15 September 2, 1975, and (2) special water assessments levied by a muni-  
16 cipality after September 2, 1975. Only one exemption may be granted  
17 with respect to the same property, and, if two or more persons are  
18 eligible for an exemption with respect to the same property, the parties  
19 shall decide between or among themselves which shall receive the benefit  
20 of the exemption. Real property may not be exempted under this sub-  
21 section that the municipality determines, after notice and hearing to  
22 the parties concerned, has been conveyed to the applicant primarily for  
23 the purpose of obtaining the exemption. The determination of the  
24 municipality is appealable under AS 44.62.560 - 44.62.570.

25 (b) An exemption may not be granted under this section except  
26 upon written application for the exemption on a form prescribed by the  
27 state assessor for use by local assessors and in accordance with the  
28 following requirements:

29 (1) The claimant must file the initial application during

1 the period of time between the date the assessment roll is confirmed  
2 and the time of payment fixed by the governing body. Within one year  
3 after the date the assessment roll is confirmed the governing body for  
4 good cause shown may waive the claimant's failure to make timely initial  
5 application for the exemption and authorize the assessor to accept the  
6 application as if timely filed.

7 (2) A claimant receiving the exemption must file with the  
8 assessor by March 15 of each subsequent year a separate application  
9 proving eligibility as of January 1 in order to retain the exemption.  
10 Within the same year the assessor for good cause shown may waive the  
11 claimant's failure to make timely application and approve the applica-  
12 tion as if timely filed.

13 (3) If an application is filed within the required time  
14 under this subsection and is approved by the governing body, the exemp-  
15 tion shall be allowed in accordance with the provisions of this section.  
16 If a waiver under this subsection is granted and the application for  
17 exemption approved, the amount of any assessment, penalty, or interest  
18 that the claimant has already paid on the assessment shall be refunded  
19 to him. The municipality may at any time require proof in the form  
20 considered necessary of the right and amount of an exemption claimed  
21 under this section.

22 (c) The state shall reimburse a municipality for the sewer and  
23 water assessment revenues that it would receive but for the operation  
24 of this section. Reimbursement under this subsection is a lien in  
25 favor of the state against the property exempted to the extent of the  
26 assessment against the property exempted. When properly recorded, the  
27 lien is prior and superior to other liens against the property except  
28 for property taxes or other special assessments and may be enforced by  
29 lien foreclosure as provided in AS 34.10.070 - 34.10.220. The lien

1 becomes immediately due and payable

2 (1) upon sale or other transfer of the property except to a  
3 spouse, widow, widower, or minor heir; however, if the property is  
4 transferred to a minor heir the lien becomes due and payable on the  
5 date the minor heir reaches the age of 25 years;

6 (2) when property exempted under (a)(1) or (2) of this  
7 section receives more than one sewer connection or more than one water  
8 connection; or

9 (3) when the claimant fails to prove eligibility under  
10 (b)(2) of this section.

11 (d) This section applies to home rule and general law municipali-  
12 ties.

13 (e) In this section

14 (1) "minor heir" means a person who, at the time of transfer  
15 of the property, has not attained the age of 19 years or who, if he has  
16 not attained the age of 22 years, is a full-time student at an educa-  
17 tional institution or a member of the armed forces of the United States;

18 (2) "real property" includes, but is not limited to, mobile  
19 homes, whether classified as real or personal property for municipal  
20 tax purposes;

21 (3) "resident" means a person who for 12 consecutive months  
22 has maintained his permanent place of abode in the state.

23 Sec. 29.46.100. REASSESSMENT. (a) The governing body shall  
24 within one year correct any deficiency in a special assessment found by  
25 a court. Notice and hearing must conform to the initial assessment  
26 procedures.

27 (b) Payments on the initial assessment are credited to the prop-  
28 erty upon reassessment. The reassessment becomes a charge upon the  
29 property notwithstanding failure to comply with any provision of the

1 assessment procedure.

2 Sec. 29.46.110. ALLOWABLE COSTS. (a) When a special assessment  
3 district is created, there may be included in the assessments

4 (1) all of the cost of acquiring, installing, making, or  
5 constructing the local improvement;

6 (2) the costs of all engineering and surveying to be done in  
7 connection with creating the district or improvement;

8 (3) the cost of mailing and publishing notices;

9 (4) interest on interim financing;

10 (5) the cost of legal services and other expenses incurred  
11 in the formation of the special assessment district;

12 (6) the cost of completing the improvement and financing the  
13 improvement, including the issuance of bonds.

14 (b) The total amount of the assessment roll may not exceed actual  
15 costs, but actual costs may include reasonable estimates of the costs  
16 to be incurred in connection with issuance of bonds.

17 Sec. 29.46.120. OBJECTION AND APPEAL. (a) The validity of an  
18 assessment may not be contested by a person who did not file with the  
19 municipal clerk a written objection to the assessment roll before its  
20 confirmation.

21 (b) The decision of the governing body on an objection may be  
22 appealed to the superior court within 30 days after the date of confir-  
23 mation of the assessment roll. If no objection is filed or appeal  
24 taken within that time, the assessment procedure is considered valid in  
25 all respects.

26 Sec. 29.46.130. INTERIM FINANCING. (a) A municipality may  
27 provide by resolution or ordinance for the issuance of notes in payment  
28 of the costs of a local improvement project, payable out of special  
29 assessments for the improvement. The notes shall bear interest at a

1 rate or rates authorized by the resolution or ordinance, and shall be  
2 redeemed either in cash or bonds for the improvement project.

3 (b) Notes issued against assessments shall be claims against the  
4 assessments that are prior and superior to a right, lien or claim of a  
5 surety on the bond given to the municipality to secure the performance  
6 of its contract for a local improvement project, or to secure the  
7 payment of persons who have performed work or furnished materials under  
8 the contract.

9 (c) The municipal treasurer may accept notes against special  
10 assessments on conditions prescribed by the governing body in payment  
11 of

12 (1) assessments against which the notes were issued in order  
13 of priority;

14 (2) judgments rendered against property owners who have  
15 become delinquent in the payment of assessments; and

16 (3) certificates of purchase when property has been sold  
17 under execution or at tax sale for failure to pay the assessments.

18 Sec. 29.46.140. SPECIAL ASSESSMENT BONDS. (a) The municipality  
19 may by ordinance authorize the issuance and sale of special assessment  
20 bonds to pay all or part of the cost of an improvement in a special  
21 assessment district. The principal and interest of bonds issued shall  
22 be payable solely from the levy of special assessments against the  
23 property to be benefited. The assessments shall constitute a sinking  
24 fund for the payment of principal and interest on the bonds. The  
25 benefited property may be pledged by the governing body to secure a  
26 payment.

27 (b) On default in a payment due on a special assessment bond, a  
28 bondholder may enforce payment of principal, interest, and costs of  
29 collection in a civil action in the same manner and with the same

1 effect as actions for the foreclosure of mortgages on real property.  
2 Foreclosure shall be against all property on which assessments are in  
3 default. The period for redemption is the same as for a mortgage  
4 foreclosure on real property.

5 (c) Before the governing body may issue special assessment bonds,  
6 it shall establish a guarantee fund and appropriate to the fund annually  
7 a sum adequate to cover a deficiency in meeting payments of principal  
8 and interest on bonds if the reason for the deficiency is nonpayment of  
9 assessments when due. Money received from actions taken against prop-  
10 erty for nonpayment of assessments shall be credited to the guarantee  
11 fund.

12 \* Sec. 14. AS 29 is amended by adding a new chapter to read:

13 CHAPTER 47. MUNICIPAL DEBT.

14 ARTICLE 1. REVENUE ANTICIPATION NOTES.

15 Sec. 29.47.010. BORROWING IN ANTICIPATION OF REVENUE. A muni-  
16 cipality that is authorized to incur indebtedness may borrow money to  
17 meet appropriations for any fiscal year in anticipation of the collec-  
18 tion of the revenues for that year, but all debt so contracted shall be  
19 paid before the end of the next fiscal year. Negotiable or non-  
20 negotiable revenue anticipation notes may be issued as evidence of the  
21 borrowing.

22 Sec. 29.47.020. ISSUANCE OF NOTES. A municipality may by ordi-  
23 nance or resolution authorize the issuance of revenue anticipation  
24 notes. The governing body may delegate to its chief fiscal officer the  
25 power to issue the notes from time to time under the terms and condi-  
26 tions of the ordinance or resolution that provides for the manner of  
27 their sale.

28 Sec. 29.47.030. ISSUANCE OF NOTES IN ANTICIPATION OF STATE,  
29 FEDERAL GRANTS. (a) A municipality, on adoption of a long-range

1 capital improvement budget by ordinance or resolution, may by resolution  
2 provide for negotiable or nonnegotiable revenue anticipation notes in  
3 an amount not to exceed the total amount of any state or federal grants  
4 finally committed for these projects. The notes mature no later than  
5 the end of the next fiscal year. The notes may be for single or mul-  
6 tiple projects outlined in the adopted capital improvement budget.

7 (b) If the state or federal grants for capital improvement pro-  
8 jects have not been paid to the municipality before maturity of the  
9 notes issued in anticipation of the receipt of the revenue, the govern-  
10 ing body may issue new notes in order to meet payment of the notes then  
11 maturing or may renew the outstanding revenue anticipation notes. New  
12 notes issued or renewals of outstanding revenue anticipation notes  
13 mature not later than the end of the next fiscal year.

14 Sec. 29.47.040. PRIORITY OF REPAYMENT. The payment of the princi-  
15 pal and interest on revenue anticipation notes is payable from revenues,  
16 and their payment additionally shall be secured by a pledge of the full  
17 faith and credit of the municipality issuing them.

#### 18 ARTICLE 2. BOND ANTICIPATION NOTES.

19 Sec. 29.47.080. BOND ANTICIPATION BORROWING. A municipality may  
20 borrow money in anticipation of the sale of general obligation and  
21 revenue bonds if

22 (1) the general obligation bonds to be sold have been autho-  
23 rized by ordinance and ratified by a majority vote at an election;

24 (2) the revenue bonds to be sold have been authorized by  
25 ordinance.

26  
27 Sec. 29.47.090. ISSUANCE OF NOTES. The governing body shall  
28 issue negotiable or nonnegotiable notes for the amounts borrowed with a  
29 maturity date not to exceed one year from the date of issue. All notes  
and the interest on them are payable at fixed places on or before a

1 fixed time from the proceeds of the sale of bonds in anticipation of  
2 which the original note or notes were issued, unless the bonds have not  
3 been sold by the maturity date of the notes.

4 Sec. 29.47.100. ISSUANCE OF NEW NOTES. If the sale of the bonds  
5 has not occurred before the maturity of the notes issued in anticipation  
6 of the sale, the governing body shall issue new notes in order to meet  
7 payment of the notes then maturing, or shall renew the outstanding bond  
8 anticipation notes. New notes issued or renewals of outstanding bond  
9 anticipation notes bear a maturity date not to exceed one year from the  
10 date of issue. Notes, new notes, and renewals of notes may not be  
11 outstanding for a total elapsed time of more than three years.

12 Sec. 29.47.110. REPAYMENT OF NOTES. Every note is payable from  
13 the proceeds of the sale of bonds that the notes anticipated or from  
14 the proceeds of the sale of new bond anticipation notes.

15 Sec. 29.47.120. SECURITY. (a) Notwithstanding other provisions  
16 of this chapter as to payment of notes, notes issued in anticipation of  
17 the sale of general obligation bonds and the interest on them are  
18 secured by the full faith and credit of the municipality. The muni-  
19 cipality may levy ad valorem taxes for payment without limitation of  
20 rate or amount.

21 (b) Notes issued in anticipation of the sale of revenue bonds and  
22 the interest on them are secured in the same manner as are the revenue  
23 bonds in anticipation of which the notes are issued.

24 Sec. 29.47.130. LIMITATION. The total amount of notes issued and  
25 outstanding may at no time exceed the total amount of bonds authorized  
26 to be issued.

27 Sec. 29.47.140. USE OF PROCEEDS. The proceeds from the sale of  
28 notes shall be used only for the purposes for which the proceeds from  
29 the sale of bonds may be used, or to meet payment of outstanding bond

1 anticipation notes.

2 ARTICLE 3. GENERAL OBLIGATION BONDS.

3 Sec. 29.47.180. GENERAL OBLIGATION BONDS. A municipality may  
4 acquire, construct, improve, and equip capital improvements and issue  
5 negotiable or nonnegotiable general obligation bonds for these purposes.

6 Sec. 29.47.190. VOTE AND NOTICE OF EXISTING INDEBTEDNESS REQUIRED.

7 (a) A municipality may incur general obligation bond debt only after a  
8 bond authorization ordinance is approved by a majority vote at an  
9 election. Any municipal voter may vote in the bond election, except as  
10 otherwise provided by law.

11 (b) Before a general obligation bond issue election, the governing  
12 body shall have published a notice of the total existing bond indebted-  
13 ness at least once a week for three consecutive weeks. The first  
14 notice shall be published at least 20 days before the date of the  
15 election. A notice shall include

- 16 (1) the current total general obligation bonded indebtedness,  
17 including authorized but unsold bonds of the municipality;  
18 (2) the cost of the debt service on the current indebtedness;  
19 (3) the total assessed value of property in the municipality.

20 Sec. 29.47.200. PAYMENT. (a) The full faith and credit of a  
21 municipality are pledged for the payment of principal and interest on  
22 general obligation bonds. The municipality may levy ad valorem taxes  
23 for payment without limitation of rate or amount to pay or secure the  
24 payment of the principal and interest on bonds, regardless of whether  
25 the bonds are in default or in danger of default.

26 (b) General obligation bonds issued for acquiring, constructing,  
27 improving and equipping a municipally owned utility or other revenue-  
28 generating enterprise may be additionally secured by a pledge of the  
29 revenue derived from operation. Bonds so secured are not subject to a

1 debt limitation imposed by a home rule charter. This subsection applies  
2 to home rule and general law municipalities.

3 ARTICLE 4. REVENUE BONDS.

4 Sec. 29.47.240. REVENUE BONDS. (a) A municipality may issue  
5 negotiable or nonnegotiable revenue bonds for a public enterprise or  
6 public corporation of the municipality where the only security is the  
7 revenue of the public enterprise or corporation.

8 (b) A municipality may issue its revenue bonds to finance the  
9 purchase of residential mortgage loans. The revenue bonds issued under  
10 this subsection are payable solely from the principal and interest of  
11 the mortgage loans and from other amounts pledged by the municipality,  
12 except the pledge of revenues derived from taxes. Revenue bonds issued  
13 under this subsection do not constitute a general obligation of the  
14 municipality.

15 Sec. 29.47.250. NO ELECTION REQUIRED. An election is not required  
16 to authorize the issuance and sale of revenue bonds, unless otherwise  
17 provided by ordinance.

18 Sec. 29.47.260. CONSTRUCTION. The prohibitions of AS 37.10.085  
19 do not apply to the issuance of revenue bonds or the use of proceeds  
20 from revenue bonds by a home rule or general law municipality.

21 ARTICLE 5. REFUNDING BONDS.

22 Sec. 29.47.300. AUTHORIZATION. If a municipality has outstanding  
23 general obligation or revenue bonds and the governing body determines  
24 that it would be financially advantageous to refund the bonds, the  
25 municipality may provide by ordinance or resolution for the issuance of  
26 negotiable or nonnegotiable

- 27 (1) general obligation refunding bonds; or  
28 (2) revenue refunding bonds.

29 Sec. 29.47.310. EFFECT OF BONDS. The refunding bonds may take up

1 and refund all or part of outstanding bonds at or before their maturity  
2 or redemption date. The governing body may include various series and  
3 issues of bonds in a single issue of refunding bonds.

4 Sec. 29.47.320. NO ELECTION REQUIRED. An election is not required  
5 to authorize the issuance and sale of refunding bonds. Their issuance  
6 may be authorized and all proceedings with reference to them prescribed  
7 by ordinance. However, when it is desirable to use general obligation  
8 bonds to refund a revenue bond issue, the governing body shall call an  
9 election on the question.

10 Sec. 29.47.330. PAYMENT OF REFUNDING BONDS. General obligation  
11 refunding bonds are payable according to AS 29.47.200. Revenue refund-  
12 ing bonds are payable according to AS 29.47.240.

13 Sec. 29.47.340. SALE OF REFUNDING BONDS. General obligation or  
14 revenue refunding bonds may, at the discretion of the governing body,  
15 be exchanged for the bonds being refunded, or may be sold at public or  
16 private sale. They may be issued and delivered at any time before the  
17 date of maturity or redemption of the refunded bonds.

18 ARTICLE 6. MISCELLANEOUS PROVISIONS.

19 Sec. 29.47.390. OTHER MUNICIPAL FINANCING. (a) A municipality  
20 may authorize by ordinance or resolution the issuance of negotiable or  
21 nonnegotiable revenue bonds to finance any project that serves a public  
22 purpose, and the bonds shall be secured and payable solely from the  
23 revenue and property of the project.

24 (b) Bonds issued under this section are not a debt or liability  
25 of the municipality and do not create or constitute an indebtedness,  
26 liability, or obligation of the municipality, nor do they constitute a  
27 pledge of faith, credit, or taxing power of the municipality. Each  
28 bond must contain on its face a statement that the principal and inter-  
29 est on the bond are payable solely from the revenues and property of

1 the project being financed, that the municipality is not obligated to  
2 pay the principal or the interest on the bonds except from those  
3 sources, and that neither the faith and credit nor the taxing power of  
4 the municipality is pledged to the payment of principal or interest on  
5 the bond.

6 (c) A municipality may

- 7 (1) loan the proceeds of the bonds issued under this section;
- 8 (2) pledge, mortgage or assign money, leases, agreements,  
9 property, or other assets of the project being financed;
- 10 (3) enter into covenants and agreements concerning bonds  
11 issued under this section that the municipality determines to be de-  
12 sirable;
- 13 (4) provide for any matter that affects the security of the  
14 bonds.

15 (d) In this section

- 16 (1) "bonds" means bonds, notes, or other evidence of indebt-  
17 edness;
- 18 (2) "project" includes but is not limited to commercial,  
19 manufacturing, agricultural, industrial, residential housing, recrea-  
20 tion, tourism, and medical projects and programs.

21 Sec. 29.47.400. SALE. Bonds and notes issued under this chapter  
22 may be sold at either public or private sale by the municipality in the  
23 manner and at the price it determines.

24 Sec. 29.47.410. FORMS AND TERMS. The municipality may by ordi-  
25 nance or resolution fix the date, denominations, maturities, rate or  
26 rates of interest, redemption terms, registration privileges, manner of  
27 execution, signatures required, purchase price, manner of sale, and  
28 other requirements for issuing bonds or notes under this chapter. If  
29 an official whose signature appears on the bonds or coupons ceases to

1 be an official before delivery of the bonds, his signature is valid as  
2 if he had remained in office until delivery.

3 Sec. 29.47.420. INTEREST RATE. The interest rate payable on a  
4 bond or note issued under this chapter shall be determined by the  
5 municipality and is not subject to the usury rate limitations of AS 45.-  
6 45.010.

7 Sec. 29.47.430. REDEMPTION BEFORE MATURITY. A bond or note  
8 issued under this chapter may be made subject to redemption before  
9 maturity as stated in the authorization or in the bond or note.

10 Sec. 29.47.440. BOROUGH INDEBTEDNESS. (a) A borough may incur  
11 indebtedness

12 (1) on an areawide basis for areawide functions; or

13 (2) on a nonareawide basis for functions performed only in  
14 the borough area outside all cities; or

15 (3) on a service area basis for functions performed only in  
16 a service area.

17 (b) Payment of debt principal and interest as well as other costs  
18 shall be derived from the area incurring the debt under (a)(2) or  
19 (a)(3) of this section, except that the full faith and credit of the  
20 entire borough may be pledged to guarantee payment of principal and  
21 interest.

22 (c) If the bonded debt to be incurred by a borough is an areawide  
23 debt, the vote is areawide. If the full faith and credit of the entire  
24 borough is pledged for the payment of the debt of the borough area  
25 outside all cities or of a service area, an areawide election is held  
26 and the proposition must pass both areawide and in the area that will  
27 benefit from the improvement. If the bonded indebtedness to be incurred  
28 is limited to the borough area outside all cities, the vote is limited  
29 to voters outside all cities. If the indebtedness to be incurred is

1 limited to a service area, the vote is limited to voters in the service  
2 area. Only the full faith and credit of the area voting on the in-  
3 debtedness is pledged for the payment of the debt.

4 (d) The indebtedness of a municipality reclassified under AS 29.-  
5 04.040 is not affected by reclassification. All property in a muni-  
6 cipality that is reclassified remains subject to taxation to amortize  
7 bonded or other indebtedness affecting the municipality and authorized  
8 on the effective date of reclassification.

9 Sec. 29.47.450. SERVICE AREA DEBT. The indebtedness of a service  
10 area acquired under AS 29.47.440 remains the indebtedness of the area  
11 that incurred the debt, notwithstanding a subsequent court determina-  
12 tion that the service area was not validly formed under law or by  
13 virtue of a defect in the proceedings creating the service area. All  
14 property in the service area remains subject to taxation to pay the  
15 bonded indebtedness.

16 \* Sec. 15. AS 29 is amended by adding a new chapter to read:

17 CHAPTER 55. MUNICIPAL PROGRAMS.

18 Sec. 29.55.010. CREATION OF LOCAL HISTORICAL DISTRICT COMMISSIONS.  
19 The governing body of a municipality may establish a local historical  
20 district commission or designate the planning commission or itself to  
21 serve as the historical district commission.

22 Sec. 29.55.020. ESTABLISHMENT OF HISTORICAL DISTRICTS. (a) In  
23 addition to existing municipal authority providing for the preservation,  
24 protection, and maintenance of historic sites, the local historical  
25 district commission, in consultation with the Historic Sites Advisory  
26 Committee in the Department of Natural Resources, may establish a  
27 historical district in the boundaries of the municipality.

28 (b) A historical district shall be a reasonably compact area of  
29 historical significance in which two or more structures important in

1 state or national history, and related by physical proximity or histori-  
2 cal association, are located. For purposes of this section, "structures  
3 important in state or national history" means properties recommended by  
4 historical district commissions that are listed in the National Register  
5 of Historic Places or are characteristic of the Russian-American period  
6 before October 18, 1867, the early territorial period before 1930, or  
7 early Native heritage, reflecting the indigenous characteristics of  
8 Native culture in Alaska. On recommendation of the governing body of  
9 a municipality and the Historic Sites Advisory Committee, the Department  
10 of Natural Resources may by regulation formulate additional criteria for  
11 the establishment of historical districts not inconsistent with this  
12 subsection.

13 (c) The establishment of a historical district under this section  
14 shall be consistent with any applicable comprehensive plan for the  
15 municipality.

16 \* Sec. 16. AS 29 is amended by adding a new chapter to read:

17 CHAPTER 60. STATE PROGRAMS.

18 ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

19 Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICIPAL  
20 SERVICES. (a) During each fiscal year the department shall compute an  
21 equalization entitlement for municipal services provided by a taxing  
22 unit.

23 (b) The equalization entitlement computed for a taxing unit is  
24 based on the population, relative ability to generate revenue, and local  
25 tax burden of the taxing unit and is determined by the application of  
26 the formula

27 Entitlement = P x R

28 where P = population, and

29 R = millage rate equivalent, determined by dividing the sum of

1 the locally generated revenue of the taxing unit by one-tenth of one  
2 percent of the full and true value of assessed property of the taxing  
3 unit determined under AS 29.60.030(d); however, the per capita property  
4 value used under this subsection may not be less than 15 percent of the  
5 statewide average per capita full and true assessed property value.

6 (c) For purposes of this section, locally generated revenue

7 (1) includes

8 (A) the actual revenue derived from the levy and collec-  
9 tion of local taxes in the taxing unit for municipal services  
10 during the preceding fiscal year of the taxing unit;

11 (B) motor vehicle payments received by the municipality  
12 during the preceding fiscal year under AS 28.10.431;

13 (C) revenue from fees, rentals, leases, penalties,  
14 licenses or permits received during the preceding fiscal year by  
15 the municipality for a function or service over which it has con-  
16 trol, including revenues derived from parks and recreation ser-  
17 vices, mass transit, offstreet parking, and garbage and solid waste  
18 disposal services;

19 (D) special assessments received during the preceding  
20 fiscal year; and

21 (E) payments received by a municipality from a utility  
22 that are in place of taxes levied and collected by the municipal-  
23 ity;

24 (2) excludes

25 (A) revenue derived from the levy and collection of  
26 municipal taxes and appropriated for the operating expenses and  
27 debt service of utilities;

28 (B) revenue from interest earned on investments and from  
29 the sale and lease of land or equipment; and

1 (C) all other revenue from whatever service derived.

2 Sec. 29.60.020. DETERMINATION OF POPULATION. (a) For purposes of  
3 AS 29.60.010 - 29.60.080, the population of a taxing unit shall be  
4 determined annually by the latest figures of the United States Bureau of  
5 the Census or other population data that, in the judgment of the depart-  
6 ment, is reliable.

7 (b) The population of the taxing unit includes the population of  
8 any military reservation that is a part of the taxing unit.

9 Sec. 29.60.030. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a)  
10 The department may require a municipality to return a certification,  
11 signed by the municipal treasurer or manager and the mayor, that provides  
12 an estimate of the locally generated revenue received by the municipality  
13 during the preceding fiscal year.

14 (b) By October 15 of each year, the department shall make an  
15 initial determination of the millage rate equivalent of each taxing unit  
16 to be used for computing and distributing equalization entitlements for  
17 the current fiscal year under AS 29.60.010 - 29.60.080. The department  
18 shall base the initial determination on the estimates in the certifica-  
19 tion returned by a municipality under (a) of this section.

20 (c) As early as possible, but not later than December 15 of each  
21 year, the department shall make a final determination of the millage  
22 rate equivalent of each taxing unit to use to compute and distribute  
23 equalization entitlements under AS 29.60.010 - 29.60.080. The depart-  
24 ment shall base the determination on audits, financial statements and  
25 other financial reports prepared and submitted by a municipality. The  
26 department shall adjust the locally generated revenue reported by a  
27 municipality to exclude the municipal revenue claimed that does not  
28 qualify for inclusion in or recognition as locally generated revenue for  
29 municipal purposes under AS 29.60.010(c)(1). The adjustment shall be

1 made by deducting from total revenue claimed by the municipality the  
2 amount of the department's estimate of revenue that is not recognized  
3 for municipal purposes.

4 (d) The full and true assessed property value shall be determined  
5 by the department in the manner provided for the computation of state  
6 aid to education under AS 14.17.140. When the determination of locally  
7 generated revenue includes revenue of a utility received under AS 29.-  
8 60.010(c)(1)(E), the full and true assessed property value shall include  
9 the computed assessed value of the utility, determined by dividing the  
10 amount of the payment in place of taxes made by the utility by the  
11 millage rate that would apply to the utility if the utility were subject  
12 to levy and collection of taxes under AS 29.45.

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

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

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

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

27 (f) The department shall annually compute a statewide average per  
28 capita full and true assessed property value.

29 Sec. 29.60.040. REPORTS. A payment of an equalization entitlement

1 may not be made to a municipality under AS 29.60.010 - 29.60.080 until  
2 the municipality has submitted its certificate of estimated revenue and  
3 its financial report to the department for the fiscal year preceding the  
4 year for which the equalization entitlement is sought, together with a  
5 budget for the municipality's current fiscal year. The financial report  
6 shall include a listing of general revenue collected from taxes levied  
7 and assessed and any other revenue that, in the opinion of the municipal  
8 officials, is eligible for inclusion in computations of the locally  
9 generated revenue of the taxing unit.

10 Sec. 29.60.050. LIMITATION ON COMPUTATION AND USE OF PAYMENTS.

11 (a) An equalization entitlement generated by the tax levy of a taxing  
12 unit may be used only for authorized expenditures of that taxing unit,  
13 but up to 15 percent of the payment of an equalization entitlement  
14 generated by areawide revenue of a municipality may be used by the  
15 municipality for areawide or nonareawide purposes at the discretion of  
16 its governing body. This subsection applies to home rule and general  
17 law municipalities.

18 (b) An equalization entitlement determined with reference to  
19 revenue other than revenue obtained from the levy and collection of  
20 taxes may be used for areawide or nonareawide purposes, at the discre-  
21 tion of the governing body.

22 Sec. 29.60.060. TAX EQUALIZATION ACCOUNT. The tax equalization  
23 account is established. Money to carry out the provisions of AS 29.60.-  
24 010 - 29.60.080 shall be allocated by the department to the account.  
25 The amount allocated to the account shall be fully distributed by the  
26 department as payments to municipalities to fulfill each share autho-  
27 rized under AS 29.60.010. The amount allocated to the account shall be  
28 distributed by the department pro rata among eligible municipalities.

29 Sec. 29.60.070. ADMINISTRATION. (a) The department may adopt

1 regulations necessary to implement AS 29.60.010 - 29.60.080. The regu-  
2 lations shall include, among other provisions,

3 (1) procedures and filing dates for submitting certification  
4 and financial reports;

5 (2) procedures for obtaining information required to compute  
6 and determine the municipality's millage rate equivalent; and

7 (3) procedures by which the department shall notify a munici-  
8 pality in writing of the reasons for a proposed disallowance or adjust-  
9 ment of any factor bearing upon the determination of the municipality's  
10 entitlement and by which the municipality will be provided reasonable  
11 time in which to respond or to challenge the department's determination.

12 (b) The department shall make reasonable efforts to advise and  
13 assist municipalities in collecting information and completing reports  
14 necessary for the determination of entitlements under AS 29.60.010 -  
15 29.60.080.

16 (c) The department shall, by regulation, classify for inclusion or  
17 exclusion as a component of a municipality's millage rate equivalent  
18 under AS 29.60.010 any tax revenue appropriated for a utility not in-  
19 cluded in the definition set out in AS 29.60.080(4).

20 Sec. 29.60.080. DEFINITIONS. In AS 29.60.010 - 29.60.080

21 (1) "taxing unit" means a municipality and

22 (A) in a borough or unified municipality, a service area  
23 or the entire area outside cities;

24 (B) in a city, a differential tax zone;

25 (2) "utility" means electric, water, sewer, gas heat, tele-  
26 phone, or refuse and garbage collection service.

27 ARTICLE 2. STATE AID FOR MISCELLANEOUS PURPOSES.

28 Sec. 29.60.100. REVENUE SHARING PAYABLE. In addition to the  
29 equalization entitlements paid under AS 29.60.010 - 29.60.080, during

1 each fiscal year the department shall pay aid

2 (1) to a municipality or other eligible recipient that has  
3 the power to provide the services described in AS 29.60.030 - 29.60.070  
4 and exercises the power in the manner required by AS 29.60.100 - 29.60.-  
5 180;

6 (2) to a Native village government under AS 29.60.140.

7 Sec. 29.60.110. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The  
8 department shall pay to a municipality that has power to provide for  
9 road maintenance and exercises that power, \$2,500 a mile for each mile  
10 of road, street, or highway maintained by the municipality, excluding  
11 (1) the official state highway system, (2) roads, streets, or highways  
12 not dedicated to public use, (3) roads, streets, or highways maintained  
13 under the local service road program (AS 19.30.111 - 19.30.251), and (4)  
14 alleyways, in accordance with regulations adopted by the Department of  
15 Transportation and Public Facilities. A payment may not be made under  
16 this subsection for maintenance of a road that is not used by automotive  
17 equipment.

18 (b) A frozen waterway and a connection from an inhabited area to a  
19 waterway that may be safely used for public transportation by automotive  
20 equipment and is so used during a portion of a year is eligible for a  
21 payment of \$1,500 per mile if the waterway and connection are maintained  
22 during the period of use by a municipality or combination of municipali-  
23 ties. The department, after consultation with the Department of Trans-  
24 portation and Public Facilities, shall determine which waterways and  
25 connections qualify and, where the waterways or connections lie outside  
26 the corporate limits of a municipality, which municipalities shall  
27 receive the payments under this subsection, unless the municipalities  
28 involved have agreed in writing to a particular distribution.

29 Sec. 29.60.120. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE

1 RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The department  
2 shall pay

3 (1) to a municipality that has the power to provide hospital  
4 facilities and services and that exercises that power, \$1,000 per bed  
5 for each bed actually used for patient care, limited to the number of  
6 beds provided for in the construction design of the hospital, or  
7 \$250,000 a hospital for those hospitals with 10 or more beds, or \$50,000  
8 a hospital for those hospitals with less than 10 beds, as the municipal-  
9 ity may elect; money received under this paragraph may be used only for  
10 hospitals and shall be apportioned among qualifying hospitals as the  
11 municipality determines;

12 (2) on the basis set out in (1) of this subsection to a  
13 municipality for a nonprofit hospital not operated by a municipality if  
14 the municipality first certifies to the department that the nonprofit  
15 hospital is in compliance with all standards for hospitals that have  
16 been adopted by the municipality; money may not be paid on behalf of a  
17 nonprofit hospital without this certification; payments to the munic-  
18 ipality shall be transferred to the nonprofit hospital in accordance with  
19 the basis by which the payment was generated by the hospital, and shall  
20 be applied to the annual cost of operation and maintenance of the hos-  
21 pital or for the provision of health care service at the hospital as the  
22 directors of the hospital determine;

23 (3) to a municipality in which a health facility is operated,  
24 \$2,000 per bed for each bed actually used for patient care, limited to  
25 the number of beds provided for in the construction design of the health  
26 facility, or \$8,000 per health facility as the municipality determines.

27 (b) A hospital may not receive payment under both (a)(1) and  
28 (a)(2) of this section.

29 (c) Money received by a municipality under (a)(3) of this section

1 shall be used for expenses of health services or operation and main-  
2 tenance of health facilities as the municipality determines.

3 (d) Before money may be distributed under this section, the com-  
4 missioner of health and social services shall certify to the commis-  
5 sioner of community and regional affairs that any accumulation of assets  
6 by nonprofit corporations or other recipients under this section is  
7 dedicated irrevocably to a public purpose.

8 (e) Subsections (a) and (c) of this section apply to home rule and  
9 general law municipalities.

10 Sec. 29.60.130. STATE AID TO VOLUNTEER FIRE DEPARTMENTS NOT IN  
11 ORGANIZED MUNICIPALITY. (a) The department shall pay to a volunteer  
12 fire department registered with the state fire marshal and serving an  
13 area not in an organized municipality a sum for protection purposes  
14 equal to \$10 per capita for the population served by the fire department,  
15 as determined by the state fire marshal.

16 (b) A grant shall be made under (a) of this section to facilitate  
17 the organization of a volunteer fire department in an area not in an  
18 organized municipality, upon application of the proposed fire protection  
19 group to the state fire marshal and upon approval of applications accord-  
20 ing to standards of organization and service prescribed by regulations  
21 adopted by the state fire marshal.

22 Sec. 29.60.140. STATE AID TO NATIVE VILLAGE GOVERNMENTS. The  
23 state shall pay \$25,000 to a Native village government for a village  
24 that is not incorporated as a city under this title. In this section,  
25 "Native village government" means

26 (1) a local governing body organized by authority of the Act  
27 of Congress of June 18, 1934 (25 U.S.C. sec. 476); or

28 (2) a traditional village council or, if there is no tradi-  
29 tional village council, the paramount chief or other local governing

1 body of a Native village that meets the requirements of the Alaska  
2 Native Claims Settlement Act (43 U.S.C. sec 1601 - 1628).

3 Sec. 29.60.150. POPULATION DETERMINATION. For purposes of AS 29.-  
4 60.100 - 29.60.180, population shall be determined by the latest figures  
5 of the United States Bureau of the Census or other reliable population  
6 data, including but not limited to public school enrollment figures,  
7 public utility connection, registered voters, or certified employment  
8 payrolls.

9 Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments  
10 to a municipality or other eligible recipient under AS 29.60.110 -  
11 29.60.120 shall reflect area cost-of-living differentials. Payments  
12 shall be based on the sum of per capita, per mile and per bed or facil-  
13 ity grants due each municipality or other recipient multiplied by the  
14 appropriate area cost-of-living differential. The area cost-of-living  
15 differential for each recipient shall be determined annually by election  
16 district under the provisions of AS 39.27.030. Application of the area  
17 cost-of-living differential may not result in distribution of an amount  
18 less than the amount of the payment determined without reference to  
19 application of this section.

20 (b) The election districts used to establish area cost-of-living  
21 differentials under (a) of this section are those designated by the  
22 proclamation of reapportionment and redistricting of December 7, 1961,  
23 and retained for the house of representatives by proclamation of the  
24 governor September 3, 1965.

25 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscellaneous  
26 services account is established. Money to carry out the provisions of  
27 AS 29.60.100 - 29.60.180 shall be allocated by the department to the  
28 account in accordance with AS 29.60.280. If amounts in the account are  
29 insufficient to pay each municipality's or other recipient's share

1 authorized under AS 29.60.100 - 29.60.180, the amounts that are avail-  
2 able shall be distributed pro rata among eligible municipalities and  
3 other recipients.

4 Sec. 29.60.180. REGULATIONS. The department shall adopt regula-  
5 tions necessary to carry out the purposes of AS 29.60.100 - 29.60.180.  
6 The regulations shall include minimum standards required to qualify a  
7 municipality or other recipient for payments for each service. The  
8 department may require a municipality or other recipient to submit a  
9 performance report adequate to demonstrate to the department that a  
10 service for which payment is requested under AS 29.60.100 - 29.60.180  
11 was performed by the municipality or other recipient and meets minimum  
12 standards of service prescribed by regulation.

13 ARTICLE 3. STATE AID FOR HOSPITAL AND  
14 HEALTH FACILITY CONSTRUCTION.

15 Sec. 29.60.230. STATE AID FOR HOSPITAL AND HEALTH FACILITY CON-  
16 STRUCTION. (a) If construction of a hospital began after January 1,  
17 1968, or if construction of a health facility began after January 1,  
18 1980, and before July 1, 1980, and state matching aid for construction  
19 approved for payment to a municipality or other hospital or health  
20 facility sponsor constitutes less than 25 percent of the total project  
21 cost, the department shall pay to the municipality or other hospital or  
22 health facility sponsor each fiscal year \$2,500 a bed for the maximum  
23 number of beds provided for in the construction design of the hospital  
24 or health facility or five percent of the total project cost, whichever  
25 is greater. State aid provided for in this section shall continue until  
26 the municipality or other hospital or health facility sponsor has re-  
27 ceived an amount that, combined with state matching money for construc-  
28 tion of the hospital or health facility, equals 25 percent of the total  
29 project cost. Money received for construction may not be used for any

1 other purpose.

2 (b) In this section "total project cost" means

3 (1) costs directly related to the project; and

4 (2) the total of all costs of financing and carrying out the  
5 project, including but not limited to,

6 (A) the costs of all necessary studies, surveys, plans  
7 and specifications, architectural, engineering or other special  
8 services, acquisition of real property, site preparation and  
9 development, purchase, construction, reconstruction and improvement  
10 of real property, and the acquisition of machinery and equipment as  
11 may be necessary in connection with the project;

12 (B) an allocable portion of the administrative and  
13 operating expenses of the municipality or other hospital or health  
14 facility sponsor;

15 (C) the cost of financing the project, including interest  
16 on bonds issued to finance the project; and

17 (D) the cost of other items, including any indemnity and  
18 surety bonds and premiums on insurance, legal fees, fees and ex-  
19 penses of trustees, depositaries, financial advisors, and paying  
20 agents for the bonds issued as the issuer considers necessary.

21 (c) This section applies to home rule and general law municipali-  
22 ties.

23 Sec. 29.60.240. HOSPITAL AND HEALTH FACILITY CONSTRUCTION ASSIS-  
24 TANCE ACCOUNT. The hospital and health facility construction assistance  
25 account is established. Money to carry out the provisions of AS 29.-  
26 60.230 - 29.60.240 shall be allocated by the department to the account  
27 in accordance with AS 29.60.280. If amounts in the account are insuffi-  
28 cient to pay each recipient's share authorized under AS 29.60.230 -  
29 29.60.240, the amounts that are available shall be distributed pro rata

1 among eligible recipients.

2 ARTICLE 4. GENERAL PROVISIONS.

3 Sec. 29.60.280. ALLOCATION AND DISTRIBUTION. (a) Each year, the  
4 department shall allocate money appropriated to the accounts established  
5 in AS 29.60.060, 29.60.170, and 29.60.240 in the amounts determined by  
6 the legislature.

7 (b) Money in the miscellaneous services account established in  
8 AS 29.60.170 that exceeds the amount required to fully fund distribu-  
9 tions authorized by AS 29.60.100 - 29.60.180 shall be reallocated to the  
10 tax equalization account established in AS 29.60.060 and distributed  
11 according to the provisions of AS 29.60.010 - 29.60.080.

12 (c) Money in the hospital and health facility construction assis-  
13 tance account established in AS 29.60.240 that exceeds the amount re-  
14 quired to fully fund distributions authorized by AS 29.60.230 -  
15 29.60.240 shall be reallocated to the tax equalization account estab-  
16 lished in AS 29.60.060 and distributed according to the provisions of  
17 AS 29.60.010 - 29.60.080.

18 Sec. 29.60.290. QUALIFICATION FOR MINIMUM PAYMENT. (a) A munici-  
19 pality qualifying for an entitlement under AS 29.60.010 - 29.60.080 or  
20 29.60.100 - 29.60.180 shall receive a minimum payment of \$25,000 plus an  
21 area cost-of-living differential for each fiscal year if

22 (1) the municipality has conducted a regular election during  
23 the fiscal year preceding the year for which payment of an entitlement  
24 is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 and  
25 has reported the results of the election to the commissioner;

26 (2) regular meetings of the governing body are held in the  
27 municipality during the fiscal year preceding the year for which payment  
28 of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.-  
29 100 - 29.60.180 and a record of the proceedings is maintained;

1 (3) a municipal budget has been adopted for the fiscal year  
2 during which payment of an entitlement is authorized by AS 29.60.010 -  
3 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement  
4 for the preceding fiscal year has been prepared and furnished to the  
5 department in accordance with AS 29.20.640(a); and

6 (4) local ordinances adopted by the municipality have been  
7 codified in accordance with AS 29.25.050.

8 (b) The area cost-of-living differential payable to each munici-  
9 pality under this section shall be determined annually by election  
10 district under the provisions of AS 39.27.030. Except as provided in  
11 AS 29.60.300, application of the area cost-of-living differential may  
12 not result in a payment that is less than the minimum payment determined  
13 under (a) of this section. For purposes of this subsection, the election  
14 districts used are those designated by the proclamation of reapportion-  
15 ment and redistricting of December 7, 1961, and retained for the house  
16 of representatives by proclamation of the governor September 3, 1965.

17 (c) The department shall pay to each municipality eligible to  
18 receive a minimum payment under this section an amount equal to the  
19 difference between the minimum payment determined under (a) and (b) of  
20 this section and the sum of the amounts payable for the same fiscal year  
21 under AS 29.60.010 - 29.60.080 and 29.60.100 - 29.60.180.

22 (d) A payment under this section may be prorated and reduced under  
23 AS 29.60.300.

24 (e) Payments under this section shall be made from the money  
25 allocated to the tax equalization account established in AS 29.60.060.

26 Sec. 29.60.300. PRORATION OF PAYMENTS. (a) Payments under AS 29.-  
27 60.290 and 29.60.010 - 29.60.180 shall equal the amount allocated to the  
28 tax equalization account (AS 29.60.060), adjusted in accordance with  
29 AS 29.60.280.

1 (b) Adjustments of payments shall be determined by prorating  
2 amounts payable under AS 29.60.290 and amounts payable under AS 29.-  
3 60.010 - 29.60.180 by a factor that, when applied, reduces all payments  
4 in equal proportion so that payment under AS 29.60.290 and payments  
5 under AS 29.60.010 - 29.60.180 equal the amount allocated to the tax  
6 equalization account established in AS 29.60.060.

7 Sec. 29.60.310. DEFINITIONS. In this chapter

8 (1) "health facility"

9 (A) means a facility is licensed, when required, by the  
10 state under AS 18.20.010 - 18.20.130 and that is owned or operated  
11 or both by a municipality or by a nonprofit corporation or other  
12 nonprofit sponsor;

13 (B) includes a public health center, maternity home,  
14 community mental health center, facility for the mentally or  
15 physically handicapped, nursing home, or convalescent center;

16 (C) excludes a facility operated or wholly supported by  
17 the state or the federal government;

18 (2) "hospital" means a licensed hospital determined by the  
19 Department of Health and Social Services to be a general hospital; the  
20 term excludes a facility operated or wholly supported by the state or  
21 the federal government.

22 \* Sec. 17. AS 29 is amended by adding a new chapter to read:

23 CHAPTER 65. GENERAL GRANT LAND.

24 Sec. 29.65.010. DETERMINATION OF ENTITLEMENT OF BOROUGHES AND  
25 UNIFIED MUNICIPALITIES. The general grant land entitlement of each of  
26 the municipalities in this section is the amount set out opposite each:

- 27 (1) Municipality of Anchorage - 44,893 acres;  
28 (2) City and Borough of Juneau - 19,584 acres;  
29 (3) City and Borough of Sitka - 10,500 acres;

- 1 (4) Bristol Bay Borough - 2,898 acres;
- 2 (5) Fairbanks North Star Borough - 112,000 acres;
- 3 (6) Haines Borough - 2,800 acres;
- 4 (7) Kenai Peninsula Borough - 155,780 acres;
- 5 (8) Ketchikan Gateway Borough - 11,593 acres;
- 6 (9) Kodiak Island Borough - 56,500 acres;
- 7 (10) Matanuska-Susitna Borough - 355,210 acres;
- 8 (11) North Slope Borough - 89,850 acres.

9 Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR CITIES. The  
10 general grant land entitlement of a city formerly eligible to receive  
11 general grant land under the provisions of AS 29.18.190 and 29.18.200 is  
12 10 percent of the maximum total acreage of vacant, unappropriated,  
13 unreserved land in the boundaries of each city at any time between the  
14 initial date of eligibility under former AS 29.18.190 and 29.18.200 and  
15 July 1, 1978. Within six months after July 1, 1978, the director shall  
16 determine the entitlement for each city eligible to receive general  
17 grant land under this section and certify that entitlement to the city.

18 Sec. 29.65.030. DETERMINATION OF ENTITLEMENT FOR NEWLY INCOR-  
19 PORATED MUNICIPALITIES. (a) The general grant land entitlement of a  
20 municipality incorporated after July 1, 1978, is 10 percent of the total  
21 acreage of vacant, unappropriated, unreserved land within the boundaries  
22 of the municipality on the date of its incorporation.

23 (b) Within six months after the date of incorporation of a muni-  
24 cipality that is incorporated after July 1, 1978, the director shall  
25 determine the entitlement of each municipality eligible to receive  
26 general grant land under (a) of this section and certify the entitlement  
27 to the municipality.

28 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) After July 1, 1978,  
29 general grant land entitlements provided in AS 29.65.010 and 29.65.020

1 are vested property rights that must be fulfilled as provided in AS 29.-  
2 65.050 or 29.65.080.

3 (b) General grant land entitlements provided by AS 29.65.030 are  
4 property rights that vest on the date of incorporation of the munic-  
5 ipality. The entitlement must be fulfilled as provided in AS 29.65.050.

6 (c) Land may be selected or nominated for selection by a municipal-  
7 ity to satisfy a general grant land entitlement under AS 29.65.010 and  
8 29.65.020 at any time before October 1, 1980. However, if a municipal  
9 selection or nomination or a part of a municipal selection or nomination  
10 is rejected by the director, the municipality may, not later than 90  
11 days after receipt of the director's rejection, select additional state  
12 land as necessary to satisfy its entitlement.

13 (d) Land may be selected by a municipality to satisfy a general  
14 grant land entitlement under AS 29.65.030 at any time within one year  
15 after the director certifies the entitlement to the municipality.

16 (e) The time limitations imposed by (c) and (d) of this section  
17 for exercising a vested general grant land entitlement do not apply to

18 (1) the portion of an entitlement that cannot be satisfied by  
19 that date because of a shortage of land suitable for residential, commer-  
20 cial, and industrial purposes that is vacant, unappropriated, unreserved  
21 land;

22 (2) payments for land deficiency under AS 29.65.080;

23 (3) the portion of an entitlement that cannot be satisfied  
24 because the land selected by a municipality has been selected by a party  
25 entitled to select land owned by the United States or the state; or

26 (4) the portion of an entitlement that cannot be satisfied  
27 because the land nominated for selection by the municipality is not  
28 tentatively approved for patent to the state.

29 **Sec. 29.65.050. FULFILLMENT OF LAND ENTITLEMENTS. (a) The acreage**

1 of each municipality's land selections for which patent has been issued  
2 before July 1, 1978, shall be credited toward fulfillment of the entitle-  
3 ment of that municipality.

4 (b) All approved selections under former AS 29.18.190 and 29.-  
5 18.200 for which patent has not been issued to a municipality on July 1,  
6 1978, shall be reviewed by the director within nine months after July 1,  
7 1978. Any approved selection of land that was vacant, unappropriated,  
8 or unreserved on the date of selection is valid as of the date of the  
9 approval under former AS 29.18.190 and 29.18.200, and a patent shall be  
10 issued to the municipality within three months after approval by the  
11 director of a plat of survey. The acreage shall be credited toward  
12 fulfillment of the municipality's entitlement. A municipality is not  
13 entitled to receive patent under this chapter to more than its entitle-  
14 ment determined under AS 29.65.010 - 29.65.030. Any prior approval by  
15 the director of municipal selections for land that was not vacant,  
16 unappropriated, or unreserved on the date of selection shall be re-  
17 scinded, and patent may not be issued except when disposal to a third  
18 party by sale or lease has occurred. Transfers of land to municipali-  
19 ties under this chapter are subject to AS 38.05.321. Classification  
20 actions as reflected on the land status records of the Department of  
21 Natural Resources are determinative of land classification status for  
22 purposes of this chapter.

23 (c) The director shall approve each selection for patent within  
24 nine months of its selection by a municipality, and a patent shall be  
25 issued to the municipality for land selected in satisfaction of a general  
26 grant land entitlement vested under AS 29.65.010 - 29.65.030 within  
27 three months after approval by the director of a plat of survey.

28 Sec. 29.65.060. SCHOOL, UNIVERSITY, AND MENTAL HEALTH LAND. (a)  
29 If an entitlement determined in AS 29.65.010 or 29.65.020 results in a

1 per capita entitlement for the municipality of less than one and one-  
2 half acre, the municipality may select vacant school, university, or  
3 mental health land in the municipality in partial fulfillment of its  
4 land entitlement under this chapter. School, university, or mental  
5 health land may be selected notwithstanding the fact that these lands  
6 are not unappropriated and unreserved within the meaning of this chapter  
7 and under former AS 29.18.190 and 29.18.200, but each selection of  
8 school, university, or mental health land by a municipality must be  
9 vacant, unappropriated, or unreserved land as defined in this chapter,  
10 except that it need not be general grant land.

11 (b) The acreage of school, university, or mental health land, if  
12 any, in a municipality may not be included in the determination of  
13 entitlement under AS 29.65.010 or 29.65.020.

14 (c) Land conveyed under this section will be credited against a  
15 municipality's remaining land entitlement under this chapter.

16 (d) Within six months after approval of a municipal selection of  
17 school, university, or mental health land, the director shall identify  
18 state general grant land of approximately equal value to the land re-  
19 quested by the municipality and shall propose the replacement land for  
20 the concurrence of the appropriate board. If a proposal by the director  
21 is rejected by the board, the director shall meet with the board as  
22 often as necessary to determine the type and amount of equal value  
23 replacement land that would be required to obtain the board's con-  
24 currence, and shall propose the replacement land for consideration by  
25 the board. The replacement land shall thereafter be managed for the  
26 purposes for which the land selected by the municipality was acquired by  
27 the Territory and State of Alaska.

28 (e) The notice and review provisions of AS 38.05.305 and 38.05.345  
29 apply to the designation of other general grant land as school, univer-

1 sity, or mental health land in replacement of land selected under this  
2 section. The provisions of AS 38.50 and AS 38.05.032 do not apply to  
3 such designations under this section. The provisions of AS 38.05.-  
4 030(a), 38.05.030(e), and 38.05.035(a)(13) that require the approval of  
5 the respective trust board before disposal of land by the director do  
6 not apply to selections of school, university, or mental health land by  
7 a local government under this section.

8 (f) For purposes of determining the per capita entitlement under  
9 (a) of this section, the population of a municipality shall be the  
10 population determined by the commissioner under former AS 43.18.010 for  
11 the program year beginning July 1, 1978, for a municipality whose en-  
12 titlement is determined under AS 29.65.010.

13 Sec. 29.65.070. SELECTION AND CONVEYANCE PROCEDURE. (a) If land  
14 selected by a municipality is unsurveyed at the time of approval, the  
15 director shall survey, or may approve the municipality's survey of, the  
16 exterior boundaries of an approved selection without interior sub-  
17 division, and shall issue patent in terms of the exterior boundary  
18 survey. The cost of the survey shall be borne by the municipality. If  
19 land selected by a municipality has been surveyed at the time of its  
20 selection, the boundaries shall conform to the public land subdivisions  
21 established by the approved survey.

22 (b) The director may approve municipal selections of land that  
23 have been tentatively approved or patented to the state by the federal  
24 government, but he may not issue patent to a municipality until the land  
25 has first been patented to the state. After approval of a selection by  
26 the director, but before patent to a municipality, the municipality may  
27 execute conditional leases and make conditional sales only with the  
28 consent of the director. Conditional sales and conditional leases made  
29 before July 1, 1978, do not require the consent of the director.

1 (c) Nothing in this chapter affects a valid existing claim, loca-  
2 tion, or entry under the laws of the state or the United States whether  
3 for homestead, mineral, right-of-way, or other purposes. Nothing in  
4 this chapter affects the rights of an owner, claimant, locater, or  
5 entryman to the full use and enjoyment of the land so occupied.

6 Sec. 29.65.080. PAYMENT FOR LAND DEFICIENCY. (a) The Alaska  
7 municipal land account is established in the general fund for the follow-  
8 ing purposes:

9 (1) providing payment to the boroughs and unified municipali-  
10 ties designated in AS 29.65.010 for a deficiency of land physically  
11 suitable for residential, commercial, or industrial purposes; or

12 (2) providing payment to the boroughs and unified municipali-  
13 ties designated in AS 29.65.010 for certain general grant lands selected  
14 by the state and conveyed to a Native corporation under the provisions  
15 of the Alaska Native Claims Settlement Act.

16 (b) A municipality shall receive payment for its land deficiency  
17 from the municipal land account. A municipality is eligible to receive  
18 payment for land deficiency if, after July 1, 1980, the amount of land  
19 selected by a municipality that is physically suitable for residential,  
20 commercial, or industrial purposes amounts to less than one-third acre  
21 per capita. Any entitlement under AS 29.65.010 that is less than one-  
22 third acre per capita will, for the purposes of this subsection, be  
23 considered a land deficiency. An unselected remaining entitlement will,  
24 for the purpose of deficiency payment under this subsection, be con-  
25 sidered as land physically suitable for residential, commercial, or  
26 industrial purposes. A municipality eligible under this subsection is  
27 entitled to receive a payment for land deficiency equal to \$1,000 per  
28 acre for a number of acres equal to the difference between one-third of  
29 the population of the municipality less the number of acres physically

1 suitable for residential, commercial or industrial purposes that has  
2 been selected by the municipality. For the purpose of this subsection,  
3 the population of the municipality shall be the population determined in  
4 accordance with AS 29.65.060(f). No payment may be made to a munici-  
5 pality under this subsection in excess of \$9,000,000.

6 (c) If a municipality selected vacant, unappropriated, unreserved  
7 land on or before December 18, 1971, to which the state had received  
8 tentative approval or patent, and that land was also selected by a  
9 Native corporation organized under the Alaska Native Claims Settlement  
10 Act (P.L. 92-203), and title to that land is ultimately vested in that  
11 Native corporation, the municipality may, at its option, request payment  
12 for land deficiency from the municipal land account. The acceptance of  
13 payment under this subsection by a municipality constitutes a relin-  
14 quishment of any other right, title, or claim to the land by that muni-  
15 cipality. The total payment to a municipality under this subsection may  
16 not exceed \$1,000 per acre to a maximum of 8,000 acres.

17 (d) The governor shall annually submit to the legislature a request  
18 for an appropriation to the municipal land account for the municipalities  
19 that have elected to receive payments under (b) or (c) of this section.  
20 The request for appropriation shall distinguish between amounts necessary  
21 to make payments for land deficiency under (b) of this section and those  
22 required to make payments for land deficiency under (c) of this section.

23 (e) For purposes of fulfilling entitlements under this section,  
24 the legislature is authorized to appropriate

25 (1) not more than \$4,000,000 per fiscal year, and not more  
26 than \$12,000,000 in total, for the purpose of paying entitlements under  
27 (b) of this section;

28 (2) not more than \$1,000,000 per fiscal year, and not more  
29 than \$8,000,000 in total, for the purpose of paying entitlements under

1 (c) of this section.

2 (f) If an annual appropriation is not sufficient to meet the  
3 amount due to all municipalities that have elected to accept payment for  
4 land deficiency under (b) or (c) of this section, the governor shall  
5 apportion the appropriation among the municipalities in proportion to  
6 the payment calculated for each municipality for that year. When a  
7 distribution of payments is made under (c) of this section, the remaining  
8 entitlement of a municipality to which payment is made shall be reduced  
9 in an amount equal to the number of acres for which payment was received.  
10 An appropriation made under this section is in addition to other grants  
11 and entitlements authorized to eligible municipalities.

12 (g) Payments authorized by this section may not be made to a muni-  
13 cipality eligible for an entitlement under AS 29.65.020 or 29.65.030.

14 (h) Payments made under this section shall be used by a municipal-  
15 ity that levies property taxes to reduce the levy in proportion to the  
16 amount of state payments received by the municipality for a given fiscal  
17 year. The governing body of each municipality shall furnish a notice  
18 with the tax statement describing the effect on property tax levies of  
19 payments received under this section.

20 Sec. 29.65.090. AUTHORIZATION FOR LAND EXCHANGES. The director,  
21 with the concurrence of the commissioner, and a municipality are autho-  
22 rized to exchange land or interests in land when it is in the public  
23 interest. Land or interests in land exchanged under this section must  
24 be of approximately equal value, including the nonmonetary value of  
25 public benefits. Exchange procedures shall comply with applicable law  
26 and municipal ordinances. The notice and review provisions of AS 38.-  
27 05.305 and 38.05.345 apply to exchanges of land under this section. The  
28 provisions of AS 38.50 do not apply to exchanges of land under this  
29 section.

1           Sec. 29.65.100. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Consis-  
2           tent with the best interests of the state, if a municipality does not  
3           contain and cannot reasonably acquire sufficient nonfederal land within  
4           its boundaries to meet its legitimate needs for public or private settle-  
5           ment or development, it shall be the policy of the state to select  
6           federal land reasonably necessary to meet the needs of the municipality  
7           and to make the land selected available to the municipality under AS 38.-  
8           05.315 or (b) of this section.

9           (b) Where state land is the most logical location for demonstrated  
10          municipal expansion for nonpublic settlement and development purposes,  
11          and when an exchange of land under AS 29.65.090 is not possible or is  
12          not in the public interest, it is the policy of the state to sell or  
13          lease the land at public auction. The state may contract with a muni-  
14          cipality to act as its agent in an auction of state land under appli-  
15          cable statutes. When a municipality acts as the agent of the state in  
16          an auction, the municipality may retain from the proceeds of the auction  
17          the expenses that the director determines to be necessary and reason-  
18          able.

19          (c) Nothing in this chapter limits or impairs the authority of the  
20          director to transfer land to municipalities, without limit or considera-  
21          tion, for public purposes in accordance with AS 38.05.315. If there is  
22          a remaining entitlement of the municipality, land transferred under  
23          AS 38.05.315 shall be credited toward fulfillment of the entitlement.

24          Sec. 29.65.110. ELECTION OF BENEFITS. (a) A municipality that on  
25          July 1, 1978, is engaged in litigation, or that becomes engaged in  
26          litigation, regarding a claim to state land under former AS 29.18.190  
27          and 29.18.200 shall elect either to obtain the benefits provided in this  
28          chapter or to pursue the litigation and waive any claim to entitlement  
29          under this chapter. An election shall be made by filing a motion for

1 dismissal with prejudice in the court in which the litigation is pending.  
2 If the claim involves a municipality identified in AS 29.65.010, the  
3 municipality shall file its motion for dismissal within 60 days after  
4 July 1, 1978. If a claim involves a city eligible to receive an entitle-  
5 ment under AS 29.65.020 the city shall file its motion for dismissal  
6 within 60 days after receiving the certificate of entitlement provided  
7 by the director under AS 29.65.020. Failure of the municipality to file  
8 a motion for dismissal during the time period provided in this subsection  
9 is considered a waiver of entitlement under this chapter.

10 (b) A municipality that was eligible to file land selections under  
11 former AS 29.18.190 and 29.18.200 and that does not enter into litigation  
12 over a claim to rights under those sections before the expiration of the  
13 time period within which it could make an election under (a) of this  
14 section is considered to have elected to receive benefits under this  
15 chapter and to have waived any claim that might have been raised under  
16 former AS 29.18.190 and 29.18.200.

17 (c) The provisions of this chapter do not affect the rights of a  
18 party to litigation regarding the former AS 29.18.190, 29.18.200 or  
19 29.18.420 maintained by a municipality that has elected not to obtain  
20 the benefits provided by this chapter.

21 Sec. 29.65.120. ADMINISTRATION. The commissioner of natural  
22 resources may adopt regulations in accordance with the Administrative  
23 Procedure Act (AS 44.62) necessary to carry out the purposes of this  
24 chapter.

25 Sec. 29.65.130. DEFINITIONS. In this chapter, unless the context  
26 otherwise requires,

27 (1) "approved selection" means a municipal land selection  
28 that has been approved in writing by the director for transfer by patent  
29 to a municipality;

1 (2) "director" means the director of the division of lands,  
2 Department of Natural Resources, or his designee;

3 (3) "general grant land" means land patented or tentatively  
4 approved to the state from the United States under sec. 6(a) or (b) of  
5 the Alaska Statehood Act;

6 (4) "mental health land" means land granted under Title II,  
7 sec. 202 of P.L. 84-830, as amended before or after July 1, 1978;

8 (5) "municipal land selection" means a request by a munici-  
9 pality, filed in writing with the director under authority of former  
10 AS 29.18.190 and 29.18.200 or under this chapter for vacant, unappro-  
11 priated, unreserved general grant land within its municipal boundaries  
12 in partial fulfillment of its municipal entitlement;

13 (6) "patent" means a document, issued by the director to a  
14 municipality for a previously approved selection, that conveys and  
15 quitclaims all the right, title, and interest of the state without  
16 reservation or condition except as may be required by law;

17 (7) "remaining entitlement" means the general grant land  
18 entitlement determined in accordance with this chapter, reduced by the  
19 total acreage of approved selections, including both patented and un-  
20 patented parcels;

21 (8) "school land" means those rectangular sections 16 and 36  
22 within each township surveyed on or before January 3, 1959, and con-  
23 firmed and transferred to the State of Alaska upon its admission under  
24 sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other land  
25 designated solely for school revenues;

26 (9) "university land" means all sections 33 reserved to the  
27 university under 38 Stat. 1214, as amended (48 U.S.C. 353) and all land  
28 granted to or reserved for the benefit of the university;

29 (10) "vacant, unappropriated, unreserved land" means general

1 grant land as defined in (4) of this section, excluding minerals as  
2 required by sec. 6(i) of the Alaska Statehood Act, that

3 (A) has not been set aside by statute for one or more  
4 particular uses or purposes;

5 (B) has not been approved for patent to a municipality  
6 under this chapter or former AS 29.18.190 and 29.18.200; or

7 (C) is unclassified or, if classified under AS 38.05.-  
8 300, is classified for agricultural, grazing, commercial, indus-  
9 trial, private recreational, residential, utility, or open-to-entry  
10 purposes, or is classified in accordance with an agreement between  
11 a municipality and the state providing for state management of land  
12 of the municipality.

13 Sec. 29.65.140. APPLICATION. This chapter applies to home rule  
14 and general law municipalities.

15 \* Sec. 18. AS 29 is amended by adding a new chapter to read:

16 CHAPTER 71. GENERAL PROVISIONS.

17 Sec. 29.71.010. ADVERSE POSSESSION. A municipality may not be  
18 divested of title to real property by adverse possession.

19 Sec. 29.71.020. DEDICATION OF MUNICIPAL PROPERTY. Dedication of  
20 streets, rights-of-way, easements or other areas for public use may not  
21 be construed to require the municipality to maintain, improve or provide  
22 for municipal services in the area dedicated and the dedication does not  
23 impose any liability on the municipality for the condition of the area  
24 dedicated.

25 Sec. 29.71.030. TAXATION OF MUNICIPALITIES. No state law or  
26 regulation may assess or tax, or be construed to assess or tax, a muni-  
27 cipality unless the law or regulation expressly provides that the muni-  
28 cipality is to be assessed or taxed by the particular law or regulation.

29 Sec. 29.71.040. DEFINITIONS. In this title, unless otherwise

1 provided or the context otherwise requires,

2 (1) "areawide" means throughout a borough, both inside and  
3 outside all cities in the borough;

4 (2) "assembly" means the governing body of a borough;

5 (3) "borough" means a general law first or second class  
6 borough or a home rule borough;

7 (4) "city" means a general law first or second class city or  
8 a home rule city;

9 (5) "commissioner" means the commissioner of community and  
10 regional affairs;

11 (6) "consolidation" means dissolution of two or more muni-  
12 cipalities and their incorporation as a new municipality;

13 (7) "council" means the governing body of a city;

14 (8) "department" means the Department of Community and  
15 Regional Affairs;

16 (9) "election" means a regular or special municipal election  
17 and does not include a state election;

18 (10) "governing body" means the legislative body of a muni-  
19 cipality that is the assembly of a borough or the council of a city;

20 (11) "majority" means a simple majority;

21 (12) "merger" means dissolution of a municipality and its  
22 absorption by another municipality;

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

26 (14) "nonareawide" means throughout the area of a borough  
27 outside all cities in the borough;

28 (15) "owner" or "record owner" means the owner of record or  
29 purchaser of record as shown in the records of the district recorder;

1 (16) "personal property" means tangible property other than  
2 real property, such as merchandise, stock in trade, machinery, equip-  
3 ment, furniture, fixtures, vehicles, boats, and aircraft;

4 (17) "property" means real and personal property;

5 (18) "published" means appearing at least once in a newspaper  
6 of general circulation distributed in the municipality or, if there is  
7 no newspaper of general circulation distributed in the municipality,  
8 posting in three public places for at least five days;

9 (19) "real property" means land and improvements, all posses-  
10 sory rights and privileges appurtenant to the property, and includes  
11 personal property affixed to the land or improvements;

12 (20) "regular election" means the municipal election held on  
13 the first Tuesday of October annually, or on a different date or inter-  
14 val of years provided by ordinance or charter;

15 (21) "special election" means a municipal election and does  
16 not include a regular election or a state election;

17 (22) "street" includes streets, avenues, boulevards, roads,  
18 lanes, alleys, and other ways;

19 (23) "subdivision" means the division of a parcel of land into  
20 two or more lots or other divisions for the purpose of sale or building  
21 development, includes resubdivision, and relates to the process of sub-  
22 dividing or to the land subdivided;

23 (24) "unified municipality" means a municipality unified in  
24 accordance with AS 29.06.190 - 29.06.410;

25 (25) "voter" means a United States citizen who is qualified to  
26 vote in state elections, has been a resident of the municipality for 30  
27 days immediately preceding the election, is registered to vote in state  
28 elections, and is not disqualified under art. V of the state constitu-  
29 tion.

1 \* Sec. 19. AS 01.10.060 is amended by adding a new paragraph to read:

2 (15) "municipality" means a political subdivision incorporated  
3 under the laws of the state that is a home rule or general law city, a  
4 home rule or general law borough, or a unified municipality.

5 \* Sec. 20. AS 09.55.275 is amended to read:

6 Sec. 09.55.275. REPLAT APPROVAL. No agency of the state or  
7 municipality may acquire property located within a municipality exercis-  
8 ing the powers conferred by AS 29.40.070 - 29.40.160 that [AS 29.33.150 -  
9 29.33.245 WHICH] results in a boundary change unless the agency or  
10 municipality first obtains from the municipal platting authority pre-  
11 liminary approval of a replat showing clearly the location of the pro-  
12 posed public streets, easements, rights-of-way, and other taking of  
13 private property. Final approval of replat shall be similarly obtained.  
14 However, if a state agency clearly demonstrates an overriding state  
15 interest, a waiver to the approval requirements of this section may be  
16 granted by the governor. The platting authority shall treat applica-  
17 tions for replat made by state or local governmental agencies in the  
18 same manner as replat petitions originated by private landowners.

19 \* Sec. 21. AS 09.65.070(e)(1) is amended to read:

20 (1) "municipality" means a home rule borough or city, a  
21 general law borough or city of any class, or a unified municipality  
22 [ESTABLISHED UNDER AS 29.68.240 - 29.68.440, OR A MUNICIPALITY ESTAB-  
23 LISHED BY MERGER OR CONSOLIDATION UNDER AS 29.68.030 - 29.68.110]; the  
24 term includes a public corporation established by a municipality;

25 \* Sec. 22. AS 14.08.071(b) is amended to read:

26 (b) Except for the first election of regional school members under  
27 (a) of this section, elections [ELECTION] shall be held annually on the  
28 first Tuesday in October. Elections shall be supervised by the director  
29 of elections in the office of the lieutenant governor, but shall be

1 administered within second class cities as part of the regular municipal  
2 election. The lieutenant governor shall adopt [PROMULGATE] regulations  
3 for the conduct of the election of regional school board members com-  
4 parable, as far as practicable, to those prescribed for election of  
5 school board members under AS 14.12 and AS 29.20.300 [AS 29.28] except  
6 that the majority election requirements of AS 29.26.060 [AS 29.28.040]  
7 do not apply to, nor may the regulations require runoff elections for,  
8 the first election of regional school board members under (a) of this  
9 section or, if a school board by resolution so requests, to subsequent  
10 elections in the regional educational attendance area served by that  
11 school board.

12 \* Sec. 23. AS 14.08.081 is amended to read:

13 Sec. 14.08.081. RECALL. The members of a regional school board  
14 are subject to recall in accordance with AS 29.26.240 - 29.26.360  
15 [AS 29.28.130 - 29.28.250], except that the director of the division of  
16 elections shall perform the functions of a municipal clerk, and the  
17 lieutenant governor shall perform the functions of the assembly or  
18 council under those sections.

19 \* Sec. 24. AS 14.12.030(c) is amended to read:

20 (c) The [NOTWITHSTANDING THE] provisions of (a) and (b) of this  
21 section do not apply if [, WHERE] the [BOROUGH] assembly serves as the  
22 school board of the borough school district [UNDER AS 29.41.020 THE  
23 NUMBER OF MEMBERS OF THE ASSEMBLY-SCHOOL BOARD SHALL BE DETERMINED IN  
24 THE MANNER PRESCRIBED BY AS 29.23.020].

25 \* Sec. 25. AS 14.12.110 is amended to read:

26 Sec. 14.12.110. SINGLE BODY AS ASSEMBLY AND SCHOOL BOARD. Not-  
27 withstanding the provisions of this chapter or other law, a single body  
28 may serve as both the [BOROUGH] assembly and [BOROUGH] school board in  
29 the manner provided for third class boroughs under AS 29.20.300(b)

1 [AS 07.17.030], if

2 (1) an [A BOROUGH] ordinance for that purpose is approved by  
3 the assembly and ratified by a referendum of a majority of the qualified  
4 borough voters voting on the question at a regular or special election,  
5 [,] and

6 (2) [IF] the public school population within the borough is  
7 500 pupils or less.

8 \* Sec. 26. AS 14.14.020 is amended to read:

9 Sec. 14.14.020. BOND REQUIRED. Before the officer responsible for  
10 custody [OF], investment, or management of school district money enters  
11 upon the duties of office, the district, or the municipality if the  
12 treasury is centralized, shall obtain a bond with sufficient sureties in  
13 an amount equal to the money that may come into the officer's official  
14 custody, but not to exceed \$50,000. The bond shall be conditioned on  
15 the officer's honest and faithful disbursement and accounting of all  
16 money that may come into his official custody. The bond shall be filed  
17 with the clerk of the school board. This section does not apply to an  
18 officer who has been bonded under AS 29.20.610 [AS 29.23.520].

19 \* Sec. 27. AS 14.14.050(d) is amended to read:

20 (d) The school board shall not make the audit if an audit that  
21 [WHICH] satisfies the requirements of this section and that [WHICH] is  
22 filed and posted as required by this section [,] is made according to  
23 AS 29.35.110 [AS 29.48.220].

24 \* Sec. 28. AS 14.17.140(a) is amended to read:

25 (a) To determine the equalized percentage to be applied to basic  
26 need under AS 14.17.021, and the matching ratio for required local  
27 effort under AS 14.17.071, the Department of Community and Regional  
28 Affairs, in consultation with the assessor for each district, shall  
29 determine the full value of the taxable real and personal property in

1 each district. Exemptions granted under ch. 129, SLA 1957, known as the  
2 Alaska Industrial Incentive Act (AS 43.25), shall be honored. If there  
3 is no local assessor or current local assessment for a district, then  
4 the Department of Community and Regional Affairs shall make the deter-  
5 mination of full value from information available. In making the deter-  
6 mination, the Department of Community and Regional Affairs shall be  
7 guided by AS 29.45.110 [AS 29.53.060]. The determination of full  
8 value shall be made before October 1 and sent by certified mail, return  
9 receipt requested, before that date to the president of the school board  
10 in each district. Duplicate copies shall be sent to the commissioner.  
11 The governing body of the municipality that [BOROUGH OR CITY WHICH] is  
12 the district may obtain judicial review of the determination by filing a  
13 motion in the superior court of the judicial district in which the  
14 district is located within 30 days after receipt of the determination.  
15 The superior court may modify the determination of the Department of  
16 Community and Regional Affairs only upon a finding of abuse of discretion  
17 or upon a finding that there is no substantial evidence to support the  
18 determination.

19 \* Sec. 29. AS 15.13.010(a) is amended to read:

20 (a) This chapter applies in every election for governor, lieu-  
21 tenant governor, a member of the state legislature, a delegate to a  
22 constitutional convention, or judge seeking electoral confirmation. It  
23 also applies to every candidate for election to a municipal office in a  
24 municipality [CITY OR BOROUGH] with a population of more than 1,000  
25 inhabitants according to the latest United States census figures or  
26 estimates of population certified as correct for administrative purposes  
27 by the Department of Community and Regional Affairs. A municipality may  
28 exempt its elected municipal officers from the requirements of this  
29 chapter if a majority of the voters voting on the question at a [ANY]

1 regular election, as defined by AS 29.71.040(20) [AS 29.78.010(14)], or  
2 a special municipality-wide election called for that purpose, vote to  
3 exempt its elected municipal officers from the requirements of this  
4 chapter. The question of exemption from the requirements of this chapter  
5 may be submitted by the governing body [CITY COUNCIL OR BOROUGH ASSEMBLY]  
6 by ordinance or by initiative election [ORDINANCE]. Nothing in this  
7 chapter prohibits a municipality from regulating by ordinance campaign  
8 contributions and expenditures.

9 \* Sec. 30. AS 15.56.110(b)(2) is amended to read:

10 (2) a borough assemblyman under AS 29.20.170(6) [AS 29.23.-  
11 060(c)];

12 \* Sec. 31. AS 15.56.110(b)(3) is amended to read:

13 (3) a borough mayor under AS 29.20.280(6) [AS 29.23.130(f)];

14 \* Sec. 32. AS 15.56.110(b)(4) is amended to read:

15 (4) a city councilman under AS 29.20.170(6) [AS 29.23.-  
16 210(b)];

17 \* Sec. 33. AS 15.56.110(b)(5) is amended to read:

18 (5) a city mayor under AS 29.20.280(6) [AS 29.23.255];

19 \* Sec. 34. AS 16.20.036(g) is amended to read:

20 (g) The establishment of a refuge under this section does not  
21 impair or alter existing rights of a municipality [BOROUGH OR CITY] to  
22 state land selected [SELECT STATE LAND] under former AS 29.18.190 -  
23 29.18.200.

24 \* Sec. 35. AS 16.20.038(g) is amended to read:

25 (g) The establishment of a refuge under this section does not  
26 impair or alter existing rights of a municipality [BOROUGH OR CITY] to  
27 state land selected [SELECT STATE LAND] under former AS 29.18.190 -  
28 29.18.200.

29 \* Sec. 36. AS 18.26.250(2) is amended to read:

1 (2) municipality [MUNICIPAL CORPORATION OR POLITICAL SUB-  
2 DIVISION OF THE STATE AS THE TERMS ARE USED IN AS 29];

3 \* Sec. 37. AS 18.80.290(d) is amended to read:

4 (d) The governing [LEGISLATIVE] body of a general law or home rule  
5 municipality has the authority under AS 29.20.320 [AS 29.48.035] to  
6 grant to local commissions powers and duties similar to those exercised  
7 by the Alaska Human Rights Commission under the provisions of this Act.

8 \* Sec. 38. AS 19.30.241(2) is amended to read:

9 (2) "home rule city" means a city as defined in AS 29.04.010  
10 [AS 29.08.010];

11 \* Sec. 39. AS 19.30.241(3) is amended to read:

12 (3) "local government" means an organized borough of any  
13 class, a unified municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.440],  
14 a home rule city, or a first class city [OF THE FIRST CLASS];

15 \* Sec. 40. AS 26.23.230(5) is amended to read:

16 (5) "political subdivision" means a home rule or general law  
17 borough or city [, WHETHER HOME RULE OR OTHERWISE,] including a unified  
18 municipality [MUNICIPALITIES UNIFIED UNDER AS. 29.68.240 - 29.68.440],  
19 an unincorporated village, or other unit of local government;

20 \* Sec. 41. AS 28.15.051(d) is amended to read:

21 (d) The department may issue a special driver's permit to a person  
22 who is at least 14 years of age with the consent of his parents or  
23 guardians for the purpose of driving a motor-driven cycle. This permit  
24 may be issued upon application and successful completion of all pre-  
25 scribed tests and fees, and is valid for the same period of time as a  
26 driver's license. The permit is not valid in a municipality that [WHICH]  
27 by ordinance prohibits the driving of a motor-driven cycle by a person  
28 under the age of 16 years; a borough may adopt the ordinance on a non-  
29 areawide basis only, unless the power to adopt it on an areawide basis

1 is acquired under AS 29.35.300 - 29.35.330 or former AS 29.33.250 -  
2 29.33.290.

3 \* Sec. 42. AS 38.04.020(b)(1) is amended to read:

4 (1) land nominated for selection or selected by a municipality  
5 to satisfy a general grant land entitlement under AS 29.65 or former  
6 AS 29.18.201 - 29.18.213;

7 \* Sec. 43. AS 38.04.020(e)(4) is amended to read:

8 (4) for preliminary feasibility studies, engineering design  
9 work, and construction of access roads and capital improvements required  
10 by municipal subdivision ordinance or regulation of the platting author-  
11 ity [BOARD UNDER AS 29.33.150]; if an accurate determination of the  
12 amounts necessary for access roads or capital improvements cannot be  
13 made at the time the estimate is submitted, a schedule for obtaining the  
14 estimates, constructing the access roads or capital improvements, and  
15 disposing of the land shall be submitted;

16 \* Sec. 44. AS 38.04.021(a) is amended to read:

17 (a) A municipality may apply for financial assistance for the  
18 execution of a land disposal program of general grant land entitlements  
19 received from the state under AS 29.65 or former AS 29.18.201 - 29.18.213  
20 by submitting a request to the commissioner for inclusion in the request  
21 submitted to the legislature under AS 38.04.020(e). A municipality may  
22 request financial assistance for expenses of surveying land, designing  
23 subdivision plats, installing improvements required by municipal ordi-  
24 nance or regulation of the local platting authority [BOARD], and other  
25 reasonable direct costs of land disposal.

26 \* Sec. 45. AS 38.04.021(d) is amended to read:

27 (d) A grant made under this section may not exceed five times the  
28 amount of money appropriated by a first class city, a borough, or a  
29 unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440] for the

1 disposal of municipal land in the current fiscal year unless the commis-  
2 sioner exempts the municipality from this subsection.

3 \* Sec. 46. AS 38.04.021(e)(2) is amended to read:

4 (2) a first class city, a borough, or a unified municipality  
5 that [UNIFIED UNDER AS 29.68.240 - 29.68.440 WHICH] is exempted by the  
6 commissioner under (d) of this section.

7 \* Sec. 47. AS 38.04.900(b) is amended to read:

8 (b) A municipality has standing to petition the commissioner for  
9 the adoption of a regulation, or for the amendment or repeal of an  
10 existing regulation, or to appeal a decision of the commissioner with  
11 respect to classification, management, or disposal of land made under  
12 authority of a regulation adopted under (a) of this section with respect  
13 to state land outside the corporate boundaries of the municipality to  
14 protect any interest which the municipality is authorized to regulate  
15 outside its boundaries under AS 29.35.020 [AS 29.48.037].

16 \* Sec. 48. AS 38.05.127(d) is amended to read:

17 (d) Upon application by a municipality or an affected owner of  
18 land, the department may vacate, release, modify, or relocate an easement  
19 and right-of-way for public access to or along navigable or public  
20 waters reserved by the department in a patent issued under former  
21 AS 29.18 or AS 29.05, AS 29.14, or AS 29.65, if the commissioner deter-  
22 mines the action is consistent with the public interest.

23 \* Sec. 49. AS 38.05.290(b) is amended to read:

24 (b) Consistent with the best interests of the state, in the selec-  
25 tion of general grant land it is the policy of the state to make avail-  
26 able the maximum land area from which municipalities may fulfill land  
27 entitlements under AS 29.65 or former AS 29.18.201 - 29.18.213.

28 \* Sec. 50. AS 38.05.321(b) is amended to read:

29 (b) State land classified as agricultural land that [WHICH] has

1 been selected by a municipality under former AS 29.18.190 - 29.18.200 or  
2 former AS 29.18.205(e) may be approved by the director for patent under  
3 AS 29.65.050(c) or former AS 29.18.205(f); however, only rights in the  
4 land for agricultural purposes may be transferred and all other interests  
5 in the land will remain with the state. Agricultural land approved for  
6 patent to a municipality [UNDER AS 29.18.205(f)] shall be credited, acre  
7 for acre, toward fulfillment of that municipality's entitlement under  
8 AS 29.65.010 - 29.65.030 or former AS 29.18.201 - 29.18.203. If the  
9 director later determines it to be in the best interests of the state to  
10 transfer some or all of the additional rights in that approved or  
11 patented agricultural land, those rights shall pass without consideration  
12 to the municipality in which the land is located. The notice and review  
13 provisions of [AS 38.05.305 AND] AS 38.05.345 are applicable to con-  
14 veyance of rights under this section.

15 \* Sec. 51. AS 38.05.321(c) is amended to read:

16 (c) The provisions of this section do not apply to state land  
17 classified as agricultural land which has been selected by a municipal-  
18 ity under the provisions of former AS 29.18.190 - 29.18.200 if the  
19 selection is an approved selection before April 1, 1978 and is otherwise  
20 valid under AS 29.65.050(b) or former AS 29.18.205(b).

21 \* Sec. 52. AS 38.05.362(b) is amended to read:

22 (b) Nothing in this section affects the selection rights of a  
23 municipality [BOROUGH OR CITY] under former AS 29.18.190 - 29.18.200 for  
24 areas selected as of July 1, 1977, or a valid existing claim, location,  
25 or entry under law, as of July 1, 1976.

26 \* Sec. 53. AS 39.50.145 is amended to read:

27 Sec. 39.50.145. PARTICIPATION BY MUNICIPALITIES. A municipality  
28 may exempt its municipal officers from the requirements of this chapter  
29 if a majority of the voters voting on the question at a [ANY] regular

1 election, as defined by AS 29.71.040(20) [AS 29.78.010(14)], or a special  
2 municipality-wide election, vote to exempt its municipal officers from  
3 the requirements of this chapter. The question of exemption from the  
4 requirements of this chapter may be submitted by the city council or  
5 borough assembly by ordinance or by initiative election [ORDINANCE].

6 \* Sec. 54. AS 39.50.200(a)(6) is amended to read:

7 (6) "municipal officer" includes a borough or city mayor,  
8 borough assemblyman, city councilman, school board member, elected  
9 utility board member, city or borough manager, members of a city or  
10 borough planning or zoning commission within a home rule or general law  
11 city or borough or [INCLUDING BUT NOT LIMITED TO] a unified municipality  
12 [UNDER AS 29.68];

13 \* Sec. 55. AS 40.15.075 is amended to read:

14 Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH AND THIRD  
15 CLASS BOROUGH. The division of lands is the platting authority in the  
16 area outside organized boroughs and outside cities in the unorganized  
17 borough and in the third class borough for only the purposes of hearing  
18 and acting on petitions for the change or vacation of plats and shall  
19 execute this function substantially in conformity with the provisions of  
20 AS 29.40.130 - 29.40.160 [AS 29.33.210 - 29.33.240]. Costs of publica-  
21 tion and mailing [AS WELL AS OTHER COSTS] authorized in AS 29.40.130  
22 [AS 29.33.210] shall be paid to the division by the petitioner. The  
23 Department of Natural Resources shall adopt reasonable regulations  
24 governing the exercise of the authority conferred by this section upon  
25 the division of lands.

26 \* Sec. 56. AS 40.15.200 is amended to read:

27 Sec. 40.15.200. APPLICATION TO STATE AND POLITICAL SUBDIVISIONS.  
28 All subdivisions of land made by the state, its agencies, instrumentalities  
29 and political subdivisions are subject to the provisions of this

1 chapter and AS 29.40.070 - 29.40.160 [AS 29.33.150 - 29.33.240], or home  
2 rule ordinances or regulations governing subdivisions, and shall comply  
3 with ordinances and other local regulations adopted under this chapter  
4 and AS 29.40.070 - 29.40.160 or former AS 29.33.150 - 29.33.240, or  
5 under home rule authority, in the same manner and to the same extent as  
6 subdivisions made by other landowners.

7 \* Sec. 57. AS 41.22.020(d) is amended to read:

8 (d) In (a) of this section "municipalities" includes cities or  
9 organized boroughs of any class and unified municipalities exercising  
10 powers to initiate projects described in AS 41.22.020 and acquire parks  
11 and open space land, as otherwise authorized by law [, AND INCLUDES BUT  
12 IS NOT LIMITED TO UNIFIED MUNICIPALITIES ORGANIZED UNDER AS 29.68.240 -  
13 29.68.440].

14 \* Sec. 58. AS 41.35.180(5) is amended to read:

15 (5) consult with local historical district commissions re-  
16 garding the establishment of historical districts under AS 29.55.010 -  
17 29.55.020 [AS 29.48.108 - 29.48.110] and the approval of project altera-  
18 tions under AS 45.98.040; recommend, if appropriate, the formulation of  
19 additional criteria for the designation of historical districts under  
20 AS 29.55.020(b) [AS 29.48.110(b)]; approve plans for and evaluate the  
21 suitability of specific structures for purposes of loan eligibility and  
22 continuance under the historical district revolving loan fund (AS 45.98);  
23 and consult with the Department of Commerce and Economic Development  
24 relative to the adoption of regulations for historical district loans  
25 under AS 45.98.

26 \* Sec. 59. AS 43.18.430 is amended to read:

27 Sec. 43.18.430. POWER OF MUNICIPALITY. A municipality may own,  
28 maintain and employ a facility constructed under AS 43.18.400 - 43.18.-  
29 460. The exercise of this power on an areawide basis is at the option

1 of the borough and is not subject to the restrictions on acquiring  
2 additional areawide powers in AS 29.35.300 - 29.35.330 [AS 29.33.250 -  
3 29.33.290].

4 \* Sec. 60. AS 43.18.500(d)(2)(A) is amended to read:

5 (A) has the authority under AS 29.35 [AS 29.41 OR  
6 AS 29.48] to provide and maintain a cultural facility;

7 \* Sec. 61. AS 43.56.010(b) is amended to read:

8 (b) A municipality may levy and collect a tax under AS 29.45.080  
9 [AS 29.53.045] at the rate of taxation that applies to other property  
10 taxed by the municipality. The tax shall be levied at a rate no higher  
11 than the rate applicable to other property taxable by the municipality.  
12 No municipality may exempt from taxation property authorized to be taxed  
13 under this chapter. Exemptions shall be limited to those in AS 29.-  
14 45.030, 29.45.050, [AS 29.53.020 AND AS 29.53.025] and AS 43.56.020.

15 \* Sec. 62. AS 43.56.010(c) is amended to read:

16 (c) If the total value of assessed property of a municipality  
17 taxing under AS 29.45.080(c) [AS 29.53.045(c)] exceeds the product of  
18 225 percent of the average per capita assessed full and true value of  
19 property in the state (to be determined by the department and reported  
20 to each municipality by January 15 of each year) multiplied by the  
21 number of residents of the taxing municipality, the department shall  
22 designate the portion of the tax base against which the local tax may be  
23 applied. For purposes of this subsection the average per capita assessed  
24 full and true value of property in the state shall be calculated without  
25 regard to the assessed value of taxable property under AS 43.58.

26 \* Sec. 63. AS 43.56.010(d) is amended to read:

27 (d) A tax paid to a municipality under AS 29.45.080 [AS 29.53.045]  
28 on or before June 30 of the tax year shall be credited against the tax  
29 levied under (a) of this section for that tax year. If, however, a tax

1 is not paid to a municipality until after June 30 of the taxable year,  
2 the department upon application shall refund to the taxpayer the amount  
3 of tax paid to the municipality under AS 29.45.080 [AS 29.53.045]. The  
4 credit or refund of taxes paid to a municipality may not exceed the  
5 total amount of tax levied by the department upon the taxpayer for the  
6 tax year, under (a) of this section.

7 \* Sec. 64. AS 43.56.060(a) is amended to read:

8 (a) The department shall assess property for the tax levied under  
9 AS 43.56.010(b) and AS 29.45.080 [AS 29.53.045] on property used or  
10 committed by contract or other agreement for use for the pipeline trans-  
11 portation of gas or unrefined oil or for the production of gas or un-  
12 refined oil at its full and true value as of January 1 of the assessment  
13 year.

14 \* Sec. 65. AS 43.75.130(1) is amended to read:

15 (1) to each unified municipality [UNIFIED UNDER AS 29.68.240 -  
16 29.68.440,] and to each city located in the unorganized borough, 50  
17 percent of the amount of tax revenue collected in the municipality from  
18 taxes levied by AS 43.75;

19 \* Sec. 66. AS 44.07.020(a) is amended to read:

20 (a) The corporation is governed by a board of directors which  
21 consists of 11 members: the commissioner of community and regional  
22 affairs, the mayor of the new capital city and the mayor of the  
23 Matanuska-Susitna Borough or their designees, who serve as directors ex  
24 officio with voting privileges, and eight directors appointed by the  
25 governor and confirmed by a majority of the members of the legislature  
26 in joint session. The governor shall appoint the eight directors within  
27 60 days after the effective date of this Act. The governor shall appoint  
28 one director to serve until the mayor of the new capital city is elected  
29 in accordance with AS 29.14.060 [AS 29.18.570]. No more than three of

1 the appointed directors may be full-time elected or appointed employees  
2 or officials of the state or of any municipality. No state legislator  
3 may be appointed or serve.

4 \* Sec. 67. AS 44.07.110(11) is amended to read:

5 (11) adopt or impose land use and building restrictions,  
6 architectural, design, and land use controls through covenants, declara-  
7 tions, or otherwise in furtherance of the purpose of this chapter on any  
8 real property owned by the corporation; include the restrictions or  
9 controls in contracts, conveyances and agreements; and cause the re-  
10 strictions and controls, covenants or declarations to run with the land  
11 and bind all future owners of the land by filing them for record in the  
12 appropriate recording district subject to AS 29.14.070 [AS 29.18.580];

13 \* Sec. 68. AS 44.07.360(1) is amended to read:

14 (1) "capital city area" or "capital city site" means the area  
15 specified in AS 29.14.020 [AS 29.18.520];

16 \* Sec. 69. AS 44.07.360(2) is amended to read:

17 (2) "capital city" means the municipality created under  
18 AS 29.14.010 [AS 29.18.510];

19 \* Sec. 70. AS 44.07.360(8) is amended to read:

20 (8) "municipality" means a home rule or general law city or  
21 borough including but not limited to the capital city and a unified  
22 municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.440];

23 \* Sec. 71. AS 44.08.065(c) is amended to read:

24 (c) A property owner aggrieved by determination of his assessment  
25 may appeal under AS 29.45.190 [AS 29.53.130 - 29.53.135].

26 \* Sec. 72. AS 44.08.065(d) is amended to read:

27 (d) All adjustments in valuation approved by the board of equali-  
28 zation are subject to review and final approval by the commissioner. A  
29 property owner may appeal the final determination in accordance with

1 AS 29.45.210 [AS 29.53.140].

2 \* Sec. 73. AS 44.83.162(m) is amended to read:

3 (m) For purposes of (c) of this section, the number of residents  
4 of the community equals the number of residents of the community deter-  
5 mined by the Department of Community and Regional Affairs in accordance  
6 with AS 29.60.020 [AS 29.88.015].

7 \* Sec. 74. AS 44.85.270(i) is amended to read:

8 (i) All references to the "reserve fund" in this section include  
9 special accounts within the reserve fund which may be created by the  
10 authority to secure the payment of particular bonds, including, without  
11 limitation, bonds issued by the capital city established under AS 29.-  
12 14.010 [AS 29.18.510]. The commissioner of revenue may lend surplus  
13 money in the general fund to the authority for deposit to any account in  
14 the reserve fund in an amount equal to the required debt service reserve.  
15 The loans shall be made on such terms and conditions as may be agreed  
16 upon by the commissioner of revenue and the authority, including, without  
17 limitation, terms and conditions providing that the loans need not be  
18 repaid until the obligations of the corporation secured and to be secured  
19 by the account in the reserve fund are no longer outstanding.

20 \* Sec. 75. AS 44.85.410(3)(A) is amended to read:

21 (A) a general obligation bond that [WHICH] is a direct  
22 and general obligation of a political subdivision of the state, all  
23 the taxable property within which is subject to taxation to pay the  
24 bond, note or evidence of debt, and the interest without limitation,  
25 as to rate or amount generally to the extent permitted by law or to  
26 avoid a default as provided for second class cities under AS 29.45.-  
27 590 [AS 29.53.410]; or

28 \* Sec. 76. AS 44.85.410(3)(D) is amended to read:

29 (D) a bond of a borough issued as a general obligation

1 of a service area under AS 29.47.440 or former AS 29.58.340; [.]

2 \* Sec. 77. AS 45.98.020 is amended to read:

3 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and  
4 plan approval by a local historical district commission established  
5 under AS 29.55.010 or former AS 29.48.108 and the recommendation of a  
6 majority of the members of the Historic Sites Advisory Committee, the  
7 Department of Commerce and Economic Development may make loans to a  
8 person, firm, business or municipality subject to applicable laws for  
9 the restoration, improvement, rehabilitation, or maintenance of a struc-  
10 ture that [WHICH] is

11 (1) within the boundaries of a historical district estab-  
12 lished under AS 29.55.020 or former AS 29.48.110;

13 (2) identified as important in state or national history as  
14 provided for in AS 29.55.020(b) or former AS 29.48.110(b); and

15 (3) another building or structure within a historical dis-  
16 trict, and suitable for superficial modification so that it can conform  
17 to the period or motif of the surrounding buildings or structures that  
18 are the reason for the area's designation as a historical district.

19 \* Sec. 78. AS 46.03.210(a) is amended to read:

20 (a) A municipality with a population in excess of 1,000 may,  
21 within five years from August 5, 1969, establish and administer within  
22 its jurisdiction an air pollution control program. Organized boroughs  
23 may establish an air pollution control program on an areawide basis, and  
24 the exercise of powers with respect to the program is not subject to the  
25 restrictions on acquiring additional areawide powers specified in  
26 AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.290]. Local programs  
27 shall

28 (1) provide by ordinance for requirements compatible with  
29 those imposed by the provisions of AS 46.03.140 and 46.03.170 and

1 applicable regulations;

2 (2) provide for the enforcement of the requirements imposed  
3 through appropriate administrative and judicial processes;

4 (3) provide for a local administrative organization, staff,  
5 and other resources necessary to effectively carry out the purposes of  
6 the program; and

7 (4) be approved by the department as being satisfactory to  
8 meet the requirements of AS 46.03.140 - 46.03.170 and the applicable  
9 regulations.

10 \* Sec. 79. AS 46.11.040(3)(A) is amended to read:

11 (A) is constructed under an exception to the municipal  
12 building code granted because the exception will result in in-  
13 creased energy efficiency [UNDER AS 29.33.080(g)];

14 \* Sec. 80. AS 46.11.900(8) is amended to read:

15 (8) "state financial assistance" means a loan, grant, guaran-  
16 tee, insurance, payment, rebate, subsidy, or other form of state assis-  
17 tance (other than aid under AS 29.60 [AS 29.88, AS 29.89, AS 29.90,  
18 AS 29.95] and AS 43.18) including the purchase by a state agency of a  
19 loan to finance the construction of a new residential, commercial, or  
20 industrial building;

21 \* Sec. 81. AS 46.35.200(3) is amended to read:

22 (3) "local government" means a city or borough including a  
23 unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440];

24 \* Sec. 82. AS 46.40.140(h) is amended to read:

25 (h) Members of coastal resource service area boards are subject to  
26 recall on the same grounds and in the same manner as provided for recall  
27 of municipal officials in AS 29.26.240 - 29.26.350 [AS 29.28.130 -  
28 29.28.250]. The lieutenant governor functions in place of the assembly  
29 or council and municipal clerk for receipt and review of recall petitions

1 and the conduct of recall elections.

2 \* Sec. 83. AS 46.40.210(2)(A) is amended to read:

3 (A) unified municipalities [ESTABLISHED UNDER AS 29.-  
4 68.240 - 29.68.440];

5 \* Sec. 84. AS 47.35.010(b) is amended to read:

6 (b) The department shall, within 90 days after receiving a written  
7 request that it do so, delegate its powers relating to nurseries under  
8 this section and under AS 47.35.040, 47.35.050 and 47.35.060 to a muni-  
9 cipality which has adopted an ordinance providing for day care licensing  
10 under home rule powers or as authorized under AS 29.35.200 - 29.35.210  
11 [AS 29.48.035(a)(20)]. A municipality to which these powers have been  
12 delegated may waive or modify any regulation or standard established by  
13 the department under the authority of AS 47.35.010 - 47.35.080 as it  
14 applies to nurseries or the application of any such regulation or  
15 standard as it applies to a particular day care licensee but must notify  
16 the department of any waiver.

17 \* Sec. 85. The following laws are repealed: AS 04.11.340(4), 04.11.-  
18 400(c); AS 04.21.080(11); AS 14.56.065(b), 14.56.180(3); AS 15.13.130(6);  
19 AS 18.55.950(10); AS 24.55.330(3); AS 28.35.260(10); AS 29.08; AS 29.13;  
20 AS 29.18; AS 29.23; AS 29.28; AS 29.33; AS 29.38; AS 29.41; AS 29.43; AS 29.-  
21 53; AS 29.58; AS 29.63; AS 29.68; AS 29.73; AS 29.78; AS 29.88; AS 29.89;  
22 AS 29.90; AS 29.95; AS 30.15.070(3); AS 30.30.170(2); AS 35.15.080(3), 35.15.-  
23 120(3); AS 42.06.630(6); AS 43.18.500(j)(6); AS 43.56.210(8); AS 44.-  
24 47.310(5); and AS 44.85.410(4).

25 \* Sec. 86. A right or liability of a municipality existing on July 1,  
26 1982, is not affected by the enactment of this Act. Ordinances and regula-  
27 tions in effect on July 1, 1982, remain in effect unless they conflict with  
28 provisions of this Act. Ordinances and regulations in effect on July 1,  
29 1982, that conflict with provisions of this Act remain in effect for 180 days

1 after July 1, 1982. The terms of elected or appointed municipal officials in  
2 office on July 1, 1982, are not affected by this Act, and their terms expire  
3 as provided before July 1, 1982.

4 \* Sec. 87. This Act takes effect July 1, 1982.

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