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Referred: Community & Regional
Affairs, Judiciary and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Title 29
Revision Commission)

1 IN THE SENATE

2 SENATE BILL NO. 180

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST 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 division of lands is the platting authority in the area outside a home
12 rule or general law city in the unorganized borough.

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 which 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 four classes:

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

29 Sec. 29.04.040. RECLASSIFICATION. (a) A second class city may

1 be reclassified as a first class city by holding an election on the
2 question, if the department determines from the best figures available
3 that the population of the city has reached 400 permanent residents.

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

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

9 (2) the council may propose reclassification.

10 (c) The council shall hold at least one public hearing within the
11 city on the question. The council shall then evaluate the ability of
12 the city to assume first class status and make its findings public.

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

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

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

27 Sec. 29.04.050. TRANSITION. (a) A borough which is third class
28 on the effective date of this Act continues as a third class borough
29 under the conditions established by law before the effective date of

1 this Act and until it is reclassified in accordance with this section
2 or adopts a home rule charter.

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

8 (c) If reclassification of a third class borough is approved, a
9 school board shall be elected in conformity with AS 14.12 at an election
10 held within 90 days of the date of the reclassification election.
11 Expiration dates of terms of school board members elected at a special
12 election must coincide with the date of the regular election. Until a
13 school board is elected and qualified, the assembly continues to serve
14 as the board.

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

16 CHAPTER 05. INCORPORATION.

17 ARTICLE 1. REQUIREMENTS.

18 Sec. 29.05.010. INCORPORATION OF A CITY. (a) A community which
19 meets the following standards may incorporate as a first class city:

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

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

23 (3) the economy of the community includes the human and
24 financial resources necessary to provide municipal services; in con-
25 sidering the economy of the community, the Local Boundary Commission
26 shall consider property valuations, economic base, personal income,
27 resource and commercial development, anticipated functions, and the
28 expenses and income of the proposed city, including the ability of the
29 community to generate local revenue;

1 (4) the population of the community is stable enough to
2 support city government;

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

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

6 Sec. 29.05.020. LIMITATIONS ON INCORPORATION OF A CITY. (a) A
7 community within the unorganized borough may not incorporate as a city
8 if the services can be provided by annexation to an existing city.

9 (b) A community within a home rule or general law borough may not
10 incorporate as a city if the services can be provided on an areawide or
11 nonareawide basis by the home rule or general law borough in which it
12 is located, or by annexation to an existing city.

13 Sec. 29.05.030. INCORPORATION OF A BOROUGH. An area may incor-
14 porate as a borough if it conforms to the following standards:

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

18 (2) the boundaries of the proposed borough conform generally
19 to natural geography and include all areas necessary for full develop-
20 ment of municipal services;

21 (3) the economy of the area includes the human and financial
22 resources capable of providing municipal services; evaluation of an
23 area's economy includes land use, property valuations, total economic
24 base, total personal income, resource and commercial development,
25 anticipated functions, expenses, and income of the proposed borough;

26 (4) land, water, and air transportation facilities allow the
27 communication and exchange necessary for the development of integrated
28 borough government.

29 **ARTICLE 2. PROCEDURE.**

1 Sec. 29.05.060. PETITION. Municipal incorporation is proposed by
2 filing a petition with the department. The petition shall include the
3 following information about the proposed city or borough:

4 (1) class;

5 (2) name;

6 (3) boundaries;

7 (4) maps, documents, and other information required by the
8 department;

9 (5) composition and apportionment of the governing body;

10 (6) a proposed operating budget for the city or borough
11 projecting sources of income and items of expenditure through the first
12 full fiscal year of operation;

13 (7) for a borough, the signature and resident address of 15
14 percent of the voters in each home rule or first class city and 15
15 percent of permanent resident voters in the area of the proposed borough
16 outside home rule or first class cities based on the number who voted
17 in the respective areas in the last general election;

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

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

22 (10) for a city, a designation of the powers proposed by the
23 petitioners to be exercised;

24 (11) for a first class city, the signatures and resident
25 address of 50 permanent resident voters or of 15 percent of the per-
26 manent resident voters within the proposed city, whichever is greater,
27 based on the number who voted in the area in the last general election;

28 (12) for a second class city, the signature and resident
29 address of 25 permanent resident voters or of 15 percent of the per-

1 manent resident voters within the proposed city, whichever is greater,
2 based on the number who voted in the area in the last general election.

3 Sec. 29.05.070. REVIEW. The department shall review petitions
4 for content and signatures and shall return deficient petitions for
5 correction and completion.

6 Sec. 29.05.080. INVESTIGATION. (a) If the petition contains the
7 required information and signatures, the department shall investigate
8 the proposal and shall hold at least one public hearing in the area
9 proposed for incorporation.

10 (b) The department may combine petitions for incorporation from
11 the same general area.

12 Sec. 29.05.090. REPORT AND HEARING. (a) The department shall
13 report its findings to the Local Boundary Commission with its recommen-
14 dations regarding the incorporation.

15 (b) The Local Boundary Commission shall hold at least one public
16 hearing in the area proposed to be incorporated for the purpose of
17 receiving testimony and evidence on the proposal.

18 Sec. 29.05.100. DECISION. (a) If the Local Boundary Commission
19 determines that a proposed city or borough fails to meet the standards
20 for incorporation, it shall reject the petition. If the commission
21 determines that the proposed city or borough meets the standards, it
22 shall accept the petition. If the commission determines that the
23 proposed boundaries can be altered to meet the standards, it may alter
24 the boundaries and accept the petition.

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

27 Sec. 29.05.110. INCORPORATION ELECTION. (a) The Local Boundary
28 Commission shall immediately notify the lieutenant governor of its
29 acceptance of an incorporation petition. Within 30 days after notifi-

1 cation, the lieutenant governor shall order an election in the proposed
2 city or borough to determine whether the voters desire incorporation
3 and, if so, to elect the initial municipal officials. If incorporation
4 is rejected, no officials are elected. The election must be held not
5 less than 30 nor more than 90 days after the date of the election
6 order. The election order must specify the dates during which nomina-
7 tion petitions for election of initial officials may be filed.

8 (b) An Alaska voter who has been a resident of the area within
9 the proposed city or borough for 30 days before the date of the election
10 order may vote.

11 (c) Areawide borough powers included in the incorporation petition
12 are considered to be part of the incorporation question. In an election
13 for the incorporation of a second class borough, each nonareawide power
14 to be exercised is placed separately on the ballot. Adoption of a
15 nonareawide power requires a majority of the votes cast on the question,
16 and the vote is limited to the voters residing within the proposed
17 borough but outside a city.

18 (d) The lieutenant governor shall supervise the election in the
19 general manner prescribed by the Alaska Election Code (AS 15). The
20 state shall pay all election costs under this section.

21 Sec. 29.05.120. ELECTION OF INITIAL OFFICIALS. (a) Nominations
22 for initial municipal officials are made by petition. The petition
23 shall be in the form prescribed by the lieutenant governor and includes
24 the name and address of the nominee and a statement of the nominee that
25 he is qualified under the provisions of this title for the office that
26 he seeks. A person may file for and occupy more than one office, but
27 he may not serve simultaneously as borough mayor and as a member of the
28 assembly or as city mayor and as a member of the council of a home
29 rule or first class city.

1 (b) Except for a proposed second class city, petitions to nominate
2 initial officials must include the signature and resident address of 50
3 voters in the area of the proposed city or borough, or that area of the
4 proposed city or borough from which the officials are to be elected
5 under the composition and apportionment set out in the accepted incor-
6 poration petition.

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

10 (d) The lieutenant governor shall supervise the election in the
11 general manner prescribed by the Alaska Election Code (AS 15). The
12 state shall pay all election costs.

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

15 (f) The initial elected members of the governing body shall
16 determine by lot the length of their terms of office so that a pro-
17 portionate number of terms expire each year, resulting in staggered
18 terms of office for members subsequently elected.

19 Sec. 29.05.130. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE
20 AREAS. Service areas in a newly incorporated city or borough shall be
21 integrated into the city or borough within two years after the date of
22 incorporation. On integration the city or borough succeeds to all the
23 rights, powers, duties, assets and liabilities of the service areas.
24 After integration, the governing body may exercise within a former
25 service area all of the rights and powers exercised by the service area
26 at the time of integration, and may levy and collect special charges,
27 taxes, or assessments to amortize bonded indebtedness incurred by the
28 service area or by a city or borough as successor to the service area.
29 Upon integration no less than all property in the service area at the

1 time of integration remains subject to taxation to pay the principal of
2 bonds and interest on them.

3 Sec. 29.05.140. TRANSITION. (a) The powers and duties exercised
4 by home rule or general law cities and service areas which are succeeded
5 to by a newly incorporated city or borough continue to be exercised by
6 the cities and service areas until the new city or borough assumes the
7 powers and functions, which may not exceed two years after the date of
8 incorporation. Ordinances, rules, resolutions, procedures, and orders
9 in effect before the transfer remain in effect until superseded by the
10 action of the new city or borough.

11 (b) The new city or borough shall give written notice of its
12 assumption of the powers, duties and other items enumerated in this
13 section and AS 29.05.130 to the home rule or general law city or service
14 area concerned before the assumption. Municipal officials shall consult
15 with the officials of the home rule or general law city or service area
16 concerned, and arrange an orderly transfer.

17 (c) After the incorporation of a new city or borough, no service
18 area within it may assume new bonded indebtedness, make any contract,
19 or transfer any assets without the consent of the governing body.

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

22 Sec. 29.05.150. CHALLENGE OF LEGALITY. A person may not challenge
23 the formation of a city or borough except within six months of the date
24 of its incorporation.

25 ARTICLE 3. TRANSITIONAL ASSISTANCE.

26 Sec. 29.05.180. ORGANIZATION GRANTS TO A CITY. (a) To defray
27 the cost of transition to city government and to provide for development
28 and interim government operations, each city incorporated after July 1,
29 1981, or, in the case of a second class city, incorporated or reclassi-

1 filed after July 1, 1981, is entitled to a first year organization grant
2 of \$50,000. The department shall disburse the first year organization
3 grant within 30 days after certification of the incorporation election
4 favoring incorporation of a city or as soon thereafter as money is
5 appropriated for the purpose.

6 (b) A city eligible for a first year organization grant is en-
7 titled to a second year organization grant of \$25,000. The department
8 shall disburse the second year organization grant within 30 days after
9 the beginning of the city's second fiscal year, or as soon thereafter
10 as money is appropriated for the purpose.

11 Sec. 29.05.190. ORGANIZATION GRANTS TO A BOROUGH. (a) To defray
12 the cost of transition to borough government and to provide for develop-
13 ment and interim government operations, each borough incorporated after
14 July 1, 1981, except a borough incorporated by consolidation or a
15 unified municipality, is entitled to organization grants for the first
16 three fiscal years after incorporation as follows:

- 17 (1) \$300,000 for the first full or partial year;
18 (2) \$200,000 for the second year; and
19 (3) \$100,000 for the third year.

20 (b) The department shall disburse the first year organization
21 grant within 30 days after certification of the incorporation election
22 favoring incorporation of a borough, or as soon thereafter as money is
23 appropriated for the purpose. The second organization grant shall be
24 disbursed within 30 days after the beginning of the borough's second
25 fiscal year and the third organization grant shall be disbursed within
26 30 days after the beginning of the borough's third fiscal year, or as
27 soon thereafter as money is appropriated for the purpose.

28 Sec. 29.05.200. ORGANIZATION GRANT FUND. (a) The organization
29 grant fund is established in the department. An appropriation made to

1 the fund for organization grants to a city or borough may be used
2 during each fiscal year during which the city or borough qualifies to
3 receive a grant under AS 29.05.180 - 29.05.190, and the unexpended
4 balance of the appropriation lapses into the general fund when the city
5 or borough ceases to qualify for an organization grant.

6 (b) Before August 31 of each fiscal year the department shall
7 submit a report to the Department of Administration indicating

8 (1) each city or borough which is qualified to receive an
9 organization grant during the fiscal year;

10 (2) the amount of money needed to cover all grants which
11 each city or borough is qualified to receive;

12 (3) the amount of an appropriation made to finance the
13 organization grants each city or borough is qualified to receive; and

14 (4) the amount of the unexpended balance of an appropriation
15 to the organization grant fund which is projected to be used for grants
16 and the amount which is projected to lapse into the general fund.

17 Sec. 29.05.210. TRANSITIONAL ASSISTANCE TO BOROUGHES. (a) Within
18 30 days after the date of incorporation of a borough after July 1,
19 1981, the department shall determine the population of the borough.

20 (b) The department shall provide assistance to each borough
21 incorporated after July 1, 1981, in

22 (1) establishing the initial assessment and collection
23 department for a borough that has adopted a sales or use tax;

24 (2) determining the initial assessment roll for a borough
25 that has adopted a property tax, including contracting for appraisals
26 of property needed to complete the initial assessment.

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

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

1 CHAPTER 06. ALTERATION OF MUNICIPALITIES.

2 ARTICLE 1. CHANGE OF NAME.

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

12 (b) If an ordinance adopted under (a) of this section which
13 results in an order changing the municipal name is subsequently re-
14 pealed, the lieutenant governor shall issue a further order reinstating
15 the former name within 45 days of the date of the order, unless a
16 different name is adopted by ordinance transmitted to the lieutenant
17 governor for implementation as provided in (a) of this section.

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

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

26 ARTICLE 2. ANNEXATION AND EXCLUSION.

27 Sec. 29.06.040. LOCAL BOUNDARY COMMISSION. (a) The Local Bound-
28 ary Commission may consider any proposed municipal boundary change. It
29 may present proposed changes to the legislature during the first 10

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days of any regular session. The change becomes effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

(b) In addition to the regulations governing annexation by local action adopted under AS 44.19.260, the Local Boundary Commission shall establish procedures for annexation and exclusion of territory by municipalities by local action. The procedures established under this subsection include

(1) a provision requiring that a proposed annexation and exclusion must be approved by a majority of the voters voting on the question residing within the area proposed to be annexed or excluded;

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

(3) provisions that an area adjoining the municipality may be annexed by ordinance without an election if all property owners and voters within the area petition the governing body.

(c) A boundary change effected under (a) of this section prevails over a boundary change initiated by local action, without regard to priority in time.

Sec. 29.06.050. ANNEXATION OF MILITARY RESERVATIONS. A military reservation may be annexed to a municipality in the same manner as prescribed for any other territory under AS 29.06.040. If a home rule or general law city within a home rule or general law borough annexes a military reservation under this section, the territory encompassing the military reservation automatically is annexed to the borough of which the city is a part.

Sec. 29.06.060. APPLICATION. AS 29.06.040 - 29.06.060 apply to home rule and general law municipalities.

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1 hearing in each of the municipalities included in the merger or con-
2 solidation petition, unless officials of the municipalities agree to a
3 single hearing.

4 Sec. 29.06.130. DECISION. (a) If the Local Boundary Commission
5 determines that the proposed municipality fails to meet the standards
6 for incorporation, it shall reject the petition. If the commission
7 determines that the proposed municipality meets these standards, it
8 shall accept the petition. If the commission determines that the
9 proposed boundaries or the composition and apportionment of the govern-
10 ing body can be altered to meet the standards, it may change the propo-
11 sal and accept the petition.

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

14 Sec. 29.06.140. ELECTION. (a) The Local Boundary Commission
15 shall immediately notify the lieutenant governor of its acceptance of a
16 merger or consolidation petition. Within 30 days after notification,
17 the lieutenant governor shall order an election within the area to be
18 included in the new municipality to determine whether the voters desire
19 merger or consolidation. The election must be held not less than 30
20 nor more than 90 days after the election order. A voter who is a
21 resident of the area to be included within the proposed municipality
22 may vote.

23 (b) The lieutenant governor shall supervise the election in the
24 general manner prescribed by the Alaska Election Code (AS 15). The
25 state shall pay all election costs.

26 (c) The lieutenant governor shall certify the election results.
27 If merger or consolidation is approved, he shall, within 10 days, set a
28 date for election of officials of the new municipality. The election
29 date must be not less than 60 nor more than 90 days after the election

1 order. This date is the effective date for the merger or consolidation.

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

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

8 Sec. 29.06.160. ORDINANCES. The ordinances, resolutions, rules,
9 regulations, procedures, and orders of the former municipalities remain
10 in force within their respective territories until superseded by the
11 action of the new municipality.

12 Sec. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to
13 home rule and general law municipalities.

14 ARTICLE 4. UNIFICATION OF MUNICIPALITIES.

15 Sec. 29.06.190. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A home
16 rule or general law borough and all home rule or general law cities
17 within the borough may unite to form a single unit of home rule govern-
18 ment by complying with this chapter.

19 Sec. 29.06.200. UNIFICATION PROPOSED. (a) Formation of a charter
20 commission to propose a unification charter shall be proposed by resolu-
21 tion of the assembly or by petition. An assembly resolution for the
22 purpose may be adopted not more often than once every 12 months.

23 (b) An assembly, a council, or a person living within the area of
24 proposed unification may initiate a unification petition.

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

27 "PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICATION
28 CHARTER. We, the undersigned, qualified voters of the borough do
29 hereby petition that the following proposition be placed before the

1 voters as provided by law: 'Shall a charter commission be formed (and
2 charter commission members be elected as elsewhere provided on this
3 ballot) to prepare, adopt and submit to the voters for their approval
4 or rejection a proposed charter uniting the borough and all home rule
5 or general law cities within it as a single unit of home rule government
6 having the powers, duties and functions of a unified municipality as
7 authorized by law? Yes [] No []'

8		Inside First Class	Outside First
9		Class or	or
10	Signature	Address	Home Rule City
			Home Rule City"

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

12 (1) the number of voters of the home rule or general law
13 borough living outside all home rule and first class cities in the
14 borough equal to 25 percent of the votes cast in that area in the last
15 regular borough election; and

16 (2) the number of voters residing in each home rule and
17 first class city located in the home rule or general law borough equal
18 to 25 percent of the votes cast in each city in the last regular borough
19 election.

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

26 Sec. 29.06.230 CHARTER COMMISSION NOMINATIONS. (a) If the
27 assembly determines that a unification petition meets the requirements
28 of this chapter, or the assembly by its resolution proposes an election
29 on formation of a charter commission to propose a unification charter,

1 the assembly shall issue a call for the nomination of charter commission
2 candidates, specifying the filing deadline and the procedure for making
3 nominations.

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

9 (c) Nomination petitions shall be filed with the borough clerk on
10 or before the date fixed by the assembly, which may not be less than 30
11 days after notice of the call for nominations has been given.

12 Sec. 29.06.240. QUALIFICATIONS OF CANDIDATES. A person is eli-
13 gible to be nominated as a candidate for the charter commission if he
14 has been a voter of the area from which he seeks election for at least
15 one year immediately preceding the date his nomination petition is
16 filed with the borough clerk.

17 Sec. 29.06.250. COMPOSITION OF CHARTER COMMISSION. (a) The
18 charter commission shall consist of 11 voters, three of whom are resi-
19 dents elected at large from the area of the home rule or general law
20 borough and eight of whom, proportionate to the population as deter-
21 mined by the department are

22 (1) residents of and elected from the area outside a home
23 rule and first class city in the borough; or,

24 (2) residents of and elected from a home rule or first class
25 city in the borough.

26 (b) If at least one nomination of a qualified charter commission
27 candidate for each available seat is not filed in accordance with
28 AS 29.06.230, the resolution or petition for unification is void and no
29 election on the question shall be held.

1 Sec. 29.06.260. ELECTION. (a) After receipt of a valid petition
2 or adoption of an assembly resolution for the purpose, the assembly
3 shall submit to the voters the question of whether the home rule or
4 general law borough and all cities within it shall unite to form a
5 single unit of home rule government. The vote shall be held at the
6 next regular borough election scheduled at least 90 days after receipt
7 of the valid petition or adoption of the resolution. The ballot on the
8 question of unification shall be worded exactly as in AS 29.06.210(a).

9 (b) The election of charter commission members shall take place
10 at the same time as the election on the question of unification.

11 (c) All costs incurred in conducting an election under AS 29.06.-
12 190 - 29.06.390 shall be paid by the home rule or general law borough.

13 Sec. 29.06.270. REQUIREMENTS FOR APPROVAL OF UNIFICATION AND
14 ELECTION OF CHARTER COMMISSION. (a) The votes on unification shall be
15 tabulated in two separate classifications. One classification consists
16 of all votes cast in the first class and home rule cities of the home
17 rule or general law borough. The other classification consists of all
18 votes cast in the remaining areas of the borough. In order for unifi-
19 cation to be approved, it is necessary that a majority of the votes in
20 each classification favor unification.

21 (b) If unification is approved, charter commission candidates who
22 received the highest number of votes from their respective areas shall
23 serve as members of the commission.

24 Sec. 29.06.280. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

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

28 (b) A majority of the total membership of the charter commission
29 constitutes a quorum. A decision of the commission is not valid or

1 binding unless approved by the number of members necessary to consti-
2 tute a quorum.

3 (c) The charter commission may elect other officials from among
4 its membership, adopt rules governing its procedures, and hire and
5 discharge commission employees. Rules adopted must conform to the
6 provisions of this chapter.

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

11 (e) Except as provided in AS 29.06.330(e), vacancies on the
12 charter commission shall be filled by a majority vote of the commission.
13 The person appointed to fill a vacancy must be a voter of the same area
14 as the person whom he succeeds and must have been a voter of that area
15 for at least one year immediately preceding the date of his appoint-
16 ment.

17 (f) The assembly may grant a per diem allowance to the commission
18 members and may reimburse the members for travel expenses incurred in
19 carrying out the duties prescribed by AS 29.06.190 - 29.06.390. Costs,
20 fees, and other expenses incurred by the charter commission are a debt
21 of the borough and shall be paid upon proper verification.

22 Sec. 29.06.290. CHARTER PREPARATION. A charter commission estab-
23 lished under AS 29.06.190 - 29.06.390 shall prepare, adopt, and submit
24 a proposed home rule charter for the area to be unified to the voters
25 for approval or rejection. The charter shall include

26 (1) provisions for adjustment of existing bonded indebted-
27 ness and other obligations in a manner which will reserve a fair and
28 equitable burden of taxation for debt service, subject to AS 29.06.350;

29 (2) provisions for

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(A) the establishment of service areas; and
(B) if election of members of the governing body is not areawide, the establishment of districts or sections for the election of members of the governing body of the unified municipality, and procedures by which to reapportion the election districts or sections;

(C) reapportionment of districts or sections if they are established;

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

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

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

(6) a method of amending the charter;

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

(8) designation of the new unified municipality's official name;

(9) other charter provisions which may be included in a home rule charter.

Sec. 29.06.300. PUBLIC HEARINGS. Both before and after drafting the proposed charter, the charter commission shall hold a public hearing in each area represented on the assembly. Other public hearings may be held by the charter commission as it considers necessary.

Sec. 29.06.310. FILING OF PROPOSED CHARTER. Upon the adoption of a proposed home rule charter by the charter commission, the charter

1 shall be signed by at least a majority of the total membership of the
2 commission and shall be filed with the borough clerk. A copy with
3 signatures affixed shall also be filed with the clerk of each home rule
4 or general law city within the home rule or general law borough.

5 Sec. 29.06.320. PUBLICATION AND POSTING OF PROPOSED CHARTER.

6 Within 10 days after filing the proposed charter, the borough clerk
7 shall have it published. In addition, the clerk shall have a copy of
8 the proposed charter posted in at least three public places within each
9 home rule or general law city and each unincorporated community in the
10 home rule or general law borough. Copies of the proposed charter shall
11 be made available by the assembly to the public at both the office of
12 the borough clerk and the office of the clerk of each city within the
13 borough. The clerk shall publish notice by radio and television of the
14 publication, posting, and availability of the proposed charter in a
15 manner intended to apprise the entire borough population of the exis-
16 tence of the proposed charter.

17 Sec. 29.06.330. ELECTION ON CHARTER. (a) The proposed charter
18 adopted by the charter commission shall be submitted to the voters at a
19 borough election held within 60 days of the date of publication and
20 posting of the proposed charter. The borough clerk shall prepare the
21 ballots for use in the election and shall give notice of the election
22 by radio and television in a manner intended to apprise the entire
23 borough population of the election. The election shall be conducted
24 under procedures applicable to regular elections.

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

27 (c) If a majority of the votes in the area of the home rule or
28 general law borough outside a home rule or first class city, and a
29 majority of the votes in all home rule and first class cities within

1 the borough are cast in favor of the proposed charter, the charter is
2 ratified. If the charter is ratified, two copies of the charter shall
3 be filed with

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

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

15 (e) If, after the rejection of the first proposed charter, more
16 than one-half of the charter commission members resign from the commis-
17 sion, the assembly shall appoint new members to fill the vacancies.

18 Sec. 29.06.340. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon
19 ratification, the charter of a unified municipality operates to dissolve
20 all municipalities within the area of unification in accordance with
21 the charter.

22 Sec. 29.06.350. ASSETS AND LIABILITIES. A unified municipality
23 shall succeed to all the assets and liabilities of the municipalities
24 it unified. A bonded indebtedness or other debt incurred before unifi-
25 cation remains the tax obligation of the area which contracted the
26 debt, except that by ordinance the tax obligation may be assumed by a
27 larger area if the governing body determines that the asset for which
28 the bonded indebtedness or other debt was incurred benefited the larger
29 area before unification, or benefits the larger area after unification.

1 However, bonded indebtedness or other debt for sewage collection sys-
2 tems, water distribution systems, and streets, even if determined to be
3 benefiting a larger area than that which incurred the debt, remains the
4 tax obligation of the area which incurred the debt.

5 Sec. 29.06.360. ORDINANCES. Within two years after ratification
6 of the charter, the governing body of the unified municipality shall
7 revise, repeal, or reaffirm all municipal ordinances, resolutions, and
8 orders in effect within the area of the unified municipality on the
9 date of unification. Each ordinance, resolution, regulation, or order
10 in effect on the date of unification remains in effect until superseded
11 by action of the new governing body.

12 Sec. 29.06.370. RIGHT TO STATE AND FEDERAL AID. All provisions
13 of law authorizing aid from the state or federal government to a munici-
14 pality which was in the area of a new unified municipality remain in
15 effect after unification.

16 Sec. 29.06.380. POWERS OF A UNIFIED MUNICIPALITY. A municipality
17 unified under AS 29.06.190 - 29.06.390 has all powers

- 18 (1) not prohibited by law or charter; and
19 (2) granted to home rule boroughs.

20 Sec. 29.06.390. APPLICATION. AS 29.06.190 - 29.06.390 apply to
21 home rule and general law municipalities.

22 ARTICLE 5. DISSOLUTION.

23 Sec. 29.06.420. METHODS OF DISSOLUTION. (a) Two petition methods
24 may be used to initiate dissolution of a municipality;

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

27 (2) the local option method specified in AS 29.06.430 -
28 29.06.490.

29 (b) A home rule or general law borough is dissolved when its

1 entire territory is included within a home rule or first class city or
2 cities. A city is dissolved when all its powers become areawide borough
3 powers.

4 (c) The department shall investigate a municipality which it
5 considers to be inactive and shall report to the Local Boundary Commis-
6 sion on the status of the municipality. The commission may submit its
7 recommendation to the legislature that the municipality be dissolved in
8 the manner provided for submission of boundary changes in art. X, sec.
9 12 of the state constitution.

10 Sec. 29.06.430. PETITION. (a) Residents of a municipality may
11 file a dissolution petition with the department in the form prescribed
12 by the department. The petition must be signed by a number of voters
13 equal to at least 25 percent of the number of votes cast in the last
14 regular election.

15 (b) The petition must include

- 16 (1) the name of the municipality;
17 (2) maps, documents, and other information showing that the
18 municipality meets the standards for dissolution.

19 Sec. 29.06.440. STANDARDS. (a) Except as provided in (b) of
20 this section, a municipality may petition for dissolution when

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

23 (2) either it no longer meets the minimum standards pre-
24 scribed for incorporation by AS 29.05, or it ceases to use each one of
25 its mandatory powers.

26 (b) A home rule or general law city in a home rule or general law
27 borough may petition for dissolution if the borough consents to assume
28 the city's rights, powers, duties, assets, and liabilities. The consent
29 must be ratified by a majority of borough voters voting on the question.

1 Sec. 29.06.450. REVIEW. (a) The department shall review a
2 dissolution petition for content and signatures, and shall return a
3 deficient petition for correction or completion.

4 (b) If the petition contains the required information and signa-
5 tures, the department shall investigate the proposal.

6 Sec. 29.06.460. REPORT AND HEARING. (a) The department shall
7 report its findings to the Local Boundary Commission with its recommen-
8 dation regarding the dissolution of a municipality .

9 (b) The Local Boundary Commission shall hold at least one public
10 hearing in the area proposed to be dissolved.

11 Sec. 29.06.470. DECISION. If the Local Boundary Commission
12 determines that a municipality fails to meet the standards for dissolu-
13 tion, it shall reject the petition. If the commission determines that
14 the municipality meets the standards, it shall accept the petition.

15 Sec. 29.06.480. ELECTION. (a) The Local Boundary Commission
16 shall immediately notify the lieutenant governor of its acceptance of a
17 dissolution petition. Within 30 days after notification, the lieutenant
18 governor shall order an election within the municipality to determine
19 whether the voters desire dissolution. The election must be held at
20 least 30 and not more than 90 days after the election order. A person
21 who is a voter of the municipality may vote in the dissolution election.

22 (b) The lieutenant governor 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 (c) The lieutenant governor shall certify the election results.
26 If dissolution is approved, he shall declare that the municipality is
27 dissolved effective on the date of certification.

28 Sec. 29.06.490. SUCCESSION. The government succeeding to a
29 dissolved municipality succeeds to all its rights, powers, duties,

1 assets, and liabilities.

2 Sec. 29.06.500. APPLICATION. AS 29.06.420 - 29.06.500 apply to
3 home rule and general law municipalities.

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

5 CHAPTER 10. HOME RULE MUNICIPALITIES.

6 ARTICLE 1. CHARTERS.

7 Sec. 29.10.010. MUNICIPAL CHARTER ADOPTION. A first or second
8 class city or borough may adopt a charter for its own government. A
9 home rule municipality may amend its charter or adopt a new one. A
10 charter is framed by a charter commission of seven members chosen by
11 the voters at an election. A candidate for the charter commission
12 shall be a voter of the city or borough and a resident of the city or
13 borough for three years immediately preceding the election. A charter
14 commission election is called by filing a petition with the governing
15 body or by resolution of the governing body. The petition shall be
16 signed by a number of voters equal to 15 percent of the votes cast in
17 the last regular election.

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

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

27 Sec. 29.10.030. ELECTION. At the charter commission election the
28 voters shall consider the question "Shall a charter commission be
29 elected to frame a proposed new charter?" and shall select the members

1 of the commission. If the question is approved, the seven candidates
2 receiving the highest number of votes shall immediately organize as a
3 charter commission.

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

12 Sec. 29.10.050. INITIATIVE AND REFERENDUM. (a) A municipal
13 charter shall provide procedures for initiative and referendum.

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

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

20 Sec. 29.10.060. CHARTER ELECTION. The charter shall be submitted
21 to the voters at an election held not less than 30 days nor more than
22 90 days after the charter is published.

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

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

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- (2) the department -- two copies;
- (3) the district recorder -- one copy;
- (4) the municipal clerk -- one copy.

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

Sec. 29.10.080. CHARTER AMENDMENT. A municipal charter may be amended as provided in the charter except that no amendment is effective unless ratified by the voters.

ARTICLE 2. HOME RULE LIMITATIONS.

Sec. 29.10.110. LIMITATION OF HOME RULE POWERS. Only the following provisions of this title apply to home rule municipalities as prohibitions on acting otherwise than as provided. These provisions supersede existing and prohibit future home rule enactments which provide otherwise:

- (1) AS 29.05.140 (transition)
- (2) AS 29.06.010 (change of municipal name)
- (3) AS 29.06.040 - 29.06.060 (annexation and exclusion)
- (4) AS 29.06.090 - 29.06.170 (merger and consolidation)
- (5) AS 29.06.190 - 29.06.390 (unification of municipalities)
- (6) AS 29.06.420 - 29.06.500 (dissolution)
- (7) AS 29.10.010 - 29.10.115 (home rule municipalities)
- (8) AS 29.20.010 (conflict of interest)
- (9) AS 29.20.020 (meetings public)
- (10) AS 29.20.050 (general power)
- (11) AS 29.20.060 - 29.20.120 (assembly composition and

1 apportionment)

2 (12) AS 29.20.140 (qualifications of members of governing
3 bodies)

4 (13) AS 29.20.150 (term of office)

5 (14) AS 29.20.160 (procedures of governing bodies)

6 (15) AS 29.20.220 (executive power)

7 (16) AS 29.20.630 (prohibitions)

8 (17) AS 29.20.640 (reports)

9 (18) AS 29.25.010(a)(10) (municipal exemption on contractor
10 bond requirements)

11 (19) AS 29.25.050 (codification)

12 (20) AS 29.26.030 (notice of elections)

13 (21) AS 29.26.050 (voter qualification)

14 (22) AS 29.26.100 (powers of initiative and referendum)

15 (23) AS 29.26.240 - 29.26.360 (recall)

16 (24) AS 29.35.020 (extraterritorial jurisdiction)

17 (25) AS 29.35.030 (eminent domain)

18 (26) AS 29.35.050 (garbage and solid waste services)

19 (27) AS 29.35.070 (public utilities)

20 (28) AS 29.35.110 (post audit)

21 (29) AS 29.35.150(b) (effect of areawide exercise of borough
22 powers)

23 (30) AS 29.35.160 (education)

24 (31) AS 29.35.170 (assessment and collection of taxes)

25 (32) AS 29.35.260 (cities outside boroughs)

26 (33) AS 29.35.330(c) (acquisition of additional areawide
27 powers)

28 (34) AS 29.40.150 (title to vacated areas)

29 (35) AS 29.45.010 - 29.45.570 (property taxes)

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- 1 (36) AS 29.45.650(d) (interest on sales tax)
- 2 (37) AS 29.46.090 (exemption from special assessment)
- 3 (38) AS 29.47.200(b) (security for bonds)
- 4 (39) AS 29.47.260 (construction)
- 5 (40) AS 29.60.010 - 29.60.260 (state programs)
- 6 (41) AS 29.60.290 (qualification for minimum payment)
- 7 (42) AS 29.65.010 - 29.65.130 (general grant land)
- 8 (43) AS 29.71.010 (adverse possession)
- 9 (44) AS 29.71.020 (dedication of municipal property)
- 10 (45) AS 29.71.030 (taxation of municipalities)

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

12 CHAPTER 14. CAPITAL CITY.

13 Sec. 29.14.010. INCORPORATION. There is created and incorporated
 14 a city of the state as the capital city of Alaska which is a city of
 15 the first class. The capital city has all the powers of a first class
 16 city.

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

20 Sec. 29.14.030. CITY COUNCIL. (a) Until council members elected
 21 by the residents of the capital city take office as provided in AS 29.-
 22 14.060, the council of the capital city shall have five members, four
 23 of whom shall be appointed by the governor and shall serve at the
 24 pleasure of the governor. The development corporation shall designate
 25 one person to serve as a member of the council. The council members
 26 appointed by the governor or designated by the development corporation
 27 shall serve an initial term which expires on the Monday following the
 28 first Tuesday in October of the calendar year following the calendar
 29 year of initial appointment or designation. Council members may be

1 reappointed by the governor or redesignated by the development corpora-
2 tion. Except as provided in AS 29.14.040, the successors of the initial
3 appointees and designee serve for a term of two years beginning on the
4 date the initial appointments and designation expire. Each appointee
5 and designee holds office for the term of his appointment and until his
6 successor is appointed or designated and qualifies.

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

9 (c) The council shall elect a chairman from among its membership.
10 The chairman presides at council meetings, determines the agenda for
11 council meetings, and carries out the other duties specified by ordi-
12 nance.

13 Sec. 29.14.040. FILLING A VACANCY. If a vacancy occurs among the
14 members appointed by the governor, the governor shall appoint the
15 replacement who shall serve for the unexpired portion of the term.

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

20 Sec. 29.14.060. TRANSITION. (a) When the capital city attains a
21 population of 400 permanent residents, as certified by the lieutenant
22 governor based on the best information available, the lieutenant gover-
23 nor shall notify the council of this determination. The lieutenant
24 governor shall specify an election date which shall be the first
25 Tuesday of October following the notification, except that if it is
26 less than six months from the date of the certification to the first
27 Tuesday of October then the election date shall be the first Tuesday of
28 October of the year following. The elected members take office on the
29 Monday following the election.

1 (b) After the lieutenant governor specifies the election date,
2 the council shall make arrangements for an election at which five
3 council members and a mayor shall be elected in the manner prescribed
4 by ordinance and law. The expenses of the election shall be borne by
5 the state. The council of the capital city shall have six members.
6 The governor shall appoint one council member holding office on the
7 date of the election to remain a member of the council for a single
8 three-year term beginning on the date the elected council members take
9 office. The successors to the appointed council members shall be
10 elected by the residents, except that if the appointed council member
11 leaves office during the three years, the governor may appoint a succes-
12 sor. The terms of all other appointed or designated council members
13 expire when the elected council members take office. The term of
14 elected council members is as provided in AS 29.20.150 except that
15 three of the members are elected for an initial term of one year.

16 Sec. 29.14.070. PLANNING AND LAND USE REGULATION AUTHORITY. The
17 general development plan and specific development plans constitute the
18 land use plan for the capital city area. When a parcel of land has
19 been developed in accordance with the applicable specific development
20 plan, that parcel becomes subject to all planning, zoning, subdivision,
21 building code or other similar ordinances of the Matanuska-Susitna
22 Borough.

23 Sec. 29.14.080. TRANSFER OF UTILITIES TO THE CAPITAL CITY. (a)
24 The development corporation, in cooperation with the capital city,
25 shall arrange for an orderly schedule for transferring to the capital
26 city ownership of and financial and operational responsibility for
27 utilities and other facilities which the development corporation con-
28 siders to be integral parts of the capital city infrastructure. Before
29 January 1, 1985, the development corporation and the council of the

1 capital city shall jointly retain independent consultants to study and
2 determine an orderly schedule for transfer of the utilities and facili-
3 ties to the capital city. The study shall consider the capabilities of
4 the capital city to finance the cost of the utilities and other facili-
5 ties and their operating expenses. The consultants shall propose a
6 recommended schedule for and terms of transfer which are commensurate
7 with the capital city's existing and anticipated population, tax base,
8 and other factors relating to its capability to finance and operate the
9 utilities and other facilities as they consider appropriate. The
10 development corporation shall, after considering the consultants'
11 report, propose a schedule of and terms of the transfer to the capital
12 city, which shall, upon review and approval by the council, be included
13 in an agreement between the development corporation and the capital
14 city.

15 (b) If the development corporation and the capital city are
16 unable to agree within six months after the development corporation
17 submits its proposal, the development corporation shall submit the
18 proposal to the Legislative Budget and Audit Committee which shall
19 consider the proposal, and if the committee considers it appropriate to
20 do so, shall recommend to the legislature legislation it considers
21 desirable for the disposition of the utilities and other facilities.
22 If the legislature does not enact legislation regarding the disposition
23 within one year after the proposal is submitted to the Legislative
24 Budget and Audit Committee, the development corporation may at any time
25 thereafter sell or dispose of the utilities and facilities or any of
26 them, or continue to operate them.

27 Sec. 29.14.090. DEFINITIONS. In this chapter, unless the context
28 requires otherwise,

29 (1) "capital city area" means the area described in AS 29.-

1 14.020;

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

4 (3) "development corporation" means the Alaska Capital City
5 Development Corporation;

6 (4) "general development plan" has the same meaning as
7 provided in AS 44.07.360 and includes amendments to the general develop-
8 ment plan;

9 (5) "specific development plan" has the same meaning as
10 provided in AS 44.07.360 and includes amendments to each specific
11 development plan.

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

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

15 CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

16 ARTICLE 1. CONFLICT OF INTEREST, PUBLIC MEETINGS.

17 Sec. 29.20.010. CONFLICT OF INTEREST. (a) Each municipality
18 shall adopt a conflict of interest ordinance which provides that a
19 member of the governing body shall declare a substantial financial
20 interest he has in an official action and ask to be excused from a vote
21 on the matter. The presiding officer shall rule on the question. His
22 decision may be overridden by the majority vote of the governing body.

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

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

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

1 ties.

2 ARTICLE 2. GOVERNING BODIES.

3 Sec. 29.20.050. GENERAL POWER. The legislative power of a home
4 rule or general law borough is vested in the assembly. The legislative
5 power of a home rule or general law city is vested in the council.

6 Sec. 29.20.060. ASSEMBLY COMPOSITION AND APPORTIONMENT. (a)
7 Assembly composition and apportionment shall be consistent with the
8 equal representation standards of the Constitution of the United States.

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

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

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

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

22 (b) Not later than the first regular election which occurs after
23 the report of a federal decennial census, the assembly shall propose
24 and submit to the voters of the home rule or general law borough, at
25 that regular election or at a special election called for the purpose,
26 one or more forms of assembly representation. The forms of representa-
27 tion which the assembly may submit to the voters are:

28 (1) election of members of the assembly at large by the
29 voters throughout the borough;

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

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

7 (B) election from election districts established by the
8 borough for the election of assembly members by the qualified
9 voters of a district;

10 (3) election of members of the assembly both at large and by
11 district.

12 (c) A form of assembly representation which includes election of
13 assembly members under (b)(2) or (b)(3) of this section shall be sub-
14 mitted to the voters of the home rule or general law borough with a
15 plan of apportionment as required by AS 29.20.080.

16 (d) The assembly shall, within 30 days of certification of the
17 results of the election held on a proposed form of representation under
18 this section, adopt an ordinance providing for its composition and the
19 form of assembly representation, and, if applicable, the apportionment
20 of assembly seats which corresponds to the proposed form of representa-
21 tion which received the most votes at the election.

22 (e) This section does not apply to a

23 (1) unified municipality;

24 (2) home rule borough if the borough charter contains proce-
25 dures 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
2 representation which 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 which corresponds to the form of repre-
5 sentation proposed. The assembly shall describe the plan of apportion-
6 ment in the ballot proposition, and may present the plan in any manner
7 which it believes accurately describes the apportionment which is
8 proposed under the form of representation. If the assembly determines
9 that its existing apportionment meets the standards of AS 29.20.060,
10 the assembly may include the existing apportionment as a proposed plan
11 of apportionment of assembly seats which corresponds to a form of
12 representation which 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
16 same time, the assembly may, by ordinance, change the composition of
17 the assembly.

18 (c) If a petition signed by not less than 50 registered voters
19 who are residents of the borough request the assembly to determine
20 whether the existing apportionment meets the standards for apportionment
21 in AS 29.20.060, and the petition contains evidence that the existing
22 apportionment does not meet those standards, the assembly may make the
23 determination requested. The assembly shall make a determination
24 required by this subsection within two months of receipt of a petition
25 which meets the requirements of this 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
28 the ordinance to be approved it must receive the approval of a majority
29 of 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
12 the standards of AS 29.20.060 do not require a change in apportionment,
13 may be appealed to the commissioner. Fifty registered voters who are
14 residents of the borough may submit a petition to the commissioner
15 requesting the commissioner to determine whether the proposed reappor-
16 tionment ordinance approved by the voters meets the standards of AS 29.-
17 20.060 or whether a decision of the assembly that the standards of
18 AS 29.20.060 do not require a change of apportionment is correct. If
19 the petition asks the commissioner to review an ordinance approved by
20 the voters under AS 29.20.080(e), the petition shall be delivered to
21 the commissioner not later than 20 days after certification of the
22 election. If the petition asks the commissioner to review a decision
23 of the assembly under AS 29.20.080(c), the petition shall be delivered
24 to the commissioner within 20 days of the decision of the 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
3 that the standards of AS 29.20.060 do not require a change of apportion-
4 ment is not correct, the commissioner shall, by order, direct the
5 assembly to prepare a reapportionment ordinance which meets the stan-
6 dards of AS 29.20.060 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 commis-
10 sioner's order, adopt an ordinance providing for reapportionment. The
11 assembly shall submit an ordinance adopted under this subsection to the
12 voters at an election held within 60 days after the date of adoption of
13 the reapportionment 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
17 of the assembly in accordance with the standards of AS 29.20.060 by
18 preparing 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
22 issued 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
9 is effective beginning with the first regular election for members of
10 the assembly which 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
16 borough in which a change in assembly composition or apportionment is
17 subject to review and approval or determination of nonobjection by the
18 Attorney General of the United States under the Voting Rights Act of
19 1965, as amended, (42 U.S.C. 1971 - 1974). A change in assembly com-
20 position or apportionment subject to review under the Voting Rights Act
21 of 1965, as amended, is effective beginning with the first regular
22 election for members of the assembly which is held more than 60 days
23 after

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

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

29 (3) the last day on which the Attorney General of the United

1 States may review a proposed change in the composition or apportionment
2 of the assembly.

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

5 (1) unified municipality;

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

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

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

19 (b) A governing body may by ordinance establish a durational
20 residency requirement for its members not to exceed three years.

21 (c) A member of the governing body who represents an area less
22 than that of the total municipality and who becomes a resident of
23 another area within the municipality may continue to serve until the
24 next regular election unless provided otherwise by ordinance.

25 (d) A municipality may by ordinance establish district residency
26 requirements for members of its governing body.

27 (e) This section applies to home rule and general law municipali-
28 ties of the governing body.

29 Sec. 29.20.150. TERM OF OFFICE. (a) A member of the governing

1 body is elected for a three-year term and until his successor qualifies
2 unless a different term not exceeding four years is prescribed by
3 charter or ordinance.

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

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

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

13 Sec. 29.20.160. PROCEDURES OF GOVERNING BODIES. (a) The assembly
14 shall elect from among its members a presiding officer and a deputy
15 presiding officer to serve at the pleasure of the members, except that
16 in a borough which has adopted the manager form of government under
17 AS 29.20.450 - 29.20.530 the mayor serves as presiding officer. In a
18 city the mayor serves as presiding officer. If the presiding officer
19 is not present or disqualifies himself, the deputy presiding officer
20 shall preside.

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

1 the journal for the meeting.

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

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

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

15 (f) A governing body may, consistent with law or charter, deter-
16 mine by ordinance its own rules of procedure and order of business.

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

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

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

27 (2) unless excused by the governing body, is physically
28 absent from the city or borough for 90 consecutive days;

29 (3) resigns and his resignation is accepted;

1 (4) is physically or mentally unable to perform the duties
2 of his office as determined by two-thirds vote of the governing body;

3 (5) if a member of the governing body, misses three consecu-
4 tive regular meetings and is not excused;

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

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

10 (8) no longer physically resides in the city or borough and
11 the governing body by two-thirds vote declares the seat vacant.

12 Sec. 29.20.180. FILLING A VACANCY. (a) If a vacancy occurs in a
13 governing body, the remaining members shall within 30 days, unless a
14 different period is provided by ordinance, appoint a qualified person
15 to fill the vacancy. The person serves until the next regular election,
16 at which time a successor shall be elected to serve the balance of the
17 term. If less than 30 days remain in a term, a vacancy may not be
18 filled.

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

23 ARTICLE 3. BOROUGH EXECUTIVE AND ADMINISTRATOR.

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

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

1 responsible for additional duties and powers prescribed by this chapter
2 or by a 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, except that the
9 current term of an incumbent mayor may not be altered. The regular
10 term of a mayor of a borough or first class city begins on the first
11 Monday following 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
16 office immediately. The mayor of a second class city serves a one-year
17 term unless a longer term is provided by ordinance, except that the
18 mayor of a second class city may serve only while he is a member of the
19 council regardless of the term established for the office of mayor.

20 (c) The governing body may not limit the number of terms a mayor
21 may serve.

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

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

28 Sec. 29.20.250. POWERS AND DUTIES OF MAYOR. (a) If a city or
29 borough has not adopted the manager form of government, the administra-

1 tive power is vested in the mayor and the mayor has the same powers and
2 duties as those of the manager.

3 (b) The mayor may take part in the discussion of all matters
4 before the governing body.

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

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

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

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

25 (c) The veto does not extend to

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

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

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

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

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

9 (3) resigns and his resignation is accepted;

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

12 (5) if, as a member of the governing body, he misses three
13 consecutive regular meetings and is not excused;

14 (6) is convicted of a felony or of an offense involving a
15 violation of his oath of office;

16 (7) is convicted of a felony or misdemeanor described in
17 AS 15.56; or

18 (8) no longer physically resides in the city or borough.

19 (b) Except as provided in (c) of this section, a vacancy in the
20 office of mayor occurring six months before a regular election shall be
21 filled by the governing body. The person appointed serves until the
22 next regular election and until a successor is elected and qualifies.
23 If a member of the governing body is chosen, he shall resign his seat
24 on the governing body. If a vacancy occurs more than six months before
25 a regular election, the governing body shall call a special election to
26 fill the unexpired term.

27 (c) Notwithstanding (b) of this section, in a second class city,
28 the office of mayor is filled by and from the council and retains his
29 seat on the council.

1 ARTICLE 4. BOARDS AND COMMISSIONS.

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

7 Sec. 29.20.310. UTILITY BOARDS. (a) The governing body of a
8 city or borough operating a public utility may provide by ordinance for
9 a managing board of five members and define the board's powers and
10 duties.

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

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

23 (d) Unless otherwise provided by ordinance, a utility board shall
24 (1) choose its chairman and secretary;
25 (2) appoint the manager of the public utility for a term not
26 longer than five years and set his salary;
27 (3) formulate and enforce the general rules and policies of
28 the utility.

29 Sec. 29.20.320. OTHER BOARDS AND COMMISSIONS. (a) The governing

1 body may, by ordinance, establish advisory, administrative, technical,
2 or quasi-judicial boards and commissions.

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

6 ARTICLE 5. OTHER OFFICIALS AND EMPLOYEES.

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

14 Sec. 29.20.370. MUNICIPAL ATTORNEY. The municipal attorney is
15 the legal advisor of the governing body, the school board, and the
16 other officials of the city or borough. He represents the city or
17 borough as attorney in civil and criminal proceedings. The school
18 board may hire independent counsel when in its judgment independent
19 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 to the
22 governing body and to the public;
23 (2) attend meetings and keep the journal;
24 (3) arrange publication of notices, ordinances, and resolu-
25 tions;
26 (4) maintain and make available for public inspection an
27 indexed file including the municipal ordinances, resolutions, rules,
28 regulations, and codes;
29 (5) attest deeds and other documents;

1 (6) perform other duties specified in this title or pre-
2 scribed by the chief executive or by the governing body.

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

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

11 (b) The treasurer shall give bond to the city or borough in a sum
12 which the governing body directs.

13 Sec. 29.20.400. DEPARTMENTS. (a) The governing body may estab-
14 lish departments and distribute functions among them.

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

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

23 (b) By ordinance the governing body may designate confidential or
24 managerial positions which are wholly or partially exempt from the
25 classified service, filled by persons who serve at the pleasure of
26 their appointing authority, and whose terms of employment are determined
27 by their appointing authority.

28 ARTICLE 6. MANAGER PLAN.

29 Sec. 29.20.450. APPLICATION. A city or borough may adopt a

1 manager plan of government.

2 Sec. 29.20.460. PETITION. Adoption of a manager plan may be
3 initiated either by petition or upon motion of the governing body. A
4 petition for the adoption of a manager plan is submitted to the govern-
5 ing body. The petition must be signed by a number of voters equal to
6 the following percentage of the votes cast at the preceding regular
7 election:

8 (1) 25 percent when the city or borough has fewer than 7,500
9 persons;

10 (2) 15 percent when the city or borough has 7,500 persons or
11 more.

12 Sec. 29.20.470. ELECTION. Upon receipt of the petition or upon
13 its own motion, the governing body shall provide by ordinance or resolu-
14 tion for a vote on the question at the next election.

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

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

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

27 Sec. 29.20.500. TERM. Subject to the contract of employment, the
28 manager holds office at the pleasure of the governing body.

29 Sec. 29.20.510. REPEAL. A city or borough may repeal the manager

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

4 Sec. 29.20.520. POWERS AND DUTIES OF A MANAGER. As chief admin-
5 istrator the manager shall

6 (1) appoint, suspend, or remove municipal employees and
7 administrative officials, except as provided otherwise in this title
8 and AS 14.14.065; he may hire necessary administrative assistants and
9 may authorize an administrative official to appoint suspend, or remove
10 subordinates;

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

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

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

18 (5) exercise custody over all real and personal property of
19 the city or borough except as provided otherwise in AS 29.35.160;

20 (6) perform other duties required by law or by action of the
21 governing body; and

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

24 Sec. 29.20.530. INTERGOVERNMENT APPOINTMENTS. A borough adopting
25 a manager plan may, by agreement with a city, enter into a contract
26 providing for the manager of a city located within the borough to serve
27 also as borough manager. A city adopting a manager plan may, by agree-
28 ment with a borough, enter into a contract providing for the manager of
29 a borough within which the city is located to serve also as city

1 manager. Appointment and service of the manager shall be as otherwise
2 provided for managers in this chapter. Nothing in this section affects
3 the authority of the governing body to provide for other dual office-
4 holding if the dual offices held are compatible, or otherwise to appoint
5 officials and employees in accordance with law.

6 **ARTICLE 7. MISCELLANEOUS PROVISIONS.**

7 **Sec. 29.20.600. OATHS OF OFFICE.** A municipal official, before
8 taking office, shall affirm in writing that he will honestly, faith-
9 fully, and impartially perform his duties. The oath is filed with the
10 municipal clerk.

11 **Sec. 29.20.610. BONDING.** The manager and the other municipal
12 officials or employees which the governing body may designate shall
13 give bond in the amount and with the surety prescribed by the governing
14 body. Premiums on bonds are paid by the city or borough.

15 **Sec. 29.20.620. SALARIES OF ELECTED OFFICIALS.** The governing
16 body shall by ordinance provide a method of determining the salaries of
17 elected officials. The salary of the mayor may not be reduced during
18 his term of office, unless during his term a manager plan is adopted.
19 An elected official may not receive any other compensation for service
20 to the city or borough, unless otherwise provided by ordinance. Per
21 diem payments or reimbursements for expenses are not compensation under
22 this section.

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

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

1 Sec. 29.20.640. REPORTS. (a) A municipality shall file with the
2 department

3 (1) maps and descriptions of all annexed or excluded ter-
4 ritory;

5 (2) a copy of the annual audit or in the case of a second
6 class city, an audit or statement of annual income and expenditures;

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

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

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

12 (b) Compliance with the provisions of this section is a prerequi-
13 site to receipt of municipal tax resource equalization assistance under
14 AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal
15 services under AS 29.60.100 - 29.60.190. The department shall withhold
16 annual allocations under those chapters in the event of noncompliance
17 until such time as the report requirements are met.

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

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

21 CHAPTER 25. MUNICIPAL ENACTMENTS.

22 Sec. 29.25.010. ACTS REQUIRED TO BE BY ORDINANCE. (a) In addi-
23 tion to other actions which this title requires to be by ordinance, the
24 governing body of a city or borough shall use ordinances to

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

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

29 (3) provide for the levying of taxes;

1 (4) make appropriations, except supplemental appropriations
2 or transfer of appropriations;

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

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

7 (7) approve the transfer of a power to a borough from a
8 city;

9 (8) designate the borough seat;

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

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

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

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

21 (b) The following procedure governs the enactment of all ordin-
22 ances except emergency ordinances:

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

25 (2) an ordinance shall be set for hearing by the affirmative
26 vote of a majority of the votes authorized on the question;

27 (3) a summary of the ordinance shall be published together
28 with a notice of time and place for public hearing;

29 (4) the hearing follows publication by at least five days;

1 (5) copies of the ordinance must be available to all persons
2 present at the hearing, or the ordinance must be read in full;

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

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

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

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

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

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

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

25 Sec. 29.25.040. CODES OF REGULATION. The governing body may in a
26 single ordinance adopt or amend by reference provisions of a standard
27 published code of regulations. The regular ordinance procedure applies,
28 except that neither the ordinance nor its amendments need be distributed
29 to the public nor read in full at the hearings. For a period of 15 days

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

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

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

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

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

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

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

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

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

1 ties.

2 Sec. 29.25.070. PENALTIES. (a) For the violation of an ordinance
3 the governing body may prescribe penalties not to exceed those imposed
4 for a class B misdemeanor and may require mandatory, nonsuspendable
5 imprisonment not to exceed five days.

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

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

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

19 CHAPTER 26. ELECTIONS.

20 ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

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

26 Sec. 29.26.020. NOMINATIONS. (a) Subject to other provisions of
27 this title, the governing body shall provide by ordinance for nomina-
28 tions of elected officials by providing for declaration of candidacy or
29 for petition requiring the signatures of not more than 10 voters, or

1 for both.

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

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

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

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

14 Sec. 29.26.050. VOTER QUALIFICATION. (a) A person may vote only
15 if he

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

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

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

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

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

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

29 Sec. 29.26.060. MAJORITY ELECTIONS. (a) Unless otherwise pro-

1 vided by ordinance, a runoff election shall be held if no candidate
2 receives over 40 percent of the votes cast for the office of mayor or
3 member of the assembly, council, or school board.

4 (b) A city or borough may by ordinance require a majority vote
5 for the election of a municipal official.

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

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

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

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

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

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

1 has commenced, within 10 days after the governing body has declared the
2 election results, an action in the superior court in the judicial
3 district in which the city or borough is located. If court action is
4 not commenced within the 10-day period, the election and election
5 results are conclusive and valid.

6 ARTICLE 2. INITIATIVE AND REFERENDUM.

7 Sec. 29.26.100. RESERVATION OF POWERS. (a) The powers of initia-
8 tive and referendum are reserved to the residents of municipalities,
9 except the powers do not extend to matters restricted by art. XI, sec.
10 7 of the state constitution.

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

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

22 (1) is not restricted by AS 29.26.100;

23 (2) includes only a single subject;

24 (3) relates to a legislative rather than to an administra-
25 tive matter; and

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

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

29 Sec. 29.26.120. PETITION. An initiative or referendum petition

1 is filed with the municipal clerk and an initiative petition must be
2 filed not less than 90 days before the next regular election.

3 Sec. 29.26.130. CONTENTS OF PETITION. (a) Within two weeks
4 after certification of an application for an initiative or referendum
5 petition, a petition shall be prepared by the municipal clerk. Each
6 copy of the petition shall contain

7 (1) a summary of the bill to be initiated or the act to be
8 referred;

9 (2) the complete ordinance or resolution sought to be ini-
10 tiated or referred;

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

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

14 (5) spaces for each signature, the printed name of each
15 signer, the date each signature is affixed, and the residence and
16 mailing addresses of each signer;

17 (6) a statement, with space for the sponsor's sworn signa-
18 ture and date of signing, that the sponsor personally circulated the
19 petition, that all signatures were affixed in his presence, and that he
20 believes the signatures to be those of the persons whose names they
21 purport to be; and

22 (7) space for indicating the total number of signatures on
23 the petition.

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

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

29 Sec. 29.26.140. SIGNATURE REQUIREMENTS. (a) The signatures on

1 an initiative or referendum petition shall be secured within 60 days
2 after the clerk issues the petition. The statement provided under
3 AS 29.26.130(a)(6) shall be signed and dated by the sponsor. Signa-
4 tures shall be in ink or indelible pencil.

5 (b) The clerk shall determine the number of signatures required
6 on a petition and inform each sponsor. A petition shall be signed by a
7 number of voters based on the number of votes cast at the last regular
8 election held before the date the petition was issued equal to

9 (1) 25 percent of the votes cast, when a city or borough has
10 fewer than 7,500 persons; or

11 (2) 15 percent of the votes cast, when a city or borough has
12 7,500 persons or more.

13 (c) Illegible signatures shall be rejected by the clerk unless
14 accompanied by a legible printed name. Signatures not accompanied by a
15 legible residence address shall be rejected.

16 (d) A petition signer may withdraw his signature upon written
17 application to the clerk before certification of the petition.

18 Sec. 29.26.150. SUFFICIENCY OF PETITION. (a) All copies of an
19 initiative or referendum petition shall be assembled and filed as a
20 single instrument. Within 10 days after the date the petition is
21 filed, the municipal clerk shall certify on the petition whether it is
22 sufficient.

23 (b) If a petition is insufficient, it may be supplemented with
24 additional signatures obtained within 10 days after the date on which
25 the petition is rejected.

26 (c) Within 10 days after a supplementary filing the clerk shall
27 recertify the petition. If it is still insufficient, the petition is
28 rejected and filed as a public record.

29 Sec. 29.26.160. 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 which shall hear and decide the protest.

5 Sec. 29.26.170. NEW PETITION. Failure to secure sufficient
6 signatures does not preclude the filing of a new initiative or referen-
7 dum petition. However, a new petition on substantially the same matter
8 may not be filed sooner than six months after a petition is rejected as
9 insufficient.

10 Sec. 29.26.180. INITIATIVE ELECTION. (a) Unless substantially
11 the same measure is adopted, when a petition seeks an initiative vote
12 the clerk shall submit the matter to the voters at the next regular
13 election occurring no sooner than 45 days after certification of the
14 petition. If no regular election occurs within 75 days after the
15 certification of a petition, the governing body shall hold a special
16 election within 75 days, but not sooner than 45 days after certifi-
17 cation.

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. 29.26.190. REFERENDUM ELECTION. (a) Unless the ordinance
28 or 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,
15 if it has been suspended, becomes effective upon certification of the
16 election.

17 Sec. 29.26.200. EFFECT. (a) An ordinance or resolution may not
18 be repealed within one year after its effective date if adopted in an
19 initiative election or if adopted after a petition which contains
20 substantially the same measure has been filed. The ordinance or resolu-
21 tion may be amended at any time.

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

27 (c) An unsuccessful initiative or referendum precludes the filing
28 of a new petition application for substantially the same measure sooner
29 than six months after the election results are 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 six months 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 application 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 filing the petition 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 signa-
3 ture and date of signing, that the sponsor personally circulated the
4 petition, 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
13 clerk issues the petition. The statement provided under AS 29.26.-
14 270(a)(6) shall be completed and signed by the sponsor. Signatures
15 shall be in ink or indelible pencil.

16 (b) The clerk shall determine the number of signatures required
17 on a petition and inform each sponsor. If a petition seeks to recall
18 an official who represents the municipality at large, the petition
19 shall be signed by a number of municipal voters equal to 35 percent of
20 the number of votes cast for that office at the last regular election
21 held before the issuance of the petition. If a petition seeks to
22 recall an official who represents a district, the petition shall be
23 signed by a number of the voters residing within the district equal to
24 35 percent of the number of votes cast in the district for that office
25 at the last regular election held before the issuance of the petition.

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.
4 Within 10 days after the date the petition is filed, the municipal
5 clerk shall certify on the petition whether it is sufficient.

6 (b) If a petition is insufficient, it may be supplemented with
7 additional signatures obtained within 10 days after the date on which
8 the petition is rejected, except that a petition which does not contain
9 an adequate number of signatures, both valid and invalid, may not be
10 supplemented and shall be rejected and filed as a public record.

11 (c) Within 10 days after the supplementary filing the clerk shall
12 recertify the petition. If it is still insufficient, the petition is
13 rejected and filed as a public record.

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

17 Sec. 29.26.310. SUBMISSION. If a recall petition is sufficient,
18 the clerk shall immediately submit it to the governing body.

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

23 (b) If no regular election occurs within 75 days, the governing
24 body shall hold a special election on the recall question within 75
25 days but not sooner than 45 days after a petition is submitted to the
26 governing body.

27 (c) If a vacancy occurs in the office after a sufficient recall
28 petition is filed with the clerk, the recall question may not be sub-
29 mitted to the voters. The governing body may not appoint to the same

1 office an official who resigns after a sufficient recall petition is
2 filed naming him.

3 Sec. 29.26.330. FORM OF RECALL BALLOT. A recall ballot shall
4 contain

5 (1) the grounds as stated in 200 words or less on the recall
6 petition;

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

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

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

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

17 Sec. 29.26.350. SUCCESSORS. (a) If an official is recalled from
18 the governing body, his office is filled in accordance with AS 29.20.-
19 180.

20 (b) Notwithstanding (a) of this section, if all members of the
21 governing body are recalled, the governor shall appoint three qualified
22 persons to the governing body. The appointees shall appoint additional
23 members to fill remaining vacancies in accordance with AS 29.20.180.

24 (c) If all members are recalled from a school board, the governor
25 shall appoint three qualified persons to the school board. The ap-
26 pointees shall appoint additional members to fill remaining vacancies.

27 (d) A person appointed under (a) - (c) of this section serves
28 until a successor is elected and takes office.

29 (e) If an official is recalled, the municipal clerk, without

1 further action by the governing body, shall conduct an election for a
2 successor to fill the unexpired portion of the term. The election
3 shall be held not more than 60 days from the date the recall election
4 is certified, except that if a regular election occurs within 75 days
5 after certification the successor shall be chosen at that election.

6 (f) Nominations for a successor may be filed until seven days
7 before the last date upon which a first notice of the election must be
8 published. Nominations may not be filed before the certification of
9 the recall election.

10 Sec. 29.26.360. APPLICATION. AS 29.26.240 - 29.26.360 apply to
11 home rule and general law municipalities.

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

13 CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

14 ARTICLE 1. GENERAL POWERS.

15 Sec. 29.35.010. GENERAL POWERS. All cities and boroughs have the
16 following general powers, subject to other provisions of Alaska statute:

17 (1) to establish and prescribe salaries for the elected and
18 appointed municipal officers and employees;

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

21 (3) to establish and prescribe the functions of municipal
22 departments, offices, or agencies;

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

25 (5) to make investigations of the affairs of the city or
26 borough and make inquiries into the conduct of a municipal department;

27 (6) to levy taxes and special assessments, and impose liens
28 for their enforcement;

29 (7) to enforce ordinances and to prescribe penalties for

1 violations;

2 (8) to acquire, manage, control, use, and dispose of real
3 and personal property, irrespective of whether or not the property is
4 situated inside or outside the municipal boundaries; this power includes
5 the power of a borough to expend, for any purpose authorized by law,
6 money received from the disposal of land in a service area established
7 under AS 29.35.450.

8 (9) to expend money for community purposes, facilities, and
9 services for the good of the city or borough;

10 (10) to regulate the operation and use of its public rights-
11 of-way, facilities, and services;

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

13 (12) to acquire membership in organizations which promote
14 legislation for the good of the city or borough;

15 (13) to enter into agreements, including those for coopera-
16 tive or joint administration of any functions or powers with a munici-
17 pality, the state, or the United States;

18 (14) to sue and be sued.

19 Sec. 29.35.020. EXTRATERRITORIAL JURISDICTION. (a) A municipali-
20 ty may provide, to the extent otherwise authorized by Alaska statute,
21 parks, playgrounds, cemeteries, emergency medical services, solid and
22 septic waste disposal, utility services, airports, streets (including
23 ice roads), trails, transportation facilities, wharves, harbors and
24 other marine facilities outside its boundaries, subject to AS 29.35.150,
25 and may regulate their use and operation to the extent that the juris-
26 diction in which they are located does not regulate them. A regulation
27 adopted under this section must state that it applies outside the
28 municipality.

29 (b) A municipality may adopt ordinances to protect its water

1 supply and watershed, and may enforce them outside its boundaries.
2 Before this power may be exercised within the boundaries of another
3 municipality, the approval of the other municipality must be given by
4 ordinance.

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

7 Sec. 29.35.030. EMINENT DOMAIN. (a) A municipality may exercise
8 the powers of eminent domain and declaration of taking in the perfor-
9 mance of an authorized power or function of the municipality in accor-
10 dance with AS 09.55.250 - 09.55.460.

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

13 Sec. 29.35.040. EMERGENCY DISASTER POWERS. (a) A city or borough
14 which is wholly or partially within an area which is declared by the
15 President or governor to be a disaster area may participate in and
16 provide for housing, urban renewal, and redevelopment in the same
17 manner as a home rule city. The exercise of these powers by a borough
18 is limited to the area outside a home rule or general law city in the
19 borough.

20 (b) A borough may exercise the powers for a housing or urban
21 renewal and redevelopment project transferred to it by a city located
22 in the borough as provided by AS 29.35.310.

23 (c) Powers granted by this section must be initiated within a
24 period of not more than five years from the date of declaration of a
25 natural disaster by the President or governor, but these powers may be
26 extended for an additional period of not more than three years.

27 Sec. 29.35.050. GARBAGE AND SOLID WASTE SERVICES. (a) A munici-
28 pality may by ordinance

29 (1) provide for the establishment, maintenance, and operation

1 of a system of garbage and solid waste collection and disposal for the
2 entire municipality, or for districts or portions of it;

3 (2) require all persons within the municipality or district
4 to use the system and to dispose of their garbage and solid wastes as
5 provided in the ordinance;

6 (3) award contracts for collection and disposal, or provide
7 for the collection and disposal of garbage and solid waste by municipal
8 officials and employees;

9 (4) pay for garbage and solid waste collection and disposal
10 from available money;

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

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

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

17 (b) The governing body of a municipality may not prohibit a
18 person holding a valid certificate from the Alaska Public Utilities
19 Commission from continuing to collect and dispose of garbage, refuse,
20 trash, waste material, or other related services in an area in the
21 municipality if the certificate authorizes the collection and disposal
22 of garbage, refuse, trash, or other waste material and providing of
23 other services in the area, and the certificate was originally issued
24 before the municipality provided similar services. A municipality may
25 not provide for a garbage, refuse, trash, or other waste material
26 collection and disposal service in an area to the extent it lies within
27 an area granted to a garbage, refuse, trash, or other waste material
28 carrier by a certificate issued by the Alaska Public Utilities Commis-
29 sion to the carrier until it has purchased the certificate, equipment

1 and facilities of the carrier, or that portion of the certificate which
2 would be affected, at fair market value. A municipality may exercise
3 the right of eminent domain to determine fair market value.

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

6 Sec. 29.35.060. FRANCHISES AND PERMITS. (a) The assembly acting
7 for the area outside a home rule or general law city and the council
8 acting for the area within a city may grant franchises, including
9 exclusive franchise privileges, and may permit the use of streets and
10 other public places by the franchise holder under regulations pre-
11 scribed by ordinance.

12 (b) Unless the grant is made on a competitive basis, the grant of
13 an exclusive right to use a public street or right-of-way for more than
14 five years to a utility or a transportation system not certificated by
15 the Alaska Public Utilities Commission or by the Alaska Transportation
16 Commission shall be valid only if approved by majority vote at an
17 election.

18 Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for
19 the area outside a home rule or general law city and the council acting
20 for the area within a city may regulate, fix, establish, and change the
21 rates and charges imposed for a utility service provided to the munici-
22 pality or its inhabitants by a utility to the extent that it is not
23 regulated under AS 42.05, and may provide a reasonable deposit for
24 meters and security for service to be given if interest is paid on the
25 deposit. All rates, charges, and regulations shall be reasonable and
26 shall permit a fair return on invested capital.

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

29 Sec. 29.35.080. MUNICIPAL PROPERTY. The governing body shall by

1 ordinance establish a formal procedure for acquisition and disposal of
2 land and interests in land by the city or borough.

3 Sec. 29.35.090. BUDGET AND CAPITAL PROGRAM. (a) The governing
4 body shall establish the manner for the preparation and submission of
5 the budget and capital program by the mayor. After public hearing, the
6 governing body may approve the budget with or without amendments, and
7 shall appropriate the money required for the approved budget.

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

11 Sec. 29.35.100. EXPENDITURE OF BOROUGH REVENUES. Borough revenues
12 received through taxes collected on an areawide basis by the borough
13 may be expended on general administrative costs and on areawide func-
14 tions only. Borough revenues received through taxes collected on a
15 nonareawide basis may be expended on general administrative costs and
16 functions which render service to the area outside a home rule or
17 general law city only.

18 Sec. 29.35.110. POST AUDIT. (a) The governing body shall provide
19 for an annual independent audit of the accounts and financial trans-
20 actions of the municipality or, in the case of a second class city, an
21 audit or statement of annual income and expenditures. To make the
22 audit the governing body shall designate a public accountant who has no
23 personal interest, direct or indirect, in the fiscal affairs of the
24 municipality. Copies of the audit shall be available to the public
25 upon request.

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

28 ARTICLE 2. MANDATORY AREAWIDE POWERS.

29 Sec. 29.35.150. SCOPE OF AREAWIDE POWERS. (a) A borough shall

1 exercise the powers as specified and in the manner specified in AS 29.-
2 35.150 - 29.35.190 on an areawide basis, both inside and outside home
3 rule and general law cities within its boundaries.

4 (b) A home rule or general law city may not exercise an areawide
5 power once that power is being exercised by a home rule or general law
6 borough. This subsection applies to home rule and general law munici-
7 palities, except unified municipalities.

8 Sec. 29.35.160. EDUCATION. (a) Each home rule or general law
9 borough constitutes a borough school district and establishes, main-
10 tains, and operates a system of public schools on an areawide basis as
11 provided in AS 14.14.060. A military reservation within a borough is
12 not part of the borough school district until the military mission is
13 terminated or until inclusion in the borough school district is approved
14 by the Department of Education. However, operation of the military
15 reservation schools by the borough school district may be required by
16 the Department of Education under AS 14.14.110. If the military mission
17 of a military reservation terminates or continued management and control
18 by a regional educational attendance area is disapproved by the Depart-
19 ment of Education, operation, management, and control of schools on
20 military reservation transfers to the borough school district in which
21 the military reservation is located.

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

24 Sec. 29.35.170. ASSESSMENT AND COLLECTION OF TAXES. (a) A home
25 rule or general law borough shall assess and may collect property,
26 sales, and use taxes levied within its boundaries, subject to AS 29.45.
27 Taxes levied by a home rule or general law city shall be collected by a
28 borough and returned in full to the levying city.

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

1 ties.

2 Sec. 29.35.180. SPECIAL ASSESSMENTS. A governing body may assess
3 against real property all or a portion of the cost of capital improve-
4 ments in accordance with AS 29.46.

5 Sec. 29.35.190. LAND USE REGULATION. A first or second class
6 borough shall provide for planning, platting and land use regulation in
7 accordance with AS 29.40.

8 ARTICLE 3. ADDITIONAL POWERS.

9 Sec. 29.35.200. FIRST CLASS BOROUGH POWERS. (a) A first class
10 borough may exercise on a nonareawide basis any power not otherwise
11 prohibited by Alaska statute.

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

- 14 (1) provide transportation systems;
15 (2) provide water pollution control;
16 (3) provide air pollution control in accordance with AS 46.-
17 03.140 - 46.03.240;
18 (4) license day care facilities;
19 (5) license, impound, and dispose of animals.

20 (c) In addition to powers conferred by (b) of this section, a
21 first class borough may, on an areawide basis, exercise a power not
22 otherwise prohibited by Alaska statute if the power has been acquired
23 in accordance with AS 29.35.300.

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

- 27 (1) provide transportation systems;
28 (2) regulate the offering for sale, exposure for sale, sale,
29 use or explosion of fireworks;

- 1 (3) license, impound, and dispose of animals;
2 (4) provide garbage, solid waste, and septic waste collec-
3 tion and disposal;
4 (5) provide air pollution control in accordance with AS 46.-
5 03.140 - 46.03.240;
6 (6) provide water pollution control;
7 (7) participate in federal or state loan programs for housing
8 rehabilitation and improvement for energy conservation;
9 (8) receive and expend grants for a public purpose.

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

- 12 (1) provide transportation systems;
13 (2) license, impound, and dispose of animals;
14 (3) provide air pollution control in accordance with AS 46.-
15 03.140 - 46.03.240;
16 (4) provide water pollution control;
17 (5) license day care facilities.

18 (c) In addition to powers conferred by (a) of this section, a
19 second class borough may, on a nonareawide basis, exercise a power not
20 otherwise prohibited by law provided the exercise of the power has been
21 approved at an election by a majority of voters living in the borough
22 but outside a home rule or general law city.

23 (d) In addition to powers conferred by (b) of this section, a
24 second class borough may, on an areawide basis, exercise a power not
25 otherwise prohibited by law provided the power has been acquired in
26 accordance with AS 29.35.300.

27 ARTICLE 4. CITY POWERS.

28 Sec. 29.35.250. CITIES INSIDE BOROUGHS. A city inside a home
29 rule or general law borough may exercise any power not otherwise pro-

1 hibited by law, except a city may not exercise a power once that power
2 is being exercised on an areawide basis by the borough.

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

9 (b) A home rule or first class city outside a borough is a city
10 school district and shall establish, operate, and maintain a system of
11 public schools as provided by AS 29.35.160 for boroughs.

12 (c) A home rule or first class city outside a borough shall, and
13 a second class city outside a borough may, provide for land use regula-
14 tion as provided by AS 29.35.180 for boroughs.

15 (d) This section applies to home rule and general law municipali-
16 ties, except unified municipalities.

17 ARTICLE 5. ACQUISITION OF ADDITIONAL POWERS.

18 Sec. 29.35.300. ADDITIONAL POWERS. A borough acquires an addi-
19 tional power by transfer from a home rule or general law city in accor-
20 dance with AS 29.35.310, or by holding an election on the question.
21 For acquisition of an areawide power, the election shall be held area-
22 wide. For acquisition of a nonareawide power, the election shall be
23 held in the borough area outside cities.

24 Sec. 29.35.310. TRANSFER BY CITY. (a) A city may transfer to
25 the borough in which it is located any of its powers or functions,
26 subject to the approval of the assembly.

27 (b) A borough shall exercise all powers transferred to it by
28 cities.

29 Sec. 29.35.320. INITIATION OF ACQUISITION OF POWER. (a) An

1 election on the question of adding an areawide or nonareawide borough
2 power may be initiated in two ways:

3 (1) a number of voters equal to 15 percent of the number of
4 votes cast at the preceding regular election in the area, either area-
5 wide or nonareawide, in which the election is to be held may file a
6 petition with the assembly; or

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

8 (b) A petition shall be filed with the borough clerk who shall
9 certify whether the petition contains sufficient signatures. Upon
10 certification, the assembly shall, at the next regular meeting, order
11 an election on the question to be held within 60 days of the order.

12 Sec. 29.35.330. ELECTION. (a) If more than one power is proposed
13 for acquisition, each shall appear separately on the ballot.

14 (b) The borough mayor shall certify the election results to the
15 department. The vote on the question of adding an areawide power shall
16 be tabulated in two separate classifications. One shall consist of all
17 votes cast in the home rule and first class cities of the borough. The
18 other shall consist of all votes cast in the remaining borough area.
19 If the majority of the votes cast in each classification is favorable,
20 the borough shall assume the added power within 30 days of certifi-
21 cation of the election results. Upon acquisition of an areawide power
22 the borough succeeds to all of the rights, powers, and duties of any
23 city or service area with respect to that power. The borough succeeds
24 to claims, franchises, and other contractual obligations, liability for
25 bonded and all other indebtedness and to all of the right, title, and
26 interest in the real and personal property held by the city or service
27 area for the exercise of the power. The assembly may levy and collect
28 special charges, taxes, or assessments including interest for the
29 purpose of amortizing bonded indebtedness previously incurred by the

1 city or service area for continuing services in the area. When a city
2 or service area had previously incurred bonded indebtedness, no less
3 than all property that was within the city or service area at the time
4 the bonds were issued remains subject to taxation to pay the principal
5 of and interest on the bond for as long as they remain outstanding.
6 Upon acquisition of additional areawide powers the borough, in consul-
7 tation with the city or service area personnel, shall arrange for an
8 orderly and equitable transfer of rights, assets, liabilities, powers,
9 duties, and other matters related to acquisition of the areawide powers.
10 This subsection applies to home rule and general law cities.

11 ARTICLE 6. CONSTRUCTION OF POWERS.

12 Sec. 29.35.400. GENERAL CONSTRUCTION. A liberal construction
13 shall be given to all powers and functions of cities and boroughs
14 conferred in this title.

15 Sec. 29.35.410. EXTENT OF POWERS. Unless otherwise limited by
16 law, cities and boroughs have and may exercise all powers and functions
17 necessarily or fairly implied in or incident to the purpose of all
18 powers and functions conferred in this title.

19 Sec. 29.35.420. ENUMERATION OF POWERS. Specific examples within
20 an enumerated power or function conferred upon cities or boroughs in
21 this title are illustrative of the object and not a limitation on or
22 exclusion from the exercise of the power or function.

23 ARTICLE 7. SERVICE AREAS.

24 Sec. 29.35.450. SERVICE AREAS. (a) Service areas to provide
25 special services within a borough may be established, operated, altered,
26 or abolished by the assembly by ordinance. Special services include
27 services not provided on an areawide or nonareawide basis within the
28 borough, or a higher or different level of service than that provided
29 on an areawide or nonareawide basis. The borough may include a home

1 rule or general law city in a service area if

2 (1) the council agrees by ordinance; or

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

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

10 Sec. 29.35.460. SERVICE AREA BOARDS. The assembly may provide
11 for appointed or elected boards to supervise the furnishing of special
12 services in service areas.

13 Sec. 29.35.470. FINANCING. The assembly may levy or authorize
14 the levying of taxes, charges, or assessments in service areas to
15 finance the special services. The rate of taxation and the issuance of
16 bonds are subject to assembly approval.

17 Sec. 29.35.480. SERVICE AREAS IN FIRST CLASS BOROUGHS. In a
18 first class borough, the assembly may exercise within a service area
19 any power granted a first class city by Alaska statute. The assembly
20 may exercise within a service area any nonareawide power which may be
21 exercised by a first class borough.

22 Sec. 29.35.490. SERVICE AREAS IN SECOND CLASS BOROUGHS. (a)
23 Except as provided in (b) of this section, a second class borough may
24 exercise within a service area a power granted a first class city by
25 Alaska statute or a nonareawide power which may be exercised by a first
26 class borough if

27 (1) the exercise of the power is approved by a majority vote
28 at an election held within the service area; or

29 (2) if no voters reside within the service area, all owners

1 of real property within the service area consent in writing to the
2 exercise of the power.

3 (b) A second class borough may establish a service area by ordi-
4 nance which includes only vacant, unappropriated, and unreserved land
5 owned by the borough. A second class borough may establish a service
6 area, with the concurrence of the commissioner of natural resources,
7 which includes only vacant, unappropriated, and unreserved land owned
8 by the state and classified for disposal to individuals. A second
9 class borough may provide the services in a service area established
10 under this subsection necessary to develop state or municipal land as
11 required by the planning and platting ordinances of the borough.
12 Exercise of the power authorized by this subsection is by ordinance.

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

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

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

16 First and second class boroughs shall provide for planning, platting,
17 and land use regulation on an areawide basis.

18 (b) The assembly by ordinance may delegate any of its powers and
19 responsibilities under this chapter to a home rule or general law city
20 in the borough, or to a city board or commission, if the city first
21 consents by ordinance to the delegation. The assembly may, without
22 first obtaining the consent of the city, revoke any power or responsi-
23 bility delegated under this section.

24 Sec. 29.40.020. PLANNING COMMISSION. (a) The borough planning
25 commission consists of five residents unless a greater number is pro-
26 vided by ordinance. Commission membership shall be apportioned so that
27 the number of members from home rule and first class cities reflects
28 the proportion of borough population residing in those cities. Members
29 shall be appointed by the borough mayor for a term of three years sub-

1 ject to confirmation by the assembly, except that appointments of
2 members from home rule and first class cities are selected from a list
3 of recommendations submitted by the council. Members first appointed
4 shall draw lots for one, two, and three year terms. Appointments to
5 fill vacancies are for the unexpired term. The compensation and ex-
6 penses of the planning commission and its staff are paid as directed by
7 the assembly.

8 (b) In addition to the responsibilities prescribed by ordinance,
9 the planning commission shall

10 (1) prepare and recommend to the assembly a comprehensive
11 plan in accordance with AS 29.40.030 for the systematic and organized
12 development of the borough;

13 (2) prepare, recommend, and administer measures necessary to
14 implement the comprehensive plan, including measures provided under
15 AS 29.40.040.

16 Sec. 29.40.030. COMPREHENSIVE PLAN. (a) The comprehensive plan
17 is a compilation of policy statements, goals, standards, and maps for
18 guiding the physical, social, and economic development, both private
19 and public, of the borough, and may include, but is not limited to, the
20 following:

- 21 (1) statements of policies, goals, and standards;
22 (2) a land use plan;
23 (3) a community facilities plan;
24 (4) a transportation plan; and
25 (5) recommendations for implementation of the plan.

26 (b) With the recommendations of the planning commission, the
27 assembly shall adopt by ordinance a comprehensive plan. The assembly
28 shall, after receiving the recommendations of the planning commission,
29 periodically undertake an overall review of the plan and update the

1 plan as necessary.

2 Sec. 29.40.040. LAND USE REGULATION. (a) In accordance with a
3 comprehensive plan adopted under AS 29.40.030 and in order to implement
4 the plan, the assembly by ordinance as a legislative act, shall adopt
5 or amend provisions governing the use and occupancy of land which may
6 include but are not limited to

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

9 (2) land use permit requirements designed to encourage or
10 discourage specified uses and construction of specified structures, or
11 to minimize unfavorable effects of uses and the construction of struc-
12 tures;

13 (3) measures to further the goals and objectives of the
14 comprehensive plan.

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

17 (1) special conditions which require the variance are caused
18 by the person seeking the variance;

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

21 (3) the variance is sought solely to relieve pecuniary
22 hardship or inconvenience.

23 Sec. 29.40.050. APPEALS FROM ADMINISTRATIVE DECISIONS. (a) By
24 ordinance the assembly shall provide for an appeal from an administra-
25 tive decision of a municipal employee, board, or commission made in the
26 enforcement, administration, or application of a land use regulation
27 adopted under this chapter. The assembly may provide for an appeal to
28 a court, hearing officer, board of adjustment, or other body. The
29 assembly shall provide for an appeal from a decision on a request for a

1 variance from the terms of a land use regulation when literal enforce-
2 ment would deprive a property owner of rights commonly enjoyed by other
3 properties in the district.

4 (b) By ordinance the assembly may provide for appointment of
5 hearing officers, or for the composition, appointment, and terms of
6 office of a board of adjustment or other body established to hear
7 appeals from administrative actions. The assembly may define proper
8 parties and prescribe evidentiary rules, standards of review, and
9 remedies available to the hearing officers, board of adjustment, or
10 other body.

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

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

20 Sec. 29.40.070. PLATTING JURISDICTION AND POWER. (a) By ordi-
21 nance the assembly shall adopt subdivision requirements which may
22 include but are not limited to the control of

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

25 (2) dimensions and design of lots or tracts;

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

1 (4) dedication of streets, rights-of-way, public utility
2 easements and areas considered necessary by the platting board for
3 other public uses.

4 (b) The assembly by ordinance shall establish a platting authority
5 to administer subdivision regulations adopted by the borough and to
6 perform other duties as required by the assembly. The platting author-
7 ity may consist of members of the planning commission or of other
8 municipal residents.

9 Sec. 29.40.080. PROCEDURE. (a) The platting authority shall
10 approve or disapprove a plat within 60 days after it is filed, or shall
11 return it to the applicant for modification or correction. Unless the
12 applicant for plat approval consents to an extension of the period for
13 action by the platting authority, if the platting authority fails to
14 act within 60 days, the plat is considered approved and a certificate
15 of approval shall be issued by the platting authority on demand. The
16 platting authority shall state in writing on its record reasons for
17 disapproval of a plat.

18 (b) If the platting authority approves a plat, the approval shall
19 be shown on the plat or attached to it and the plat shall be acknow-
20 ledged in accordance with AS 40.15.010 - 40.15.020.

21 Sec. 29.40.090. INFORMATION REQUIRED. A plat shall show

22 (1) initial point of survey;

23 (2) original or reestablished corners and their descrip-
24 tions;

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

28 (4) other information which may be required by ordinance.

29 Sec. 29.40.100. SHORT PLAT PROCEDURE. (a) Notwithstanding

1 other provisions of this chapter, the assembly may by ordinance estab-
2 lish a short or abbreviated plat filing procedure for a plat which will
3 only relocate or vacate lot lines, or subdivide a single tract or lot
4 into not more than four tracts or lots, and which will not

5 (1) deny legal and physical public access to all lots or
6 tracts created or adjacent to the subdivision, or require construction
7 or improvements necessary for access;

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

10 (3) allow a change in the permitted use to which the lot or
11 tract may be devoted; and

12 (4) require the granting of a vacation or a variance from a
13 subdivision regulation.

14 (b) The assembly may provide for an administrative official to
15 review, consider, and approve short plats, and may establish notice,
16 hearing, and other procedural requirements for the review.

17 Sec. 29.40.110. ALTERATION OR REPLAT PETITION. A recorded plat
18 may not be altered or replatted except by the platting authority upon
19 petition of the state, the borough, a public utility, or the owners of
20 a majority of the land affected by the alteration or replat. A platted
21 street may not be vacated, except upon petition of the state, the
22 borough, a public utility, or owners of the majority of the land front-
23 ing the part of the street sought to be vacated. The petition shall be
24 filed with the platting authority and shall be accompanied by a copy of
25 the existing plat showing the proposed alteration or replat.

26 Sec. 29.40.120. NOTICE OF HEARING. The platting authority shall
27 fix a time for a hearing on an alteration or replat petition which may
28 not be more than 60 days after the petition is filed. Notice shall be
29 published by the platting authority stating when and by whom the peti-

1 tion was filed, its purpose, and the time and place of the hearing.
2 The notice shall generally describe the alteration or replat sought.
3 The platting authority shall also mail a copy of the notice to each
4 affected property owner who did not sign the petition.

5 Sec. 29.40.130. HEARING AND DETERMINATION. (a) The platting
6 authority shall consider the alteration or replat petition at a hearing
7 and make its decision on the merits of the proposal.

8 (b) Vacation of a home rule or general law city street may not be
9 made without the consent of the council. Vacation of a street in the
10 borough area outside cities may not be made without the consent of the
11 assembly. The governing body shall have 30 days from the decision of
12 the platting authority in which to veto a vacation of a street. If no
13 veto is received by the platting authority within the 30-day period,
14 consent is considered to have been given to the vacation.

15 Sec. 29.40.140. RECORDING. If the alteration or replat is ap-
16 proved, the revised plat shall be recorded by the platting authority
17 and is thereafter the lawful plat.

18 Sec. 29.40.150. TITLE TO VACATED AREA. (a) The title to the
19 street or other public area vacated on a plat attaches to the lot or
20 lands bordering the area in equal proportions, except that if the area
21 was originally dedicated by different persons, original boundary lines
22 shall be adhered to so that the street area which lies on one side of
23 the boundary line shall attach to the abutting property on that side,
24 and the street area which lies on the other side of the boundary line
25 shall attach to the property on that side. The portion of a vacated
26 street which lies inside the limits of a platted addition attaches to
27 the lots of the platted addition bordering on the area. If a public
28 square is vacated, the title to it vests in the home rule or general
29 law city if it lies inside the city, and to the borough if it lies

1 inside the borough but outside a city. If the property vacated is a
2 lot or tract, title vests in the rightful owner.

3 (b) If the borough or city acquired the street or other public
4 area vacated for legal consideration or by express dedication to the
5 city or borough other than as a subdivision platting requirement,
6 before the final act of vacation the fair market value of the street or
7 public area shall be deposited with the platting authority to be paid
8 over to the city or borough on final vacation.

9 (c) The provisions of (a) - (c) of this section apply to home
10 rule and general law municipalities, except (a) of this section does
11 not apply to unified municipalities.

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

23 Sec. 29.40.160. DELEGATIONS. The assembly may authorize the
24 planning commission and the platting authority to delegate powers to
25 hear and decide cases under this chapter in a manner authorized by
26 ordinance, including but not limited to delegations to

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

29 (2) other boards or commissions;

1 (3) a hearing officer designated by the planning commission
2 or platting authority.

3 Sec. 29.40.170. REMEDIES. (a) It is unlawful for the owner of
4 land located in a subdivision to transfer, sell, offer to sell, or
5 enter into a contract to sell land in a subdivision before a plat of
6 the subdivision has been prepared, approved, and recorded in accordance
7 with this chapter or with an ordinance adopted under this chapter. It
8 is unlawful for a person to record a plat or other document depicting
9 subdivided land in any public recorder's office unless the plat or
10 document has been approved by the platting authority. A person con-
11 victed of violating a provision of this chapter, a subdivision regula-
12 tion adopted under this chapter, or a term, condition, or limitation
13 imposed by a platting authority in the exercise of its powers under
14 this chapter is guilty of a class B misdemeanor.

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

25 (c) Each day that an unlawful act or condition continues consti-
26 tutes a separate violation.

27 Sec. 29.40.180. APPLICATION TO STATE AND POLITICAL SUBDIVISIONS.
28 All subdivisions of land made by the state, its agencies, instrumentali-
29 ties and political subdivisions are subject to this chapter and AS 40.-

1 15.200.

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

3 CHAPTER 45. MUNICIPAL TAXATION.

4 ARTICLE 1. MUNICIPAL PROPERTY TAX.

5 Sec. 29.45.010. PROPERTY TAX. (a) A unified municipality may
6 levy a property tax. A general law or home rule borough, other than a
7 unified municipality, may levy

8 (1) an areawide property tax for areawide functions; and

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

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

14 (c) A tax if levied on real property, personal property, or both
15 must be assessed, levied, and collected as provided in this chapter.

16 Sec. 29.45.020. TAXPAYER NOTICE. (a) If a municipality levies
17 and collects real or personal property taxes, or both, the governing
18 body shall provide the following notice:

19 "NOTICE TO TAXPAYER

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

23 PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE

24 (AS 14.17) \$

25 STATE AID FOR RETIREMENT OF SCHOOL CONSTRUC-
26 TION DEBT (AS 43.18.100) \$

27 MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE

28 (AS 29.60.010 - 29.60.080) \$

29 STATE AID FOR MISCELLANEOUS MUNICIPAL

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SERVICES (AS 29.60.100 - 29.60.190) \$

TOTAL AID \$

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

MILLAGE EQUIVALENT

	PREVIOUS YEAR	THIS YEAR
PUBLIC SCHOOL FOUNDATION PROGRAM		
ASSISTANCE	....MILLS	....MILLS
STATE AID FOR RETIREMENT OF		
SCHOOL CONSTRUCTION DEBT	....MILLS	....MILLS
MUNICIPAL TAX RESOURCE EQUALI-		
ZATION ASSISTANCE	....MILLS	....MILLS
STATE AID FOR MISCELLANEOUS		
MUNICIPAL SERVICES	....MILLS	....MILLS
TOTAL MILLAGE EQUIVALENT	....MILLS	....MILLS"

Notice shall be provided

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

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

(b) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal services under AS 29.60.100 - 29.60.190. The department shall withhold annual allocations under those sections until municipal officials demonstrate that the requirements of this section have been met.

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

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

6 (2) household furniture of the head of a family or house-
7 hold;

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

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

14 (5) money on deposit;

15 (6) the real property of certain residents of the state to
16 the extent and subject to the conditions provided in (e) of this sec-
17 tion.

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

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

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

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

27 (c) Property described in (a) or (b) of this section from which
28 income is derived is exempt only if that income is solely from use of
29 the property by nonprofit religious, charitable, hospital, or educa-

1 tional groups. If used by nonprofit educational groups, the property
2 is exempt only if used exclusively for classroom space.

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

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

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

1 exemption is approved, the amount of tax which the claimant may have
2 already paid for the assessment year with respect to the property
3 exempted shall be refunded to him. The assessor may at any time require
4 proof in the form he considers necessary of the right and amount of an
5 exemption claimed under (e) of this section.

6 (g) The state shall reimburse a home rule or general law borough
7 or city, as appropriate, for the real property tax revenues lost to it
8 by the operation of (e) of this section. However, reimbursement will
9 be made to a municipality for revenue lost to it only to the extent
10 that the loss exceeds an exemption which was granted by the municipali-
11 ty, or which upon proper application by an individual would have been
12 granted under AS 29.45.050(a).

13 (h) Except as provided in (g) of this section, nothing in (e) -
14 (i) of this section affects similar exemptions from property taxes
15 granted by municipalities on September 10, 1972, or prevents municipi-
16 palities from granting similar exemptions by ordinance as provided in
17 AS 29.45.050.

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

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

26 (1) an amount equal to two percent of the value of the
27 structure based on the assessment for 1981, if the fire protection
28 system is a fixture of the structure on January 1, 1981; or

29 (2) an amount equal to two percent of the value of the

1 structure based on the assessment as of January 1 of the year immedi-
2 ately following the installation of the fire protection system if the
3 fire protection system becomes a fixture of the structure after
4 January 1, 1981.

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

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

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

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

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

6 (b) A municipality may by ordinance

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

10 (2) classify and exempt from taxation

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

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

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

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

24 (1) a home rule or general law borough may, by ordinance,
25 adjust its property tax structure in whole or in part to the property
26 tax structure of a city in the borough, including but not limited to,
27 excluding personal property from taxation, establishing exemptions, and
28 extending the redemption period;

29 (2) a home rule or first class city has the same power to

1 grant exemptions or exclude property from borough taxes that it has as
2 to city taxes if the exemptions or exclusions have been adopted as to
3 city taxes, and if the city appropriates to the borough sufficient
4 money to equal revenues lost by the borough because of the exemptions
5 or exclusions, the amount to be determined annually by the assembly;

6 (3) a home rule or general law city in a borough may, by
7 ordinance, adjust its property tax structure in whole or in part to the
8 property tax structure of the borough, including but not limited to
9 exempting or partially exempting property from taxation.

10 (d) Exemptions or exclusions from property tax which have been
11 granted by home rule municipalities in addition to exemptions autho-
12 rized or required by law, and which are in effect on September 10,
13 1972, and not later withdrawn, are not affected by this chapter.

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

23 (f) A municipality may by ordinance exempt from taxation all or
24 part of the increase in assessed value of improvements to real property
25 if an increase in assessed value is directly attributable to alteration
26 of the natural features of the land, or new maintenance, repair, or
27 renovation of an existing structure, and if the alteration, maintenance,
28 repair, or renovation, when completed, enhances the exterior appearance
29 or aesthetic quality of the land or structure. An exemption may not be

1 allowed under this subsection for the construction of an improvement to
2 a structure if the principal purpose of the improvement is to increase
3 the amount of space for occupancy or nonresidential use within the
4 structure or for the alteration of land as a consequence of construction
5 activity. An exemption provided in this subsection may continue for up
6 to four years from the date the improvement is completed, or from the
7 date of approval for the exemption by the local assessor, whichever is
8 later.

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

16 Sec. 29.45.060. FARM OR AGRICULTURAL LAND. (a) Farm use land
17 included in a farm unit and not dedicated or being used for nonfarm
18 purposes shall be assessed on the basis of full and true value for farm
19 use, and may not be assessed as if subdivided or used for some other
20 nonfarm purpose. The assessor shall maintain records valuing the farm
21 use land for both full and true value and farm use value. If the farm
22 use land is sold, leased, or otherwise disposed of for uses incompatible
23 with farm use or converted to a use incompatible with farm use by the
24 owner, the owner is liable to pay an amount equal to the additional tax
25 at the current mill levy together with eight percent interest for the
26 preceding seven years, as though the land had not been assessed for
27 farm use purposes. Payment by the owner shall be made to the state to
28 the extent of its reimbursement for revenue loss under (e) of this
29 section for the preceding seven years. The balance of the payment

1 shall be made to the municipality.

2 (b) An owner of farm use land must, to secure the assessment,
3 apply to the assessor before May 15 of each year in which the assess-
4 ment is desired. The application shall be made upon forms prescribed
5 by the state assessor for the use of the local assessor, and shall
6 include information which may reasonably be required to determine the
7 entitlement of the applicant. If the farm use land is leased for farm
8 use purposes, the applicant shall furnish to the assessor a copy of the
9 lease bearing the signatures of both lessee and lessor along with the
10 completed application. The applicant shall furnish the assessor a copy
11 of the lease covering the period for which the exemption is requested.

12 (c) In this section "farm use" means the use of land for profit
13 for raising and harvesting crops, for the feeding, breeding, and manage-
14 ment of livestock, for dairying, or another agricultural use, or any
15 combination of these. To be farm use land, the owner or the lessee
16 must be actively engaged in farming the land, and derive at least 10
17 percent of his yearly gross income from the farm use land. This section
18 does not apply to land respecting which the owner has granted, and has
19 outstanding, a lease or option to buy the surface rights. A property
20 owner wishing to file for farm use classification having no history of
21 farm-related income may submit a declaration of intent at the time of
22 filing the application with the assessor setting out the intended use
23 of the land and the anticipated percentage of income. An applicant
24 using this procedure shall file with the assessor before February 1 of
25 the following year a notarized statement of the percentage of gross
26 income attributable to the farm use land. Failure to make the filing
27 required in this subsection forfeits the exemption.

28 (d) In the event of a crop failure by an act of God the previous
29 year, the owner or lessee may submit an affidavit affirming that 10

1 percent of his gross income for the past three years was from farming.

2 (e) Subject to legislative appropriations for the purpose, the
3 state shall reimburse a home rule or general law borough or city, as
4 appropriate, for the real property tax revenues lost to it by the
5 operation of this section.

6 Sec. 29.45.070. MOBILE HOMES. Mobile homes, trailers, house
7 trailers, trailer coaches and similar property used or intended to be
8 used for residential, office, or commercial purposes and attached to
9 the land or connected to water, gas, electric, or sewage facilities are
10 classed as real property for tax purposes unless expressly classified
11 as personal property by ordinance. This section does not apply to
12 house trailers and mobile homes which are unoccupied and held for sale
13 by persons engaged in the business of selling mobile homes.

14 Sec. 29.45.080. TAX ON OIL AND GAS PRODUCTION AND PIPELINE PROP-
15 ERTY. (a) A municipality may levy and collect taxes on property
16 taxable under AS 43.56 only by using one of the methods set out in (b)
17 or (c) of this section.

18 (b) A municipality may levy and collect a tax on the full and
19 true value of property taxable under this chapter and under AS 43.56 as
20 valued by the Department of Revenue at a rate not to exceed that which
21 produces an amount of revenue from the total municipal property tax
22 equivalent to \$1,500 a year for each person residing within its bound-
23 aries.

24 (c) A municipality may levy and collect a tax on the full and
25 true value of that portion of property taxable under this chapter and
26 under AS 43.56 as assessed by the Department of Revenue which value,
27 when combined with the value of property otherwise taxable by the
28 municipality, does not exceed the product of 225 percent of the average
29 per capita assessed full and true value of property in the state multi-

1 plied by the number of residents of the taxing municipality. For
2 purposes of this subsection, the average per capita assessed full and
3 true value of property in the state shall be calculated without regard
4 to the assessed value of taxable property under AS 43.58.

5 (d) By February 1 of each assessment year a taxing municipality
6 must inform the Department of Revenue which method of taxation the muni-
7 cipality will use.

8 (e) For purposes of this section, population shall be determined
9 by the commissioner based on the latest statistics of the United States
10 Bureau of the Census or on other reliable population data, and the
11 commissioner shall advise each municipality of its population by
12 January 15 of each year.

13 Sec. 29.45.090. TAX LIMITATION. (a) A municipality may not,
14 during a year, levy and tax for any purpose in excess of three percent
15 of the assessed valuation of property in the municipality. All property
16 upon which a tax is levied shall be taxed at the same rate during the
17 year.

18 (b) A municipality, or combination of municipalities occupying
19 the same geographical area, in whole or in part, may not levy taxes (1)
20 which will result in tax revenues from all sources exceeding \$1,500 a
21 year for each person residing within their boundaries; or (2) upon
22 value which, when combined with the value of property otherwise taxable
23 by the municipality, exceed the product of 225 percent of the average
24 per capita assessed full and true value of property in the state mul-
25 tiplied by the number of residents of the taxing municipality. If two
26 or more municipalities occupying the same geographical area, in whole
27 or in part, attempt to levy a tax (1) the combined levy of which would
28 result in tax revenues from all sources exceeding \$1,500 a year for
29 each person residing within their boundaries; or (2) upon value which,

1 when combined with the value of property otherwise taxable by the
2 municipality, exceed the product of 225 percent of the average per
3 capita assessed full and true value of property in the state multiplied
4 by the number of residents of the taxing municipality, the commissioner
5 shall apportion the lawful levy and equitably divide these revenues on
6 the basis of need, services performed, and other considerations in the
7 public interest. For the purpose of this subsection, population shall
8 be determined by the commissioner based on the latest statistics of the
9 United States Bureau of the Census or on other reliable population
10 data. For purposes of this subsection, the average per capita assessed
11 full and true value of property in the state shall be calculated without
12 regard to the assessed value of taxable property under AS 43.58.

13 Sec. 29.45.100. NO LIMITATIONS ON TAXES TO PAY BONDS. The limita-
14 tions provided for in AS 29.45.080 - 29.45.090 do not apply to taxes
15 levied or pledged to pay or secure the payment of the principal and
16 interest on bonds. Taxes to pay or secure the payment of principal and
17 interest on bonds may be levied without limitation as to rate or amount,
18 regardless of whether the bonds are in default or in danger of default.

19 Sec. 29.45.110. FULL AND TRUE VALUE. (a) The assessor shall
20 assess property at its full and true value as of January 1 of the
21 assessment year, except as provided in this section, AS 29.45.060, and
22 29.45.230. The full and true value is the estimated price which the
23 property would bring in an open market and under the then prevailing
24 market conditions in a sale between a willing seller and a willing
25 buyer both conversant with the property and with prevailing general
26 price levels.

27 (b) Assessment of business inventories may be based on the average
28 monthly method of assessment rather than the value existing on
29 January 1. The method used to assess business inventories shall be

1 prescribed by the governing body.

2 (c) In the case of cessation of business during the tax year, the
3 governing body may provide for reassessment of business inventories
4 using the average monthly method of assessment for the tax year rather
5 than the value existing on January 1 of the tax year, and for reduction
6 and refund of taxes. In enacting an ordinance authorized by this
7 section, the governing body may prescribe procedures, restrictions, and
8 conditions of assessing or reassessing business inventories and of
9 remitting or refunding taxes.

10 Sec. 29.45.120. RETURNS. (a) The governing body may require
11 each person having ownership or control of or an interest in property
12 to submit a return in the form prescribed by the assessor, based on
13 property values existing on January 1, except as otherwise provided in
14 this chapter.

15 (b) The assessor may, by written notice, require a person to
16 provide additional information within 30 days.

17 Sec. 29.45.130. INDEPENDENT INVESTIGATION. (a) The assessor is
18 not bound to accept a return as correct. He may make an independent
19 investigation of property returned or of taxable property upon which no
20 return has been filed. In either case, the assessor may make his own
21 valuation of the taxable property, which is prima facie evidence.

22 (b) For investigation, the assessor or his agent may enter a
23 premise during reasonable hours and may examine property on the pre-
24 mise. He may examine all property records involved. A person shall,
25 upon request, furnish to the assessor or his agent every facility and
26 assistance for the investigation. The assessor may seek a court order
27 to compel entry and production of records needed for assessment pur-
28 poses.

29 (c) An assessor may examine a person on oath. Upon request, the

1 person shall present himself for examination by the assessor.

2 Sec. 29.45.140. STATEMENT. A person who knowingly fails to file
3 a statement required by ordinance or who knowingly makes a false affi-
4 davit to a statement required by a tax ordinance relative to the amount,
5 location, kind or value of property subject to taxation with intent to
6 evade the taxation, is guilty of a class B misdemeanor.

7 Sec. 29.45.150. REEVALUATION. A systematic reevaluation of
8 taxable real and personal property undertaken by the assessor, whether
9 of specific areas in which real property is located or of specific
10 classes of real or personal property to be assessed, shall be made only
11 in accordance with a resolution or other act of the governing body
12 directing a systematic reevaluation of all taxable property within the
13 municipality over the shortest period of time practicable, as determined
14 by the governing body and fixed in the resolution or act.

15 Sec. 29.45.160. ASSESSMENT ROLL. (a) The assessor shall prepare
16 an annual assessment roll. The roll shall contain

- 17 (1) a description of all taxable property;
18 (2) the assessed value of all taxable property;
19 (3) the names and addresses of persons with property subject
20 to assessment and taxation.

21 (b) The assessor may list real property by any description that
22 may be made certain. Real property is assessed to the record owner who
23 shall at least monthly provide the assessor a copy of each recorded
24 change of ownership showing the name and mailing address of the owner
25 and the name and mailing address of the party recording the change of
26 ownership. Other persons having an interest in the property may be
27 listed on the assessment records with the owner. The person in whose
28 name property is listed as owner is conclusively presumed to be the
29 legal record owner. If the property owner is unknown, the property may

1 be assessed to "unknown owner." An assessment is not invalidated by a
2 mistake, omission, or error in the name of the owner, if the property
3 is correctly described.

4 Sec. 29.45.170. ASSESSMENT NOTICE. (a) The assessor shall give
5 each person named in the assessment roll a notice of assessment, showing
6 the assessed value of his property. On each notice is printed a brief
7 summary of the dates when taxes are payable, delinquent, and subject to
8 penalty and interest, and the dates when the board of equalization will
9 sit.

10 (b) Sufficient assessment notice is given if mailed by first
11 class mail 30 days before the equalization hearings. If the address is
12 not known to the assessor, the notice may be addressed to the person at
13 the post office nearest the property. Notice is effective on the date
14 of mailing.

15 Sec. 29.45.180. CORRECTIONS. (a) A person receiving an assess-
16 ment notice shall advise the assessor of errors or omissions in the
17 assessment of his property. The assessor may correct errors or ommis-
18 sions in the roll before the board of equalization hearing.

19 (b) If errors found in the preparation of the assessment roll are
20 adjusted, the assessor shall mail a corrected notice allowing 30 days
21 for appeal to the board of equalization.

22 Sec. 29.45.190. APPEAL. (a) A person whose name appears on the
23 assessment roll or his agent or assigns may appeal to the board of
24 equalization for relief from an alleged error in valuation not adjusted
25 by the assessor to the taxpayer's satisfaction.

26 (b) The appellant shall, within 30 days from the date of mailing
27 of notice of assessment, submit to the assessor a written appeal speci-
28 fying grounds in the form which the board of equalization may require.
29 Otherwise, the right of appeal ceases unless the board of equalization

1 finds that the taxpayer was unable to comply.

2 (c) The assessor shall notify an appellant by mail of the time
3 and place of his hearing.

4 (d) The assessor shall prepare for use by the board of equaliza-
5 tion a summary of assessment data relating to each assessment which is
6 appealed.

7 (e) A home rule or general law city within a home rule or general
8 law borough may appeal an assessment to the borough board of equaliza-
9 tion in the same manner as a taxpayer. Within five days after receipt
10 of the appeal, the assessor shall notify the person whose property
11 assessment is being appealed by the city.

12 Sec. 29.45.200. BOARD OF EQUALIZATION. (a) The governing body
13 sits as a board of equalization for the purpose of hearing an appeal
14 from a determination of the assessor, or it may delegate this authority
15 to one or more boards appointed by it. An appointed board may be
16 composed of not less than three persons, who may be members of the
17 governing body, municipal residents, or a combination of members of the
18 governing body and residents. The governing body shall by ordinance
19 establish the qualifications for membership.

20 (b) The board of equalization is governed in its proceedings by
21 rules adopted by ordinance which are consistent with general rules of
22 administrative procedure. The board may alter an assessment of a lot or
23 parcel only pursuant to an appeal filed as to the particular lot or
24 parcel.

25 (c) Notwithstanding other provisions in this section, a deter-
26 mination of the assessor as to whether property is taxable under law
27 may be appealed directly to the superior court.

28 Sec. 29.45.210. HEARING. (a) If an appellant fails to appear,
29 the board of equalization may proceed with the hearing in his absence.

1 (b) The appellant bears the burden of proof. The only grounds
2 for adjustment of assessment and amount of taxes are proof of unequal,
3 excessive, improper, or under valuation based on facts which are stated
4 in a valid written appeal or proven at the appeal hearing. If a valua-
5 tion is found to be too low, the board of equalization may raise the
6 assessment.

7 (c) The board of equalization shall certify its actions to the
8 assessor within seven days. Except as to supplementary assessments,
9 the assessor shall enter the changes and certify the final assessment
10 roll by June 1.

11 (d) An appellant or the assessor may appeal a determination of
12 the board of equalization to the superior court as provided by rules of
13 court applicable to appeals from the decisions of administrative
14 agencies. Appeals are heard on the record established at the hearing
15 before the board of equalization.

16 Sec. 29.45.220. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor
17 shall include property omitted from the assessment roll on a supplemen-
18 tary roll, using the procedures set out in this chapter for the original
19 roll.

20 Sec. 29.45.230. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATURAL
21 DISASTER. (a) The governing body may provide for reassessment and
22 reduction of taxes for property destroyed, damaged, or otherwise reduced
23 in value as a result of a natural disaster.

24 (b) A reassessment may be made by the assessor only upon the
25 receipt of a sworn statement of the taxpayer that his losses exceed
26 \$1,000. A reduction of taxes may be made only on losses in excess of
27 \$1,000 for the remainder of the year following the disaster. Upon
28 reassessment, the municipality shall recompute this tax and refund
29 taxes which have already been paid.

1 (c) The municipality shall give notice of assessment or reassess-
2 ment and shall hold an equalization hearing as provided in this chapter,
3 except that a notice of appeal must be filed with the board of equaliza-
4 tion within 10 days after notice of assessment is given to the person
5 appealing. Otherwise, the right of appeal ceases unless the board
6 finds that the taxpayer is unable to comply.

7 (d) In enacting an ordinance or resolution authorized by this
8 section, the governing body may, consistent with this section, prescribe
9 procedures, restrictions and conditions of assessing or reassessing
10 property and of remitting, refunding, or forgiving taxes.

11 (e) In this section "disaster" means a major disaster declared by
12 the President of the United States under the provisions of the Federal
13 Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g, or
14 other federal law, or a disaster declared by the governor under AS 26.-
15 23.010 - 26.23.110.

16 Sec. 29.45.240. TAX LEVY AND RATE. (a) The power granted to the
17 governing body to assess, levy, and collect a property tax shall be
18 exercised by means of an ordinance. The rate of levy, the date of
19 equalization, and the date when taxes become delinquent shall be fixed
20 by resolution.

21 (b) The governing body shall annually determine the rate of levy
22 before June 15. By July 1 the tax collector shall mail tax statements
23 setting out the levy, dates when taxes are payable and delinquent, and
24 penalties and interest.

25 Sec. 29.45.250. RATES OF PENALTY AND INTEREST. (a) A penalty
26 not to exceed 20 percent of the tax due may be added to all delinquent
27 taxes, and interest at the rate of 15 percent a year shall accrue upon
28 all unpaid taxes, not including penalty, from the due date until paid
29 in full. The governing body may impose a penalty not to exceed 20

1 percent of the tax due upon the late return of personal property assess-
2 ment forms.

3 (b) If a taxpayer is given the right to pay the tax in two in-
4 stallments, penalty and interest on an unpaid installment accrues from
5 the date the installment becomes due.

6 ARTICLE 2. ENFORCEMENT OF TAX LIENS.

7 Sec. 29.45.290. VALIDITY. Certified assessment and tax rolls are
8 valid and binding on all persons, notwithstanding a defect, error,
9 omission, or invalidity in the assessment rolls or proceedings pertain-
10 ing to the assessment roll.

11 Sec. 29.45.300. TAX LIABILITY. (a) The owner of assessed per-
12 sonal property is personally liable for the amount of taxes assessed
13 against his property. The tax, together with penalty and interest, may
14 be collected in a personal action brought in the name of the municipal-
15 ity.

16 (b) Property taxes, together with penalty and interest, are a
17 lien upon the property assessed, and the lien is prior and paramount to
18 all other liens or encumbrances against the property.

19 Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY
20 DISTRAINT AND SALE. (a) The lien of personal property taxes may be
21 enforced by distraint and sale of the property. The governing body
22 shall provide the procedure for distraint and sale by ordinance. A
23 seizure, levy, or distraint is not legal unless demand is first made of
24 the person assessed for the amount of the tax, penalty, and interest,
25 and a sale is not valid unless made at public auction no sooner than 15
26 days after notice is published. The seizure is made by virtue of a
27 warrant issued by the municipal clerk to a peace officer.

28 (b) If the personal property sold is not sufficient to satisfy
29 the tax, penalty, and interest, and costs of sale, the warrant may

1 authorize the seizure of other personal property sufficient to satisfy
2 the tax, penalty, interest, and costs of sale. If the property is sold
3 for more money than is needed to satisfy the tax, the municipality
4 shall remit the excess to the former record owner upon presentation of
5 a proper claim. A claim for the excess filed after six months of the
6 date of sale is forever barred.

7 Sec. 29.45.320. REAL PROPERTY TAX COLLECTION. (a) The municipal-
8 ity shall enforce delinquent real property tax liens by annual fore-
9 closure, unless otherwise provided by ordinance.

10 (b) If the tax on property described in AS 29.45.070 or on a
11 taxable interest in tax-exempt property is not paid when due, a munici-
12 pality may enforce the tax by a personal action against the delinquent
13 taxpayer brought in the district or superior court, in addition to
14 other remedies available to enforce the lien.

15 Sec. 29.45.330. FORECLOSURE LIST. (a) A municipality shall

16 (1) annually present a petition for judgment and a certified
17 copy of the foreclosure list for the previous year's delinquent taxes
18 in the superior court for judgment;

19 (2) publish the foreclosure list for four consecutive weeks
20 in a newspaper of general circulation distributed within the municipal-
21 ity or, if there is no newspaper of general circulation distributed
22 within the borough, post the list at three public places for at least
23 30 days;

24 (3) within 10 days after the first publication or posting,
25 mail to the last known owner of each property as his name and address
26 appear on the list a notice advising of the foreclosure proceeding in
27 which a petition for judgment of foreclosure has been filed and describ-
28 ing the property and the amount due as stated on the list.

29 (b) The list shall be arranged in alphabetical order as to the

1 last name and shall include

2 (1) the last known owner;

3 (2) the property description as stated on the assessment
4 roll;

5 (3) years and amounts of delinquency;

6 (4) penalty and interest due;

7 (5) a statement that the list is available for public inspec-
8 tion at the clerk's office;

9 (6) a statement that the list has been presented to the
10 superior court with a petition for judgment and decree.

11 (c) Completion of the requirements of (a) of this section consti-
12 tutes and has the same force and effect as the filing of an individual
13 and separate complaint and service of summons to foreclose a lien
14 against each property described on the foreclosure list.

15 Sec. 29.45.340. CLEARING DELINQUENCIES. During the publication
16 or posting of the foreclosure list and up to the time of transfer to
17 the municipality a person may pay the taxes, together with the penalty,
18 interest, and costs. The collector shall note payment on the foreclo-
19 sure list.

20 Sec. 29.45.350. LIST TO LIENHOLDER. A holder of a mortgage or
21 other lien on real property may request the clerk to send by certified
22 mail notice of a foreclosure list which includes the real property.

23 Sec. 29.45.360. GENERAL FORECLOSURE. A municipality shall bring
24 one general foreclosure proceeding in rem against the properties in-
25 cluded in the foreclosure list. If the owner is unknown, the property
26 is proceeded against as belonging to "unknown owner." Tax foreclosure
27 proceedings have priority over all other civil proceedings except
28 appeals from a hearing officer, board of adjustment, or other body as
29 provided in AS 29.40.060(b).

1 Sec. 29.45.370. ANSWER AND OBJECTION. A person having an interest
2 in a parcel on the foreclosure list may file an answer within 30 days
3 of the date of last publication, specifying his objection. The court
4 shall make its decision in summary proceedings. The foreclosure list
5 is prima facie evidence that the assessment and levy of the tax is
6 valid and that the tax is unpaid.

7 Sec. 29.45.380. JUDGMENT. The court shall in a proper case give
8 judgment and decree that the tax liens be foreclosed. It is a several
9 judgment against each parcel and a lien on each parcel.

10 Sec. 29.45.390. TRANSFER AND APPEAL. (a) Foreclosed properties
11 are transferred to the municipality for the lien amount. When answers
12 are filed the court may enter judgment against and order the transfer
13 to the municipality of all other properties on the list pending deter-
14 mination of the matters in controversy. The court shall hear and
15 determine the issues raised by the complaint and answers in the same
16 manner and under the same rules as it hears and determines other
17 actions.

18 (b) The court clerk shall deliver a certified copy of the judgment
19 and decree to the municipal clerk. The certified judgment and decree
20 constitutes a transfer to the municipality.

21 (c) The judgment and decree stops objections to it which could
22 have been presented before judgment and decree. Appeal from a judgment
23 and decree of foreclosure, or from a final order in the proceeding, may
24 be taken in the manner provided for appeals in civil actions.

25 Sec. 29.45.400. REDEMPTION PERIOD. Properties transferred to the
26 municipality are held by the municipality for at least one year.
27 During the redemption period a party having an interest in the property
28 may redeem it by paying the lien amount plus penalties, interest, and
29 costs, including all costs incurred under AS 29.45.440(a). Property

1 redeemed is subject to all taxes, assessments, liens, and claims as
2 though it had continued in private ownership. Only the amount appli-
3 cable under the judgment and decree must be paid in order to redeem the
4 property.

5 Sec. 29.45.410. EFFECT. Receipt of redemption money by the
6 municipality releases the judgment obtained under AS 29.45.380. The
7 clerk or his designee shall record the redemption and issue a certifi-
8 cate containing a property description, the redemption amount, and the
9 dates of judgment and decree of foreclosure. The clerk or his designee
10 shall collect the recording fee at the time of redemption and shall
11 file the certificate with the record as part of the judgment roll.

12 Sec. 29.45.420. ADDITIONAL LIENS. If a property included in a
13 foreclosure list is removed after payment of delinquencies or redemption
14 by another lienholder, the payment represented by receipt for payment
15 constitutes an additional lien on the property, collectible by the
16 lienholder in the same manner as the original lien.

17 Sec. 29.45.430. POSSESSION DURING REDEMPTION PERIOD. Foreclosure
18 does not affect the former owner's right to possession during the
19 redemption period. In the event that waste is committed by the former
20 owner, or by anyone acting under his permission or control, the munici-
21 pality may declare an immediate forfeiture of the right to possession.

22 Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the
23 expiration of the redemption period the clerk or his designee shall
24 publish a redemption period expiration notice. The notice shall contain
25 the date of judgment, the date of expiration of the period of redemp-
26 tion, and a warning to the effect that all properties ordered sold
27 under the judgment, unless redeemed, shall be deeded to the municipality
28 immediately on expiration of the period of redemption and that every
29 right or interest of any person in the properties will be forfeited

1 forever to the municipality. The notice appears once a week for four
2 consecutive weeks in a newspaper of general circulation distributed
3 within the municipality. If there is no newspaper of general circula-
4 tion distributed within the municipality, the notice is posted in three
5 public places for at least four consecutive weeks. The clerk shall
6 send a copy of the notice by certified mail to each record owner of
7 property against which a judgment of foreclosure has been taken and, if
8 the assessed value of the property is more than \$100,000, to all holders
9 of mortgages or other liens of record on the property. The notice
10 shall be mailed within five days of the first publication. The mailing
11 shall be sufficient if mailed to the property owner and to the holder
12 of a mortgage or recorded lien at the last address of record.

13 (b) The right of redemption expires 30 days after the date of the
14 first notice publication.

15 (c) Costs incurred in the determination of holders of mortgages
16 and other liens of record and costs of notice publication incurred by a
17 municipality under (a) of this section are a lien on the property and
18 may be recovered by the municipality.

19 Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) Unredeemed property
20 in the area of the home rule or general law borough outside cities is
21 deeded to the borough by the clerk of the court. Unredeemed property
22 within a home rule or general law city is deeded to the city subject to
23 the payment by the city of unpaid borough taxes and costs of foreclosure
24 levied against the property before foreclosure. The deed shall be
25 recorded in the recording district in which the property is located.

26 (b) Conveyance gives the borough or the city clear title, except
27 for prior recorded tax liens of the United States and the state.

28 (c) If unredeemed property lies within a city and if the city has
29 no immediate public use for the property but the borough does have an

1 immediate public use, the city shall deed the property to the borough.
2 If unredeemed property lies within the borough outside a city and if
3 the borough does not have an immediate public use for the property but
4 the city does have an immediate public use, the borough shall deed the
5 property to the city.

6 (d) No deed is invalid for irregularities, omissions, or defects
7 in the proceedings under this chapter unless the former owner has been
8 misled to his injury. After two years from the date of the deed, its
9 validity is conclusively presumed and any claim of the former owner or
10 other person having an interest in the property is forever barred.

11 Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTY. (a)
12 The governing body shall determine by ordinance whether foreclosed
13 property deeded to the municipality shall be retained for a public
14 purpose. The ordinance shall contain the legal description of the
15 property, the address or a general description of the property suffi-
16 cient to provide the public with notice of its location, and the name
17 of the last record owner of the property as his name appears on the
18 assessment rolls.

19 (b) Tax-foreclosed property conveyed to a municipality by tax
20 foreclosure and not required for a public purpose may be sold. Before
21 the sale of tax-foreclosed property held for a public purpose, the
22 governing body, by ordinance, shall determine that a public need does
23 not exist. The ordinance shall contain the information required in (a)
24 of this section.

25 (c) The clerk or his designee shall send a copy of the published
26 notice of hearing of an ordinance to consider a determination required
27 by (a) or (b) of this section by certified mail to the former record
28 owner of the parcel of property which is the subject of the ordinance.
29 The notice shall be mailed within five days of its first publication

1 and shall be sufficient if mailed to the last record owner of the
2 property as his name appears on the assessment rolls of the municipal-
3 ity.

4 (d) The provisions of (c) of this section do not apply with
5 respect to property which has been held by the municipality for a
6 period of more than 10 years after the close of the redemption period.

7 Sec. 29.45.470. REPURCHASE BY RECORD OWNER. (a) The record
8 owner at the time of tax foreclosure of property acquired by a municipi-
9 pality, or his assigns, may, at any time before the sale or contract of
10 sale of the tax-foreclosed property by the municipality, repurchase the
11 property. The municipality shall sell the property for the full amount
12 applicable to the property under the judgment and decree, with interest
13 at the rate of eight percent a year from the date of entry of the
14 judgment of foreclosure to the date of repurchase, delinquent taxes
15 assessed and levied as though it had continued in private ownership,
16 and costs of foreclosure and sale.

17 (b) After adoption of an ordinance providing for the retention of
18 a parcel of tax-foreclosed property by the municipality for a public
19 purpose, the right of the former record owner to repurchase the property
20 ceases.

21 Sec. 29.45.490. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a
22 municipality takes title to tax-foreclosed property for a public pur-
23 pose, the municipality shall satisfy unpaid taxes and assessments
24 against the property held by other municipalities, with accrued interest
25 but without penalty. If the amount required to satisfy the unpaid
26 taxes and assessments exceeds the assessed valuation of the property,
27 the municipality shall pay the other municipalities, the assessed
28 valuation, which shall be divided between the other municipalities in
29 proportion to their respective taxes and assessments against the prop-

erty at the time of foreclosure.

1
2 Sec. 29.45.500. REFUND OF TAXES. (a) If a taxpayer pays taxes
3 under protest, he may bring suit in the superior court against the
4 municipality for recovery of the taxes. If judgment for recovery is
5 given against the municipality, or, if in the absence of suit, it
6 becomes obvious to the governing body that judgment for recovery of the
7 taxes would be obtained if legal proceedings were brought, the munici-
8 pality shall refund the amount of the taxes to the taxpayer with inter-
9 est at eight percent from the date of payment plus costs.

10 (b) If, in payment of taxes legally imposed, a remittance by a
11 taxpayer through error or otherwise exceeds the amount due, and the
12 municipality, on audit of the account in question, is satisfied that
13 this is the case, the municipality shall refund the excess to the
14 taxpayer with interest at eight percent from the date of payment. A
15 claim for refund filed after one year of the due date of the tax is
16 forever barred.

17 (c) The governing body may correct manifest clerical errors at
18 anytime.

19 ARTICLE 3. CITY PROPERTY TAX.

20 Sec. 29.45.550. CITIES OUTSIDE BOROUGHES. Home rule and first
21 class cities outside home rule and general law boroughs may assess,
22 levy, and collect a property tax. A property tax if levied must be
23 assessed, levied, and collected as provided by AS 29.45.010 - 29.45.500.

24 Sec. 29.45.560. CITIES INSIDE BOROUGHES. Home rule and first
25 class cities inside home rule and general law boroughs may levy a
26 property tax. A property tax, if levied, is subject to AS 29.45.010 -
27 29.45.050, 29.45.090 - 29.45.100, 29.45.250, 29.45.400 - 29.45.440 and
28 29.45.460 - 29.45.500. The council shall by June 15 of each year
29 present to the assembly a statement of the city's rate of levy, unless

1 a different date is agreed upon by the borough and city.

2 Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to
3 home rule and general law municipalities.

4 Sec. 29.45.580. DIFFERENTIAL TAX ZONES. A home rule and general
5 law city may by ordinance establish, alter, and abolish differential
6 tax zones to provide and levy property taxes for services not provided
7 generally in the city or a different level of service than that provided
8 generally in the city.

9 Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS
10 CITIES. A second class city may by referendum levy real and personal
11 property taxes as provided for first class cities. However, levy by a
12 second class city may not exceed one-half of one percent of the assessed
13 valuation of the property taxed, except that the limit does not apply
14 to a levy necessary to avoid a default upon payment of principal and
15 interest of bonded or other indebtedness which is secured by a pledge
16 to levy ad valorem or other taxes without limit to meet debt payments.

17 Sec. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A
18 SECOND CLASS CITY. A petition for second class city incorporation may
19 request that a property tax proposal be placed on the same ballot. The
20 petition must state the proposed tax rate. The petition may request
21 that incorporation be dependent on the passage of the property tax
22 proposition. If so, the incorporation proposition fails if the property
23 tax fails.

24 ARTICLE 4. BOROUGH SALES AND USE TAX.

25 Sec. 29.45.650. SALES AND USE TAX. (a) A home rule or general
26 law borough may levy and collect a sales tax not exceeding six percent
27 on sales, rents, and on services made in the borough. The sales tax
28 may apply to any or all of these sources. Exemptions may be granted by
29 ordinance.

1 (b) A borough levying a sales tax may also by ordinance levy a
2 use tax on the storage, use, or consumption of tangible personal prop-
3 erty in the borough. The use tax rate must equal the sales tax rate
4 and the use tax shall be levied only on buyers.

5 (c) A person who furnishes proof, in the form required by the
6 borough tax collector, that he has paid a sales tax on the source on
7 which a use tax is levied by the borough is required to pay the use tax
8 only to the extent of the difference between the amount of the sales
9 tax paid and the amount of the use tax levied by the borough. This
10 subsection applies to a sales tax levied in any taxing jurisdiction
11 whether inside or outside the state.

12 (d) If the assembly charges interest on sales taxes not paid when
13 due, the rate of interest may not exceed 15 percent a year on the
14 delinquent taxes and shall be charged from the due date until paid in
15 full. This subsection applies to home rule and general law municipali-
16 ties.

17 (e) A borough may provide for the creation, recording, and notice
18 of a lien on real or personal property to secure the payment of a sales
19 and use tax, and the interest, penalties, and administration costs in
20 the event of delinquency. A lien established under this section has
21 the force, priority, and duration of a judgment lien.

22 Sec. 29.45.660. NOTICE OF SALES AND USE TAX. (a) If the borough
23 levies and collects a sales tax and use tax, the governing body shall
24 provide a notice substantially in the form set out in AS 29.45.020. In
25 providing notice under this subsection, the governing body shall sub-
26 stitute for the millage equivalency its estimate of the equivalent
27 sales tax rate for each of the categories of financial assistance set
28 out in AS 29.45.020. Notice shall be provided

29 (1) by publishing in a newspaper of general circulation

1 within the borough a copy of the notice once each week for a period of
2 three successive weeks, with publication to occur not later than 45
3 days after the final adoption of the borough's budget; or

4 (2) if there is no newspaper of general circulation in the
5 borough, by posting a copy of the notice for at least 20 days in at
6 least two public places in the borough, with posting to occur not later
7 than 45 days after the final adoption of the borough's budget.

8 (b) Compliance with the provisions of this section is a prerequi-
9 site to receipt of municipal tax resource equalization assistance under
10 AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal
11 services under AS 29.60.100 - 29.60.180. The department shall withhold
12 annual allocations under those sections until municipal officials
13 demonstrate that the requirements of this section have been met.

14 Sec. 29.45.670. REFERENDUM, ADOPTION, AND MODIFICATION. (a) A
15 new sales and use tax or an increase in the rate of levy of a sales tax
16 approved by the assembly by ordinance does not take effect until rati-
17 fied by a majority of the voters at an election.

18 (b) If a sales tax proposition receives a majority of the votes
19 cast, the assembly may enact the sales tax or increase the rate of the
20 sales tax as a levy upon buyers, sellers, or both. The sales tax is
21 collected at the time of sale or at the time of payment in credit
22 transactions and transmitted to the borough.

23 ARTICLE 5. CITY SALES AND USE TAXES.

24 Sec. 29.45.700. POWER OF LEVY. (a) A home rule or general law
25 city in a home rule or general law borough which levies and collects
26 areawide sales and use taxes may levy sales and use taxes on all sources
27 taxed by the borough in the manner provided for boroughs, except that
28 the assembly may by ordinance authorize a city to levy and collect
29 sales or use taxes on other sources.

1 (b) A city in a borough which does not levy and collect sales and
2 use taxes for areawide borough functions may levy and collect sales and
3 use taxes in the manner provided for boroughs.

4 (c) A city outside a borough may levy and collect sales and use
5 taxes in the manner provided for boroughs.

6 Sec. 29.45.710. COMBINING SALES TAX WITH INCORPORATION OF A
7 SECOND CLASS CITY. A petition for incorporation of a second class city
8 may request that a sales tax proposal be placed on the same ballot.
9 The petition must state the proposed tax rate. The petition may request
10 that incorporation be dependent on the passage of the sales tax proposi-
11 tion. If so, the incorporation proposition fails if the sales tax
12 fails.

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

14 CHAPTER 46. SPECIAL ASSESSMENTS.

15 Sec. 29.46.010. ASSESSMENT AND PROPOSAL. The governing body may
16 assess against the property of a state or federal governmental unit and
17 private real property to be benefited by an improvement all or a portion
18 of the cost of acquiring, installing, or constructing capital improve-
19 ments. The state shall pay an assessment levied, except as otherwise
20 provided by law and subject to its right of protest under AS 29.46.020-
21 (a)(8). If a governmental unit other than the state benefited by an
22 improvement refuses to pay the assessment, it shall be denied the
23 benefit of the improvement. An improvement proposal may be initiated
24 by

25 (1) petition to the governing body of the owners of one-half
26 in value of the property to be benefited; or

27 (2) the governing body.

28 Sec. 29.46.020. PROCEDURE. (a) The governing body may prescribe
29 by ordinance the procedures relating to creating special assessment

1 districts, making local improvements, levying and collecting assess-
2 ments, and financing improvements, including the following:

3 (1) a procedure for filing petitions;

4 (2) a survey and report by the mayor concerning the need
5 for, desirable extent of, and estimated cost of each proposed local
6 improvement;

7 (3) a public hearing on the necessity for the local improve-
8 ment;

9 (4) a resolution or ordinance of the governing body deter-
10 mining to proceed or not to proceed with the proposed local improve-
11 ment;

12 (5) a public hearing by the governing body on the special
13 assessment roll for the local improvement;

14 (6) published notice of each public hearing required by this
15 section and mailing notice to each record owner of real property within
16 the special assessment district;

17 (7) a resolution or ordinance confirming the special assess-
18 ment roll for the local improvement;

19 (8) if protests as to the necessity of a local improvement
20 are made by owners of property which will bear 50 percent or more of
21 the estimated cost of the improvement, the governing body may not
22 proceed with the improvement until the objections have been reduced to
23 less than 50 percent, except upon approval of not fewer than three-
24 fourths of the governing body.

25 (b) To the extent that the governing body does not prescribe a
26 procedure for special assessments as permitted by this section, the
27 governing body shall comply with the special assessment procedures set
28 out in AS 29.46.030 - 29.46.100.

29 Sec. 29.46.030. CREATION OF DISTRICT. (a) When an improvement

1 proposal is filed with the municipal clerk and presented to the govern-
2 ing body, the governing body shall find by resolution or ordinance
3 whether (1) the improvement requested is necessary and should be made,
4 and (2) if by petition, the request has sufficient and proper peti-
5 tioners. The findings of the governing body are conclusive.

6 (b) If the governing body approves an improvement proposal, it
7 shall develop a proposed improvement plan including the total cost
8 estimate and the percentage of the cost to be assessed against the
9 benefited property. The improvement plan shall be filed with the
10 municipal clerk.

11 (c) The governing body shall set a time for public hearing on the
12 improvement plan and the period for filing objections to the plan. The
13 governing body shall publish a notice of the hearing and of the period
14 during which objections may be filed at least once a week for four
15 consecutive weeks in a newspaper of general circulation if distributed
16 within the city or borough and shall send notice by mail to every
17 record owner of property in the special assessment district.

18 Sec. 29.46.040. RECORD OWNER. The person in whose name property
19 is listed on the municipal property tax roll as owner is conclusively
20 presumed to be the legal owner of record. If the owner is unknown, the
21 assessment roll may designate "unknown owner."

22 Sec. 29.46.050. OBJECTIONS AND REVISION. (a) Objections to an
23 improvement plan may be filed during a period of 60 days after publica-
24 tion of notice. The governing body may by resolution or ordinance
25 approve the plan and order the improvement subject to the limitation of
26 (b) of this section.

27 (b) If objections are made in writing during the period set for
28 objections by the owners of property bearing 50 percent or more of the
29 estimated total cost of the improvement, the governing body may not

1 proceed with the improvement unless it revises the plan to meet the
2 objections and the objections are reduced to less than 50 percent. A
3 revised plan shall be approved and adopted as an original plan in
4 accordance with AS 29.46.030.

5 Sec. 29.46.060. ASSESSMENT ROLL. (a) At any time after approval
6 of an improvement plan, the governing body shall assess the authorized
7 percentage of the cost against property in the district included in the
8 plan in proportion to the benefit received.

9 (b) The special assessment roll shall contain property descrip-
10 tions, names of record owners, and assessment amounts.

11 (c) The governing body shall fix a time to hear objections to the
12 roll. The municipal clerk shall send an assessment and hearing notice
13 by mail to each record owner of an assessed property not less than 15
14 days before the hearing.

15 Sec. 29.46.070. HEARING AND SETTLEMENT. After the public hearing,
16 the governing body shall correct errors and inequalities in the roll.
17 If an assessment is increased, a new hearing shall be set and notice
18 published, except that a new hearing and notice is not required if all
19 record owners of property subject to the increased assessment consent
20 in writing to the increase. Objections to the increased assessment
21 shall be limited to record owners of property on which the assessment
22 was increased. When the roll is corrected, it shall be confirmed by
23 resolution or ordinance of the governing body.

24 Sec. 29.46.080. PAYMENT. (a) The governing body shall fix times
25 of payment, penalties on delinquent payments, and the rate of interest
26 on the unpaid balance of the assessment. Payment may be in one sum or
27 by installments. If payment is to be in one sum, payment may not be
28 required sooner than 60 days after mailing of the assessment statement.
29 The entire assessment may be prepaid without interest or penalty within

1 30 days after mailing of the assessment statement, and thereafter the
2 assessment may be prepaid in whole or in part with interest to the
3 payment date.

4 (b) Within 30 days after fixing the time of payment, the municipal
5 clerk shall mail a statement to the record owner of each property
6 assessed. The statement designates the property, the assessment amount,
7 method of payment, rate of interest on the unpaid balance of the assess-
8 ment, the time of delinquency, and penalties on delinquent payments.
9 Within five days after the statements are mailed, the clerk shall have
10 notice published that the statements have been mailed.

11 (c) Assessments are liens on the property assessed and are prior
12 and paramount to all liens except municipal tax liens. They may be
13 enforced as provided in AS 29.45.320 - 29.45.470 for enforcement of
14 property tax liens.

15 Sec. 29.46.090. EXEMPTION. (a) The real property owned and
16 occupied by a resident 65 years of age or over, or the spouse, widow,
17 widower, or minor heir of the original applicant, on which is located
18 only his permanent abode which is a single-family residence, is exempt
19 from (1) special sewer assessments levied by a municipality after
20 September 2, 1975, and (2) special water assessments levied by a munici-
21 pality after September 2, 1975. Only one exemption may be granted with
22 respect to the same property, and, if two or more persons are eligible
23 for an exemption with respect to the same property, the parties shall
24 decide between or among themselves which shall receive the benefit of
25 the exemption. Real property may not be exempted under this subsection
26 which the municipality determines, after notice and hearing to the
27 parties concerned, has been conveyed to the applicant primarily for the
28 purpose of obtaining the exemption. The determination of the munici-
29 pality is appealable under AS 44.62.560 - 44.62.570.

1 (b) An exemption may not be granted under this section except
2 upon written application for the exemption on a form prescribed by the
3 state assessor for use by local assessors and in accordance with the
4 following requirements:

5 (1) The claimant must file the initial application during
6 the period of time between the date the assessment roll is confirmed
7 and the time of payment fixed by the governing body. Within one year
8 of the date the assessment roll is confirmed the governing body for
9 good cause shown may waive the claimant's failure to make timely initial
10 application for the exemption and authorize the assessor to accept the
11 application as if timely filed.

12 (2) A claimant receiving the exemption must file with the
13 assessor by March 15 of each subsequent year a separate application
14 proving eligibility as of January 1 in order to retain the exemption.
15 Within the same year the assessor for good cause shown may waive the
16 claimant's failure to make timely application and approve the applica-
17 tion as if timely filed.

18 (3) If an application is filed within the required time
19 under this subsection and is approved by the governing body, the exemp-
20 tion shall be allowed in accordance with the provisions of this section.
21 If a waiver under this subsection is granted and the application for
22 exemption approved, the amount of any assessment, penalty, or interest
23 which the claimant may have already paid on the assessment shall be
24 refunded to him. The municipality may at any time require proof in the
25 form considered necessary of the right and amount of an exemption
26 claimed under this section.

27 (c) The state shall reimburse a municipality for the sewer and
28 water assessment revenues which it would receive but for the operation
29 of this section. Reimbursement under this subsection is a lien in

favor of the state against the property exempted to the extent of the assessment against the property exempted. Upon recordation in the recording office of the district in which the property exempted is located the lien is prior and superior to other liens against the property except for property taxes or other special assessments and may be enforced by lien foreclosure as provided in AS 34.10.070 - 34.10.220. The lien becomes immediately due and payable

(1) upon sale or other transfer of the property except to a spouse, widow, widower, or minor heir; however, if the property is transferred to a minor heir the lien becomes due and payable on the date the minor heir reaches the age of 25 years;

(2) when property exempted under (a)(1) or (2) of this section receives more than one sewer connection or more than one water connection; or

(3) when the claimant fails to prove eligibility under (b)(2) of this section.

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

(e) In this section

(1) "minor heir" means a person who, at the time of transfer of the property, has not attained the age of 19 years or who, if he has not attained the age of 22 years, is a full-time student at an educational institution or a member of the armed forces of the United States;

(2) "real property" includes, but is not limited to, mobile homes, whether classified as real or personal property for municipal tax purposes;

(3) "resident" means a person who for 12 consecutive months has maintained his permanent place of abode in the state.

Sec. 29.46.100. REASSESSMENT. (a) The governing body shall

1 within one year correct any deficiency in a special assessment found by
2 a court. Notice and hearing must conform to the initial assessment
3 procedures.

4 (b) Payments on the initial assessment are credited to the prop-
5 erty upon reassessment. The reassessment becomes a charge upon the
6 property notwithstanding failure to comply with any provision of the
7 assessment procedure.

8 Sec. 29.46.110. ALLOWABLE COSTS. (a) When a special assessment
9 district is created, there may be included in the assessments

10 (1) all of the cost of acquiring, installing, making, or
11 constructing the local improvement;

12 (2) the costs of all engineering and surveying to be done in
13 connection with creating the district or improvement;

14 (3) the cost of mailing and publishing notices;

15 (4) interest on interim financing;

16 (5) the cost of legal services and other expenses incurred
17 in the formation of the special assessment district;

18 (6) the cost of completing the improvement and financing the
19 improvement, including the issuance of bonds.

20 (b) The total amount of the assessment roll may not exceed actual
21 costs, but actual costs may include reasonable estimates of the costs
22 to be incurred in connection with issuance of bonds.

23 Sec. 29.46.120. OBJECTION AND APPEAL. (a) The validity of an
24 assessment may not be contested by a person who did not file with the
25 municipal clerk a written objection to the assessment roll before its
26 confirmation.

27 (b) The decision of the governing body on an objection may be
28 appealed to the superior court within 30 days of the date of confirma-
29 tion of the assessment roll. If no objection is filed or appeal taken

1 within the time provided in this section, the assessment procedure is
2 considered valid in all respects.

3 Sec. 29.46.130. INTERIM FINANCING. (a) The governing body may
4 provide by resolution or ordinance for the issuance of notes in payment
5 of the costs of a local improvement project, payable out of special
6 assessments for the improvement. The notes shall bear interest at a
7 rate or rates authorized by the resolution or ordinance, and shall be
8 redeemed either in cash or bonds for the improvement project.

9 (b) Notes issued against assessments shall be claims against the
10 assessments which are prior and superior to a right, lien or claim of a
11 surety on the bond given to the city or borough to secure the perfor-
12 mance of its contract for a local improvement project, or to secure the
13 payment of persons who have performed work or furnished materials under
14 the contract.

15 (c) The municipal treasurer may accept notes against special
16 assessments upon conditions prescribed by the governing body in payment
17 of

18 (1) assessments against which the notes were issued in order
19 of priority;

20 (2) judgments rendered against property owners who have
21 become delinquent in the payment of assessments; and

22 (3) certificates of purchase when property has been sold
23 under execution or at tax sale for failure to pay the assessments.

24 Sec. 29.46.140. SPECIAL ASSESSMENT BONDS. (a) The governing
25 body may by ordinance authorize the issuance and sale of special assess-
26 ment bonds to pay all or part of the cost of an improvement in a special
27 assessment district. The principal and interest of bonds issued shall
28 be payable solely from the levy of special assessments against the
29 property to be benefited. The assessments shall constitute a sinking

1 fund for the payment of principal and interest on the bonds. The
2 benefited property may be pledged by the governing body to secure a
3 payment.

4 (b) Upon default in a payment due on a special assessment bond, a
5 bondholder may enforce payment of principal, interest, and costs of
6 collection in a civil action in the same manner and with the same
7 effect as actions for the foreclosure of mortgages on real property.
8 Foreclosure shall be against all property on which assessments are in
9 default. The period for redemption is the same as for a mortgage
10 foreclosure on real property.

11 (c) Before the governing body may issue special assessment bonds,
12 it shall establish a guarantee fund and appropriate to the fund annually
13 a sum adequate to cover a deficiency in meeting payments of principal
14 and interest on bonds if the reason for the deficiency is nonpayment of
15 assessments when due. Money received from actions taken against prop-
16 erty for nonpayment of assessments shall be credited to the guarantee
17 fund.

18 * Sec. 14. AS 29 is amended by adding a new chapter to read:

19 CHAPTER 47. MUNICIPAL DEBT.

20 ARTICLE 1. REVENUE ANTICIPATION NOTES.

21 Sec. 29.47.010. BORROWING IN ANTICIPATION OF REVENUE. A city or
22 borough which is authorized to incur indebtedness may borrow money to
23 meet appropriations for any fiscal year in anticipation of the collec-
24 tion of the revenues for that year, but all debt so contracted shall be
25 paid before the end of the next fiscal year. Revenue anticipation
26 notes may be issued as evidence of the borrowing.

27 Sec. 29.47.020. ISSUANCE OF NOTES. The governing body of a city
28 or borough may, by ordinance or resolution, authorize the issuance of
29 revenue anticipation notes and prescribe the form, details, and the

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manner of their execution. The governing body may delegate to its chief fiscal officer the power to issue the notes from time to time under the terms and conditions of the ordinance or resolution which provides for the manner of their sale.

Sec. 29.47.030. ISSUANCE OF NOTES IN ANTICIPATION OF STATE, FEDERAL GRANTS. (a) The governing body of a city or borough, upon adoption of a long-range capital improvement budget by ordinance or resolution, may by resolution provide for revenue anticipation notes in an amount not to exceed the total amount of any state or federal grants finally committed for these projects. The notes mature no later than the end of the next fiscal year. The notes may be for single or multiple projects outlined in the adopted capital improvement budget.

(b) If the state or federal grants for capital improvement projects have not been paid to the city or borough before maturity of the notes issued in anticipation of the receipt of the revenue, the governing body may issue new notes in order to meet payment of the notes then maturing or may renew the outstanding revenue anticipation notes. New notes issued or renewals of outstanding revenue anticipation notes mature not later than the end of the next fiscal year.

Sec. 29.47.040. PRIORITY OF REPAYMENT. The payment of the principal and interest on revenue anticipation notes is payable from revenues, and their payment additionally shall be secured by a pledge of the full faith, credit, and unlimited taxing power of the city or borough issuing them.

ARTICLE 2. BOND ANTICIPATION NOTES.

Sec. 29.47.080. BOND ANTICIPATION BORROWING. A city or borough may borrow money in anticipation of the sale of general obligation and revenue bonds if

- (1) the general obligation bonds to be sold have been autho-

1 rized by the governing body and ratified by a majority vote at an
2 election;

3 (2) the revenue bonds to be sold have been authorized by
4 ordinance.

5 Sec. 29.47.090. ISSUANCE OF NOTES. The governing body shall
6 issue negotiable or nonnegotiable notes for the amounts borrowed with a
7 maturity date not to exceed one year from the date of issue. All notes
8 and the interest on them are payable at fixed places on or before a
9 fixed time from the proceeds of the sale of bonds in anticipation of
10 which the original note or notes were issued, unless the bonds have not
11 been sold by the maturity date of the notes.

12 Sec. 29.47.100. ISSUANCE OF NEW NOTES. If the sale of the bonds
13 has not occurred before the maturity of the notes issued in anticipation
14 of the sale, the governing body shall issue new notes in order to meet
15 payment of the notes then maturing, or shall renew the outstanding bond
16 anticipation notes. New notes issued or renewals of outstanding bond
17 anticipation notes bear a maturity date not to exceed one year from the
18 date of issue. Notes, new notes, and renewals of notes may not be
19 outstanding for a total elapsed time of more than three years.

20 Sec. 29.47.110. REPAYMENT OF NOTES. Every note is payable from
21 the proceeds of the sale of bonds which the notes anticipated or from
22 the proceeds of the sale of new bond anticipation notes.

23 Sec. 29.47.120. SECURITY. (a) Notwithstanding other provisions
24 of this chapter as to payment of notes, notes issued in anticipation of
25 the sale of general obligation bonds and the interest on them are
26 secured by the full faith, credit, taxing power, and resources of the
27 city or borough. The city or borough may levy ad valorem taxes for
28 payment without limitation of rate or amount.

29 (b) Notes issued in anticipation of the sale of revenue bonds and

1 the interest on them are secured in the same manner as are the revenue
2 bonds in anticipation of which the notes are issued.

3 Sec. 29.47.130. LIMITATION. The total amount of notes issued and
4 outstanding may at no time exceed the total amount of bonds authorized
5 to be issued.

6 Sec. 29.47.140. USE OF PROCEEDS. The proceeds from the sale of
7 notes shall be used only for the purposes for which the proceeds from
8 the sale of bonds may be used, or to meet payment of outstanding bond
9 anticipation notes.

10 ARTICLE 3. GENERAL OBLIGATION BONDS.

11 Sec. 29.47.180. GENERAL OBLIGATION BONDS. A city or borough may
12 acquire, construct, improve, and equip capital improvements and issue
13 negotiable or nonnegotiable general obligation bonds for these purposes.

14 Sec. 29.47.190. VOTE AND NOTICE OF EXISTING INDEBTEDNESS REQUIRED.

15 (a) A city or borough may incur general obligation bond debt only
16 after a bond authorization ordinance is approved by a majority vote at
17 an election. Any municipal voter may vote in the bond election, except
18 as otherwise provided by law.

19 (b) Before a general obligation bond issue election, the governing
20 body shall have published a notice of the total existing bond indebted-
21 ness at least once a week for three consecutive weeks. The first
22 notice shall be published at least 20 days before the date of the
23 election. A notice shall include

24 (1) the current total general obligation bonded indebtedness,
25 including authorized but unsold bonds of the city or borough;

26 (2) the cost of the debt service on the current indebtedness;

27 (3) the total assessed valuation in the city or borough.

28 Sec. 29.47.200. PAYMENT. (a) The full faith and credit of a
29 city or borough are pledged for the payment of principal and interest

1 on general obligation bonds. The city or borough may levy ad valorem
2 taxes for payment without limitation of rate or amount to pay or secure
3 the payment of the principal and interest on bonds, regardless of
4 whether the bonds are in default or in danger of default.

5 (b) General obligation bonds issued for acquiring, constructing,
6 improving and equipping a municipally owned utility or other revenue-
7 generating enterprise may be additionally secured by a pledge of the
8 revenue derived from operation. Bonds so secured are not subject to a
9 debt limitation imposed by a borough or city home rule charter. This
10 subsection applies to home rule and general law municipalities.

11 ARTICLE 4. REVENUE BONDS.

12 Sec. 29.47.240. REVENUE BONDS. (a) A city or borough may issue
13 revenue bonds for a public enterprise or public corporation of the city
14 or borough where the only security is the revenue of the public enter-
15 prise or corporation.

16 (b) A city or borough may issue its revenue bonds to finance the
17 purchase of residential mortgage loans. The revenue bonds issued under
18 this subsection are payable solely from the principal and interest of
19 the mortgage loans and from other amounts pledged by the city or
20 borough, except the pledge of revenues derived from taxes. Revenue
21 bonds issued under this subsection do not constitute a general obliga-
22 tion of the city or borough.

23 Sec. 29.47.250. NO ELECTION REQUIRED. An election is not required
24 to authorize the issuance and sale of revenue bonds, unless otherwise
25 provided by ordinance.

26 Sec. 29.47.260. CONSTRUCTION. The prohibitions of AS 37.10.085
27 do not apply to the issuance of revenue bonds or the use of proceeds
28 from revenue bonds by a home rule or general law municipality.

29 ARTICLE 5. REFUNDING BONDS.

1 Sec. 29.47.300. AUTHORIZATION. If a city or borough has outstand-
2 ing general obligation or revenue bonds and the governing body deter-
3 mines that it would be financially advantageous to refund the bonds,
4 the governing body may provide by ordinance for the issuance of general
5 obligation or revenue refunding bonds.

6 Sec. 29.47.310. EFFECT OF BONDS. The refunding bonds may take up
7 and refund all or part of outstanding bonds at or before their maturity
8 or redemption date. The governing body may include various series and
9 issues of bonds in a single issue of refunding bonds.

10 Sec. 29.47.320. NO ELECTION REQUIRED. An election is not required
11 to authorize the issuance and sale of refunding bonds. Their issuance
12 may be authorized and all proceedings with reference to them prescribed
13 by ordinance of the governing body. However, when it is desirable to
14 use general obligation bonds to refund a revenue bond issue, the govern-
15 ing body shall call an election on the question.

16 Sec. 29.47.330. PAYMENT OF REFUNDING BONDS. General obligation
17 refunding bonds and revenue refunding bonds are payable according to
18 AS 29.47.210.

19 Sec. 29.47.340. SALE OF REFUNDING BONDS. General obligation or
20 revenue refunding bonds may, at the discretion of the governing body,
21 be exchanged for the bonds being refunded, or may be sold at public or
22 private sale. They may be issued and delivered at any time before the
23 date of maturity or redemption of the refunded bonds.

24 Sec. 29.47.350. OTHER MUNICIPAL FINANCING. (a) A city or borough
25 may authorize by ordinance or resolution the issuance of revenue bonds
26 to finance any project which serves a public purpose, and the bonds
27 shall be secured and payable solely from the revenue and property of
28 the project.

29 (b) Bonds issued under this section are not a debt or liability

1 of the city or borough and do not create or constitute an indebtedness,
2 liability, or obligation of the city or borough, nor do they constitute
3 a pledge of faith, credit, or taxing power of the city or borough.
4 Each bond must contain on its face a statement that the principal and
5 interest on the bond are payable solely from the revenues and property
6 of the project being financed, that the city or borough is not obligated
7 to pay the principal or the interest on the bonds except from those
8 sources, and that neither the faith and credit nor the taxing power of
9 the city or borough is pledged to the payment of principal or interest
10 on the bond.

11 (c) A city or borough may

12 (1) loan the proceeds of the bonds issued under this section;

13 (2) pledge, mortgage or assign money, leases, agreements,
14 property, or other assets of the project being financed;

15 (3) enter into covenants and agreements concerning bonds
16 issued under this section which the city or borough determines to be
17 desirable;

18 (4) provide for any matter which affects the security of the
19 bonds.

20 (d) In this section

21 (1) "bonds" means bonds, notes, or other evidence of indebt-
22 edness;

23 (2) "project" includes but is not limited to commercial,
24 manufacturing, agricultural, industrial, residential housing, recrea-
25 tion, tourism, and medical projects and programs.

26 **ARTICLE 6. MISCELLANEOUS PROVISIONS.**

27 **Sec. 29.47.400. SALE.** Bonds and notes issued under this chapter
28 may be sold at either public or private sale by the city or borough in
29 the manner and at the price it determines.

1 Sec. 29.47.410. FORMS AND TERMS. The governing body may by
2 ordinance or resolution fix the date, denominations, maturities, rate
3 or rates of interest, redemption terms, registration privileges, manner
4 of execution, signatures required, purchase price, manner of sale, and
5 other requirements for issuing bonds or notes under this chapter. If
6 an official whose signature appears on the bonds or coupons ceases to
7 be an official before delivery of the bonds, his signature is valid as
8 if he had remained in office until delivery.

9 Sec. 29.47.420. INTEREST RATE. The interest rate payable on a
10 bond or note issued under this chapter shall be determined by the
11 governing body and is not subject to the usury rate limitations of
12 AS 45.45.010.

13 Sec. 29.47.430. REDEMPTION BEFORE MATURITY. A bond or note
14 issued under this chapter may be made subject to redemption before
15 maturity as stated in the authorization or in the bond or note.

16 Sec. 29.47.440. BOROUGH INDEBTEDNESS. (a) A borough may incur
17 indebtedness

18 (1) on an areawide basis for areawide functions; or

19 (2) on a nonareawide basis for functions performed in the
20 area outside a home rule or first class city only; or

21 (3) on a service area basis for functions performed in a
22 service area only.

23 (b) Payment of debt principal and interest as well as other costs
24 shall be derived from the area incurring the debt under (a)(2) or
25 (a)(3) of this section, except that the full faith and credit of the
26 entire borough may be pledged to guarantee payment of principal and
27 interest.

28 (c) If the bonded debt to be incurred by a borough is an areawide
29 debt, the vote is areawide. If the full faith and credit of the entire

1 borough is pledged for the payment of the debt of the area outside
2 cities or of a service area, an areawide election is held and the
3 proposition must pass both areawide and in the area which will benefit
4 from the improvement. If the bonded indebtedness to be incurred is
5 limited to areas outside a city, the vote is limited to voters outside
6 a city. If the indebtedness to be incurred is limited to a service
7 area, the vote is limited to voters in the service area. Only the full
8 faith and credit of the area voting on the indebtedness is pledged for
9 the payment of the debt.

10 (d) The indebtedness of a city or borough reclassified under
11 AS 29.04.040 is not affected by reclassification. Not less than all
12 property in a city or borough which is reclassified remains subject to
13 taxation to amortize bonded or other indebtedness affecting the city or
14 borough and authorized on the effective date of reclassification.

15 Sec. 29.47.450. SERVICE AREA DEBT. The indebtedness of a service
16 area acquired under AS 29.47.440 remains the indebtedness of the area
17 which incurred the debt, notwithstanding a subsequent court determina-
18 tion that the service area was not validly formed under law or by
19 virtue of a defect in the proceedings creating the service area. All
20 the property within the service area remains subject to taxation to pay
21 the bonded indebtedness.

22 * Sec. 15. AS 29 is amended by adding a new chapter to read:

23 CHAPTER 55. MUNICIPAL PROGRAMS.

24 Sec. 29.55.010. CREATION OF LOCAL HISTORICAL DISTRICT COMMISSIONS.
25 The governing body of a municipality may establish a local historical
26 district commission or designate the planning commission or itself to
27 serve as the historical district commission.

28 Sec. 29.55.020. ESTABLISHMENT OF HISTORICAL DISTRICTS. (a) In
29 addition to existing municipal authority providing for the preservation,

1 protection, and maintenance of historic sites, the local historical
2 district commission, in consultation with the Historic Sites Advisory
3 Committee within the Department of Natural Resources, may establish a
4 historical district within the boundaries of the municipality.

5 (b) A historical district shall be a reasonably compact area of
6 historical significance in which two or more structures important in
7 state or national history, and related by physical proximity or histori-
8 cal association, are located. For purposes of this section, "structures
9 important in state or national history" means properties recommended by
10 historical district commissions, which are listed in the National
11 Register of Historic Places or are characteristic of the Russian-
12 American period before October 18, 1867, the early territorial period
13 before 1930, or early Native heritage, reflecting the indigenous charac-
14 teristics of Native culture in Alaska. Upon recommendation of the
15 governing body of a municipality and the Historic Sites Advisory Commit-
16 tee, the Department of Natural Resources may by regulation formulate
17 additional criteria for the establishment of historical districts not
18 inconsistent with this subsection.

19 (c) The establishment of a historical district under this section
20 shall be consistent with any applicable comprehensive plan for the
21 municipality.

22 * Sec. 16. AS 29 is amended by adding a new chapter to read:

23 CHAPTER 60. STATE PROGRAMS.

24 ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

25 Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICIPAL
26 SERVICES. (a) During each fiscal year the department shall compute an
27 equalization entitlement for municipal services provided by a taxing
28 unit.

29 (b) The equalization entitlement computed for a taxing unit is

1 based on the population, relative ability to generate revenue, and
2 local tax burden of the taxing unit and is determined by the application
3 of the formula

4 Entitlement = P x R

5 where P = population, and

6 R = millage rate equivalent, determined by dividing the sum
7 of the locally generated revenue of the taxing unit by one-tenth of one
8 percent (0.1) of the full and true value of assessed property of the
9 taxing unit determined under AS 29.60.030(d); however, the property
10 value used under this subsection may not be less than 15 percent of the
11 statewide average per capita full and true assessed property value.

12 (c) For purposes of this section, locally generated revenue

13 (1) includes

14 (A) the actual revenue derived from the levy and collec-
15 tion of local taxes in the taxing unit for municipal services
16 during the preceding fiscal year of the taxing unit;

17 (B) motor vehicle payments received by the municipality
18 during the preceding fiscal year under AS 28.10.431;

19 (C) revenue from fees, rentals, leases, penalties,
20 licenses or permits received during the preceding fiscal year by
21 the municipality for a function or service over which it has con-
22 trol, including revenues derived from parks and recreation ser-
23 vices, mass transit, offstreet parking, and garbage and solid
24 waste disposal services;

25 (D) special assessments received during the preceding
26 fiscal year; and

27 (E) payments received by a municipality from a utility
28 which are in place of taxes levied and collected by the municipal-
29 ity;

1 (2) excludes

2 (A) revenue derived from the levy and collection of
3 municipal taxes and appropriated for the operating expenses and
4 debt service of utilities;

5 (B) revenue from interest earned on investments and
6 from the sale and lease of land or equipment; and

7 (C) all other revenue from whatever service derived.

8 Sec. 29.60.020. DETERMINATION OF POPULATION. (a) For purposes
9 of AS 29.60.010 - 29.60.080, the population of a taxing unit shall be
10 determined annually by the latest figures of the United States Bureau
11 of the Censis or other population data which, in the judgment of the
12 department, is reliable.

13 (b) The population of the taxing unit includes the population of
14 any military reservation which is a part of the taxing unit.

15 Sec. 29.60.030. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a)
16 The department may require a municipality to return a certification,
17 signed by the municipal treasurer or manager and the mayor, which
18 provides an estimate of the locally generated revenue received by the
19 municipality during the preceding fiscal year.

20 (b) By October 15 of each year, the department shall make an
21 initial determination of the millage rate equivalent of each taxing
22 unit to be used for computing and distributing equalization entitlements
23 for the current fiscal year under AS 29.60.010 - 29.60.080. The depart-
24 ment shall base the initial determination on the estimates in the
25 certification returned by a municipality under (a) of this section.

26 (c) As early as possible, but not later than December 15 of each
27 year, the department shall make a final determination of the millage
28 rate equivalent of each taxing unit to use to compute and distribute
29 equalization entitlements under AS 29.60.010 - 29.60.080. The depart-

1 ment shall base the determination on audits, financial statements and
2 other financial reports prepared and submitted by a municipality. The
3 department shall adjust the locally generated revenue reported by a
4 municipality to exclude the municipal revenue claimed which does not
5 qualify for inclusion in or recognition as locally generated revenue
6 for municipal purposes under AS 29.60.010(c)(1). The adjustment shall
7 be made by deducting from total revenue claimed by the municipality the
8 amount of the department's estimate of revenue which is not recognized
9 for municipal purposes.

10 (d) The full and true assessed property value shall be determined
11 by the department in the manner provided for the computation of state
12 aid to education under AS 14.17.140. When the determination of locally
13 generated revenue includes revenue of a utility received under AS 29.-
14 60.010(c)(1)(E), the full and true assessed property value shall include
15 the computed assessed value of the utility, determined by dividing the
16 amount of the payment in place of taxes made by the utility by the
17 millage rate which would apply to the utility if the utility were
18 subject to levy and collection of taxes under AS 29.45.

19 (e) In addition to the computation for municipalities which levy
20 and collect a property tax, the department shall determine an estimated
21 full and true assessed property value under (d) of this section for

22 (1) each municipality which is a school district and which
23 does not levy and collect a property tax;

24 (2) each second class city with a population of 750 or more
25 persons; however, a computation is not required under this paragraph
26 more often than once during a period of three successive calendar
27 years; and

28 (3) all other second class cities, by determining the average
29 per capita full and true assessed property value of all cities having a

1 population of less than 750 persons in which an assessment has been
2 completed by a municipality or for which a determination is not made
3 under (1) or (2) of this subsection.

4 (f) The department shall annually compute a statewide average per
5 capita full and true assessed property value.

6 Sec. 29.60.040. REPORTS. A payment of an equalization entitlement
7 may not be made to a municipality under AS 29.60.010 - 29.60.080 until
8 the municipality has submitted its certificate of estimated revenue and
9 its financial report to the department for the fiscal year preceding
10 the year for which the equalization entitlement is sought, together
11 with a budget for the municipality's current fiscal year. The financial
12 report shall include a listing of general revenue collected from taxes
13 levied and assessed and any other revenue which, in the opinion of the
14 municipal officials, is eligible for inclusion in computations of the
15 locally generated revenue of the taxing unit.

16 Sec. 29.60.050. LIMITATION ON COMPUTATION AND USE OF PAYMENTS.

17 (a) An equalization entitlement generated by the tax levy of a taxing
18 unit may be used only for authorized expenditures of that taxing unit,
19 but up to 15 percent of the payment of an equalization entitlement
20 generated by areawide revenue of a municipality may be used by the
21 municipality for areawide or nonareawide purposes at the discretion of
22 its governing body.

23 (b) An equalization entitlement determined with reference to
24 revenue other than revenue obtained from the levy and collection of
25 taxes may be used for areawide or nonareawide purposes, at the discre-
26 tion of the governing body.

27 Sec. 29.60.060. TAX EQUALIZATION ACCOUNT. The tax equalization
28 account is established. Money to carry out the provisions of AS 29.60.-
29 010 - 29.60.080 shall be allocated by the department to the account.

1 The amount allocated to the account shall be fully distributed by the
2 department as payments to municipalities to fulfill each share autho-
3 rized under AS 29.60.010. The amount allocated to the account shall be
4 distributed by the department pro rata among eligible municipalities.

5 Sec. 29.60.070. ADMINISTRATION. (a) The department may adopt
6 regulations necessary to implement AS 29.60.010 - 29.60.080. The
7 regulations shall include, among other provisions,

8 (1) procedures and filing dates for submitting certification
9 and financial reports;

10 (2) procedures for obtaining information required to compute
11 and determine the municipality's millage rate equivalent; and

12 (3) procedures by which the department shall notify a munici-
13 pality in writing of the reasons for a proposed disallowance or adjust-
14 ment of any factor bearing upon the determination of the municipality's
15 entitlement and by which the municipality will be provided reasonable
16 time in which to respond or to challenge the department's determination.

17 (b) The department shall make reasonable efforts to advise and
18 assist municipalities in collecting information and completing reports
19 necessary for the determination of entitlements under AS 29.60.010 -
20 29.60.080.

21 (c) The department shall, by regulation, classify for inclusion
22 or exclusion as a component of a municipality's millage rate equivalent
23 under AS 29.60.010 any tax revenue appropriated for a utility not
24 included in the definition set out in AS 29.60.080(4).

25 Sec. 29.60.080. DEFINITIONS. In AS 29.60.010 - 29.60.080

26 (1) "taxing unit" means a municipality and

27 (A) in a home rule or general law borough or unified
28 municipality, a service area or the entire area outside cities;

29 (B) in a home rule or general law city, a differential

1 tax zone;

2 (2) "utility" means electric, water, sewer, gas heat, tele-
3 phone, or refuse and garbage collection service.

4 ARTICLE 2. STATE AID FOR MISCELLANEOUS PURPOSES.

5 Sec. 29.60.100. REVENUE SHARING PAYABLE. In addition to the
6 equalization entitlements paid under AS 29.60.010 - 29.60.080, during
7 each fiscal year the department shall pay aid

8 (1) to a municipality or other eligible recipient which has
9 the power to provide the services described in AS 29.60.030 - 29.60.070
10 and exercises the power in the manner required by AS 29.60.100 - 29.60.-
11 190;

12 (2) to a Native village government under AS 29.60.140.

13 Sec. 29.60.110. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The
14 department shall pay to a municipality which has power to provide for
15 road maintenance and exercises that power, \$2,500 a mile for each mile
16 of road, street or highway maintained by the municipality, excluding
17 (1) the official state highway system, (2) roads, streets or highways
18 not dedicated to public use, (3) roads, streets or highways maintained
19 under the local service road program (AS 19.30.111 - 19.30.251), and
20 (4) alleyways, in accordance with regulations adopted by the Department
21 of Transportation and Public Facilities. A payment may not be made
22 under this subsection for maintenance of a road which is not used by
23 automotive equipment.

24 (b) A frozen waterway and a connection from an inhabited area to
25 a waterway which may be safely used for public transportation by auto-
26 motive equipment and is so used during a portion of a year is eligible
27 for a payment of \$1,500 per mile if the waterway and connection are
28 maintained during the period of use by a municipality or combination of
29 municipalities. The department, after consultation with the Department

1 of Transportation and Public Facilities, shall determine which waterways
2 and connections qualify and, where the waterways or connections lie
3 outside the corporate limits of a municipality, which municipalities
4 shall receive the payments under this subsection, unless the municipali-
5 ties involved have agreed in writing to a particular distribution.

6 Sec. 29.60.120. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE
7 RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The department
8 shall pay

9 (1) to a municipality which has the power to provide hospital
10 facilities and services and which exercises that power, \$1,000 per bed
11 for each bed actually used for patient care, limited to the number of
12 beds provided for in the construction design of the hospital, or \$75,000
13 a hospital for those hospitals with 10 or more beds, or \$25,000 a
14 hospital for those hospitals with less than 10 beds, as the municipality
15 may elect; money received under this paragraph may be used only for
16 hospitals and shall be apportioned among qualifying hospitals as the
17 municipality determines;

18 (2) on the basis set out in (1) of this subsection to a
19 municipality for a nonprofit hospital not operated by a municipality if
20 the municipality first certifies to the department that the nonprofit
21 hospital is in compliance with all standards for hospitals which have
22 been adopted by the municipality; money may not be paid on behalf of a
23 nonprofit hospital without this certification; payments to the munic-
24 ipality shall be transferred to the nonprofit hospital in accordance
25 with the basis by which the payment was generated by the hospital, and
26 shall be applied to the annual cost of operation and maintenance of the
27 hospital or for the provision of health care service at the hospital as
28 the directors of the hospital determine;

29 (3) to a municipality in which a health facility is operated,

1 \$1,000 per bed for each bed actually used for patient care, limited to
2 the number of beds provided for in the construction design of the
3 health facility, or \$4,000 per health facility as the municipality
4 determines.

5 (b) A hospital may not receive payment under both (a)(1) and
6 (a)(2) of this section.

7 (c) Money received by a municipality under (a)(3) of this section
8 shall be used for expenses of health services or operation and main-
9 tenance of health facilities as the municipality determines.

10 (d) Before money may be distributed under this section, the
11 commissioner of health and social services shall certify to the commis-
12 sioner of community and regional affairs that any accumulation of
13 assets by nonprofit corporations or other recipients under this section
14 is dedicated irrevocably to a public purpose.

15 Sec. 29.60.130. STATE AID TO VOLUNTEER FIRE DEPARTMENTS NOT IN
16 ORGANIZED MUNICIPALITY. (a) The department shall pay to a volunteer
17 fire department registered with the state fire marshal and serving an
18 area not in an organized municipality a sum for protection purposes
19 equal to \$10 per capita for the population served by the department, as
20 determined by the state fire marshal.

21 (b) A grant shall be made under (a) of this section to facilitate
22 the organization of a volunteer fire department in an area not in an
23 organized municipality, upon application of the proposed fire protec-
24 tion group to the state fire marshal and upon approval of applications
25 according to standards of organization and service prescribed by regula-
26 tions adopted by the state fire marshal.

27 Sec. 29.60.140. STATE AID TO NATIVE VILLAGE GOVERNMENTS. The
28 state shall pay \$25,000 to a Native village government for a village
29 which is not incorporated as a city under this title. In this section,

1 "Native village government" means

2 (1) a local governing body organized by authority of the Act
3 of Congress of June 18, 1934 (25 U.S.C. sec. 476); or

4 (2) a traditional village council or, if there is no tradi-
5 tional village council, the paramount chief or other local governing
6 body of a Native village which meets the requirements of the Alaska
7 Native Claims Settlement Act (43 U.S.C. sec 1601 - 1628).

8 Sec. 29.60.150. POPULATION DETERMINATION. For purposes of AS 29.-
9 60.100 - 29.60.190, population shall be determined by the latest figures
10 of the United States Bureau of the Census or other reliable population
11 data, including but not limited to public school enrollment figures,
12 public utility connection, registered voters, or certified employment
13 payrolls.

14 Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments
15 to a municipality or other eligible recipient under AS 29.60.110 -
16 29.60.120 shall reflect area cost-of-living differentials. Payments
17 shall be based on the sum of per capita, per mile and per bed or facil-
18 ity grants due each municipality or other recipient multiplied by the
19 appropriate area cost-of-living differential. The area cost-of-living
20 differential for each recipient shall be determined annually by election
21 district under the provisions of AS 39.27.030. Application of the area
22 cost-of-living differential may not result in distribution of an amount
23 less than the amount of the payment determined without reference to
24 application of this section.

25 (b) The election districts used to establish area cost-of-living
26 differentials under (a) of this section are those designated by the
27 proclamation of reapportionment and redistricting of December 7, 1961,
28 and retained for the house of representatives by proclamation of the
29 governor September 3, 1965.

1 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscel-
2 laneous services account is established. Money to carry out the provi-
3 sions of AS 29.60.100 - 29.60.190 shall be allocated by the department
4 to the account in accordance with AS 29.60.280. If amounts in the
5 account are insufficient to pay each municipality's or other recip-
6 ient's share authorized under AS 29.60.100 - 29.60.190, the amounts
7 which are available shall be distributed pro rata among eligible munic-
8 ipalities and other recipients.

9 Sec. 29.60.180. REGULATIONS. The department shall adopt regula-
10 tions necessary to carry out the purposes of AS 29.60.100 - 29.60.190.
11 The regulations shall include minimum standards required to qualify a
12 municipality or other recipient for payments for each service. The
13 department may require a municipality or other recipient to submit a
14 performance report adequate to demonstrate to the department that a
15 service for which payment is requested under AS 29.60.100 - 29.60.190
16 was performed by the municipality or other recipient and meets minimum
17 standards of service prescribed by regulation.

18 Sec. 29.60.190. DEFINITIONS. In AS 29.60.100 - 29.60.190

19 (1) "health facility"

20 (A) means a facility which is licensed, when required,
21 by the state under AS 18.20.010 - 18.20.130 and which is owned or
22 operated or both by a municipality or by a nonprofit corporation
23 or other nonprofit sponsor;

24 (B) includes a public health center, maternity home,
25 community mental health center, facility for the mentally or
26 physically handicapped, nursing home or convalescent center;

27 (C) excludes a facility operated or wholly supported by
28 the state or the federal government;

29 (2) "hospital" means a licensed hospital determined by the

1 Department of Health and Social Services to be a general hospital; the
2 term excludes a facility operated or wholly supported by the state or
3 the federal government.

4 ARTICLE 3. STATE AID FOR HOSPITAL CONSTRUCTION.

5 Sec. 29.60.230. STATE AID FOR HOSPITAL CONSTRUCTION. If construc-
6 tion of a hospital began after January 1, 1968, and state matching aid
7 for construction approved for payment to a municipality or other hospi-
8 tal sponsor constitutes less than 25 percent of the total project cost,
9 the department shall pay to the municipality or other hospital sponsor
10 each fiscal year \$2,500 a bed for the maximum number of beds provided
11 for in the construction design of the facility or five percent of the
12 total project cost, whichever is greater. State aid provided for in
13 this section shall continue until the municipality or other hospital
14 sponsor has received an amount which, combined with state matching
15 money for construction of the hospital, equals 25 percent of the total
16 project cost. Money received for construction may not be used for any
17 other purpose.

18 Sec. 29.60.240. HOSPITAL CONSTRUCTION ASSISTANCE ACCOUNT. The
19 hospital construction assistance account is established. Money to
20 carry out the provisions of AS 29.60.230 - 29.60.250 shall be allocated
21 by the department to the account in accordance with AS 29.60.280. If
22 amounts in the account are insufficient to pay each recipient's share
23 authorized under AS 29.60.230 - 29.60.250, the amounts which are avail-
24 able shall be distributed pro rata among eligible recipients.

25 Sec. 29.60.250. DEFINITIONS. In AS 29.60.230. - 29.60.250

26 (1) "hospital" means a licensed hospital determined by the
27 Department of Health and Social Services to be a general hospital; the
28 term excludes a facility operated or wholly supported by the state or
29 the federal government;

1 (2) "total project cost" means

2 (A) costs directly related to the project; and

3 (B) the total of all costs of financing and carrying
4 out the project, including but not limited to,

5 (i) the costs of all necessary studies, surveys,
6 plans and specifications, architectural, engineering or other
7 special services, acquisition of real property, site pre-
8 paration and development, purchase, construction, reconstruc-
9 tion and improvement of real property, and the acquisition of
10 machinery and equipment as may be necessary in connection
11 with the project;

12 (ii) an allocable portion of the administrative and
13 operating expenses of the municipality or other hospital
14 sponsor;

15 (iii) the cost of financing the project, including
16 interest on bonds issued to finance the project; and

17 (iv) the cost of other items, including any in-
18 demnity and surety bonds and premiums on insurance, legal
19 fees, fees and expenses of trustees, depositaries, financial
20 advisors, and paying agents for the bonds issued as the
21 issuer considers necessary.

22 Sec. 29.60.260. APPLICATION. AS 29.60.010 - 29.60.250 apply to
23 home rule and general law municipalities.

24 ARTICLE 4. ADMINISTRATION OF MUNICIPAL FINANCIAL PROGRAMS.

25 Sec. 29.60.280. ALLOCATION AND DISTRIBUTION. (a) Each year, the
26 department shall allocate money appropriated to the accounts established
27 in AS 29.60.060, 29.60.170, and 29.60.240 in the amounts determined by
28 the legislature.

29 (b) Money in the miscellaneous services account established in

1 AS 29.60.170 which exceeds the amount required to fully fund distribu-
2 tions authorized by AS 29.60.100 - 29.60.190 shall be reallocated to
3 the tax equalization account established in AS 29.60.060 and distri-
4 buted according to the provisions of AS 29.60.010 - 29.60.080.

5 (c) Money in the hospital construction assistance account estab-
6 lished in AS 29.60.240 which exceeds the amount required to fully fund
7 distributions authorized by AS 29.60.230 - 29.60.250 shall be reallo-
8 cated to the tax equalization account established in AS 29.60.060 and
9 distributed according to the provisions of AS 29.60.010 - 29.60.080.

10 Sec. 29.60.290. QUALIFICATION FOR MINIMUM PAYMENT. (a) A munici-
11 pality qualifying for an entitlement under AS 29.60.010 - 29.60.080 or
12 29.60.100 - 29.60.190 shall receive a minimum payment of \$25,000 plus
13 an area cost-of-living differential for each fiscal year if

14 (1) the municipality has conducted a regular election during
15 the fiscal year preceding the year for which payment of an entitlement
16 is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.190 and
17 has reported the results of the election to the commissioner;

18 (2) regular meetings of the governing body are held in the
19 municipality during the fiscal year preceding the year for which payment
20 of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.-
21 100 - 29.60.190 and a record of the proceedings is maintained;

22 (3) a municipal budget has been adopted for the fiscal year
23 during which payment of an entitlement is authorized by AS 29.60.010 -
24 29.60.080 or 29.60.100 - 29.60.190 and an audit or financial statement
25 for the preceding fiscal year has been prepared and furnished to the
26 department in accordance with AS 29.20.640(a); and

27 (4) local ordinances adopted by the governing body have been
28 codified in accordance with AS 29.25.050.

29 (b) The area cost-of-living differential payable to each munici-

1 pality under this section shall be determined annually by election
2 district under the provisions of AS 39.27.030. Except as provided in
3 AS 29.60.300, application of the area cost-of-living differential may
4 not result in a payment which is less than the minimum payment deter-
5 mined under (a) of this section. For purposes of this subsection, the
6 election districts used are those designated by the proclamation of
7 reapportionment and redistricting of December 7, 1961, and retained for
8 the house of representatives by proclamation of the governor
9 September 3, 1965.

10 (c) The department shall pay to each municipality eligible to
11 receive a minimum payment under this section an amount equal to the
12 difference between the minimum payment determined under (a) and (b) of
13 this section and the sum of the amounts payable for the same fiscal
14 year under AS 29.60.010 - 29.60.080 and 29.60.100 - 29.60.190.

15 (d) A payment under this section may be prorated and reduced
16 under AS 29.60.300.

17 (e) Payments under this section shall be made from the money
18 allocated to the tax equalization account established in AS 29.60.060.

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

21 Sec. 29.60.300. PRORATION OF PAYMENTS. (a) Payments under
22 AS 29.60.290 and 29.60.010 - 29.60.190 shall equal the amount allocated
23 to the tax equalization account (AS 29.60.060), adjusted in accordance
24 with AS 29.60.280.

25 (b) Adjustments of payments shall be determined by prorating
26 amounts payable under AS 29.60.290 and amounts payable under AS 29.-
27 60.010 - 29.60.190 by a factor which, when applied, reduces all payments
28 in equal proportion so that payment under AS 29.60.290 and payments
29 under AS 29.60.010 - 29.60.190 equal the amount allocated to the tax

1 equalization account established in AS 29.60.060.

2 * Sec. 17. AS 29 is amended by adding a new chapter to read:

3 CHAPTER 65. GENERAL GRANT LAND.

4 Sec. 29.65.010. DETERMINATION OF ENTITLEMENT OF HOME RULE AND
5 GENERAL LAW BOROUGHES AND UNIFIED MUNICIPALITIES. The general grant
6 land entitlement of each of the municipalities in this section is the
7 amount set out opposite each:

- 8 (1) Municipality of Anchorage - 44,893 acres;
9 (2) City and Borough of Juneau - 19,584 acres;
10 (3) City and Borough of Sitka - 10,500 acres;
11 (4) Bristol Bay Borough - 2,898 acres;
12 (5) Fairbanks North Star Borough - 112,000 acres;
13 (6) Haines Borough - 2,800 acres;
14 (7) Kenai Peninsula Borough - 155,780 acres;
15 (8) Ketchikan Gateway Borough - 11,593 acres;
16 (9) Kodiak Island Borough - 56,500 acres;
17 (10) Matanuska-Susitna Borough - 355,210 acres;
18 (11) North Slope Borough - 89,850 acres.

19 Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR NEWLY INCOR-
20 PORATED MUNICIPALITIES. (a) The general grant land entitlement of a
21 municipality incorporated after July 1, 1978, is 10 percent of the
22 total acreage of vacant, unappropriated, unreserved land within the
23 boundaries of the municipality on the date of its incorporation.

24 (b) Within six months of the date of incorporation of a municipal-
25 ity which is incorporated after July 1, 1978, the director shall deter-
26 mine the entitlement of each municipality eligible to receive general
27 grant land under (a) of this section and certify the entitlement to the
28 municipality.

29 Sec. 29.65.030. STATUS OF ENTITLEMENTS. (a) After July 1, 1978,

1 general grant land entitlements provided in AS 29.65.010 are vested
2 property rights which must be fulfilled as provided in AS 29.65.040 or
3 29.65.070.

4 (b) General grant land entitlements provided by AS 29.65.020 are
5 property rights which vest on the date of incorporation of the munici-
6 pality. The entitlement must be fulfilled as provided in AS 29.65.040.

7 (c) Land may be selected by a municipality to satisfy a general
8 grant land entitlement under AS 29.65.010 at any time before October 1,
9 1980.

10 (d) Land may be selected by a municipality to satisfy a general
11 grant land entitlement under AS 29.65.020 at any time within one year
12 after the director certifies the entitlement to the municipality.

13 (e) The time limitations imposed by (c) and (d) of this section
14 for exercising a vested general grant land entitlement do not apply to

15 (1) the portion of an entitlement which cannot be satisfied
16 by that date because of a shortage of land suitable for residential,
17 commercial and industrial purposes which is vacant, unappropriated,
18 unreserved land;

19 (2) payments for land deficiency under AS 29.65.070;

20 (3) the portion of an entitlement which cannot be satisfied
21 because the land selected by a municipality has been selected by a
22 party entitled to select land owned by the United States or the state;
23 or

24 (4) the portion of an entitlement which cannot be satisfied
25 because the land nominated for selection by the municipality is not
26 tentatively approved for patent to the state.

27 Sec. 29.65.040. FULFILLMENT OF LAND ENTITLEMENTS. (a) The
28 acreage of each municipality's land selections for which patent has
29 been issued before July 1, 1978, shall be credited toward fulfillment

1 of the entitlement of that municipality.

2 (b) All approved selections under former AS 29.18.190 and 29.-
3 18.200 for which patent has not been issued to a municipality on July 1,
4 1978, shall be reviewed by the director within nine months of July 1,
5 1978. Any approved selection of land which was vacant, unappropriated,
6 or unreserved on the date of selection is valid as of the date of the
7 approval under former AS 29.18.190 and 29.18.200, and a patent shall be
8 issued to the municipality within three months after approval by the
9 director of a plat of survey. The acreage shall be credited toward
10 fulfillment of the municipality's entitlement. A municipality is not
11 entitled to receive patent under this chapter to more than its entitle-
12 ment determined under AS 29.65.010 and 29.65.020. Any prior approval
13 by the director of municipal selections for land which was not vacant,
14 unappropriated, or unreserved on the date of selection shall be re-
15 scinded, and patent may not be issued except when disposal to a third
16 party by sale or lease has occurred. Transfers of land to municipali-
17 ties under this chapter are subject to AS 38.05.321. Classification
18 actions as reflected on the land status records of the Department of
19 Natural Resources are determinative of land classification status for
20 purposes of this chapter.

21 (c) The director shall approve each selection for patent within
22 nine months of its selection by a municipality, and a patent shall be
23 issued to the municipality for land selected in satisfaction of a
24 general grant land entitlement vested under AS 29.65.010 and 29.65.020
25 within three months after approval by the director of a plat of survey.

26 Sec. 29.65.050. SCHOOL, UNIVERSITY, AND MENTAL HEALTH LAND. (a)
27 If an entitlement determined in AS 29.65.010 results in a per capita
28 entitlement for the municipality of less than one and one-half acre,
29 the municipality may select vacant school, university, or mental health

1 land within the municipality in partial fulfillment of its land entitle-
2 ment under this chapter. School, university, or mental health land may
3 be selected notwithstanding the fact that these lands are not unappro-
4 priated and unreserved within the meaning of this chapter and under
5 former AS 29.18.190 and 29.18.200, but each selection of school, univer-
6 sity, or mental health land by a municipality must be vacant, unappro-
7 priated, or unreserved land as defined in this chapter, except that it
8 need not be general grant land.

9 (b) The acreage of school, university, or mental health land, if
10 any, within a municipality may not be included in the determination of
11 entitlement under AS 29.65.010.

12 (c) Land conveyed under this section will be credited against a
13 municipality's remaining land entitlement under this chapter.

14 (d) Within six months after approval of a municipal selection of
15 school, university, or mental health land, the director shall identify
16 state general grant land of approximately equal value to the land
17 requested by the municipality and shall propose the replacement land
18 for the concurrence of the appropriate board. If a proposal by the
19 director is rejected by the board, the director shall meet with the
20 board as often as necessary to determine the type and amount of equal
21 value replacement land that would be required to obtain the board's
22 concurrence, and shall propose the replacement land for consideration
23 by the board. The replacement land shall thereafter be managed for the
24 purposes for which the land selected by the municipality was acquired
25 by the Territory and State of Alaska.

26 (e) The notice and review provisions of AS 38.05.305 and 38.05.345
27 apply to the designation of other general grant land as school, univer-
28 sity, or mental health land in replacement of land selected under this
29 section. The provisions of AS 38.50 and AS 38.05.032 do not apply to

1 such designations under this section. The provisions of AS 38.05.-
2 030(a), 38.05.030(e), and 38.05.035(a)(13) which require the approval
3 of the respective trust board before disposal of land by the director
4 do not apply to selections of school, university, or mental health land
5 by a local government under this section.

6 (f) For purposes of determining the per capita entitlement under
7 (a) of this section, the population of a municipality shall be the
8 population determined by the commissioner under AS 43.18.010 for the
9 program year beginning July 1, 1978, for a municipality whose entitle-
10 ment is determined under AS 29.65.010.

11 Sec. 29.65.060. SELECTION AND CONVEYANCE PROCEDURE. (a) If land
12 selected by a municipality is unsurveyed at the time of approval, the
13 director shall survey, or may approve the municipality's survey of, the
14 exterior boundaries of an approved selection without interior sub-
15 division, and shall issue patent in terms of the exterior boundary
16 survey. The cost of the survey shall be borne by the municipality. If
17 land selected by a municipality has been surveyed at the time of its
18 selection, the boundaries shall conform to the public land subdivisions
19 established by the approved survey.

20 (b) The director may approve municipal selections of land which
21 have been tentatively approved or patented to the state by the federal
22 government, but he may not issue patent to a municipality until the
23 land has first been patented to the state. After approval of a selec-
24 tion by the director, but before patent to a municipality, the munici-
25 pality may execute conditional leases and make conditional sales only
26 with the consent of the director. Conditional sales and conditional
27 leases made before July 1, 1978, do not require the consent of the
28 director.

29 (c) Nothing in this chapter affects a valid existing claim,

1 location, or entry under the laws of the state or the United States
2 whether for homestead, mineral, right-of-way, or other purposes.
3 Nothing in this chapter affects the rights of an owner, claimant,
4 locater, or entryman to the full use and enjoyment of the land so
5 occupied.

6 Sec. 29.65.070. PAYMENT FOR LAND DEFICIENCY. (a) The Alaska
7 municipal land account is established in the general fund for the
8 following purposes:

9 (1) providing payment to the home rule and general law
10 boroughs and unified municipalities designated in AS 29.65.010 for a
11 deficiency of land physically suitable for residential, commercial, or
12 industrial purposes; or

13 (2) providing payment to the boroughs and unified municipali-
14 ties designated in AS 29.65.010 for certain general grant lands selected
15 by the state and conveyed to a Native corporation under the provisions
16 of the Alaska Native Claims Settlement Act.

17 (b) A municipality shall receive payment for its land deficiency
18 from the municipal land account. A municipality is eligible to receive
19 payment for land deficiency if, after July 1, 1980, the amount of land
20 selected by a municipality which is physically suitable for residential,
21 commercial, or industrial purposes amounts to less than one-third acre
22 per capita. Any entitlement under AS 29.65.010 which is less than
23 one-third acre per capita will, for the purposes of this subsection, be
24 considered a land deficiency. An unselected remaining entitlement
25 will, for the purpose of deficiency payment under this subsection, be
26 considered as land physically suitable for residential, commercial, or
27 industrial purposes. A municipality eligible under this subsection is
28 entitled to receive a payment for land deficiency equal to \$1,000 per
29 acre for a number of acres equal to the difference between one-third of

1 the population of the municipality less the number of acres physically
2 suitable for residential, commercial or industrial purposes which has
3 been selected by the municipality. For the purpose of this subsection,
4 the population of the municipality shall be the population determined
5 in accordance with AS 29.65.050(f). No payment may be made to a municipi-
6 pality under this subsection in excess of \$9,000,000.

7 (c) If a municipality selected vacant, unappropriated, unreserved
8 land on or before December 18, 1971, to which the state had received
9 tentative approval or patent, and that land was also selected by a
10 Native corporation organized under the Alaska Native Claims Settlement
11 Act (P.L. 92-203), and title to that land is ultimately vested in that
12 Native corporation, the municipality may, at its option, request payment
13 for land deficiency from the municipal land account. The acceptance of
14 payment under this subsection by a municipality constitutes a relin-
15 quishment of any other right, title, or claim to the land by that
16 municipality. The total payment to a municipality under this subsection
17 may not exceed \$1,000 per acre to a maximum of 8,000 acres.

18 (d) The governor shall annually submit to the legislature a
19 request for an appropriation to the municipal land account for the
20 municipalities which have elected to receive payments under (b) or (c)
21 of this section. The request for appropriation shall distinguish
22 between amounts necessary to make payments for land deficiency under
23 (b) of this section and those required to make payments for land defi-
24 ciency under (c) of this section.

25 (e) For purposes of fulfilling entitlements under this section,
26 the legislature is authorized to appropriate

27 (1) not more than \$4,000,000 per fiscal year, and not more
28 than \$12,000,000 in total, for the purpose of paying entitlements under
29 (b) of this section;

1 (2) not more than \$1,000,000 per fiscal year, and not more
2 than \$8,000,000 in total, for the purpose of paying entitlements under
3 (c) of this section.

4 (f) If an annual appropriation is not sufficient to meet the
5 amount due to all municipalities which have elected to accept payment
6 for land deficiency under (b) or (c) of this section, the governor
7 shall apportion the appropriation among the municipalities in propor-
8 tion to the payment calculated for each municipality for that year.
9 When a distribution of payments is made under (c) of this section, the
10 remaining entitlement of a municipality to which payment is made shall
11 be reduced in an amount equal to the number of acres for which payment
12 was received. An appropriation made under this section is in addition
13 to other grants and entitlements authorized to eligible municipalities.

14 (g) Payments authorized by this section may not be made to a
15 municipality eligible for an entitlement under AS 29.65.010 or 29.65.-
16 020.

17 (h) Payments made under this section shall be used by those
18 municipalities which levy property taxes to reduce those levies in
19 proportion to the amount of state payments received by a municipality
20 for a given fiscal year. The governing body of each municipality shall
21 furnish a notice with the tax statement describing the effect on prop-
22 erty tax levies of payments received under this section.

23 Sec. 29.65.080. AUTHORIZATION FOR LAND EXCHANGES. The director,
24 with the concurrence of the commissioner, and a municipality are autho-
25 rized to exchange land or interests in land when it is in the public
26 interest. Land or interests in land exchanged under this section must
27 be of approximately equal value, including the nonmonetary value of
28 public benefits. Exchange procedures shall comply with applicable law
29 and municipal ordinances. The notice and review provisions of AS 38.-

1 05.305 and 38.05.345 apply to exchanges of land under this section.
2 The provisions of AS 38.50 do not apply to exchanges of land under this
3 section.

4 Sec. 29.65.090. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Consis-
5 tent with the best interests of the state, if a municipality does not
6 contain and cannot reasonably acquire sufficient nonfederal land within
7 its boundaries to meet its legitimate needs for public or private
8 settlement or development, it shall be the policy of the state to
9 select federal land reasonably necessary to meet the needs of the
10 municipality and to make the land selected available to the municipality
11 under AS 38.05.315 or (b) of this section.

12 (b) Where state land is the most logical location for demonstrated
13 municipal expansion for nonpublic settlement and development purposes,
14 and when an exchange of land under AS 29.65.080 is not possible or is
15 not in the public interest, it is the policy of the state to sell or
16 lease the land at public auction. The state may contract with a muni-
17 cipality to act as its agent in an auction of state land under appli-
18 cable statutes. When a municipality acts as the agent of the state in
19 an auction, the municipality may retain from the proceeds of the auction
20 the expenses which the director determines to be necessary and reason-
21 able.

22 (c) Nothing in this chapter limits or impairs the authority of
23 the director to transfer land to municipalities, without limit or
24 consideration, for public purposes in accordance with AS 38.05.315. If
25 there is a remaining entitlement of the municipality, land transferred
26 under AS 38.05.315 shall be credited toward fulfillment of the entitle-
27 ment.

28 Sec. 29.65.100. ELECTION OF BENEFITS. (a) A municipality which
29 on July 1, 1978, is engaged in litigation, or which becomes engaged in

1 litigation, regarding a claim to state land under former AS 29.18.190
2 and 29.18.200 shall elect either to obtain the benefits provided in
3 this chapter or to pursue the litigation and thereby waive any claim to
4 entitlement under this chapter. An election shall be made by filing a
5 motion for dismissal with prejudice in the court in which the litigation
6 is pending. If the claim involves a municipality identified in AS 29.-
7 65.010, the municipality shall file its motion for dismissal within 60
8 days of July 1, 1978. Failure of the municipality to file a motion for
9 dismissal during the time period provided in this subsection is con-
10 sidered a waiver of entitlement under this chapter.

11 (b) A municipality which was eligible to file land selections
12 under former AS 29.18.190 and 29.18.200 and which does not enter into
13 litigation over a claim to rights under those sections before the
14 expiration of the time period within which it could make an election
15 under (a) of this section is considered to have elected to receive
16 benefits under this chapter and to have waived any claim which might
17 have been raised under former AS 29.18.190 and 29.18.200.

18 (c) The provisions of this chapter do not affect the rights, if
19 any, of any party to litigation regarding the former AS 29.18.190,
20 29.18.200 or 29.18.420, which litigation is maintained by a municipality
21 that has elected not to obtain the benefits provided by this chapter.

22 Sec. 29.65.110. ADMINISTRATION. The commissioner may adopt
23 regulations in accordance with the Administrative Procedure Act
24 (AS 44.62) necessary to carry out the purposes of this chapter.

25 Sec. 29.65.120. DEFINITIONS. In this chapter, unless the context
26 otherwise requires,

27 (1) "approved selection" means a municipal land selection
28 which has been approved in writing by the director for transfer by
29 patent 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 for vacant, unappropriated, unreserved
11 general grant land within its municipal boundaries in partial fulfill-
12 ment of its municipal entitlement;

13 (6) "patent" means a document, issued by the director to a
14 local government for a previously approved selection, which 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 AS 29.65.010 and 29.65.020,
19 reduced by the total acreage of approved selections, including both
20 patented and unpatented 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(1) of the Alaska Statehood Act, which

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,

11 Sec. 29.65.130. APPLICATION. This chapter applies to home rule
12 and general law municipalities.

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

14 CHAPTER 71. GENERAL PROVISIONS.

15 Sec. 29.71.010. ADVERSE POSSESSION. (a) A municipality may not
16 be divested of title to real property by adverse possession.

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

19 Sec. 29.71.020. DEDICATION OF MUNICIPAL PROPERTY. (a) Dedication
20 of streets, rights-of-way, easements or other areas for public use may
21 not be construed to require the municipality to maintain, improve or
22 provide for municipal services in the area dedicated and the dedication
23 does not impose any liability on the municipality for the condition of
24 the area dedicated.

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

27 Sec. 29.71.030. TAXATION OF MUNICIPALITIES. (a) No state law or
28 regulation may assess or tax, or be construed to assess or tax, muni-
29 cipalities unless the law or regulation expressly provides that the

1 municipalities are to be assessed or taxed by the particular law or
2 regulation.

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

5 Sec. 29.71.040. DEFINITIONS. In this title, unless otherwise
6 provided or the context otherwise requires,

7 (1) "areawide" means throughout a home rule or general law
8 borough, and includes home rule or general law cities in the borough;

9 (2) "borough" means a general law first or second class
10 organized borough;

11 (3) "city" means a general law first or second class city;

12 (4) "commissioner" means the commissioner of community and
13 regional affairs;

14 (5) "conditional use" means exception, special exception,
15 special use, or special permit designated in the zoning ordinance;

16 (6) "consolidation" means dissolution of two or more muni-
17 cipalities and their incorporation as a new municipality;

18 (7) "department" means the Department of Community and
19 Regional Affairs;

20 (8) "election" means a regular or special municipal election
21 and does not include a state election;

22 (9) "governing body" means the assembly of a home rule or
23 general law borough or the council of a home rule or general law city;

24 (10) "majority" means a simple majority;

25 (11) "merger" means dissolution of a municipality and its
26 absorption by another municipality;

27 (12) "municipality" means a home rule or general law political
28 subdivision, which is a first or second class borough, a first or
29 second class city, or a unified municipality, incorporated under the

1 laws of the state;

2 (13) "nonareawide" means throughout the area of a home rule
3 or general law borough outside home rule or general law cities in the
4 borough;

5 (14) "owner" or "record owner" means owner of record or
6 purchaser of record as shown in the records of the district recorder;

7 (15) "personal property" means tangible property other than
8 real property, such as merchandise, stock in trade, machinery, equip-
9 ment, furniture, fixtures, vehicles, boats, and aircraft;

10 (16) "property" means real and personal property;

11 (17) "published" means appearing at least once in a newspaper
12 of general circulation distributed within the municipality or, if there
13 is no newspaper of general circulation distributed within the municipal-
14 ity, posting in three public places for at least five days;

15 (18) "real property" means land and improvements, all posses-
16 sory rights and privileges appurtenant to the property, and includes
17 personal property affixed to the land or improvements;

18 (19) "regular election" means the municipal election held on
19 the first Tuesday of October annually, or on a different date or inter-
20 val of years provided by ordinance or charter;

21 (20) "special election" means a municipal election and does
22 not include a regular election or a state election;

23 (21) "street" includes streets, avenues, boulevards, roads,
24 lanes, alleys, and other ways;

25 (22) "subdivision" means the division of a tract or parcel of
26 land into two or more parcels, sites, or other divisions for the purpose
27 of sale or building development, includes resubdivision, and relates to
28 the process of subdividing or to the land or area subdivided;

29 (23) "unified municipality" means a municipality unified in

1 accordance with AS 29.06.190 - 29.06.390;

2 (24) "voter" means a United States citizen who is qualified
3 to vote in state elections, has been a resident of the municipality for
4 30 days immediately preceding the election, is registered to vote in
5 state elections, and is not disqualified under art. V of the state con-
6 stitution.

7 * Sec. 19. AS 04.11.400(c) is amended to read:

8 (c) In this section "unified municipality" means a unified muni-
9 cipality established under AS 29.06.190 [AS 29.68].

10 * Sec. 20. AS 04.21.060(b)(11) is amended to read:

11 (11) "municipality" means an incorporated city, an organized
12 borough, or a unified municipality established under AS 29.06.190
13 [AS 29.68].

14 * Sec. 21. AS 09.55.275 is amended to read:

15 Sec. 09.55.275. REPLAT APPROVAL. No agency of the state or
16 municipality may acquire property located within a municipality exercis-
17 ing the powers conferred by AS 29.40.070 - 29.40.150 [AS 29.33.150 -
18 29.33.245] which results in a boundary change unless the agency or
19 municipality first obtains from the municipal platting authority pre-
20 liminary approval of a replat showing clearly the location of the
21 proposed public streets, easements, rights-of-way, and other taking of
22 private property. Final approval of replat shall be similarly obtained.
23 However, if a state agency clearly demonstrates an overriding state
24 interest, a waiver to the approval requirements of this section may be
25 granted by the governor. The platting authority shall treat applica-
26 tions for replat made by state or local governmental agencies in the
27 same manner as replat petitions originated by private landowners.

28 * Sec. 22. AS 09.65.070(e)(1) is amended to read:

29 (1) "municipality" means a home rule borough or city, a

1 general law borough or city of any class, or a unified municipality
2 established under AS 29.06.190 [AS 29.68.240 - 29.68.440, OR A MUNICI-
3 PALITY ESTABLISHED BY MERGER OR CONSOLIDATION UNDER AS 29.68.030 -
4 29.68.110]; the term includes a public corporation established by a
5 municipality;

6 * Sec. 23. AS 14.08.071(b) is amended to read:

7 (b) Except for the first election of regional school members
8 under (a) of this section, elections [ELECTION] shall be held annually
9 on the first Tuesday in October. Elections shall be supervised by the
10 director of elections in the office of the lieutenant governor, but
11 shall be administered within second class cites as part of the regular
12 municipal election. The lieutenant governor shall adopt [PROMULGATE]
13 regulations for the conduct of the election of regional school board
14 members comparable, as far as practicable, to those prescribed for
15 election of school board members under AS 14.12 and AS 29.20.300
16 [AS 29.28] except that the majority election requirements of AS 29.-
17 26.060 [AS 29.28.040] do not apply to, nor may the regulations require
18 runoff elections for, the first election of regional school board
19 members under (a) of this section or, if a school board by resolution
20 so requests, to subsequent elections in the regional educational atten-
21 dance area served by that school board.

22 * Sec. 24. AS 14.08.081 is amended to read:

23 Sec. 14.08.081. RECALL. The members of a regional school board
24 are subject to recall in accordance with AS 29.26.240 - 29.26.350
25 [AS 29.28.130 - 29.28.250], except that the director of the division of
26 elections shall perform the functions of a municipal clerk, and the
27 lieutenant governor shall perform the functions of the assembly or
28 council under those sections.

29 * Sec. 25. AS 14.12.030(c) is amended to read:

1 (c) Notwithstanding the provisions of (a) and (b) of this section,
2 where the borough assembly serves as the school board of the borough
3 school district under AS 14.12.110 [AS 29.41.020] the number of members
4 of the assembly-school board shall be determined in the manner pre-
5 scribed by AS 29.20.060 and 29.20.080 [AS 29.23.020].

6 * Sec. 26. AS 14.12.110 is amended to read:

7 Sec. 14.12.110. SINGLE BODY AS ASSEMBLY AND SCHOOL BOARD. (a)
8 Notwithstanding the provisions of this chapter or other law, a single
9 body may serve as both the borough assembly and borough school board [IN
10 THE MANNER PROVIDED FOR THIRD CLASS BOROUGH UNDER AS 07.17.030], if a
11 borough ordinance for that purpose is approved by the assembly and
12 ratified by a referendum of a majority of the qualified borough voters
13 voting on the question at a regular or special election, and if the
14 public school population within the borough is 500 pupils or less.

15 (b) When the assembly serves as the borough school board, the
16 borough mayor is the president of the school board but he may not veto
17 an action of the school board.

18 * Sec. 27. AS 14.14.020 is amended to read:

19 Sec. 14.14.020. BOND REQUIRED. Before the officer responsible
20 for custody [OF], investment, or management of school district money
21 enters upon the duties of office, the district, or the municipality if
22 the treasury is centralized, shall obtain a bond with sufficient sure-
23 ties in an amount equal to the money that may come into the officer's
24 official custody, but not to exceed \$50,000. The bond shall be condi-
25 tioned on the officer's honest and faithful disbursement and accounting
26 of all money that may come into his official custody. The bond shall
27 be filed with the clerk of the school board. This section does not
28 apply to an officer who has been bonded under AS 29.20.610 [AS 29.23.-
29 520].

1 * Sec. 28. AS 14.14.050(d) is amended to read:

2 (d) The school board shall not make the audit if an audit which
3 satisfies the requirements of this section and which is filed and posted
4 as required by this section, is made according to AS 29.35.110 [AS 29.-
5 48.220].

6 * Sec. 29. AS 14.17.140(a) is amended to read:

7 (a) To determine the equalized percentage to be applied to basic
8 need under AS 14.17.021, and the matching ratio for required local
9 effort under AS 14.17.071, the Department of Community and Regional
10 Affairs, in consultation with the assessor for each district, shall
11 determine the full value of the taxable real and personal property in
12 each district. Exemptions granted under ch. 129, SLA 1957, known as
13 the Alaska Industrial Incentive Act (AS 43.25), shall be honored. If
14 there is no local assessor or current local assessment for a district,
15 then the Department of Community and Regional Affairs shall make the
16 determination of full value from information available. In making the
17 determination, the Department of Community and Regional Affairs shall
18 be guided by AS 29.45.110 [AS 29.53.060]. The determination of full
19 value shall be made before October 1 and sent by certified mail, return
20 receipt requested, before that date to the president of the school
21 board in each district. Duplicate copies shall be sent to the commis-
22 sioner. The governing body of the borough or city which is the district
23 may obtain judicial review of the determination by filing a motion in
24 the superior court of the judicial district in which the district is
25 located within 30 days after receipt of the determination. The superior
26 court may modify the determination of the Department of Community and
27 Regional Affairs only upon a finding of abuse of discretion or upon a
28 finding that there is no substantial evidence to support the determina-
29 tion.

1 * Sec. 30. AS 14.56.180(3) is amended to read:

2 (3) "municipal" and "municipality" includes cities and
3 organized boroughs of every class, including municipalities unified
4 under AS 29.06.190 [AS 29.68.240 - 29.68.440];

5 * Sec. 31. AS 15.13.010(a) is amended to read:

6 (a) This chapter applies in every election for governor, lieu-
7 tenant governor, a member of the state legislature, a delegate to a
8 constitutional convention, or judge seeking electoral confirmation. It
9 also applies to every candidate for election to a municipal office in a
10 city or borough with a population of more than 1,000 inhabitants accord-
11 ing to the latest United States census figures or estimates of popula-
12 tion certified as correct for administrative purposes by the Department
13 of Community and Regional Affairs. A municipality may exempt its
14 elected municipal officers from the requirements of this chapter if a
15 majority of the voters voting on the question at a [ANY] regular elec-
16 tion, as defined by AS 29.71.040(19) [AS 29.78.010(14)], or a special
17 municipality-wide election called for that purpose, vote to exempt its
18 elected municipal officers from the requirements of this chapter. The
19 question of exemption from the requirements of this chapter may be
20 submitted by the city council or borough assembly by ordinance or by
21 initiative election [ORDINANCE]. Nothing in this chapter prohibits a
22 municipality from regulating by ordinance campaign contributions and
23 expenditures.

24 * Sec. 32. AS 15.13.130(6) is amended to read:

25 (6) "municipality" means a home rule or general law borough
26 or city including [BUT NOT LIMITED TO] a unified municipality organized
27 under AS 29.06.190 [AS 29.68];

28 * Sec. 33. AS 15.56.110(b)(2) is amended to read:

29 (2) a borough assemblyman under AS 29.20.170(7) [AS 29.23.-

- 1 060(c)];
- 2 * Sec. 34. AS 15.56.110(b)(3) is amended to read:
- 3 (3) a borough mayor under AS 29.20.280(7) [AS 29.23.130(f)];
- 4 * Sec. 35. AS 15.56.110(b)(4) is amended to read:
- 5 (4) a city councilman under AS 29.20.170(7) [AS 29.23.-
- 6 210(b)];
- 7 * Sec. 36. AS 15.56.110(b)(5) is amended to read:
- 8 (5) a city mayor under AS 29.20.280(7) [AS 29.23.255];
- 9 * Sec. 37. AS 16.20.036(g) is amended to read:
- 10 (g) The establishment of a refuge under this section does not
- 11 impair or alter existing rights of a borough or city to select state
- 12 land under AS 29.65.010 - 29.65.130 [AS 29.18.190 - 29.18.200].
- 13 * Sec. 38. AS 16.20.038(g) is amended to read:
- 14 (g) The establishment of a refuge under this section does not
- 15 impair or alter existing rights of a borough or city to select state
- 16 land under AS 29.65.010 - 29.65.130 [AS 29.18.190 - 29.18.200].
- 17 * Sec. 39. AS 18.80.290(d) is amended to read:
- 18 (d) The legislative body of a general law or home rule municipal-
- 19 ity has the authority under AS 29.20.320 [AS 29.48.035] to grant to
- 20 local commissions powers and duties similar to those exercised by the
- 21 Alaska Human Rights Commission under the provisions of this Act.
- 22 * Sec. 40. AS 19.10.280(f) is amended to read:
- 23 (f) In this section "municipality" means a general law or home
- 24 rule city or organized borough, including [BUT NOT LIMITED TO] a unified
- 25 municipality organized under AS 29.06.190 [AS 29.68.240 - 29.68.440].
- 26 * Sec. 41. AS 19.30.241(2) is amended to read:
- 27 (2) "home rule city" means a city as defined in AS 29.04.010
- 28 [AS 29.08.010];
- 29 * Sec. 42. AS 24.55.330(3) is amended to read:

1 (3) "municipality" means a home rule or general law borough
2 or city including [BUT NOT LIMITED TO] a unified municipality organized
3 under AS 29.06.190 [AS 29.68].

4 * Sec. 43. AS 26.23.230(5) is amended to read:

5 (5) "political subdivision" means a home rule or general law
6 borough or city [, WHETHER HOME RULE OR OTHERWISE,] including a municipi-
7 pality [MUNICIPALITIES] unified under AS 29.06.190 [AS. 29.68.240 -
8 29.68.440], an unincorporated village, or other unit of local govern-
9 ment;

10 * Sec. 44. AS 28.15.051(d) is amended to read:

11 (d) The department may issue a special driver's permit to a
12 person who is at least 14 years of age with the consent of his parents
13 or guardians for the purpose of driving a motor-driven cycle. This
14 permit may be issued upon application and successful completion of all
15 prescribed tests and fees, and is valid for the same period of time as
16 a driver's license. The permit is not valid in a municipality which by
17 ordinance prohibits the driving of a motor-driven cycle by a person
18 under the age of 16 years; a borough may adopt the ordinance on a
19 nonareawide basis only, unless the power to adopt it on an areawide
20 basis is acquired under AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.-
21 290].

22 * Sec. 45. AS 28.35.260(a((10) is amended to read:

23 (10) "municipality" means a home rule or general law borough
24 or city including [, BUT NOT LIMITED TO,] a unified municipality or-
25 ganized under AS 29.06.190 [AS 29.68];

26 * Sec. 46. AS 30.15.070(3) is amended to read:

27 (3) "municipality" means a home rule or general law borough
28 or city including [BUT NOT LIMITED TO] a unified municipality organized
29 under AS 29.06.190 [AS 29.68];

1 * Sec. 47. AS 30.30.170(2) is amended to read:

2 (2) "municipality" means a home rule or general law borough
3 or city including [BUT NOT LIMITED TO] a unified municipality organized
4 under AS 29.06.190 [AS 29.68];

5 * Sec. 48. AS 35.15.120(3) is amended to read:

6 (3) "municipality" means a general law or home rule city or
7 organized borough, including [BUT NOT LIMITED TO] a unified municipality
8 organized under AS 29.06.190 [AS 29.68.240 - 29.68.440].

9 * Sec. 49. AS 38.04.020(b)(2) is amended to read:

10 (2) nominated for selection or selected by a municipality to
11 satisfy a general grant land entitlement under AS 29.65.010 - 29.65.030
12 [AS 29.18.201 - 29.18.203].

13 * Sec. 50. AS 38.04.900(b) is amended to read:

14 (b) A municipality has standing to petition the commissioner for
15 the adoption of a regulation, or for the amendment or repeal of an
16 existing regulation, or to appeal a decision of the commissioner with
17 respect to classification, management, or disposal of land made under
18 authority of a regulation adopted under (a) of this section with respect
19 to state land outside the corporate boundaries of the municipality to
20 protect any interest which the municipality is authorized to regulate
21 outside its boundaries under AS 29.35.020 [AS 29.48.037].

22 * Sec. 51. AS 38.05.047(b) is amended to read:

23 (b) Notwithstanding the provisions of AS 38.04, state land in a
24 municipality which has not been classified for one or more of the
25 purposes specified in (a)(1) - (5) of this section before September 1,
26 1980, or which has not been nominated for selection or selected by a
27 municipality to satisfy a general grant land entitlement under AS 29.-
28 65.010 - 29.65.030 [AS 29.18.201 - 29.18.203] before September 1, 1980,
29 is available for disposal under (f) of this section.

1 * Sec. 52. AS 38.05.047(c) is amended to read:

2 (c) Before September 1, 1979, the commissioner shall identify
3 state land in a municipality which may be suitable for classification
4 for the purposes set out in (a)(1) - (5) of this section. State land
5 in a municipality which is not identified for a purpose listed in
6 (a)(1) - (5) of this section or which has not been nominated for selec-
7 tion or selected by a municipality to satisfy a general grant land
8 entitlement under AS 29.65.010 - 29.65.030 [AS 29.18.201 - 29.18.203]
9 before September 1, 1979, is available for sale to individuals as
10 provided in (f) of this section. After September 1, 1979, the commis-
11 sioner shall divide all state land in a municipality that is not identi-
12 fied for a purpose set out in (a)(1) - (5) of this section into survey
13 districts and shall make the land available for disposal to individuals
14 as required by (f) of this section.

15 * Sec. 53. AS 38.05.290(b) is amended to read:

16 (b) Consistent with the best interests of the state, in the
17 selection of general grant land it is the policy of the state to make
18 available the maximum land area from which municipalities may fulfill
19 land entitlements under AS 29.65.010 - 29.65.130 [AS 29.18.201 -
20 29.18.213].

21 * Sec. 54. AS 38.05.321(b) is amended to read:

22 (b) State land classified as agricultural land which has been
23 selected by a municipality [UNDER AS 29.18.190 - 29.18.200 or 29.18.-
24 205(e)] may be approved by the director for patent under AS 29.65.040(c)
25 [AS 29.18.205(f)]; however, only rights in the land for agricultural
26 purposes may be transferred and all other interests in the land will
27 remain with the state. Agricultural land approved for patent to a
28 municipality [UNDER AS 29.18.205(f)] shall be credited, acre for acre,
29 toward fulfillment of that municipality's entitlement under AS 29.65.-

1 010 - 29.65.030 [AS 29.18.201 - 29.18.203]. If the director later
2 determines it to be in the best interests of the state to transfer some
3 or all of the additional rights in that approved or patented agricul-
4 tural land, those rights shall pass without consideration to the muni-
5 cipality in which the land is located. The notice and review provisions
6 of AS 38.05.305 and 38.05.345 are applicable to conveyance of rights
7 under this section.

8 * Sec. 55. AS 38.05.321(c) is amended to read:

9 (c) The provisions of this section do not apply to state land
10 classified as agricultural land which has been selected by a municipal-
11 ity [UNDER THE PROVISIONS OF AS 29.18.190 - 29.18.200] if the selection
12 is an approved selection before April 1, 1978 and is otherwise valid
13 under AS 29.65.040(b) [AS 29.18.205(b)].

14 * Sec. 56. AS 38.05.362(b) is amended to read:

15 (b) Nothing in this section affects the selection rights of a
16 borough or city under former AS 29.18.190 - 29.18.200 for areas selected
17 as of July 1, 1977, or a valid existing claim, location, or entry under
18 law, as of July 1, 1976.

19 * Sec. 57. AS 39.50.145 is amended to read:

20 Sec. 39.50.145. PARTICIPATION BY MUNICIPALITIES. A municipality
21 may exempt its municipal officers from the requirements of this chapter
22 if a majority of the voters voting on the question at a [ANY] regular
23 election, as defined by AS 29.71.040(19) [AS 29.78.010(14)], or a
24 special municipality-wide election, vote to exempt its municipal
25 officers from the requirements of this chapter. The question of exemp-
26 tion from the requirements of this chapter may be submitted by the city
27 council or borough assembly by ordinance or by initiative election
28 [ORDINANCE].

29 * Sec. 58. AS 39.50.200(a)(6) is amended to read:

1 (6) "municipal officer" includes a borough or city mayor,
2 borough assemblyman, city councilman, school board member, elected
3 utility board member, city or borough manager, members of a city or
4 borough planning or zoning commission within a home rule or general law
5 city or borough, including [BUT NOT LIMITED TO] a unified municipality
6 organized under AS 29.06.190 [AS 29.68];

7 * Sec. 59. AS 40.15.075 is amended to read:

8 Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH [AND THIRD
9 CLASS BOROUGH]. The division of lands is the platting authority in
10 the area outside organized boroughs and outside cities in the unor-
11 ganized borough [AND IN THE THIRD CLASS BOROUGH] for only the purposes
12 of hearing and acting on petitions for the change or vacation of plats
13 and shall execute this function substantially in conformity with the
14 provisions of AS 29.40.120 - 29.40.150 [AS 29.33.210 - 29.33.240].
15 Costs of publication and mailing [AS WELL AS OTHER COSTS] authorized in
16 AS 29.40.120 [AS 29.33.210] shall be paid to the division by the peti-
17 tioner. The Department of Natural Resources shall adopt reasonable
18 regulations governing the exercise of the authority conferred by this
19 section upon the division of lands.

20 * Sec. 60. AS 40.15.200 is amended to read:

21 Sec. 40.15.200. APPLICATION TO STATE AND POLITICAL SUBDIVISIONS.
22 All subdivisions of land made by the state, its agencies, instrumentali-
23 ties and political subdivisions are subject to the provisions of this
24 chapter and AS 29.40.070 - 29.40.150 [AS 29.33.150 - 29.33.240], or
25 home rule ordinances or regulations governing subdivisions, and shall
26 comply with ordinances and other local regulations adopted under this
27 chapter and AS 29.40.070 - 29.40.150 [AS 29.33.150 - 29.33.240], or
28 under home rule authority, in the same manner and to the same extent as
29 subdivisions made by other landowners.

1 * Sec. 61. AS 41.22.020(d) is amended to read:

2 (d) In (a) of this section "municipalities" includes cities or
3 organized boroughs of any class and unified municipalities organized
4 under AS 29.06.190 exercising powers to initiate projects described in
5 AS 41.22.020 and acquire parks and open space land, as otherwise autho-
6 rized by law [, AND INCLUDES BUT IS NOT LIMITED TO UNIFIED MUNICIPALI-
7 TIES ORGANIZED UNDER AS 29.68.240 - 29.68.440].

8 * Sec. 62. AS 41.35.180(5) is amended to read:

9 (5) consult with local historical district commissions
10 regarding the establishment of historical districts under AS 29.55.010 -
11 29.55.020 [AS 29.48.108 - 29.48.110] and the approval of project altera-
12 tions under AS 45.98.040; recommend, if appropriate, the formulation of
13 additional criteria for the designation of historical districts under
14 AS 29.48.110(b); approve plans for and evaluate the suitability of
15 specific structures for purposes of loan eligibility and continuance
16 under the historical district revolving loan fund (AS 45.98); and
17 consult with the Department of Commerce and Economic Development rela-
18 tive to the adoption of regulations for historical district loans under
19 AS 45.98.

20 * Sec. 63. AS 43.18.430 is amended to read:

21 Sec. 43.18.430. POWER OF MUNICIPALITY. A municipality may own,
22 maintain and employ a facility constructed under AS 43.18.400 - 43.18.-
23 460. The exercise of this power on an areawide basis is at the option
24 of the borough and is not subject to the restrictions on acquiring
25 additional areawide powers in AS 29.35.300 - 29.35.330 [AS 29.33.250 -
26 29.33.290].

27 * Sec. 64. AS 43.18.500(d)(2)(A) is amended to read:

28 (A) has the authority under AS 29.35 [AS 29.41 or
29 AS 29.48] to provide and maintain a cultural facility;

1 * Sec. 65. AS 43.18.500(j)(6) is amended to read:

2 (6) "municipality" means a home rule or general law city or
3 borough, and includes a municipality [MUNICIPALITIES] unified under
4 AS 29.06.190 [AS 29.68.240 - 29.68.440];

5 * Sec. 66. AS 43.21.020(c)(3) is amended to read:

6 (3) taxes imposed under AS 43.56 and AS 29.45 [AS 29.53]
7 which are actually paid by the corporation on property used directly in
8 the production of oil or gas from a lease or property in the state,
9 including property used in production, gathering, treatment or prepara-
10 tion of the oil or gas for pipeline transportation, but only if those
11 property tax payments were due and payable only after the date of
12 commercial production from the lease or property with which the property
13 was associated;

14 * Sec. 67. AS 43.21.020(c)(6) is amended to read:

15 (6) the amortization of lease acquisition payments and taxes
16 paid under AS 43.56 and AS 29.45 [AS 29.53] (including capitalized
17 interest on both) for or on producing properties before the commencement
18 of commercial production from the lease or property for which the
19 property is being used;

20 * Sec. 68. AS 43.56.010(b) is amended to read:

21 (b) A municipality may levy and collect a tax under AS 29.45.080
22 [AS 29.53.045] at the rate of taxation that applies to other property
23 taxed by the municipality. The tax shall be levied at a rate no higher
24 than the rate applicable to other property taxable by the municipality.
25 No municipality may exempt from taxation property authorized to be
26 taxed under this chapter. Exemptions shall be limited to those in
27 AS 29.45.030, [AS 29.53.020 AND] 29.45.050, [29.53.025] and AS 43.56.-
28 020.

29 * Sec. 69. AS 43.56.010(c) is amended to read:

1 (c) If the total value of assessed property of a municipality
2 taxing under AS 29.45.080(c) [AS 29.53.045(c)] exceeds the product of
3 225 percent of the average per capita assessed full and true value of
4 property in the state (to be determined by the department and reported
5 to each municipality by January 15 of each year) multiplied by the
6 number of residents of the taxing municipality, the department shall
7 designate the portion of the tax base against which the local tax may
8 be applied. For purposes of this subsection the average per capita
9 assessed full and true value of property in the state shall be cal-
10 culated without regard to the assessed value of taxable property under
11 AS 43.58.

12 * Sec. 70. AS 43.56.010(d) is amended to read:

13 (d) A tax paid to a municipality under AS 29.45.080 [AS 29.53.045]
14 on or before June 30 of the tax year shall be credited against the tax
15 levied under (a) of this section for that tax year. If, however, a tax
16 is not paid to a municipality until after June 30 of the taxable year,
17 the department upon application shall refund to the taxpayer the amount
18 of tax paid to the municipality under AS 29.45.080 [AS 29.53.045]. The
19 credit or refund of taxes paid to a municipality may not exceed the
20 total amount of tax levied by the department upon the taxpayer for the
21 tax year, under (a) of this section.

22 * Sec. 71. AS 43.56.060(a) is amended to read:

23 (a) The department shall assess property for the tax levied under
24 AS 43.56.010(b) and AS 29.45.080 [AS 29.53.045] on property used or
25 committed by contract or other agreement for use for the pipeline
26 transportation of gas or unrefined oil or for the production of gas or
27 unrefined oil at its full and true value as of January 1 of the assess-
28 ment year.

29 * Sec. 72. AS 43.56.210(8) is amended to read:

1 (8) "municipality" means a home rule or general law city or
2 borough and includes [BUT IS NOT LIMITED TO] a unified municipality
3 organized under AS 29.06.190 [AS 29.68].

4 * Sec. 73. AS 43.75.130(1) is amended to read:

5 (1) to each municipality unified under AS 29.06.190 [AS 29.-
6 68.240 - 29.68.440], and to each city located in the unorganized
7 borough, 20 percent of the amount of tax revenue collected in the
8 municipality from taxes levied by AS 43.75;

9 * Sec. 74. AS 44.07.020(a) is amended to read:

10 (a) The corporation is governed by a board of directors which
11 consists of 11 members: the commissioner of community and regional
12 affairs, the mayor of the new capital city and the mayor of the
13 Matanuska-Susitna Borough or their designees, who serve as directors ex
14 officio with voting privileges, and eight directors appointed by the
15 governor and confirmed by a majority of the members of the legislature
16 in joint session. The governor shall appoint the eight directors
17 within 60 days after the effective date of this Act. The governor
18 shall appoint one director to serve until the mayor of the new capital
19 city is elected in accordance with AS 29.14.060 [AS 29.18.570]. No
20 more than three of the appointed directors may be full-time elected or
21 appointed employees or officials of the state or of any municipality.
22 No state legislator may be appointed or serve.

23 * Sec. 75. AS 44.07.110(11) is amended to read:

24 (11) adopt or impose land use and building restrictions,
25 architectural, design, and land use controls through covenants, declara-
26 tions, or otherwise in furtherance of the purpose of this chapter on
27 any real property owned by the corporation; include the restrictions or
28 controls in contracts, conveyances and agreements; and cause the re-
29 strictions and controls, covenants or declarations to run with the

1 land and bind all future owners of the land by filing them for record
2 in the appropriate recording district subject to AS 29.14.070 [AS 29.-
3 18.580];

4 * Sec. 76. AS 44.07.360(1) is amended to read:

5 (1) "capital city area" or "capital city site" means the
6 area specified in AS 29.14.020 [AS 29.18.520];

7 * Sec. 77. AS 44.07.360(2) is amended to read:

8 (2) "capital city" means the municipality created under
9 AS 29.14.010 [AS 29.18.510];

10 * Sec. 78. AS 44.07.360(8) is amended to read:

11 (8) "municipality" means a home rule or general law city or
12 borough including but not limited to the capital city and a unified
13 municipality organized under AS 29.06.190 [AS 29.68.240 - 29.68.440];

14 * Sec. 79. AS 44.08.065(c) is amended to read:

15 (c) A property owner aggrieved by determination of his assessment
16 may appeal under AS 29.45.190 [AS 29.53.130 - 29.53.135].

17 * Sec. 80. AS 44.08.065(d) is amended to read:

18 (d) All adjustments in valuation approved by the board of equali-
19 zation are subject to review and final approval by the commissioner. A
20 property owner may appeal the final determination in accordance with
21 AS 29.45.210 [AS 29.53.140].

22 * Sec. 81. AS 44.85.270(1) is amended to read:

23 (1) All references to the "reserve fund" in this section include
24 special accounts within the reserve fund which may be created by the
25 authority to secure the payment of particular bonds, including, without
26 limitation, bonds issued by the capital city established under AS 29.-
27 14.010 [AS 29.18.510]. The commissioner of revenue may lend surplus
28 money in the general fund to the authority for deposit to any account
29 in the reserve fund in an amount equal to the required debt service

1 reserve. The loans shall be made on such terms and conditions as may
2 be agreed upon by the commissioner of revenue and the authority, includ-
3 ing, without limitation, terms and conditions providing that the loans
4 need not be repaid until the obligations of the corporation secured and
5 to be secured by the account in the reserve fund are no longer outstand-
6 ing.

7 * Sec. 82. AS 44.85.410(3)(A) is amended to read:

8 (A) a general obligation bond which is a direct and
9 general obligation of a political subdivision of the state, all
10 the taxable property within which is subject to taxation to pay
11 the bond, note or evidence of debt, and the interest without
12 limitation, as to rate or amount generally to the extent permitted
13 by law or to avoid a default as provided for second class cities
14 under AS 29.45.590 [AS 29.53.410]; or

15 * Sec. 83. AS 44.85.410(3)(D) is amended to read:

16 (D) a bond of a borough issued as a general obligation
17 of a service area under AS 29.47.440 [AS 29.58.340]; [.]

18 * Sec. 84. AS 44.85.410(4) is amended to read:

19 (4) "municipality" means a home rule or general law city or
20 borough including [BUT NOT LIMITED TO] to a unified municipality organ-
21 ized under AS 29.06.190 [AS 29.68];

22 * Sec. 85. AS 45.98.020 is amended to read:

23 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and
24 plan approval by a local historical district commission established
25 under AS 29.55.010 [AS 29.48.108] and the recommendation of a majority
26 of the members of the Historic Sites Advisory Committee, the Department
27 of Commerce and Economic Development may make loans to a person, firm,
28 business or municipality subject to applicable laws for the restoration,
29 improvement, rehabilitation, or maintenance of a structure which is

1 (1) within the boundaries of a historical district estab-
2 lished under AS 29.55.020 [AS 29.48.110];

3 (2) identified as important in state or national history as
4 provided for in AS 29.55.020(b) [AS 29.48.110(b)]; and

5 (3) another building or structure within a historical dis-
6 trict, and suitable for superficial modification so that it can conform
7 to the period or motif of the surrounding buildings or structures that
8 are the reason for the area's designation as a historical district.

9 * Sec. 86. AS 46.03.210(a) is amended to read:

10 (a) A municipality with a population in excess of 1,000 may,
11 within five years from August 5, 1969, establish and administer within
12 its jurisdiction an air pollution control program. Organized boroughs
13 may establish an air pollution control program on an areawide basis,
14 and the exercise of powers with respect to the program is not subject
15 to the restrictions on acquiring additional areawide powers specified
16 in AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.290]. Local programs
17 shall

18 (1) provide by ordinance for requirements compatible with
19 those imposed by the provisions of AS 46.03.140 and 46.03.170 and
20 applicable regulations;

21 (2) provide for the enforcement of the requirements imposed
22 through appropriate administrative and judicial processes;

23 (3) provide for a local administrative organization, staff,
24 and other resources necessary to effectively carry out the purposes of
25 the program; and

26 (4) be approved by the department as being satisfactory to
27 meet the requirements of AS 46.03.140 - 46.03.170 and the applicable
28 regulations.

29 * Sec. 87. AS 46.11.040(3)(A) is amended to read:

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(A) is constructed under an exception to the municipal building code granted because the exception will result in increased energy efficiency [UNDER AS 29.33.080(g)];

* Sec. 88. AS 46.11.900(8) is amended to read:

(8) "state financial assistance" means a loan, grant, guarantee, insurance, payment, rebate, subsidy, or other form of state assistance (other than aid under AS 29.60 [AS 29.88, 29.89, 29.90, 29.95] and AS 43.18) including the purchase by a state agency of a loan to finance the construction of a new residential, commercial, or industrial building;

* Sec. 89. AS 46.35.200(3) is amended to read:

(3) "local government" means a city or borough including a municipality unified under AS 29.06.190 [AS 29.68.240 - 29.68.440];

* Sec. 90. AS 46.40.140(h) is amended to read:

(h) Members of coastal resource service area boards are subject to recall on the same grounds and in the same manner as provided for recall of municipal officials in AS 29.26.240 - 29.26.350 [AS 29.28.-130 - 29.28.250]. The lieutenant governor functions in place of the assembly or council and municipal clerk for receipt and review of recall petitions and the conduct of recall elections.

* Sec. 91. AS 46.40.210(2)(A) is amended to read:

(A) unified municipalities established under AS 29.06.-190 [AS 29.68.240 - 29.68.440];

* Sec. 92. AS 47.35.010(b) is amended to read:

(b) The department shall, within 90 days after receiving a written request that it do so, delegate its powers relating to nurseries under this section and under AS 47.35.040, 47.35.050 and 47.35.060 to a municipality which has adopted an ordinance providing for day care licensing under home rule powers or as authorized under AS 29.35.200 -

1 29.35.210 [AS 29.48.035(a)(20)]. A municipality to which these powers
2 have been delegated may waive or modify any regulation or standard
3 established by the department under the authority of AS 47.35.010 -
4 47.35.080 as it applies to nurseries or the application of any such
5 regulation or standard as it applies to a particular day care licensee
6 but must notify the department of any waiver.

7 * Sec. 93. AS 29.08; AS 29.13; AS 29.18; AS 29.23; AS 29.28; AS 29.33;
8 AS 29.38; AS 29.41; AS 29.43; AS 29.48; AS 29.53; AS 29.58; AS 29.63;
9 AS 29.68; AS 29.73; AS 29.78; AS 29.88; AS 29.89; AS 29.90; and AS 29.95 are
10 repealed.

11 * Sec. 94. A right or liability of a home rule or general law city or
12 borough or a unified municipality existing on July 1, 1981, is not affected
13 by the enactment of this Act. Ordinances and regulations in effect on
14 July 1, 1981, remain in effect unless they conflict with provisions of this
15 Act. Ordinances and regulations in effect on July 1, 1981, which conflict
16 with provisions of this Act remain in effect for 180 days after July 1,
17 1981. The terms of elected or appointed municipal officials in office on
18 July 1, 1981, are not affected by this Act, and their terms expire as pro-
19 vided before July 1, 1981.

20 * Sec. 95. This Act takes effect July 1, 1981.