

Original sponsor: Rules/Legislative Council

Offered: 5/8/82
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 180 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

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

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

14 CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

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

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

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

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

1 Sec. 29.04.040. RECLASSIFICATION. (a) A second class city may be
2 reclassified as a first class city by holding an election on the ques-
3 tion, if the department determines from the best figures available that
4 the population of the city has reached 600 permanent residents.

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

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

10 (2) the council may propose reclassification.

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

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

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

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

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

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

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

25 CHAPTER 05. INCORPORATION.

26 ARTICLE 1. REQUIREMENTS.

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

- 1 (1) the community has 600 or more permanent residents;
2 (2) the boundaries of the proposed city include all areas
3 necessary to provide municipal services on an efficient scale;
4 (3) the economy of the community includes the human and
5 financial resources necessary to provide municipal services; in con-
6 sidering the economy of the community, the Local Boundary Commission
7 shall consider property values, economic base, personal income, resource
8 and commercial development, anticipated functions, and the expenses and
9 income of the proposed city, including the ability of the community to
10 generate local revenue;
11 (4) the population of the community is stable enough to
12 support city government;
13 (5) there is a demonstrated need for city government.

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

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

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

24 Sec. 29.05.030. INCORPORATION OF A BOROUGH. (a) An area that
25 meets the following standards may incorporate as a home rule, first
26 class, or second class borough:

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

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

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

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

12 (b) An area may not incorporate as a third class borough.

13 ARTICLE 2. PROCEDURE.

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

17 (1) class;
18 (2) name;
19 (3) boundaries;
20 (4) maps, documents, and other information required by the
21 department;

22 (5) composition and apportionment of the governing body;
23 (6) a proposed operating budget for the municipality project-
24 ing sources of income and items of expenditure through the first full
25 fiscal year of operation;

26 (7) for a borough, based on the number who voted in the
27 respective areas in the last general election, the signature and resident
28 address of 15 percent of the voters in

29 (A) home rule and first class cities in the area of the

1 proposed borough; and

2 (B) the area of the proposed borough outside home rule
3 and first class cities;

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

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

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

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

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

18 (13) for a home rule municipality, a proposed home rule
19 charter.

20 Sec. 29.05.070. REVIEW. The department shall review an incorpora-
21 tion petition for content and signatures and shall return a deficient
22 petition for correction and completion.

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

28 (b) The department may combine incorporation petitions from the
29 same general area.

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

3 Sec. 29.05.090. HEARING. The Local Boundary Commission shall hold
4 at least one public hearing in the area proposed to be incorporated for
5 the purpose of receiving testimony and evidence on the proposal.

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

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

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

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

28 (c) Areawide borough powers included in an incorporation petition
29 are considered to be part of the incorporation question. In an election

1 for the incorporation of a second class borough, each nonareawide power
2 to be exercised is placed separately on the ballot. Adoption of a
3 nonareawide power requires a majority of the votes cast on the question,
4 and the vote is limited to the voters residing in the proposed borough
5 but outside all cities in the borough.

6 (d) A home rule charter included in an incorporation petition
7 under AS 29.05.060(13) is considered to be part of the incorporation
8 question. The home rule charter is adopted if the voters approve in-
9 corporation of the municipality.

10 (e) The director of elections 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 under this section.

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

21 (b) Except for a proposed second class city, petitions to nominate
22 initial officials must include the signature and resident address of 50
23 voters in the area of the proposed municipality, or that area of the
24 proposed municipality from which the officials are to be elected under
25 the composition and apportionment set out in the accepted incorporation
26 petition.

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

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

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

6 (f) The initial elected members of the governing body shall deter-
7 mine by lot the length of their terms of office so that a proportionate
8 number of terms expire each year, resulting in staggered terms of office
9 for members subsequently elected.

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

24 Sec. 29.05.140. TRANSITION. (a) The powers and duties exercised
25 by cities and service areas that are succeeded to by a newly incorporated
26 municipality continue to be exercised by the cities and service areas
27 until the new municipality assumes the powers and functions, which may
28 not exceed two years after the date of incorporation. Ordinances,
29 rules, resolutions, procedures, and orders in effect before the transfer

1 remain in effect until superseded by the action of the new municipality.

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

7 (c) After the incorporation of a new municipality, no service area
8 in it may assume new bonded indebtedness, make a contract, or transfer
9 an asset without the consent of the governing body.

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

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

15 ARTICLE 3. TRANSITIONAL ASSISTANCE.

16 Sec. 29.05.180. ORGANIZATION GRANTS TO CITIES. (a) To defray the
17 cost of transition to city government and to provide for interim govern-
18 ment operations, each city incorporated after July 1, 1982, or, in the
19 case of a second class city, incorporated or reclassified as a first
20 class city after July 1, 1982, is entitled to an organization grant of
21 \$50,000 for the first full or partial fiscal year. The department shall
22 disburse the organization grant within 30 days after certification of
23 the incorporation election or the reclassification election, as soon
24 after that as money is appropriated for the purpose.

25 (b) A city entitled to an organization grant under (a) of this
26 section is entitled to a second organization grant of \$25,000. The
27 department shall disburse the second organization grant within 30 days
28 after the beginning of the city's second fiscal year, or as soon after
29 that time as money is appropriated for the purpose.

1 Sec. 29.05.190. ORGANIZATION GRANTS TO BOROUGHES. (a) To defray
2 the cost of transition to borough government and to provide for interim
3 government operations, each borough incorporated after July 1, 1982 is
4 entitled to organization grants for the first three fiscal years after
5 incorporation as follows:

- 6 (1) \$300,000 for the first full or partial year;
7 (2) \$200,000 for the second year; and
8 (3) \$100,000 for the third year.

9 (b) The department shall disburse the first organization grant to
10 a borough within 30 days after certification of the incorporation
11 election favoring incorporation of a borough, or as soon after that as
12 money is appropriated for the purpose. The second grant shall be
13 disbursed within 30 days after the beginning of the borough's second
14 fiscal year, or as soon after that as money is appropriated for the
15 purpose. The third grant shall be disbursed within 30 days after the
16 beginning of the borough's third fiscal year, or as soon after that as
17 money is appropriated for the purpose.

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

20 Sec. 29.05.200. ORGANIZATION GRANT FUND. (a) The organization
21 grant fund is established in the department. An appropriation made to
22 the fund shall be used for organization grants to municipalities that
23 qualify under AS 29.05.180 or 29.05.190 during the fiscal year.

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

- 26 (1) each municipality that qualifies to receive an organiza-
27 tion grant during the next fiscal year;
28 (2) the amount of money needed to cover all organization
29 grants during the next fiscal year.

1 Sec. 29.05.210. TRANSITIONAL ASSISTANCE TO BOROUGHs. (a) Within
2 30 days after the date of incorporation of a borough incorporated after
3 July 1, 1982, the department shall determine the population of the
4 borough.

5 (b) The department shall provide assistance to each borough in-
6 corporated after July 1, 1982, in

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

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

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

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

15 CHAPTER 06. ALTERATION OF MUNICIPALITIES.

16 ARTICLE 1. CHANGE OF NAME.

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

26 (b) If an ordinance adopted under (a) of this section that results
27 in a change of the municipal name is subsequently repealed, the lieu-
28 tenant governor shall issue an order reinstating the former name within
29 45 days after the date of the order, unless a different name is adopted

1 as provided in (a) of this section.

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

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

10 ARTICLE 2. ANNEXATION AND DETACHMENT.

11 Sec. 29.06.040. LOCAL BOUNDARY COMMISSION. (a) The Local Boundary
12 Commission may consider any proposed municipal boundary change. It may
13 reject the proposed change, accept the proposed change, or alter the
14 boundaries and accept the proposal as altered. A Local Boundary Commis-
15 sion decision under this subsection may be appealed under the Adminis-
16 trative Procedure Act (AS 44.62).

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

22 (c) In addition to the regulations governing annexation by local
23 action adopted under AS 44.47.567, the Local Boundary Commission shall
24 establish procedures for annexation and detachment of territory by
25 municipalities by local action. The procedures established under this
26 subsection include a provision that

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

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

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

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

9 Sec. 29.06.050. ANNEXATION OF MILITARY RESERVATIONS. A military
10 reservation may be annexed to a municipality in the same manner as pre-
11 scribed for other territory under AS 29.06.040. If a city in a borough
12 annexes a military reservation under this section, the area encompassing
13 the military reservation automatically is annexed to the borough in which
14 the city is located.

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

17 ARTICLE 3. MERGER AND CONSOLIDATION.

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

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

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

26 (2) the local option method specified in AS 29.06.100 -
27 29.06.160.

28 Sec. 29.06.100. PETITION. (a) Residents of two or more muni-
29 cipalities may file a merger or consolidation petition with the depart-

1 ment. The petition must be signed by a number of voters of each exist-
2 ing municipality equal to at least 25 percent of the number of votes
3 cast in each municipality's last regular election.

4 (b) The petition includes

5 (1) the name and class of each existing municipality;
6 (2) the name and class of the proposed municipality;
7 (3) the proposed composition and apportionment of the govern-
8 ing body;

9 (4) maps, documents, and other information that shows that
10 the proposed municipality meets the standards for municipal incorpora-
11 tion.

12 Sec. 29.06.110. REVIEW. (a) The department shall review a merger
13 or consolidation petition for content and signatures and shall return a
14 deficient petition for correction or completion.

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

17 (c) The department shall report its findings to the Local Boundary
18 Commission with its recommendations regarding the merger or consolida-
19 tion.

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

25 Sec. 29.06.130. DECISION. (a) If the Local Boundary Commission
26 determines that the proposed municipality fails to meet the standards
27 for incorporation, it shall reject the merger or consolidation petition.
28 If the commission determines that the proposed municipality meets these
29 standards, it shall accept the petition. If the commission determines

1 that the proposed boundaries or the composition and apportionment of the
2 governing body can be altered to meet the standards, it may change the
3 proposal and accept the petition.

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

6 Sec. 29.06.140. ELECTION. (a) The Local Boundary Commission
7 shall immediately notify the director of elections of its acceptance of
8 a merger or consolidation petition. Within 30 days after notification,
9 the director of elections shall order an election in the area to be
10 included in the new municipality to determine whether the voters desire
11 merger or consolidation. The election must be held not less than 30 or
12 more than 90 days after the election order. A voter who is a resident
13 of the area to be included in the proposed municipality may vote.

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

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

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

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

28 Sec. 29.06.160. TRANSITION. After merger or consolidation, the
29 ordinances, resolutions, regulations, procedures, and orders of the

1 former municipalities remain in force in their respective territories
2 until superseded by the action of the new municipality.

3 Sec. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to
4 home rule and general law municipalities.

5 ARTICLE 4. UNIFICATION OF MUNICIPALITIES.

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

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

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

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

18 "PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICATION
19 CHARTER. We, the undersigned, qualified voters of the borough do hereby
20 petition that the following proposition be placed before the voters as
21 provided by law: 'Shall a charter commission be formed (and charter com-
22 mission members be elected as elsewhere provided on this ballot) to
23 prepare, adopt and submit to the voters for their approval or rejection
24 a proposed charter uniting the borough and all cities within it as a
25 single unit of home rule government having the powers, duties and func-
26 tions of a unified municipality as authorized by law? Yes No

27 Inside First Class Outside First
28 Class or or

29 Signature Address Home Rule City Home Rule City"

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

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

5 (2) the number of voters residing in home rule or first class
6 cities in the borough equal to 25 percent of the votes cast in all home
7 rule and first class cities in the borough in the last regular borough
8 election.

9 Sec. 29.06.220. REVIEW OF PETITION. The assembly shall review a
10 unification petition within 15 days to determine whether it complies
11 with AS 29.06.210. If the petition does not meet the designated re-
12 quirements, it shall be immediately returned to the person who initiated
13 the petition with a statement indicating which requirements have not
14 been satisfied.

15 Sec. 29.06.230. COMPOSITION OF CHARTER COMMISSION. The charter
16 commission shall consist of 11 voters, three of whom are residents
17 elected at large from the borough and eight of whom, proportionate to
18 the population as determined by the department, are

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

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

23 Sec. 29.06.240 CHARTER COMMISSION NOMINATIONS. (a) If the
24 assembly determines that a unification petition meets the requirements
25 of AS 29.06.210, or the assembly by its resolution proposes an election
26 on formation of a charter commission, the assembly shall issue a call
27 for the nomination of commission candidates, specifying the filing
28 deadline and the procedure for making nominations.

29 (b) Charter commission candidates shall be nominated by petition

1 signed by at least 50 voters of the area from which the candidate seeks
2 election, or by a number of voters from that area equal to at least 10
3 percent of the number of votes cast from that area in the last regular
4 borough election, whichever is less.

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

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

12 Sec. 29.06.250. 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.

17 Sec. 29.06.260. ELECTION. (a) After receipt of a valid unifica-
18 tion petition or adoption of an assembly resolution to propose formation
19 of a charter commission, the assembly shall submit to the voters the
20 question of whether a charter commission shall be formed to prepare a
21 proposed unification charter. The vote shall be held at the next regular
22 borough election scheduled at least 90 days after receipt of the petition
23 or adoption of the resolution. The ballot shall be worded exactly as in
24 AS 29.06.210(a).

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

28 (c) All costs incurred in conducting an election under AS 29.06.-
29 190 - 29.06.400 shall be paid by the borough.

1 Sec. 29.06.270. REQUIREMENTS FOR APPROVAL OF FORMATION AND ELECTION
2 OF CHARTER COMMISSION. (a) The votes on the question of formation of a
3 charter commission shall be tabulated in two separate classifications.
4 One classification consists of all votes cast in first class and home
5 rule cities in the borough. The other classification consists of all
6 votes cast in the remaining area of the borough. In order for formation
7 of a charter commission to be approved, a majority of the votes in each
8 classification must favor formation of the commission.

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

12 Sec. 29.06.280. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

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

16 (b) A majority of the total membership of the charter commission
17 constitutes a quorum. A decision of the commission is not valid or
18 binding unless approved by the number of members necessary to constitute
19 a quorum.

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

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

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

1 resign.

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

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

12 Sec. 29.06.310. CHARTER PREPARATION. The charter commission shall
13 prepare, adopt, and submit a proposed home rule charter for the area to
14 be unified to the voters for approval or rejection. The charter shall
15 include

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

19 (2) provision for

20 (A) the establishment of service areas; and

21 (B) if election of members of the governing body is not
22 areawide, the establishment of districts for the election of members
23 of the governing body of the proposed unified municipality and
24 procedures by which to reapportion the election districts;

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

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

29 (4) the transfer or other disposition of property and other

1 rights, claims, assets, and franchises of the municipalities to be
2 unified under the charter;

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

5 (6) a method of amending the charter;

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

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

10 (9) other charter provisions that may be included in a home
11 rule charter.

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

16 Sec. 29.06.330. FILING OF PROPOSED CHARTER. Upon the adoption of
17 a proposed home rule charter by the charter commission, the charter
18 shall be signed by at least a majority of the total membership of the
19 commission and shall be filed with the borough clerk. A copy of the
20 charter with signatures affixed shall also be filed with the clerk of
21 each city in the borough.

22 Sec. 29.06.340. PUBLICATION AND POSTING OF PROPOSED CHARTER.
23 Within 10 days after filing the proposed home rule charter, the borough
24 clerk shall have it published. In addition, the clerk shall have a copy
25 of the proposed charter posted in at least three public places in each
26 city and each unincorporated community in the borough. Copies of the
27 proposed charter shall be made available by the assembly to the public
28 at both the office of the borough clerk and the office of the clerk of
29 each city in the borough. The clerk shall have notice of the publica-

1 tion, posting, and availability of the proposed charter published.

2 Sec. 29.06.350. ELECTION ON CHARTER. (a) The proposed home rule
3 charter adopted by the charter commission shall be submitted to the
4 voters at a borough election held within 60 days of the date of publi-
5 cation and posting of the proposed charter. The borough clerk shall
6 prepare the ballots for use in the election and shall give notice of the
7 election by radio and television in a manner intended to apprise the
8 entire borough population of the election. The election shall be con-
9 ducted under procedures applicable to regular elections.

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

12 (c) If a majority of the votes in the area of the borough outside
13 all home rule or first class cities, and a majority of the votes in all
14 home rule and first class cities in the borough are cast in favor of the
15 proposed charter, the charter is ratified. If the charter is ratified,
16 election results shall be certified to the commission and two copies of
17 the charter shall be filed with

- 18 (1) the lieutenant governor;
- 19 (2) the commissioner of the department;
- 20 (3) the district recorder for the area of the borough;
- 21 (4) the clerk of the borough;
- 22 (5) the clerk of each city in the borough.

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

29 Sec. 29.06.360. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon

1 ratification, the home rule charter of a unified municipality operates
2 to dissolve all municipalities in the area unified in accordance with
3 the charter.

4 Sec. 29.06.370. ASSETS AND LIABILITIES. A unified municipality
5 shall succeed to all the assets and liabilities of the municipalities it
6 unified. A bonded indebtedness or other debt incurred before unifi-
7 cation remains the tax obligation of the area that contracted the debt,
8 except that by ordinance the tax obligation may be assumed by a larger
9 area if the governing body determines that the asset for which the
10 bonded indebtedness or other debt was incurred benefited the larger area
11 before unification, or benefits the larger area after unification.
12 However, bonded indebtedness or other debt for sewage collection sys-
13 tems, water distribution systems, and streets, even if determined to be
14 benefiting a larger area than that which incurred the debt, remains the
15 tax obligation of the area that incurred the debt.

16 Sec. 29.06.380. TRANSITION. Within two years after ratification
17 of the home rule charter, the unified municipality shall revise, repeal,
18 or reaffirm all municipal ordinances, resolutions, and orders in effect
19 in the area of the unified municipality on the date of unification.
20 Each ordinance, resolution, regulation, or order in effect on the date
21 of unification remains in effect until superseded by action of the
22 unified municipality.

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

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

29 (1) not prohibited by law or charter; and

1 (2) granted to a home rule borough.

2 Sec. 29.06.410. APPLICATION. AS 29.06.190 - 29.06.410 apply to
3 home rule and general law municipalities.

4 ARTICLE 5. DISSOLUTION.

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

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

9 (2) the local option method specified in AS 29.06.460 -
10 29.06.520.

11 (b) The department shall investigate a municipality that it con-
12 siders to be inactive and shall report to the Local Boundary Commission
13 on the status of the municipality. The commission may submit its
14 recommendation to the legislature that the municipality be dissolved in
15 the manner provided for submission of boundary changes in art. X, sec.
16 12 of the state constitution.

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

20 Sec. 29.06.460. PETITION. (a) Residents of a municipality may
21 file a dissolution petition with the department in the form prescribed
22 by the department. The petition must be signed by a number of voters
23 equal to at least 25 percent of the number of votes cast in the last
24 regular election in that municipality.

25 (b) The petition must include

26 (1) the name of the municipality;

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

29 Sec. 29.06.470. STANDARDS. (a) Except as provided in (b) of this

1 section, residents of a municipality may petition for dissolution when

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

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

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

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

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

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

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

22 Sec. 29.06.500. DECISION. (a) If the Local Boundary Commission
23 determines that a municipality fails to meet the standards for dissolu-
24 tion, it shall reject the petition. If the commission determines that
25 the municipality meets the standards, it shall accept the petition.

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

28 Sec. 29.06.510. ELECTION. (a) The Local Boundary Commission
29 shall immediately notify the director of elections of its acceptance of

1 a dissolution petition. Within 30 days after notification, the director
2 of elections shall order an election in the municipality to determine
3 whether the voters desire dissolution. The election must be held at
4 least 30 and not more than 90 days after the election order. A person
5 who is a voter of the municipality may vote in the dissolution election.

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

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

12 Sec. 29.06.520. SUCCESSION. The government succeeding to a dis-
13 solved municipality succeeds to all its rights, powers, duties, assets,
14 and liabilities.

15 Sec. 29.06.530. APPLICATION. AS 29.06.450 - 29.06.530 apply to
16 home rule and general law municipalities.

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

18 CHAPTER 10. HOME RULE MUNICIPALITIES.

19 ARTICLE 1. CHARTERS.

20 Sec. 29.10.010. MUNICIPAL CHARTER ADOPTION. (a) A general law
21 borough or first class city may adopt a charter for its own government.
22 A second class city may adopt a charter for its own government if the
23 department determines from the best figures available that the popula-
24 tion of the city is at least 600 permanent residents.

25 (b) At an election to incorporate as a city, an unincorporated
26 community with at least 600 permanent residents may adopt a charter for
27 its own government and incorporate as a home rule municipality.

28 (c) At an election for borough incorporation, an area in the
29 unorganized borough may adopt a charter for its own government and in-

1 corporate as a home rule municipality.

2 (d) A home rule municipality may adopt a new charter.

3 (e) A proposed charter for an existing municipality is prepared by
4 a charter commission of seven elected members. A candidate for the
5 commission shall be a voter of the municipality for three years immedi-
6 ately preceding the charter commission election.

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

11 (g) The proposed charter for an unincorporated community or an
12 area of the unorganized borough shall be filed with the incorporation
13 petition filed under AS 29.05.060.

14 Sec. 29.10.020. MODEL CHARTERS. The department shall prepare at
15 least one model home rule charter for a borough and at least one model
16 home rule charter for a city. The model charters shall be made avail-
17 able to persons interested in filing a petition to incorporate a home
18 rule municipality under AS 29.05.060.

19 Sec. 29.10.030. NOMINATION OF CHARTER COMMISSION. (a) A charter
20 commission candidate is nominated by a petition signed by 50 voters or
21 the number of voters equal to 10 percent of the number of votes cast in
22 the municipality during the last regular election, whichever is less.

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

28 Sec. 29.10.040. CHARTER COMMISSION ELECTION. At a charter com-
29 mission election the voters shall consider the question "Shall a charter

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

5 Sec. 29.10.050. PREPARATION OF CHARTER BY CHARTER COMMISSION. The
6 charter commission shall, within one year, prepare a proposed home rule
7 charter. The proposed charter shall be signed by a majority of the
8 members of the commission and filed in the office of the municipal
9 clerk. Within 15 days, the clerk shall have the proposed charter pub-
10 lished and make copies available. The commission shall give published
11 notice of and hold at least one public hearing on the proposed charter
12 before the signing and filing of the charter.

13 Sec. 29.10.060. INITIATIVE AND REFERENDUM. (a) A home rule
14 charter shall provide procedures for initiative and referendum.

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

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

21 Sec. 29.10.070. CHARTER ELECTION. The proposed home rule charter
22 for an existing municipality shall be submitted to the voters at an
23 election held not less than 30 days or more than 90 days after the
24 proposed charter is published. The proposed home rule charter for an
25 unincorporated community or area in the unorganized borough shall be
26 submitted to the voters at an incorporation election held under AS 29.-
27 05.110(d).

28 Sec. 29.10.080. CHARTER ADOPTION. (a) If a majority of those
29 voting on the question favor the proposed charter, it becomes the organic

1 law of the municipality effective on the date the election is certified.
2 Thereafter, a court shall take judicial notice of the charter. The new
3 home rule municipality shall file the indicated number of copies of the
4 charter with

- 5 (1) the lieutenant governor -- two copies;
- 6 (2) the department -- two copies;
- 7 (3) the district recorder -- one copy;
- 8 (4) the municipal clerk -- one copy.

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

26 (c) If a proposed charter for an existing municipality is rejected,
27 the charter commission shall prepare another proposed charter to be
28 submitted to the voters at an election to be held within one year after
29 the date of the first charter election. If the second proposed charter

1 is also rejected, the charter commission shall be dissolved and the
2 question of adoption of a charter shall be treated as if it had never
3 been proposed or approved.

4 Sec. 29.10.090. CHARTER AMENDMENT. (a) A home rule charter may
5 be amended as provided in the charter except that no amendment is effec-
6 tive unless ratified by the voters.

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

8 ARTICLE 2. HOME RULE LIMITATIONS.

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

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

- 1 (15) AS 29.20.630 (prohibitions)
2 (16) AS 29.20.640 (reports)
3 (17) AS 29.25.010(a)(10) (municipal exemption on contractor
4 bond requirements)
5 (18) AS 29.25.050 (codification)
6 (19) AS 29.25.060 (resolutions)
7 (20) AS 29.26.030 (notice of elections)
8 (21) AS 29.26.050 (voter qualification)
9 (22) AS 29.26.240 - 29.26.360 (recall)
10 (23) AS 29.35.020 (extraterritorial jurisdiction)
11 (24) AS 29.35.030 (eminent domain)
12 (25) AS 29.35.050 (garbage and solid waste services)
13 (26) AS 29.35.070 (public utilities)
14 (27) AS 29.35.110 (post audit)
15 (28) AS 29.35.150(b) (effect of areawide exercise of borough
16 powers)
17 (29) AS 29.35.160 (education)
18 (30) AS 29.35.170(b) (assessment and collection of taxes)
19 (31) AS 29.35.180(b) (land use regulation)
20 (32) AS 29.35.250 (cities inside boroughs)
21 (33) AS 29.35.260 (cities outside boroughs)
22 (34) AS 29.35.340 (acquisition of areawide power)
23 (35) AS 29.40.160(a) - (c) (title to vacated areas)
24 (36) AS 29.40.200 (subdivisions of state land)
25 (37) AS 29.45.010 - 29.45.570 (property taxes)
26 (38) AS 29.45.650(c) and (d) (sales and use tax)
27 (39) AS 29.46.090 (exemption from special assessment)
28 (40) AS 29.47.200(b) (security for bonds)
29 (41) AS 29.47.260 (construction)

1 (42) AS 29.60.050(a) (limitation on computation and use of
2 payment)

3 (43) AS 29.60.120(a) and (c) (state aid for health facilities
4 and hospitals)

5 (44) AS 29.60.230 (state aid for hospital and health facility
6 construction)

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

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

9 CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

10 ARTICLE 1. CONFLICT OF INTEREST, PUBLIC MEETINGS.

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

13 (1) a member of the governing body shall declare a substan-
14 tial financial interest he has in an official action and ask to be
15 excused from a vote on the matter;

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

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

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

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

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

29 ARTICLE 2. GOVERNING BODIES.

1 Sec. 29.20.050. LEGISLATIVE POWER. (a) The legislative power of
2 a borough is vested in the assembly. The legislative power of a city is
3 vested in the council.

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

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

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

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

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

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

22 Sec. 29.20.070. COMPOSITION AND FORM OF REPRESENTATION. (a) The
23 assembly shall provide for its composition and for the form of its
24 representation.

25 (b) Not later than the first regular election that occurs after
26 the report of a federal decennial census, the assembly shall propose and
27 submit to the voters of the borough, at that regular election or at a
28 special election called for the purpose, one or more forms of assembly
29 representation. The forms of representation that the assembly may

1 submit to the voters are:

2 (1) election of members of the assembly at large by the
3 voters throughout the borough;

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

6 (A) election at large by the voters throughout the
7 borough, but with a requirement that a candidate live in an election
8 district established by the borough for election of assembly
9 members; or

10 (B) election from election districts established by the
11 borough for the election of assembly members by the voters of a
12 district;

13 (3) election of members of the assembly both at large and by
14 district.

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

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

22 (1) composition of the assembly;

23 (2) the form of assembly representation that received the
24 most votes; and

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

27 (e) This section does not apply to a

28 (1) unified municipality;

29 (2) home rule borough if the home rule charter contains

1 procedures for changing assembly composition and form of representation.

2 Sec. 29.20.080. ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT. (a)

3 Not later than two months after the official report of a federal de-
4 cennial census, the assembly shall determine and declare by resolution
5 whether the existing apportionment of the assembly meets the standards
6 of AS 29.20.060. If the assembly submits to the voters a form of repre-
7 sentation that includes election of assembly members under AS 29.-
8 20.070(b)(2) or (b)(3) the assembly shall submit with the proposition a
9 proposed plan of apportionment that corresponds to the form of represen-
10 tation proposed. The assembly shall describe the plan of apportionment
11 in the ballot proposition, and may present the plan in any manner that
12 it believes accurately describes the apportionment that is proposed
13 under the form of representation. If the assembly determines that its
14 existing apportionment meets the standards of AS 29.20.060, the assembly
15 may include the existing apportionment as a proposed plan of apportion-
16 ment of assembly seats that corresponds to a form of representation that
17 is proposed.

18 (b) The assembly shall provide, by ordinance, for a change in an
19 existing apportionment of the assembly whenever it determines that the
20 apportionment does not meet the standards of AS 29.20.060. At the same
21 time, the assembly may, by ordinance, change the composition of the
22 assembly.

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

1 subsection.

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

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

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

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

5 (c) If the commissioner determines that the proposed reapportionment
6 ordinance approved by the voters does not meet the standards of
7 AS 29.20.060, or if he determines that the decision of the assembly that
8 the standards of AS 29.20.060 do not require a change of apportionment
9 is not correct, the commissioner shall, by order, direct the assembly to
10 prepare a reapportionment ordinance that meets the standards of AS 29.-
11 20.060 and submit the ordinance to the voters.

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

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

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

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

29 (1) a plan of reapportionment approved by the voters under

1 AS 29.20.080(a);

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

4 (3) a reapportionment ordinance approved by the voters under
5 AS 29.20.080(d);

6 (4) a reapportionment order of the commissioner made under
7 AS 29.20.090(c);

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

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

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

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

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

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

28 (1) receipt by the assembly of approval by the Attorney
29 General of the United States of the proposed change in the composition

1 or apportionment of the assembly;

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

4 (3) the last day on which the Attorney General of the United
5 States may review a proposed change in the composition or apportionment
6 of the assembly.

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

9 (1) unified municipality;

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

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

18 Sec. 29.20.140 QUALIFICATIONS. (a) A borough voter is eligible
19 to be a member of the assembly and a city voter is eligible to be a
20 member of the council. A member of the governing body who ceases to be
21 a voter in the municipality immediately forfeits his office.

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

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

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

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

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

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

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

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

19 Sec. 29.20.160. PROCEDURES OF GOVERNING BODIES. (a) The assembly
20 shall elect from among its members a presiding officer and a deputy
21 presiding officer to serve at the pleasure of the members, except that
22 in a borough that has adopted a manager form of government under AS 29.-
23 20.450 - 29.20.520 the mayor serves as presiding officer. In a city the
24 mayor serves as presiding officer. If the presiding officer is not
25 present or disqualifies himself, the deputy presiding officer shall
26 preside.

27 (b) A governing body shall hold at least one regular meeting each
28 month unless otherwise provided by ordinance. If a majority of the
29 members are given at least 24 hours oral or written notice and reasonable

1 efforts are made to notify all members, a special meeting of the govern-
2 ing body may be held at the call of the presiding officer or at least
3 one-third of the members. A special meeting may be conducted with less
4 than 24 hours notice if all members are present or if absent members
5 have waived in writing the required notice. Waiver of notice can be
6 made before or after the special meeting is held. A waiver of notice
7 shall be made a part of the journal for the meeting.

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

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

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

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

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

29 (1) fails to qualify or take office within 30 days after his

1 election or appointment;

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

4 (3) resigns and his resignation is accepted;

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

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

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

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

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

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

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

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

28 **ARTICLE 3. MUNICIPAL EXECUTIVE AND ADMINISTRATOR.**

29 **Sec. 29.20.220. EXECUTIVE POWER. (a) The executive power in a**

1 municipality is vested in a mayor. The mayor of a home rule or unified
2 municipality is elected by the voters, and the mayor of other municipali-
3 ties is elected in accordance with AS 29.20.230.

4 (b) The mayor acts as ceremonial head of government, executes
5 official documents on authorization of the governing body, and is
6 responsible for additional duties and powers prescribed by this chapter
7 or by home rule charter.

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

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

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

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

28 Sec. 29.20.240. QUALIFICATIONS FOR THE OFFICE OF MAYOR. (a) A
29 voter of the municipality is eligible to hold the office of mayor in a

1 borough or first class city. A member of the city council is eligible
2 to hold the office of mayor in a second class city.

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

5 Sec. 29.20.250. POWERS AND DUTIES OF MAYOR. (a) If a municipality
6 has not adopted a manager plan of government under AS 29.20.460 -
7 29.20.520, the administrative power is vested in the mayor and the mayor
8 has the same powers and duties as those of the manager.

9 (b) The mayor may take part in the discussion of a matter before
10 the governing body. The mayor may not vote, except that the mayor of a
11 first class city or the mayor of a borough with a manager form of gov-
12 ernment may vote in the case of a tie. The mayor of a second class
13 city, as a council member, may vote on all matters.

14 Sec. 29.20.260. EXECUTIVE ABSENCE. The borough mayor, subject to
15 assembly approval, shall designate a person to act as mayor during the
16 borough mayor's temporary absence or disability. If a manager plan has
17 been adopted, the assembly shall designate by resolution a borough
18 administrative official to act as manager during the manager's absence
19 or disability.

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

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

29 (c) The veto does not extend to

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

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

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

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

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

13 (3) resigns and his resignation is accepted;

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

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

18 (6) is convicted of a felony or misdemeanor described in
19 AS 15.56; or

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

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

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

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

6 ARTICLE 4. BOARDS AND COMMISSIONS.

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

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

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

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

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

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

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

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

13 ARTICLE 5. OTHER OFFICIALS AND EMPLOYEES.

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

20 Sec. 29.20.370. MUNICIPAL ATTORNEY. The municipal attorney is the
21 legal advisor of the governing body, the school board, and the other
22 officials of the municipality. He represents the municipality as
23 attorney in civil and criminal proceedings. The school board may hire
24 independent counsel when in its judgment independent counsel is needed.

25 Sec. 29.20.380. MUNICIPAL CLERK. (a) The municipal clerk shall
26 (1) give notice of the time and place of meetings of the
27 governing body to the governing body and to the public;
28 (2) attend meetings of the governing body and keep the
29 journal;

1 (3) arrange publication of notices, ordinances, and resolu-
2 tions;

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

6 (5) attest deeds and other documents;

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

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

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

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

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

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

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

29 (b) By ordinance the governing body may designate confidential or

1 managerial positions that are wholly or partially exempt from the classi-
2 fied service. A wholly or partially exempt position is filled by a
3 person who serves at the pleasure of the appointing authority and whose
4 term of employment is determined by the appointing authority.

5 ARTICLE 6. MANAGER PLAN.

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

12 (1) 25 percent if the municipality has fewer than 7,500
13 persons;

14 (2) 15 percent if the municipality has 7,500 persons or more.

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

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

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

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

1 of the governing body.

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

4 Sec. 29.20.500. 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 and
8 AS 14.14.065; he may hire necessary administrative assistants and may
9 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 municipality, except property of the school district;

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

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

24 Sec. 29.20.510. INTERGOVERNMENT APPOINTMENTS. A borough adopting
25 a manager plan may, on agreement with a city in the borough, provide
26 that the manager of the city serve also as borough manager. A city
27 adopting a manager plan may, on agreement with the borough in which it
28 is located, provide that the manager of the borough serve also as city
29 manager. Appointment and service of the manager shall be as provided in

1 AS 29.20.490 - 29.20.500. Nothing in this section affects the authority
2 of the governing body to provide for other dual officeholding if the
3 dual offices held are compatible, or otherwise to appoint officials and
4 employees in accordance with law.

5 Sec. 29.20.520. REPEAL. A municipality may repeal a manager plan
6 in the same manner used for its adoption. Within 60 days after repeal
7 of a manager plan, the governing body shall enact provisions for the
8 reorganisation of the municipal executive and administrative functions.

9 ARTICLE 7. MISCELLANEOUS PROVISIONS.

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

14 Sec. 29.20.610. BONDING. The manager and the other municipal
15 officials or employees that the governing body may designate shall give
16 bond in the amount and with the surety prescribed by the governing body.
17 Premiums on bonds are paid by the municipality.

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

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

1 district employee is not a municipal employee.

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

4 Sec. 29.20.640. REPORTS. (a) A municipality shall file with the
5 department

- 6 (1) maps and descriptions of all annexed or detached ter-
7 ritory;
- 8 (2) a copy of the annual audit, or, for a second class city,
9 an audit or statement of annual income and expenditures;
- 10 (3) tax assessment and tax levy figures as requested;
- 11 (4) a copy of the current annual budget of the municipality;
- 12 (5) a summary of the optional property tax exemptions autho-
13 rized together with the estimate of the revenues lost to the municipal-
14 ity by operation of each of the exemptions.

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

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

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

24 CHAPTER 25. MUNICIPAL ENACTMENTS.

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

- 28 (1) establish, alter, or abolish municipal departments;
- 29 (2) provide for a fine or other penalty, or establish rules

1 or regulations for violation of which a fine or other penalty is im-
2 posed;

3 (3) provide for the levying of taxes;

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

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

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

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

12 (8) designate the borough seat;

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

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

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

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

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

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

28 (2) an ordinance shall be set by the governing body for a
29 public hearing by the affirmative vote of a majority of the votes autho-

1 rised on the question;

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

5 (4) copies of the ordinance shall be available to all persons
6 present at the hearing, or the ordinance shall be read in full;

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

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

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

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

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

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

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

29 Sec. 29.25.040. CODES OF REGULATION. The governing body may in a

1 single ordinance adopt or amend by reference provisions of a published
2 code of municipal regulations. The procedure under AS 29.25.050 applies
3 to an ordinance adopted under this section, except that neither the
4 ordinance or its amendments must be distributed to the public or read in
5 full at the public hearing. For a period of 15 days before adoption of
6 an ordinance under this section, at least five copies of the code of
7 regulations shall be made available for public inspection at a time and
8 place set out in the hearing notice. Only the ordinance must be printed
9 after it is adopted under this section. The governing body shall provide
10 for an adopted code of regulations to be made available to the public at
11 no more money than cost.

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

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

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

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

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

1 (d) This section applies to home rule and general law municipi-
2 palities.

3 Sec. 29.25.060. RESOLUTIONS. (a) The governing body shall provide
4 for the maintenance of a permanent file of resolutions that have been
5 adopted.

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

8 Sec. 29.25.070. PENALTIES. (a) For the violation of an ordinance,
9 a municipality may prescribe penalties not to exceed those imposed for a
10 class B misdemeanor.

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

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

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

24 CHAPTER 26. ELECTIONS.

25 ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

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

1 voter is willing to serve.

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

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

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

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

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

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

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

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

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

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

28 (b) Voter registration by the municipality may not be required.
29 However, a municipality may by ordinance require that a person be

1 registered to vote in state elections in the precinct in which he seeks
2 to vote in municipal elections.

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

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

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

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

16 (b) Unless otherwise provided by ordinance, an election may be
17 contested only by a voter by filing a written affidavit with the municipi-
18 pal clerk specifying with particularity the grounds for the contest. An
19 election may be contested before or during the first canvass of ballots
20 by the governing body.

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

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

1 (e) A person may not appeal or seek judicial review of an election
2 for any cause unless the person is a municipal voter, has exhausted his
3 administrative remedies before the governing body, and has commenced,
4 within 10 days after the governing body has declared the election
5 results, an action in the superior court in the judicial district in
6 which the municipality is located. If court action is not commenced
7 within the 10-day period, the election and election results are con-
8 clusive and valid.

9 ARTICLE 2. INITIATIVE AND REFERENDUM.

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

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

24 (1) is not restricted by AS 29.26.100;
25 (2) includes only a single subject;
26 (3) relates to a legislative rather than to an administrative
27 matter; and

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

29 (b) A decision by the clerk on an application for petition shall

1 be subject to judicial review.

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

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

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

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

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

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

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

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

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

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

28 Sec. 29.26.130. SIGNATURE REQUIREMENTS. (a) The signatures on an
29 initiative or referendum petition shall be secured within 60 days after

1 the clerk issues the petition. The statement provided under AS 29.26.-
2 120(a)(6) shall be signed and dated by the sponsor. Signatures shall be
3 in ink or indelible pencil.

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

8 (1) 25 percent of the votes cast if a municipality has fewer
9 than 7,500 persons; or

10 (2) 15 percent of the votes cast if a municipality has 7,500
11 persons or more.

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

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

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

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

22 (2) if the petition is insufficient, identify the insuffi-
23 ciency and notify the sponsors at the address provided under AS 29.26.-
24 110(a) by certified mail.

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

28 (c) A petition that is insufficient shall be rejected and filed as
29 a public record unless it is supplemented under (b) of this section.

1 Within 10 days after a supplementary filing the clerk shall recertify
2 the petition. If it is still insufficient, the petition is rejected and
3 filed as a public record.

4 Sec. 29.26.150. PROTEST. If the municipal clerk certifies an
5 initiative or referendum petition is insufficient, a signer of the
6 petition may file a protest with the mayor within seven days after the
7 certification. The mayor shall present the protest at the next regular
8 meeting of the governing body. The governing body shall hear and decide
9 the protest.

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

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

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

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

28 (d) If a majority vote favors the ordinance or resolution, it
29 becomes effective upon certification of the election, unless a different

1 effective date is provided in the ordinance or resolution.

2 Sec. 29.26.180. REFERENDUM ELECTION. (a) Unless the ordinance or
3 resolution is repealed, when a petition seeks a referendum vote the
4 clerk shall submit the matter to the voters at the next election occur-
5 ring no sooner than 45 days after certification of the petition. If no
6 election occurs within 75 days of certification of a petition, the
7 governing body shall hold a special election within 75 days, but not
8 sooner than 45 days after certification.

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

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

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

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

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

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

5 ARTICLE 3. RECALL.

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

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

11 Sec. 29.26.260. APPLICATION FOR RECALL PETITION. (a) An appli-
12 cation for a recall petition shall be filed with the municipal clerk and
13 shall contain

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

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

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

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

22 Sec. 29.26.270. RECALL PETITION. (a) If the municipal clerk
23 determines that an application for a recall petition meets the require-
24 ments of AS 29.26.260, he shall prepare a recall petition. All copies
25 of the petition shall contain

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

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

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

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

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

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

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

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

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

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

1 (c) Illegible signatures shall be rejected by the clerk unless
2 accompanied by a legible printed name. Signatures not accompanied by a
3 legible residence address shall be rejected.

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

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

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

12 (2) if the petition is insufficient, identify the insuffi-
13 ciency and notify the sponsors at the address provided under AS 29.26.-
14 260(a)(2) by certified mail.

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

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

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

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

28 Sec. 29.26.300. NEW RECALL PETITION APPLICATION. A new applica-
29 tion for a petition to recall the same official may not be filed sooner

1 than six months after a petition is rejected as insufficient.

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

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

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

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

18 Sec. 29.26.330. FORM OF RECALL BALLOT. A recall ballot shall
19 contain

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

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

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

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

29 (b) If an official is not recalled at the election, an application

1 for a petition to recall the same official may not be filed sooner than
2 six months after the election.

3 Sec. 29.26.350. SUCCESSORS. (a) If an official is recalled from
4 the governing body, his office is filled in accordance with AS 29.20.-
5 180. If all members of the governing body are recalled, the governor
6 shall appoint three qualified persons to the governing body. The
7 appointees shall appoint additional members to fill remaining vacancies
8 in accordance with AS 29.20.180.

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

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

16 (d) If an official other than a member of the governing body or
17 school board is recalled, a successor shall be elected to fill the
18 unexpired portion of the term. The election shall be held not more than
19 60 days after the date the recall election is certified, except that if
20 a regular election occurs within 75 days after certification the
21 successor shall be chosen at that election.

22 (e) Nominations for a successor may be filed until seven days
23 before the last date on which a first notice of the election must be
24 given. Nominations may not be filed before the certification of the
25 recall election.

26 Sec. 29.26.360. APPLICATION. AS 29.26.240 - 29.26.360 apply to
27 home rule and general law municipalities.

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

29 CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

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ARTICLE 1. GENERAL POWERS.

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

(1) to establish and prescribe a salary for an elected or appointed municipal official or employee;

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

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

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

(5) to investigate an affair of the municipality and make inquiries into the conduct of a municipal department;

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

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

(8) to acquire, manage, control, use, and dispose of real and personal property, whether the property is situated inside or outside the municipal boundaries; this power includes the power of a borough to expend, for any purpose authorized by law, money received from the disposal of land in a service area established under AS 29.35.450;

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

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

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

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

3 (13) to enter into an agreement, including an agreement for
4 cooperative or joint administration of any function or power with a
5 municipality, the state, or the United States;

6 (14) to sue and be sued.

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

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

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

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

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

1 Sec. 29.35.040. EMERGENCY DISASTER POWERS. (a) A municipality
2 that is wholly or partially in an area that is declared by the President
3 or governor to be a disaster area may participate in and provide for
4 housing, urban renewal, and redevelopment in the same manner as a home
5 rule city. The exercise of these powers by a borough shall be on a
6 nonareawide basis, except a borough may exercise the powers transferred
7 to it by a city as provided by AS 29.35.310.

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

12 Sec. 29.35.050. GARBAGE AND SOLID WASTE SERVICES. (a) A munic-
13 pality may by ordinance

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

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

20 (3) award contracts for collection and disposal, or provide
21 for the collection and disposal of garbage and solid waste by municipal
22 officials and employees;

23 (4) pay for garbage and solid waste collection and disposal
24 from available money;

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

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

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(7) provide penalties for violations of the ordinances.

(b) The governing body of a municipality may not prohibit a person holding a valid certificate from the Alaska Public Utilities Commission from continuing to collect and dispose of garbage, refuse, trash, waste material, or provide other related services in an area in the municipality if the certificate authorizes the collection and disposal of garbage, refuse, trash, or other waste material and providing of other services in the area, and the certificate was originally issued before the municipality provided similar services. A municipality may not provide for a garbage, refuse, trash, or other waste material collection and disposal service in an area to the extent it lies in an area granted to a garbage, refuse, trash, or other waste material carrier by a certificate issued by the Alaska Public Utilities Commission to the carrier until it has purchased the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected, at fair market value. A municipality may exercise the right of eminent domain to determine fair market value.

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

Sec. 29.35.060. FRANCHISES AND PERMITS. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may grant franchises, including exclusive franchise privileges, to a person, corporation, organization, or utility not certificated by the Alaska Public Utilities Commission and may permit the use of streets and other public places by the franchise holder under regulations prescribed by ordinance.

(b) Unless the grant is made on a competitive basis, the grant of an exclusive right to use a public street or right-of-way for more than five years to a utility or a transportation system not certificated by

1 the Alaska Public Utilities Commission or by the Alaska Transportation
2 Commission shall be valid only if approved by a majority of the voters
3 at an election.

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

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

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

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

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

26 Sec. 29.35.100. EXPENDITURE OF BOROUGH REVENUES. Borough revenues
27 received through taxes collected on an areawide basis by the borough may
28 be expended on general administrative costs and on areawide functions
29 only. Borough revenues received through taxes collected on a nonareawide

1 basis may be expended on general administrative costs and functions that
2 render service only to the area outside all cities in the borough.

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

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

12 ARTICLE 2. MANDATORY AREAWIDE POWERS.

13 Sec. 29.35.150. SCOPE OF AREAWIDE POWERS. (a) A borough shall
14 exercise the powers as specified and in the manner specified in AS 29.-
15 35.150 - 29.35.190 on an areawide basis.

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

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

1 operation, management, and control of schools on the military reservation
2 transfers to the borough school district in which the military reserva-
3 tion is located.

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

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

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

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

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

17 ARTICLE 3. ADDITIONAL POWERS.

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

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

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

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

1 first class borough may, on an areawide basis, exercise a power not
2 otherwise prohibited by law if the power has been acquired in accordance
3 with AS 29.35.300.

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

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

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

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

1 (c) In addition to powers conferred by (a) of this section, a
2 second class borough may, on a nonareawide basis, exercise a power not
3 otherwise prohibited by law if the exercise of the power has been
4 approved at an election by a majority of voters living in the borough
5 but outside all cities in the borough.

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

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

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

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

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

22 ARTICLE 4. CITY POWERS.

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

29 (b) A home rule or first class city in a third class borough shall

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

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

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

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

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

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

21 ARTICLE 5. ACQUISITION OF ADDITIONAL POWERS.

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

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

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

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

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

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

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

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

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

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

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

22 (c) The borough clerk shall certify whether a petition filed under
23 (a) or (b) of this section contains the required number of signatures.

24 (d) Within 30 days after a petition is certified as containing the
25 required number of signatures or the assembly proposes the acquisition
26 of a power, at least one public hearing shall be held in the borough on
27 the question. The assembly shall then evaluate the ability of the
28 borough to exercise the power and make its findings public. Within 60
29 days after its findings have been made public, the assembly shall order

1 an election on the question.

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

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

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

17 (d) The borough mayor shall certify the election results to the
18 department.

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

27 (b) The assembly may levy and collect special charges, taxes, or
28 assessments including interest for the purpose of amortizing bonded in-
29 debtedness previously incurred by a city or service area for exercising

1 an areawide power acquired by the borough. When a city or service area
2 had previously incurred bonded indebtedness, all property that was in
3 the city or service area at the time the bonds were issued remains
4 subject to taxation to pay the principal of and interest on the bonds.

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

10 (d) This section 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 a municipality conferred
14 in this title.

15 Sec. 29.35.410. EXTENT OF POWERS. Unless otherwise limited by
16 law, a municipality has 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 in an
20 enumerated power or function conferred upon a municipality in this title
21 is illustrative of the object and not a limitation on or exclusion from
22 the exercise of the power or function.

23 ARTICLE 7. SERVICE AREAS.

24 Sec. 29.35.450. SERVICE AREAS. (a) A service area to provide
25 special services in a borough may be established, operated, altered, or
26 abolished by ordinance. Special services include services not provided
27 on an areawide or nonareawide basis in the borough, or a higher or
28 different level of service than that provided on an areawide or non-
29 areawide basis. The borough may include a city in a service area if

1 (1) the city agrees by ordinance; or

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

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

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

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

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

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

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

26 (1) the exercise of the power is approved by a majority of
27 the voters residing in the service area; or

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

1 service area.

2 (b) A third class borough may exercise in a service area any power
3 acquired under AS 29.35.300(b) if the exercise of the power is approved
4 by a majority of the voters residing in the service area.

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

15 ARTICLE 8. MISCELLANEOUS PROVISIONS.

16 Sec. 29.35.700. DEFINITION. In AS 29.35.200 - 29.35.340 "power"
17 means the provision of a public facility or service, or the exercise of
18 a regulatory power.

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

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

21 Sec. 29.40.010. PLANNING, PLATTING, AND LAND USE REGULATION. (a)
22 A first or second class borough shall provide for planning, platting,
23 and land use regulation on an areawide basis.

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

29 Sec. 29.40.020. PLANNING COMMISSION. (a) Each first and second

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

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

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

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

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

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

1 (5) recommendations for implementation of the plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 26 (1) form, size, and other aspects of subdivision, dedica-
27 tions, and vacations of land;
28 (2) dimensions and design of lots;
29 (3) street width, arrangement, and rights-of-way, including

1 requirements for public access to lots and installation of street paving,
2 curbs, gutters, sidewalks, sewers, water lines, drainage and other
3 public utility facilities and improvements;

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

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

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

15 Sec. 29.40.090. ABBREVIATED PLATS AND WAIVERS. (a) Notwith-
16 standing other provisions of this chapter, the assembly shall by
17 ordinance establish an abbreviated plat procedure for a plat that will

18 (1) subdivide a single lot into not more than four lots;

19 (2) provide legal and physical access to a public highway or
20 street for each lot created by the subdivision;

21 (3) not contain or require a dedication of a street, right-
22 of-way, or other area;

23 (4) not require a vacation of a public dedication of land or
24 a variance from a subdivision regulation.

25 (b) The platting authority shall waive the preparation, submission
26 for approval, and recording of a plat on satisfactory evidence that the
27 subdivision meets the requirements of (a) of this section and each lot
28 created by the subdivision is five acres or larger.

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

- 1 (1) initial point of survey;
- 2 (2) original or reestablished corners and their descriptions;
- 3 (3) actual traverse showing area of closure and all dis-
- 4 tances, angles, and calculations required to determine initial point,
- 5 corners, and distances of the plat; and
- 6 (4) other information that may be required by ordinance.

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

14 (b) The platting authority shall state in writing its reasons for
15 disapproval of a plat. If the platting authority approves a plat, the
16 plat shall be acknowledged and filed in accordance with AS 40.15.010 -
17 40.15.020.

18 Sec. 29.40.120. ALTERATION OR REPLAT PETITION. A recorded plat
19 may not be altered or replatted except by the platting authority on
20 petition of the state, the borough, a public utility, or the owners of a
21 majority of the land affected by the alteration or replat. A platted
22 street may not be vacated, except on petition of the state, the borough,
23 a public utility, or owners of a majority of the land fronting the part
24 of the street sought to be vacated. The petition shall be filed with
25 the platting authority and shall be accompanied by a copy of the exist-
26 ing plat showing the proposed alteration or replat.

27 Sec. 29.40.130. NOTICE OF HEARING. The platting authority shall
28 fix a time for a hearing on an alteration or replat petition that may
29 not be more than 60 days after the petition is filed. Notice shall be

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

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

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

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

19 Sec. 29.40.160. TITLE TO VACATED AREA. (a) The title to the
20 street or other public area vacated on a plat attaches to the lot or
21 lands bordering the area in equal proportions, except that if the area
22 was originally dedicated by different persons, original boundary lines
23 shall be adhered to so that the street area that lies on one side of the
24 boundary line shall attach to the abutting property on that side, and
25 the street area that lies on the other side of the boundary line shall
26 attach to the property on that side. The portion of a vacated street
27 that lies inside the limits of a platted addition attaches to the lots
28 of the platted addition bordering on the area. If a public square is
29 vacated, the title to it vests in a city if it lies inside the city, and

1 in the borough if it lies inside the borough but outside all cities. If
2 the property vacated is a lot, title vests in the rightful owner.

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

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

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

21 Sec. 29.40.170. DELEGATIONS. The planning commission and the
22 platting authority may, as authorized by ordinance, delegate powers to
23 hear and decide cases under this chapter, including, but not limited to,
24 delegations to

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

27 (2) other boards or commissions;

28 (3) a hearing officer designated by the planning commission
29 or platting authority.

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

12 Sec. 29.40.190. REMEDIES. (a) The municipality or an aggrieved
13 person may institute a civil action against a person who violates a
14 provision of this chapter, a subdivision regulation adopted under this
15 chapter, or a term, condition, or limitation imposed by a platting
16 authority. In addition to other relief, a civil penalty not to exceed
17 \$1,000 may be imposed for each violation. An action to enjoin a viola-
18 tion may be brought notwithstanding the availability of any other remedy.
19 Upon application for injunctive relief and a finding of a violation or
20 threatened violation, the superior court shall grant the injunction.

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

23 Sec. 29.40.200. SUBDIVISIONS OF STATE LAND. (a) The subdivision
24 requirements adopted under this chapter apply to a subdivision plat of
25 undeveloped state land for disposal under AS 38.05 or AS 38.08 filed
26 with the platting authority. The platting authority may not disapprove
27 the subdivision plat on the basis of requirements for capital improve-
28 ments on or to state land included in the subdivision plat. Subdivision
29 ordinances and regulations adopted after the platting authority is

1 notified by the commissioner of natural resources of a proposed sale of
2 subdivided state land under AS 38.05 or AS 38.08 do not apply to the
3 state land in the proposed sale.

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

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

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

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

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

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

21 (f) As used in this section, "capital improvements" includes but
22 is not limited to access roads, other physical improvements, and their
23 design and engineering.

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

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

27 CHAPTER 45. MUNICIPAL TAXATION.

28 ARTICLE 1. MUNICIPAL PROPERTY TAX.

29 Sec. 29.45.010. PROPERTY TAX. (a) A unified municipality may

1 levy a property tax. A borough may levy

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

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

5 (3) a property tax in a service area for functions limited to
6 the service area.

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

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

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

15 "NOTICE TO TAXPAYER

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

19 PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE	
20 (AS 14.17)	\$
21 STATE AID FOR RETIREMENT OF SCHOOL CONSTRUC-	
22 TION DEBT (AS 43.18.100)	\$
23 MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE	
24 (AS 29.60.010 - 29.60.080)	\$
25 STATE AID FOR MISCELLANEOUS MUNICIPAL	
26 SERVICES (AS 29.60.100 - 29.60.180)	\$
27 TOTAL AID	\$

28 The millage equivalent of this state aid, based on the dollar value
29 of a mill in the municipality during the current assessment year

1 taxable to the extent of the interest;

2 (2) household furniture of the head of a family or household;

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

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

9 (5) money on deposit;

10 (6) the real property of certain residents of the state to
11 the extent and subject to the conditions provided in (e) of this sec-
12 tion;

13 (7) forest land as defined in AS 41.17.950(6);

14 (8) real property or interests in real property that are
15 exempt from taxation under 43 U.S.C. 1620(d), as amended, as more fully
16 provided in (m) and (n) of this section.

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

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

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

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

26 (c) Property described in (a)(3) or (4) or (b) of this section
27 from which income is derived is exempt only if that income is solely
28 from use of the property by nonprofit religious, charitable, hospital,
29 or educational groups. If used by nonprofit educational groups, the

1 property is exempt only if used exclusively for classroom space.

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

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

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

1 property exempted shall be refunded to him. The assessor may at any
2 time require proof in the form he considers necessary of the right and
3 amount of an exemption claimed under (e) of this section.

4 (g) The state shall reimburse a borough or city, as appropriate,
5 for the real property tax revenues lost to it by the operation of (e) of
6 this section. However, reimbursement will be made to a municipality for
7 revenue lost to it only to the extent that the loss exceeds an exemption
8 that was granted by the municipality, or that on proper application by
9 an individual would have been granted under AS 29.45.050(a).

10 (h) Except as provided in (g) of this section, nothing in (e) -
11 (j) of this section affects similar exemptions from property taxes
12 granted by a municipality on September 10, 1972, or prevents a munici-
13 pality from granting similar exemptions by ordinance as provided in
14 AS 29.45.050.

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

18 (j) One motor vehicle per household owned by a resident 65 years
19 of age or older on January 1 of the assessment year is exempt either
20 from taxation on its assessed value or from the registration tax under
21 AS 28.10.431. An exemption may be granted under this subsection only
22 upon written application on a form prescribed by the Department of
23 Public Safety. The state shall reimburse a municipality for tax reve-
24 nues lost to it because of the exemption required by this subsection.
25 Reimbursement to a municipality equals the amount of registration tax
26 authorized under AS 28.10.431(b) for each vehicle exempted under this
27 subsection.

28 (k) The department shall adopt regulations to implement the pro-
29 visions of (g) and (j) of this section.

1 (1) Two percent of the assessed value of a structure is exempt
2 from taxation if the structure contains a fire protection system ap-
3 proved under AS 19.70.081, in operating condition, and incorporated as a
4 fixture or part of the structure. The exemption granted by this subsec-
5 tion is limited to

6 (1) an amount equal to two percent of the value of the struc-
7 ture based on the assessment for 1981, if the fire protection system is
8 a fixture of the structure on January 1, 1981; or

9 (2) an amount equal to two percent of the value of the struc-
10 ture based on the assessment as of January 1 of the year immediately
11 following the installation of the fire protection system if the fire
12 protection system becomes a fixture of the structure after January 1,
13 1981.

14 (m) The tax exemption required by 43 U.S.C. 1620(d), as amended,
15 shall be implemented according to the following conditions and inter-
16 pretations:

17 (1) "developed" means a purposeful modification of the prop-
18 erty from its original state that effectuates a condition of gainful or
19 productive present use without further substantial modification; survey-
20 ing, construction of roads, providing utilities or other similar actions
21 normally considered to be component parts of the development process,
22 but which do not create the above condition, do not constitute a
23 developed state within the meaning of this paragraph; developed prop-
24 erty, in order to remove the exemption, must be developed for purposes
25 other than exploration, and be limited to the smallest practicable tract
26 of the property actually used in the developed state;

27 (2) "exploration" means the examination and investigation of
28 undeveloped land to determine the existence of subsurface nonrenewable
29 resources;

1 (3) "lease" means a grant of primary possession entered into
2 for gainful purposes with a determinable fee remaining in the hands of
3 the grantor; with respect to a lease that conveys rights of exploration
4 and development, this exemption shall continue with respect to that
5 portion of the leased tract that is used solely for the purpose of
6 exploration.

7 (n) If the property or interest in the property reverts to an un-
8 developed state, or if the lease is terminated, the exemption shall be
9 reinstated, subject to the provisions of (m) of this section.

10 Sec. 29.45.040. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A resi-
11 dent of the state 65 years of age or older who rents a permanent place
12 of abode is eligible for tax equivalency payments from the state through
13 the department.

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

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

27 (d) If two or more persons occupy a residence as tenants, not all
28 of whom are eligible for tax equivalency payments under this section,
29 the assessor shall determine equitable partial payments to be made to

1 the eligible tenants. However, tax equivalency payments to an eligible
2 applicant may not be reduced because the spouse is less than 65 years of
3 age. If all occupants in a residence are eligible for tax equivalency
4 payments under this section, the occupants shall decide between and
5 among themselves which shall receive payment.

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

11 (b) A municipality may by ordinance

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

15 (2) classify and exempt from taxation

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

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

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

28 (3) exempt personal property from taxation.

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

1 (1) a borough may, by ordinance, adjust its property tax
2 structure in whole or in part to the property tax structure of a city in
3 the borough, including but not limited to, excluding personal property
4 from taxation, establishing exemptions, and extending the redemption
5 period;

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

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

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

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

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

23 (e) A municipality may by ordinance classify and exempt or par-
24 tially exempt from taxation privately owned land, wet land and water
25 areas for which a scenic, conservation, or public recreation use ease-
26 ment is granted to a governmental body. To be eligible for a tax exemp-
27 tion, or partial exemption, the easement must be in perpetuity. However,
28 the easement is automatically terminated before an eminent domain taking
29 of fee simple title or less than fee simple title to the property, so

1 that the property owner is compensated at a rate that does not reflect
2 the easement grant.

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

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

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

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

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

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

1 To be a farm use greenhouse, the owner or lessee must derive at least 10
2 percent of his yearly gross income from the greenhouse or from the
3 greenhouse together with other commercial greenhouses or farm use land.
4 This section does not apply to land for which the owner has granted, and
5 has outstanding, a lease or option to buy the surface rights. A property
6 owner wishing to file for farm use classification having no history of
7 farm-related income may submit a declaration of intent at the time of
8 filing the application with the assessor setting out the intended use of
9 the land or greenhouse and the anticipated percentage of income. An
10 applicant using this procedure shall file with the assessor before
11 February 1 of the following year a notarized statement of the percentage
12 of gross income attributable to the land or greenhouse. Failure to make
13 the filing required in this subsection forfeits the exemption.

14 (d) In the event of a crop failure by an act of God the previous
15 year, the owner or lessee may submit an affidavit affirming that 10
16 percent of his gross income for the past three years was from farming.

17 (e) Subject to legislative appropriations for the purpose, the
18 state shall reimburse a borough or city, as appropriate, for the prop-
19 erty tax revenues lost to it by the operation of this section.

20 Sec. 29.45.070. MOBILE HOMES. Mobile homes, trailers, house
21 trailers, trailer coaches and similar property used or intended to be
22 used for residential, office, or commercial purposes and attached to the
23 land or connected to water, gas, electric, or sewage facilities are
24 classified as real property for tax purposes unless expressly classified
25 as personal property by ordinance. This section does not apply to house
26 trailers and mobile homes that are unoccupied and held for sale by
27 persons engaged in the business of selling mobile homes.

28 Sec. 29.45.080. TAX ON OIL AND GAS PRODUCTION AND PIPELINE PROP-
29 ERTY. (a) A municipality may levy and collect taxes on property

1 taxable under AS 43.56 only by using one of the methods set out in (b)
2 or (c) of this section.

3 (b) A municipality may levy and collect a tax on the full and true
4 value of property taxable under this chapter and under AS 43.56 as
5 valued by the Department of Revenue at a rate not to exceed that which
6 produces an amount of revenue from the total municipal property tax
7 equivalent to \$1,500 a year for each person residing in its boundaries.

8 (c) A municipality may levy and collect a tax on the full and true
9 value of that portion of property taxable under this chapter and under
10 AS 43.56 as assessed by the Department of Revenue which value, when
11 combined with the value of property otherwise taxable by the munici-
12 pality, does not exceed the product of 225 percent of the average per
13 capita assessed full and true value of property in the state multiplied
14 by the number of residents of the taxing municipality. For purposes of
15 this subsection, the average per capita assessed full and true value of
16 property in the state shall be calculated without regard to the assessed
17 value of taxable property under AS 43.58.

18 (d) By February 1 of each assessment year a taxing municipality
19 must inform the Department of Revenue which method of taxation the
20 municipality will use.

21 (e) For purposes of this section, population shall be determined
22 by the commissioner based on the latest statistics of the United States
23 Bureau of the Census or on other reliable population data, and the
24 commissioner shall advise each municipality of its population by
25 January 15 of each year.

26 Sec. 29.45.090. TAX LIMITATION. (a) A municipality may not,
27 during a year, levy and tax for any purpose in excess of three percent
28 of the assessed value of property in the municipality. All property on
29 which a tax is levied shall be taxed at the same rate during the year.

1 (b) A municipality, or combination of municipalities occupying the
2 same geographical area, in whole or in part, may not levy taxes (1) that
3 will result in tax revenues from all sources exceeding \$1,500 a year for
4 each person residing within the municipal boundaries; or (2) upon value
5 that, when combined with the value of property otherwise taxable by the
6 municipality, exceeds the product of 225 percent of the average per
7 capita assessed full and true value of property in the state multiplied
8 by the number of residents of the taxing municipality. If two or more
9 municipalities occupying the same geographical area, in whole or in
10 part, attempt to levy a tax (1) the combined levy of which would result
11 in tax revenues from all sources exceeding \$1,500 a year for each person
12 residing within the municipal boundaries; or (2) upon value that, when
13 combined with the value of property otherwise taxable by the munici-
14 pality, exceeds the product of 225 percent of the average per capita
15 assessed full and true value of property in the state multiplied by the
16 number of residents of the taxing municipality, the commissioner shall
17 apportion the lawful levy and equitably divide these revenues on the
18 basis of need, services performed, and other considerations in the
19 public interest. For the purpose of this subsection, population shall
20 be determined by the commissioner based on the latest statistics of the
21 United States Bureau of the Census or on other reliable population data.
22 For purposes of this subsection, the average per capita assessed full
23 and true value of property in the state shall be calculated without
24 regard to the assessed value of taxable property under AS 43.58.

25 Sec. 29.45.100. NO LIMITATIONS ON TAXES TO PAY BONDS. The limita-
26 tions provided for in AS 29.45.080 - 29.45.090 do not apply to taxes
27 levied or pledged to pay or secure the payment of the principal and
28 interest on bonds. Taxes to pay or secure the payment of principal and
29 interest on bonds may be levied without limitation as to rate or amount,

1 regardless of whether the bonds are in default or in danger of default.

2 Sec. 29.45.110. FULL AND TRUE VALUE. (a) The assessor shall
3 assess property at its full and true value as of January 1 of the
4 assessment year, except as provided in this section, AS 29.45.060, and
5 29.45.230. The full and true value is the estimated price that the
6 property would bring in an open market and under the then prevailing
7 market conditions in a sale between a willing seller and a willing buyer
8 both conversant with the property and with prevailing general price
9 levels.

10 (b) Assessment of business inventories may be based on the average
11 monthly method of assessment rather than the value existing on January 1.
12 The method used to assess business inventories shall be prescribed by
13 the governing body.

14 (c) In the case of cessation of business during the tax year, the
15 municipality may provide for reassessment of business inventories using
16 the average monthly method of assessment for the tax year rather than
17 the value existing on January 1 of the tax year, and for reduction and
18 refund of taxes. In enacting an ordinance authorized by this section,
19 the municipality may prescribe procedures, restrictions, and conditions
20 of assessing or reassessing business inventories and of remitting or
21 refunding taxes.

22 Sec. 29.45.120. RETURNS. (a) The municipality may require each
23 person having ownership or control of or an interest in property to
24 submit a return in the form prescribed by the assessor, based on prop-
25 erty values existing on January 1, except as otherwise provided in this
26 chapter.

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

29 Sec. 29.45.130. INDEPENDENT INVESTIGATION. (a) The assessor is

1 not bound to accept a return as correct. He may make an independent
2 investigation of property returned or of taxable property on which no
3 return has been filed. In either case, the assessor may make his own
4 valuation of the taxable property and this valuation is prima facie
5 evidence.

6
7 (b) For investigation, the assessor or his agent may enter a
8 premise during reasonable hours and may examine property on the premise.
9 He may examine all property records involved. A person shall, on
10 request, furnish to the assessor or his agent every facility and assis-
11 tance for the investigation. The assessor may seek a court order to
12 compel entry and production of records needed for assessment purposes.

13 (c) An assessor may examine a person on oath. On request, the
14 person shall present himself for examination by the assessor.

15 Sec. 29.45.140. VIOLATIONS. A person who knowingly fails to file
16 a statement required by ordinance or who knowingly makes a false affi-
17 davit to a statement required by a tax ordinance relative to the amount,
18 location, kind or value of property subject to taxation with intent to
19 evade the taxation, is guilty of a class B misdemeanor.

20 Sec. 29.45.150. REEVALUATION. A systematic reevaluation of taxable
21 real and personal property undertaken by the assessor, whether of
22 specific areas in which real property is located or of specific classes
23 of real or personal property to be assessed, shall be made only in
24 accordance with a resolution or other act of the municipality directing
25 a systematic reevaluation of all taxable property in the municipality
26 over the shortest period of time practicable, as fixed in the resolution
27 or act.

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

(1) a description of all taxable property;

1 (2) the assessed value of all taxable property;

2 (3) the names and addresses of persons with property subject
3 to assessment and taxation.

4 (b) The assessor may list real property by any description that
5 may be made certain. Real property is assessed to the record owner.
6 The district recorder shall at least monthly provide the assessor a copy
7 of each recorded change of ownership showing the name and mailing
8 address of the owner and the name and mailing address of the person
9 recording the change of ownership. Other persons having an interest in
10 the property may be listed on the assessment records with the owner. The
11 person in whose name property is listed as owner is conclusively
12 presumed to be the legal record owner. If the property owner is un-
13 known, the property may be assessed to "unknown owner". An assessment
14 is not invalidated by a mistake, omission, or error in the name of the
15 owner, if the property is correctly described.

16 Sec. 29.45.170. ASSESSMENT NOTICE. (a) The assessor shall give
17 each person named in the assessment roll a notice of assessment, showing
18 the assessed value of his property. On each notice is printed a brief
19 summary of the dates when taxes are payable, delinquent, and subject to
20 penalty and interest, and the dates when the board of equalization will
21 sit.

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

27 Sec. 29.45.180. CORRECTIONS. (a) A person receiving an assess-
28 ment notice shall advise the assessor of errors or omissions in the
29 assessment of his property. The assessor may correct errors or omis-

1 sions in the roll before the board of equalization hearing.

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

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

9 (b) The appellant shall, within 30 days after the date of mailing
10 of notice of assessment, submit to the assessor a written appeal speci-
11 fying grounds in the form that the board of equalization may require.
12 Otherwise, the right of appeal ceases unless the board of equalization
13 finds that the taxpayer was unable to comply.

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

16 (d) The assessor shall prepare for use by the board of equaliza-
17 tion a summary of assessment data relating to each assessment that is
18 appealed.

19 (e) A city in a borough may appeal an assessment to the borough
20 board of equalization in the same manner as a taxpayer. Within five
21 days after receipt of the appeal, the assessor shall notify the person
22 whose property assessment is being appealed by the city.

23 Sec. 29.45.200. BOARD OF EQUALIZATION. (a) The governing body
24 sits as a board of equalization for the purpose of hearing an appeal
25 from a determination of the assessor, or it may delegate this authority
26 to one or more boards appointed by it. An appointed board may be
27 composed of not less than three persons, who may be members of the
28 governing body, municipal residents, or a combination of members of the
29 governing body and residents. The governing body shall by ordinance

1 establish the qualifications for membership.

2 (b) The board of equalization is governed in its proceedings by
3 rules adopted by ordinance that are consistent with general rules of
4 administrative procedure. The board may alter an assessment of a lot
5 only pursuant to an appeal filed as to the particular lot.

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

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

11 (b) The appellant bears the burden of proof. The only grounds for
12 adjustment of assessment are proof of unequal, excessive, improper, or
13 under valuation based on facts that are stated in a valid written appeal
14 or proven at the appeal hearing. If a valuation is found to be too low,
15 the board of equalization may raise the assessment.

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

20 (d) An appellant or the assessor may appeal a determination of the
21 board of equalization to the superior court as provided by rules of
22 court applicable to appeals from the decisions of administrative
23 agencies. Appeals are heard on the record established at the hearing
24 before the board of equalization.

25 Sec. 29.45.220. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor
26 shall include property omitted from the assessment roll on a supplemen-
27 tary roll, using the procedures set out in this chapter for the original
28 roll.

29 Sec. 29.45.230. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATURAL

1 DISASTER. (a) The municipality may provide for assessment or reassess-
2 ment and reduction of taxes for property destroyed, damaged, or other-
3 wise reduced in value as a result of a natural disaster.

4 (b) An assessment or reassessment under this section may be made
5 by the assessor only upon the receipt of a sworn statement of the tax-
6 payer that his losses exceed \$1,000. A reduction of taxes may be made
7 only on losses in excess of \$1,000 for the remainder of the year follow-
8 ing the disaster. On reassessment, the municipality shall recompute
9 this tax and refund taxes that have already been paid.

10 (c) The municipality shall give notice of assessment or reassess-
11 ment under this section and shall hold an equalization hearing as pro-
12 vided in this chapter, except that a notice of appeal must be filed with
13 the board of equalization within 10 days after notice of assessment or
14 reassessment is given to the person appealing. Otherwise, the right of
15 appeal ceases unless the board finds that the taxpayer is unable to
16 comply.

17 (d) In enacting an ordinance or resolution authorized by this
18 section the municipality may, consistent with this section, prescribe
19 procedures, restrictions, and conditions of assessing or reassessing
20 property and of remitting, refunding, or forgiving taxes.

21 (e) In this section "disaster" means a major disaster declared by
22 the President of the United States under the provisions of the Federal
23 Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g, or
24 other federal law, or a disaster declared by the governor under AS 26.-
25 23.010 - 26.23.110.

26 Sec. 29.45.240. TAX LEVY AND RATE. (a) The power granted to a
27 municipality to assess, levy, and collect a property tax shall be
28 exercised by means of an ordinance. The rate of levy, the date of
29 equalization, and the date when taxes become delinquent shall be fixed

1 by resolution.

2 (b) A municipality shall annually determine the rate of levy
3 before June 15. By July 1 the tax collector shall mail tax statements
4 setting out the levy, dates when taxes are payable and delinquent, and
5 penalties and interest.

6 Sec. 29.45.250. RATES OF PENALTY AND INTEREST. (a) A penalty not
7 to exceed 20 percent of the tax due may be added to all delinquent
8 taxes, and interest not to exceed 15 percent a year shall accrue upon
9 all unpaid taxes, not including penalty, from the due date until paid in
10 full. A municipality may impose a penalty not to exceed 20 percent of
11 the tax due upon the late return of personal property assessment forms.
12 A penalty under this section may be imposed according to a formula that
13 increases the amount of the penalty as the length of time increases
14 during which payment is delinquent or assessment forms are not returned.

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

18 ARTICLE 2. ENFORCEMENT OF TAX LIENS.

19 Sec. 29.45.290. VALIDITY. Certified assessment and tax rolls are
20 valid and binding on all persons, notwithstanding a defect, error,
21 omission, or invalidity in the assessment rolls or proceedings pertain-
22 ing to the assessment roll.

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

28 (b) Property taxes, together with penalty and interest, are a lien
29 upon the property assessed, and the lien is prior and paramount to all

1 other liens or encumbrances against the property.

2 Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY
3 DISTRAINT AND SALE. (a) A lien for personal property taxes may be
4 enforced by distraint and sale of the property. The municipality shall
5 provide the procedure for distraint and sale by ordinance. A seizure,
6 levy, or distraint is not legal unless demand is first made of the
7 person assessed for the amount of the tax, penalty, and interest, and a
8 sale is not valid unless made at public auction no sooner than 15 days
9 after notice is published. The seizure is made by virtue of a warrant
10 issued by the municipal clerk to a peace officer.

11 (b) If the personal property sold is not sufficient to satisfy the
12 tax, penalty, and interest, and costs of sale, the warrant may authorize
13 the seizure of other personal property sufficient to satisfy the tax,
14 penalty, interest, and costs of sale. If the property is sold for more
15 money than is needed to satisfy the tax, the municipality shall remit
16 the excess to the former record owner upon presentation of a proper
17 claim. A claim for the excess filed after six months of the date of
18 sale is forever barred.

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

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

27 Sec. 29.45.330. FORECLOSURE LIST. (a) A municipality shall
28 (1) annually present a petition for judgment and a certified
29 copy of the foreclosure list for the previous year's delinquent taxes in

1 the superior court for judgment;

2 (2) publish the foreclosure list for four consecutive weeks
3 in a newspaper of general circulation distributed in the municipality
4 or, if there is no newspaper of general circulation distributed in the
5 municipality, post the list at three public places for at least 30 days;

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

11 (b) The list shall be arranged in alphabetical order as to the
12 last name and shall include

13 (1) the last known owner;

14 (2) the property description as stated on the assessment
15 roll;

16 (3) years and amounts of delinquency;

17 (4) penalty and interest due;

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

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

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

26 Sec. 29.45.340. CLEARING DELINQUENCIES. During the publication or
27 posting of the foreclosure list and up to the time of transfer to the
28 municipality a person may pay the taxes, together with the penalty,
29 interest, and costs. The collector shall note payment on the foreclo-

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sure list.

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

Sec. 29.45.360. GENERAL FORECLOSURE. A municipality shall bring one general foreclosure proceeding in rem against the properties included in the foreclosure list. If the owner is unknown, the property is proceeded against as belonging to "unknown owner". Tax foreclosure proceedings have priority over all other civil proceedings except appeals under AS 29.40.060.

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

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

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

(b) The court clerk shall deliver a certified copy of the judgment and decree to the municipal clerk. The certified judgment and decree

1 constitutes a transfer to the municipality.

2 (c) The judgment and decree stops objections to it that could have
3 been presented before judgment and decree. Appeal from a judgment and
4 decree of foreclosure, or from a final order in the proceeding, may be
5 taken in the manner provided for appeals in civil actions.

6 Sec. 29.45.400. REDEMPTION PERIOD. Properties transferred to the
7 municipality are held by the municipality for at least one year. During
8 the redemption period a party having an interest in the property may
9 redeem it by paying the lien amount plus penalties, interest, and costs,
10 including all costs incurred under AS 29.45.440(a). Property redeemed
11 is subject to all accrued taxes, assessments, liens, and claims as
12 though it had continued in private ownership. Only the amount applic-
13 able under the judgment and decree must be paid in order to redeem the
14 property.

15 Sec. 29.45.410. EFFECT. Receipt of redemption money by the muni-
16 cipality releases the judgment obtained under AS 29.45.380. The clerk
17 or his designee shall record the redemption and issue a certificate
18 containing a property description, the redemption amount, and the dates
19 of judgment and decree of foreclosure. The clerk or his designee shall
20 collect the recording fee at the time of redemption and shall file the
21 certificate with the record as part of the judgment roll.

22 Sec. 29.45.420. ADDITIONAL LIENS. If a property included in a
23 foreclosure list is removed after payment of delinquencies or redemption
24 by another lienholder, the payment represented by receipt for payment
25 constitutes an additional lien on the property, collectible by the
26 lienholder in the same manner as the original lien.

27 Sec. 29.45.430. POSSESSION DURING REDEMPTION PERIOD. Foreclosure
28 does not affect the former owner's right to possession during the
29 redemption period. If waste is committed by the former owner or by

1 anyone acting under his permission or control, the municipality may
2 declare an immediate forfeiture of the right to possession.

3 Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the
4 expiration of the redemption period the clerk or his designee shall
5 publish a redemption period expiration notice. The notice shall contain
6 the date of judgment, the date of expiration of the period of redemp-
7 tion, and a warning that all properties ordered sold under the judgment,
8 unless redeemed, shall be deeded to the municipality immediately on
9 expiration of the period of redemption and that every right or interest
10 of a person in the properties will be forfeited forever to the muni-
11 cipality. The notice appears once a week for four consecutive weeks in
12 a newspaper of general circulation distributed in the municipality. If
13 there is no newspaper of general circulation distributed in the muni-
14 cipality, the notice is posted in three public places for at least four
15 consecutive weeks. The clerk shall send a copy of the notice by certi-
16 fied mail to each record owner of property against which a judgment of
17 foreclosure has been taken and, if the assessed value of the property is
18 more than \$100,000, to all holders of mortgages or other liens of record
19 on the property. The notice shall be mailed within five days after the
20 first publication. The mailing shall be sufficient if mailed to the
21 property owner and to the holder of a mortgage or recorded lien at the
22 last address of record.

23 (b) The right of redemption expires 30 days after the date of the
24 first notice publication.

25 (c) Costs incurred in the determination of holders of mortgages
26 and other liens of record and costs of notice publication incurred by a
27 municipality under (a) of this section are a lien on the property and
28 may be recovered by the municipality.

29 Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) Unredeemed property

1 in the area of the borough outside all cities is deeded to the borough
2 by the clerk of the court. Unredeemed property in a city is deeded to
3 the city subject to the payment by the city of unpaid borough taxes and
4 costs of foreclosure levied against the property before foreclosure.
5 The deed shall be recorded in the recording district in which the
6 property is located.

7 (b) Conveyance gives the municipality clear title, except for
8 prior recorded tax liens of the United States and the state.

9 (c) If unredeemed property lies in a city and if the city has no
10 immediate public use for the property but the borough does have an
11 immediate public use, the city shall deed the property to the borough.
12 If unredeemed property lies in the borough outside all cities and if the
13 borough does not have an immediate public use for the property but a
14 city does have an immediate public use, the borough shall deed the
15 property to the city.

16 (d) No deed is invalid for irregularities, omissions, or defects
17 in the proceedings under this chapter unless the former owner has been
18 misled to his injury. Two years after the date of the deed, its valid-
19 ity is conclusively presumed and a claim of the former owner or other
20 person having an interest in the property is forever barred.

21 Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTY. (a)
22 The municipality shall determine by ordinance whether foreclosed prop-
23 erty deeded to the municipality shall be retained for a public purpose.
24 The ordinance shall contain the legal description of the property, the
25 address or a general description of the property sufficient to provide
26 the public with notice of its location, and the name of the last record
27 owner of the property as his name appears on the assessment rolls.

28 (b) Tax-foreclosed property conveyed to a municipality by tax
29 foreclosure and not required for a public purpose may be sold. Before

1 the sale of tax-foreclosed property held for a public purpose, the
2 municipality, by ordinance, shall determine that a public need does not
3 exist. The ordinance shall contain the information required under (a)
4 of this section.

5 (c) The clerk or his designee shall send a copy of the published
6 notice of hearing of an ordinance to consider a determination required
7 under (a) or (b) of this section by certified mail to the former record
8 owner of the property that is the subject of the ordinance. The notice
9 shall be mailed within five days after its first publication and shall
10 be sufficient if mailed to the last record owner of the property as his
11 name appears on the assessment rolls of the municipality.

12 (d) The provisions of (c) of this section do not apply with
13 respect to property that has been held by the municipality for a period
14 of more than 10 years after the close of the redemption period.

15 Sec. 29.45.470. REPURCHASE BY RECORD OWNER. (a) The record owner
16 at the time of tax foreclosure of property acquired by a municipality,
17 or his assigns, may, within 10 years and before the sale or contract of
18 sale of the tax-foreclosed property by the municipality, repurchase the
19 property. The municipality shall sell the property for the full amount
20 applicable to the property under the judgment and decree, with interest
21 not to exceed 15 percent a year from the date of entry of the judgment
22 of foreclosure to the date of repurchase, delinquent taxes assessed and
23 levied as though it had continued in private ownership, and costs of
24 foreclosure and sale.

25 (b) After adoption of an ordinance providing for the retention of
26 tax-foreclosed property by the municipality for a public purpose, the
27 right of the former record owner to repurchase the property ceases.

28 Sec. 29.45.480. PROCEEDS OF TAX SALE. (a) On sale of foreclosed
29 real or personal property the municipality shall divide the proceeds

1 less cost of collection, between the borough and the city having unpaid
2 taxes against the property. The division is in proportion to the
3 respective municipal taxes against the property at the time of fore-
4 closure.

5 (b) The former record owner of tax-foreclosed real property that
6 has been held by a municipality for less than 10 years after the close
7 of the redemption period and never designated for a public purpose that
8 is sold at a tax-foreclosure sale is entitled to the portion of the
9 proceeds of the sale that exceeds the amount sufficient to satisfy
10 unpaid taxes, delinquent taxes assessed and levied as if the property
11 had continued in private ownership, penalty, interest, and costs of
12 property sold, including costs incurred under AS 29.45.440(a). If the
13 proceeds of the sale of tax-foreclosed property exceed the total of
14 unpaid and delinquent taxes, penalty, interest, and costs, the muni-
15 cipality shall provide the former owner of the property written notice
16 advising of the amount of the excess and the manner in which a claim for
17 the balance of the proceeds may be submitted. Notice is sufficient
18 under this subsection if mailed to the former owner at his last address
19 of record. On presentation of a proper claim, the municipality shall
20 remit the excess to the former record owner. A claim for the excess
21 filed after six months of the date of sale is forever barred.

22 Sec. 29.45.490. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a
23 municipality takes title to tax-foreclosed property for a public pur-
24 pose, the municipality shall satisfy unpaid taxes and assessments
25 against the property held by other municipalities, with accrued interest
26 but without penalty. If the amount required to satisfy the unpaid taxes
27 and assessments exceeds the assessed value of the property, the munici-
28 pality shall pay the other municipalities the assessed value, which
29 shall be divided between the other municipalities in proportion to their

1 city's rate of levy unless a different date is agreed upon by the borough
2 and city.

3 Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to
4 home rule and general law municipalities.

5 Sec. 29.45.580. DIFFERENTIAL TAX ZONES. A city may by ordinance
6 establish, alter, and abolish differential tax zones to provide and levy
7 property taxes for services not provided generally in the city or a
8 different level of service than that provided 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 property taxes as
11 provided for first class cities. However, levy by a second class city
12 may not exceed one-half of one percent of the assessed value of the
13 property taxed, except that the limit does not apply to a levy necessary
14 to avoid a default upon payment of principal and interest of bonded or
15 other indebtedness that is secured by a pledge to levy ad valorem or
16 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 that
21 incorporation be dependent on the passage of the property tax proposi-
22 tion. If so, the incorporation proposition fails if the property tax
23 fails.

24 ARTICLE 4. BOROUGH SALES AND USE TAX.

25 Sec. 29.45.650. SALES AND USE TAX. (a) A borough may levy and
26 collect a sales tax not exceeding six percent on sales, rents, and on
27 services made in the borough. The sales tax may apply to any or all of
28 these sources. Exemptions may be granted by ordinance.

29 (b) A borough levying a sales tax may also by ordinance levy a use

1 tax on the storage, use, or consumption of tangible personal property in
2 the borough. The use tax rate must equal the sales tax rate and the use
3 tax shall be levied only on buyers.

4 (c) A person who furnishes proof, in the form required by the
5 borough tax collector, that he has paid a sales tax on the source on
6 which a use tax is levied by the borough is required to pay the use tax
7 only to the extent of the difference between the amount of the sales tax
8 paid and the amount of the use tax levied by the borough. This subsec-
9 tion applies to a sales tax levied in any taxing jurisdiction whether
10 inside or outside the state.

11 (d) If the assembly charges interest on sales taxes not paid when
12 due, the rate of interest may not exceed 15 percent a year on the
13 delinquent taxes and shall be charged from the due date until paid in
14 full. This subsection applies to home rule and general law municipali-
15 ties.

16 (e) A borough may provide for the creation, recording, and notice
17 of a lien on real or personal property to secure the payment of a sales
18 and use tax, and the interest, penalties, and administration costs in
19 the event of delinquency. When recorded, a lien authorized under this
20 section has priority over other liens except those for property taxes
21 and special assessments.

22 Sec. 29.45.660. NOTICE OF SALES AND USE TAX. (a) If the borough
23 levies and collects only a sales tax and use tax, the assembly shall
24 provide a notice substantially in the form set out in AS 29.45.020. In
25 providing notice under this subsection, the assembly shall substitute
26 for the millage equivalency its estimate of the equivalent sales tax
27 rate for each of the categories of financial assistance set out in
28 AS 29.45.020. Notice shall be provided

29 (1) by publishing in a newspaper of general circulation in

1 the borough a copy of the notice once each week for a period of three
2 successive weeks, with publication to occur not later than 45 days after
3 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 demon-
13 strate that the requirements of this section have been met.

14 Sec. 29.45.670. REFERENDUM, ADOPTION, AND MODIFICATION. A new
15 sales and use tax or an increase in the rate of levy of a sales tax
16 approved by ordinance does not take effect until ratified by a majority
17 of the voters at an election.

18 ARTICLE 5. CITY SALES AND USE TAXES.

19 Sec. 29.45.700. POWER OF LEVY. (a) A city in a borough that
20 levies and collects areawide sales and use taxes may levy sales and use
21 taxes on all sources taxed by the borough in the manner provided for
22 boroughs, except that the assembly may by ordinance authorize a city to
23 levy and collect sales and use taxes on other sources.

24 (b) A city in a borough that does not levy and collect sales and
25 use taxes for areawide borough functions may levy and collect sales and
26 use taxes in the manner provided for boroughs.

27 (c) A city outside a borough may levy and collect sales and use
28 taxes in the manner provided for boroughs.

29 Sec. 29.45.710. COMBINING SALES AND USE TAX WITH INCORPORATION OF

1 A SECOND CLASS CITY. A petition for incorporation of a second class
2 city may request that a sales and use tax proposal be placed on the same
3 ballot. The petition must state the proposed tax rate. The petition
4 may request that incorporation be dependent on the passage of the tax
5 proposition. If so, the incorporation proposition fails if the tax
6 fails.

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

8 CHAPTER 46. SPECIAL ASSESSMENTS.

9 Sec. 29.46.010. ASSESSMENT AND PROPOSAL. The municipality may
10 assess against the property of a state or federal governmental unit and
11 private real property to be benefited by an improvement all or a portion
12 of the cost of acquiring, installing, or constructing capital improve-
13 ments. The state shall pay an assessment levied, except as otherwise
14 provided by law and subject to its right of protest under AS 29.46.020-
15 (a)(8). If a governmental unit other than the state benefited by an
16 improvement refuses to pay the assessment, it shall be denied the benefit
17 of the improvement. An improvement proposal may be initiated by

18 (1) petition to the governing body of the owners of one-half
19 in value of the property to be benefited; or

20 (2) the governing body.

21 Sec. 29.46.020. PROCEDURE. (a) The municipality may prescribe by
22 ordinance the procedures relating to creating special assessment dis-
23 tricts, making local improvements, levying and collecting assessments,
24 and financing improvements, including the following:

25 (1) a procedure for filing petitions;

26 (2) a survey and report by the mayor concerning the need for,
27 desirable extent of, and estimated cost of each proposed local improve-
28 ment;

29 (3) a public hearing on the necessity for the proposed local

1 improvement;

2 (4) a resolution or ordinance determining to proceed or not
3 to proceed with the proposed local improvement;

4 (5) a public hearing by the governing body on the special
5 assessment roll for the proposed local improvement;

6 (6) published notice of each public hearing required by this
7 section and mailing notice to each record owner of real property in the
8 special assessment district;

9 (7) a resolution or ordinance confirming the special assess-
10 ment roll for the proposed local improvement;

11 (8) if protests as to the necessity of a proposed local
12 improvement are made by owners of property that will bear 50 percent or
13 more of the estimated cost of the improvement, the governing body may
14 not proceed with the improvement until the objections have been reduced
15 to less than 50 percent, except on approval of not fewer than three-
16 fourths of the governing body.

17 (b) To the extent that the municipality does not prescribe a
18 procedure for special assessments as permitted by this section, the
19 municipality shall comply with the special assessment procedures set out
20 in AS 29.46.030 - 29.46.100.

21 Sec. 29.46.030. CREATION OF DISTRICT. (a) When an improvement
22 proposal is filed with the municipal clerk and presented to the govern-
23 ing body, the municipality shall find by resolution or ordinance whether
24 (1) the improvement requested is necessary and should be made, and (2)
25 if by petition, the request has sufficient and proper petitioners. The
26 findings under this section are conclusive.

27 (b) If the municipality approves an improvement proposal, it shall
28 develop a proposed improvement plan including the total cost estimate
29 and the percentage of the cost to be assessed against the benefited

1 property. The improvement plan shall be filed with the municipal clerk.

2 (c) The governing body shall set a time for public hearing on the
3 improvement plan and the period for filing objections to the plan. The
4 governing body shall publish a notice of the hearing and of the period
5 during which objections may be filed at least once a week for four
6 consecutive weeks in a newspaper of general circulation if distributed
7 in the municipality and shall send notice by mail to every record owner
8 of property in the special assessment district.

9 Sec. 29.46.040. RECORD OWNER. The person in whose name property
10 is listed on the municipal property tax roll as owner is conclusively
11 presumed to be the legal owner of record. If the owner is unknown, the
12 assessment roll may designate "unknown owner".

13 Sec. 29.46.050. OBJECTIONS AND REVISION. (a) Objections to an
14 improvement plan may be filed during a period of 60 days after publica-
15 tion of notice. The municipality may by resolution or ordinance approve
16 the plan and order the improvement subject to the limitation of (b) of
17 this section.

18 (b) If objections are made in writing during the period set for
19 objections by the owners of property bearing 50 percent or more of the
20 estimated total cost of the improvement, the governing body may not
21 proceed with the improvement unless it revises the plan to meet the
22 objections and the objections are reduced to less than 50 percent. A
23 revised plan shall be approved and adopted as an original plan in accor-
24 dance with AS 29.46.030.

25 Sec. 29.46.060. ASSESSMENT ROLL. (a) At any time after approval
26 of an improvement plan, the governing body shall assess the authorized
27 percentage of the cost against property in the district included in the
28 plan in proportion to the benefit received.

29 (b) The special assessment roll shall contain property descrip-

1 tions, names of record owners, and assessment amounts.

2 (c) The governing body shall fix a time to hear objections to the
3 roll. The municipal clerk shall send an assessment and hearing notice
4 by mail to each record owner of an assessed property not less than 15
5 days before the hearing.

6 Sec. 29.46.070. HEARING AND SETTLEMENT. After the public hearing,
7 the governing body shall correct errors and inequalities in the roll.
8 If an assessment is increased, a new hearing shall be set and notice
9 published, except that a new hearing and notice is not required if all
10 record owners of property subject to the increased assessment consent in
11 writing to the increase. Objections to the increased assessment shall
12 be limited to record owners of property on which the assessment was
13 increased. When the roll is corrected, it shall be confirmed by resolu-
14 tion or ordinance.

15 Sec. 29.46.080. PAYMENT. (a) The governing body shall fix times
16 of payment, penalties on delinquent payments, and the rate of interest
17 on the unpaid balance of the assessment. Payment may be in one sum or
18 by installments. If payment is to be in one sum, payment may not be
19 required sooner than 60 days after mailing of the assessment statement.
20 The entire assessment may be prepaid without interest or penalty within
21 30 days after mailing of the assessment statement, and thereafter the
22 assessment may be prepaid in whole or in part with interest to the
23 payment date.

24 (b) Within 30 days after fixing the time of payment the municipal
25 clerk shall mail a statement to the record owner of each property
26 assessed. The statement designates the property, the assessment amount,
27 method of payment, rate of interest on the unpaid balance of the assess-
28 ment, the time of delinquency, and penalties on delinquent payments.
29 Within five days after the statements are mailed, the clerk shall have

1 notice published that the statements have been mailed.

2 (c) Assessments are liens on the property assessed and are prior
3 and paramount to all liens except municipal tax liens. They may be
4 enforced as provided in AS 29.45.320 - 29.45.470 for enforcement of
5 property tax liens.

6 Sec. 29.46.090. EXEMPTION. (a) The real property owned and
7 occupied by a resident 65 years of age or over, or the spouse, widow,
8 widower, or minor heir of the original applicant, on which is located
9 only his permanent abode that is a single-family residence, is exempt
10 from (1) special sewer assessments levied by a municipality after
11 September 2, 1975, and (2) special water assessments levied by a muni-
12 cipality after September 2, 1975. Only one exemption may be granted
13 with respect to the same property, and, if two or more persons are
14 eligible for an exemption with respect to the same property, the parties
15 shall decide between or among themselves which shall receive the benefit
16 of the exemption. Real property may not be exempted under this sub-
17 section that the municipality determines, after notice and hearing to
18 the parties concerned, has been conveyed to the applicant primarily for
19 the purpose of obtaining the exemption. The determination of the muni-
20 cipality is appealable under AS 44.62.560 - 44.62.570.

21 (b) An exemption may not be granted under this section except upon
22 written application for the exemption on a form prescribed by the state
23 assessor for use by local assessors and in accordance with the following
24 requirements:

25 (1) The claimant must file the initial application during the
26 period of time between the date the assessment roll is confirmed and the
27 time of payment fixed by the governing body. Within one year after the
28 date the assessment roll is confirmed the governing body for good cause
29 shown may waive the claimant's failure to make timely initial application

1 for the exemption and authorize the assessor to accept the application
2 as if timely filed.

3 (2) A claimant receiving the exemption must file with the
4 assessor by March 15 of each subsequent year a separate application
5 proving eligibility as of January 1 in order to retain the exemption.
6 Within the same year the assessor for good cause shown may waive the
7 claimant's failure to make timely application and approve the applica-
8 tion as if timely filed.

9 (3) If an application is filed within the required time under
10 this subsection and is approved by the governing body, the exemption
11 shall be allowed in accordance with the provisions of this section. If
12 a waiver under this subsection is granted and the application for exemp-
13 tion approved, the amount of any assessment, penalty, or interest that
14 the claimant has already paid on the assessment shall be refunded to
15 him. The municipality may at any time require proof in the form con-
16 sidered necessary of the right and amount of an exemption claimed under
17 this section.

18 (c) The state shall reimburse a municipality for the sewer and
19 water assessment revenues that it would receive but for the operation of
20 this section. Reimbursement under this subsection is a lien in favor of
21 the state against the property exempted to the extent of the assessment
22 against the property exempted. When properly recorded, the lien is
23 prior and superior to other liens against the property except for
24 property taxes or other special assessments and may be enforced by lien
25 foreclosure. The lien becomes immediately due and payable

26 (1) upon sale or other transfer of the property except to a
27 spouse, widow, widower, or minor heir; however, if the property is
28 transferred to a minor heir the lien becomes due and payable on the date
29 the minor heir reaches the age of 25 years;

1 (2) when property exempted under (a)(1) or (2) of this section
2 receives more than one sewer connection or more than one water connec-
3 tion; or

4 (3) when the claimant fails to prove eligibility under (b)(2)
5 of this section.

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

8 (e) In this section

9 (1) "minor heir" means a person who, at the time of transfer
10 of the property, has not attained the age of 19 years or who, if he has
11 not attained the age of 22 years, is a full-time student at an educa-
12 tional institution or a member of the armed forces of the United States;

13 (2) "real property" includes, but is not limited to, mobile
14 homes, whether classified as real or personal property for municipal tax
15 purposes;

16 (3) "resident" means a person who for 12 consecutive months
17 has maintained his permanent place of abode in the state.

18 Sec. 29.46.100. REASSESSMENT. (a) The governing body shall
19 within one year correct any deficiency in a special assessment found by
20 a court. Notice and hearing must conform to the initial assessment
21 procedures.

22 (b) Payments on the initial assessment are credited to the prop-
23 erty upon reassessment. The reassessment becomes a charge upon the
24 property notwithstanding failure to comply with any provision of the
25 assessment procedure.

26 Sec. 29.46.110. ALLOWABLE COSTS. (a) When a special assessment
27 district is created, there may be included in the assessments

28 (1) all of the cost of acquiring, installing, making, or
29 constructing the local improvement;

- 1 (2) the costs of all engineering and surveying to be done in
2 connection with creating the district or improvement;
3 (3) the cost of mailing and publishing notices;
4 (4) interest on interim financing;
5 (5) the cost of legal services and other expenses incurred in
6 the formation of the special assessment district;
7 (6) the cost of completing the improvement and financing the
8 improvement, including the issuance of bonds.

9 (b) The total amount of the assessment roll may not exceed actual
10 costs, but actual costs may include reasonable estimates of the costs to
11 be incurred in connection with issuance of bonds.

12 Sec. 29.46.120. OBJECTION AND APPEAL. (a) The validity of an
13 assessment may not be contested by a person who did not file with the
14 municipal clerk a written objection to the assessment roll before its
15 confirmation.

16 (b) The decision of the governing body on an objection may be
17 appealed to the superior court within 30 days after the date of confir-
18 mation of the assessment roll. If no objection is filed or appeal taken
19 within that time, the assessment procedure is considered valid in all
20 respects.

21 Sec. 29.46.130. INTERIM FINANCING. (a) A municipality may provide
22 by resolution or ordinance for the issuance of notes in payment of the
23 costs of a local improvement project, payable out of special assessments
24 for the improvement. The notes shall bear interest at a rate or rates
25 authorized by the resolution or ordinance, and shall be redeemed either
26 in cash or bonds for the improvement project.

27 (b) Notes issued against assessments shall be claims against the
28 assessments that are prior and superior to a right, lien or claim of a
29 surety on the bond given to the municipality to secure the performance

1 of its contract for a local improvement project, or to secure the payment
2 of persons who have performed work or furnished materials under the
3 contract.

4 (c) The municipal treasurer may accept notes against special
5 assessments on conditions prescribed by the governing body in payment of

6 (1) assessments against which the notes were issued in order
7 of priority;

8 (2) judgments rendered against property owners who have
9 become delinquent in the payment of assessments; and

10 (3) certificates of purchase when property has been sold
11 under execution or at tax sale for failure to pay the assessments.

12 Sec. 29.46.140. SPECIAL ASSESSMENT BONDS. (a) The municipality
13 may by ordinance authorize the issuance and sale of special assessment
14 bonds to pay all or part of the cost of an improvement in a special
15 assessment district. The principal and interest of bonds issued shall
16 be payable solely from the levy of special assessments against the
17 property to be benefited. The assessments shall constitute a sinking
18 fund for the payment of principal and interest on the bonds. The bene-
19 fitted property may be pledged by the governing body to secure a payment.

20 (b) On default in a payment due on a special assessment bond, a
21 bondholder may enforce payment of principal, interest, and costs of
22 collection in a civil action in the same manner and with the same effect
23 as actions for the foreclosure of mortgages on real property. Fore-
24 closure shall be against all property on which assessments are in
25 default. The period for redemption is the same as for a mortgage
26 foreclosure on real property.

27 (c) Before the governing body may issue special assessment bonds,
28 it shall establish a guarantee fund and appropriate to the fund annually
29 a sum adequate to cover a deficiency in meeting payments of principal

1 and interest on bonds if the reason for the deficiency is nonpayment of
2 assessments when due. Money received from actions taken against prop-
3 erty for nonpayment of assessments shall be credited to the guarantee
4 fund.

5 * Sac. 13. AS 29 is amended by adding a new chapter to read:

6 CHAPTER 47. MUNICIPAL DEBT.

7 ARTICLE 1. REVENUE ANTICIPATION NOTES.

8 Sec. 29.47.010. BORROWING IN ANTICIPATION OF REVENUE. A muni-
9 cipality that is authorized to incur indebtedness may borrow money to
10 meet appropriations for any fiscal year in anticipation of the collec-
11 tion of the revenues for that year, but all debt so contracted shall be
12 paid before the end of the next fiscal year. Negotiable or nonnegotiable
13 revenue anticipation notes may be issued as evidence of the borrowing.

14 Sec. 29.47.020. ISSUANCE OF NOTES. A municipality may by ordi-
15 nance or resolution authorize the issuance of revenue anticipation
16 notes. The governing body may delegate to its chief fiscal officer the
17 power to issue the notes from time to time under the terms and condi-
18 tions of the ordinance or resolution that provides for the manner of
19 their sale.

20 Sec. 29.47.030. ISSUANCE OF NOTES IN ANTICIPATION OF STATE, FED-
21 ERAL GRANTS. (a) A municipality, on adoption of a long-range capital
22 improvement budget by ordinance or resolution, may by resolution provide
23 for negotiable or nonnegotiable revenue anticipation notes in an amount
24 not to exceed the total amount of any state or federal grants finally
25 committed for these projects. The notes mature no later than the end of
26 the next fiscal year. The notes may be for single or multiple projects
27 outlined in the adopted capital improvement budget.

28 (b) If the state or federal grants for capital improvement pro-
29 jects have not been paid to the municipality before maturity of the

1 notes issued in anticipation of the receipt of the revenue, the govern-
2 ing body may issue new notes in order to meet payment of the notes then
3 maturing or may renew the outstanding revenue anticipation notes. New
4 notes issued or renewals of outstanding revenue anticipation notes
5 mature not later than the end of the next fiscal year.

6 Sec. 29.47.040. PRIORITY OF REPAYMENT. The payment of the princi-
7 pel and interest on revenue anticipation notes is payable from revenues,
8 and their payment additionally shall be secured by a pledge of the full
9 faith and credit of the municipality issuing them.

10 ARTICLE 2. BOND ANTICIPATION NOTES.

11 Sec. 29.47.080. BOND ANTICIPATION BORROWING. A municipality may
12 borrow money in anticipation of the sale of general obligation and
13 revenue bonds if

- 14 (1) the general obligation bonds to be sold have been autho-
15 rized by ordinance and ratified by a majority vote at an election;
16 (2) the revenue bonds to be sold have been authorized by
17 ordinance.

18 Sec. 29.47.090. ISSUANCE OF NOTES. The governing body shall issue
19 negotiable or nonnegotiable notes for the amounts borrowed with a matur-
20 ity date not to exceed one year from the date of issue. All notes and
21 the interest on them are payable at fixed places on or before a fixed
22 time from the proceeds of the sale of bonds in anticipation of which the
23 original note or notes were issued, unless the bonds have not been sold
24 by the maturity date of the notes.

25 Sec. 29.47.100. ISSUANCE OF NEW NOTES. If the sale of the bonds
26 has not occurred before the maturity of the notes issued in anticipation
27 of the sale, the governing body shall issue new notes in order to meet
28 payment of the notes then maturing, or shall renew the outstanding bond
29 anticipation notes. New notes issued or renewals of outstanding bond

1 anticipation notes bear a maturity date not to exceed one year from the
2 date of issue. Notes, new notes, and renewals of notes may not be
3 outstanding for a total elapsed time of more than three years.

4 Sec. 29.47.110. REPAYMENT OF NOTES. Every note is payable from
5 the proceeds of the sale of bonds that the notes anticipated or from the
6 proceeds of the sale of new bond anticipation notes.

7 Sec. 29.47.120. SECURITY. (a) Notwithstanding other provisions
8 of this chapter as to payment of notes, notes issued in anticipation of
9 the sale of general obligation bonds and the interest on them are secured
10 by the full faith and credit of the municipality. The municipality may
11 levy ad valorem taxes for payment without limitation of rate or amount.

12 (b) Notes issued in anticipation of the sale of revenue bonds and
13 the interest on them are secured in the same manner as are the revenue
14 bonds in anticipation of which the notes are issued.

15 Sec. 29.47.130. LIMITATION. The total amount of notes issued and
16 outstanding may at no time exceed the total amount of bonds authorized
17 to be issued.

18 Sec. 29.47.140. USE OF PROCEEDS. The proceeds from the sale of
19 notes shall be used only for the purposes for which the proceeds from
20 the sale of bonds may be used, or to meet payment of outstanding bond
21 anticipation notes.

22 ARTICLE 3. GENERAL OBLIGATION BONDS.

23 Sec. 29.47.180. GENERAL OBLIGATION BONDS. A municipality may
24 acquire, construct, improve, and equip capital improvements and issue
25 negotiable or nonnegotiable general obligation bonds for these purposes.

26 Sec. 29.47.190. VOTE AND NOTICE OF EXISTING INDEBTEDNESS REQUIRED.
27 (a) A municipality may incur general obligation bond debt only after a
28 bond authorization ordinance is approved by a majority vote at an elec-
29 tion. Any municipal voter may vote in the bond election, except as

1 otherwise provided by law.

2 (b) Before a general obligation bond issue election, the governing
3 body shall have published a notice of the total existing bond indebted-
4 ness at least once a week for three consecutive weeks. The first notice
5 shall be published at least 20 days before the date of the election. A
6 notice shall include

7 (1) the current total general obligation bonded indebtedness,
8 including authorized but unsold bonds of the municipality;

9 (2) the cost of the debt service on the current indebtedness;

10 (3) the total assessed value of property in the municipality.

11 Sec. 29.47.200. PAYMENT. (a) The full faith and credit of a
12 municipality are pledged for the payment of principal and interest on
13 general obligation bonds. The municipality may levy ad valorem taxes
14 for payment without limitation of rate or amount to pay or secure the
15 payment of the principal and interest on bonds, regardless of whether
16 the bonds are in default or in danger of default.

17 (b) General obligation bonds issued for acquiring, constructing,
18 improving and equipping a municipally owned utility or other revenue-
19 generating enterprise may be additionally secured by a pledge of the
20 revenue derived from operation. Bonds so secured are not subject to a
21 debt limitation imposed by a home rule charter. This subsection applies
22 to home rule and general law municipalities.

23 ARTICLE 4. REVENUE BONDS.

24 Sec. 29.47.240. REVENUE BONDS. (a) A municipality may issue
25 negotiable or nonnegotiable revenue bonds for a public enterprise or
26 public corporation of the municipality where the only security is the
27 revenue of the public enterprise or corporation.

28 (b) A municipality may issue its revenue bonds to finance the
29 purchase of residential mortgage loans. The revenue bonds issued under

1 this subsection are payable solely from the principal and interest of
2 the mortgage loans and from other amounts pledged by the municipality,
3 except the pledge of revenues derived from taxes. Revenue bonds issued
4 under this subsection do not constitute a general obligation of the
5 municipality.

6 Sec. 29.47.250. NO ELECTION REQUIRED. An election is not required
7 to authorize the issuance and sale of revenue bonds, unless otherwise
8 provided by ordinance.

9 Sec. 29.47.260. CONSTRUCTION. The prohibitions of AS 37.10.085 do
10 not apply to the issuance of revenue bonds or the use of proceeds from
11 revenue bonds by a home rule or general law municipality.

12 ARTICLE 5. REFUNDING BONDS.

13 Sec. 29.47.300. AUTHORIZATION. If a municipality has outstanding
14 general obligation or revenue bonds and the governing body determines
15 that it would be financially advantageous to refund the bonds, the
16 municipality may provide by ordinance or resolution for the issuance of
17 negotiable or nonnegotiable

- 18 (1) general obligation refunding bonds; or
19 (2) revenue refunding bonds.

20 Sec. 29.47.310. EFFECT OF BONDS. The refunding bonds may take up
21 and refund all or part of outstanding bonds at or before their maturity
22 or redemption date. The governing body may include various series and
23 issues of bonds in a single issue of refunding bonds.

24 Sec. 29.47.320. NO ELECTION REQUIRED. An election is not required
25 to authorize the issuance and sale of refunding bonds. Their issuance
26 may be authorized and all proceedings with reference to them prescribed
27 by ordinance. However, when it is desirable to use general obligation
28 bonds to refund a revenue bond issue, the governing body shall call an
29 election on the question.

1 Sec. 29.47.330. PAYMENT OF REFUNDING BONDS. General obligation
2 refunding bonds are payable according to AS 29.47.200. Revenue refund-
3 ing bonds are payable according to AS 29.47.240.

4 Sec. 29.47.340. SALE OF REFUNDING BONDS. General obligation or
5 revenue refunding bonds may, at the discretion of the governing body, be
6 exchanged for the bonds being refunded, or may be sold at public or
7 private sale. They may be issued and delivered at any time before the
8 date of maturity or redemption of the refunded bonds.

9 ARTICLE 6. MISCELLANEOUS PROVISIONS.

10 Sec. 29.47.390. OTHER MUNICIPAL FINANCING. (a) A municipality
11 may authorize by ordinance or resolution the issuance of negotiable or
12 nonnegotiable revenue bonds to finance any project that serves a public
13 purpose, and the bonds shall be secured and payable from any source
14 except revenues of the municipality, including tax revenue.

15 (b) Bonds issued under this section are not a debt or liability of
16 the municipality and do not create or constitute an indebtedness,
17 liability, or obligation of the municipality, nor do they constitute a
18 pledge of faith, credit, or taxing power of the municipality. Each bond
19 must contain on its face a statement that the municipality is not obli-
20 gated to pay the principal or the interest on the bonds except from
21 those sources indicated, and that neither the faith and credit nor the
22 taxing power of the municipality is pledged to the payment of principal
23 or interest on the bond.

24 (c) A municipality may

- 25 (1) loan the proceeds of the bonds issued under this section;
26 (2) pledge, mortgage or assign money, leases, agreements,
27 property, or other assets of the project being financed;
28 (3) enter into covenants and agreements concerning bonds
29 issued under this section that the municipality determines to be de-

1 sirable;

2 (4) provide for any matter that affects the security of the
3 bonds.

4 (d) In this section

5 (1) "bonds" means bonds, notes, or other evidence of indebt-
6 edness;

7 (2) "project" includes but is not limited to commercial,
8 manufacturing, agricultural, industrial, residential housing, recrea-
9 tion, tourism, and medical projects and programs.

10 Sec. 29.47.400. SALE. Bonds and notes issued under this chapter
11 may be sold at either public or private sale by the municipality in the
12 manner and at the price it determines.

13 Sec. 29.47.410. FORMS AND TERMS. The municipality may by ordi-
14 nance or resolution fix the date, denominations, maturities, rate or
15 rates of interest, redemption terms, registration privileges, manner of
16 execution, signatures required, purchase price, manner of sale, and
17 other requirements for issuing bonds or notes under this chapter. If an
18 official whose signature appears on the bonds or coupons ceases to be an
19 official before delivery of the bonds, his signature is valid as if he
20 had remained in office until delivery.

21 Sec. 29.47.420. INTEREST RATE. The interest rate payable on a
22 bond or note issued under this chapter shall be determined by the muni-
23 cipality and is not subject to the usury rate limitations of AS 45.-
24 45.010.

25 Sec. 29.47.430. REDEMPTION BEFORE MATURITY. A bond or note issued
26 under this chapter may be made subject to redemption before maturity as
27 stated in the authorization or in the bond or note.

28 Sec. 29.47.440. BOROUGH INDEBTEDNESS. (a) A borough may incur
29 indebtedness

- 1 (1) on an areawide basis for areawide functions; or
2 (2) on a nonareawide basis for functions performed only in
3 the borough area outside all cities; or
4 (3) on a service area basis for functions performed only in a
5 service area.

6 (b) Payment of debt principal and interest as well as other costs
7 shall be derived from the area incurring the debt under (a)(2) or (a)(3)
8 of this section, except that the full faith and credit of the entire
9 borough may be pledged to guarantee payment of principal and interest.

10 (c) If the bonded debt to be incurred by a borough is an areawide
11 debt, the vote is areawide. If the full faith and credit of the entire
12 borough is pledged for the payment of the debt of the borough area
13 outside all cities or of a service area, an areawide election is held
14 and the proposition must pass both areawide and in the area that will
15 benefit from the improvement. If the bonded indebtedness to be incurred
16 is limited to the borough area outside all cities, the vote is limited
17 to voters outside all cities. If the indebtedness to be incurred is
18 limited to a service area, the vote is limited to voters in the service
19 area. Only the full faith and credit of the area voting on the indebted-
20 ness is pledged for the payment of the debt.

21 (d) The indebtedness of a municipality reclassified under AS 29.-
22 04.040 is not affected by reclassification. All property in a muni-
23 cipality that is reclassified remains subject to taxation to amortize
24 bonded or other indebtedness affecting the municipality and authorized
25 on the effective date of reclassification.

26 Sec. 29.47.450. SERVICE AREA DEBT. The indebtedness of a service
27 area acquired under AS 29.47.440 remains the indebtedness of the area
28 that incurred the debt, notwithstanding a subsequent court determination
29 that the service area was not validly formed under law or by virtue of a

1 defect in the proceedings creating the service area. All property in
2 the service area remains subject to taxation to pay the bonded indebted-
3 ness.

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

5 CHAPTER 55. MUNICIPAL PROGRAMS.

6 Sec. 29.55.010. CREATION OF LOCAL HISTORICAL DISTRICT COMMISSIONS.

7 The governing body of a municipality may establish a local historical
8 district commission or designate the planning commission or itself to
9 serve as the historical district commission.

10 Sec. 29.55.020. ESTABLISHMENT OF HISTORICAL DISTRICTS. (a) In
11 addition to existing municipal authority providing for the preservation,
12 protection, and maintenance of historic sites, the local historical
13 district commission, in consultation with the Historic Sites Advisory
14 Committee in the Department of Natural Resources, may establish a his-
15 torical district in the boundaries of the municipality.

16 (b) A historical district shall be a reasonably compact area of
17 historical significance in which two or more structures important in
18 state or national history, and related by physical proximity or histori-
19 cal association, are located. For purposes of this section, "structures
20 important in state or national history" means properties recommended by
21 historical district commissions that are listed in the National Register
22 of Historic Places or are characteristic of the Russian-American period
23 before October 18, 1867, the early territorial period before 1930, or
24 early Native heritage, reflecting the indigenous characteristics of
25 Native culture in Alaska. On recommendation of the governing body of a
26 municipality and the Historic Sites Advisory Committee, the Department
27 of Natural Resources may by regulation formulate additional criteria for
28 the establishment of historical districts not inconsistent with this
29 subsection.

1 (c) The establishment of a historical district under this section
2 shall be consistent with any applicable comprehensive plan for the
3 municipality.

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

5 CHAPTER 60. STATE PROGRAMS.

6 ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

7 Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICIPAL
8 SERVICES. (a) During each fiscal year the department shall compute an
9 equalization entitlement for municipal services provided by a taxing
10 unit.

11 (b) The equalization entitlement computed for a taxing unit is
12 based on the population, relative ability to generate revenue, and local
13 tax burden of the taxing unit and is determined by the application of
14 the formula

15 Entitlement = P x R

16 where P = population, and

17 R = millage rate equivalent, determined by dividing the sum of
18 the locally generated revenue of the taxing unit by one-tenth of one
19 percent of the full and true value of assessed property of the taxing
20 unit determined under AS 29.60.030(d); however, the per capita property
21 value used under this subsection may not be less than 15 percent of the
22 statewide average per capita full and true assessed property value.

23 (c) For purposes of this section, locally generated revenue

24 (1) includes

25 (A) the actual revenue derived from the levy and collec-
26 tion of local taxes in the taxing unit for municipal services
27 during the preceding fiscal year of the taxing unit;

28 (B) motor vehicle payments received by the municipality
29 during the preceding fiscal year under AS 28.10.431;

1 (C) revenue from fees, rentals, leases, penalties,
2 licenses or permits received during the preceding fiscal year by
3 the municipality for a function or service over which it has con-
4 trol, including revenues derived from parks and recreation ser-
5 vices, mass transit, offstreet parking, and garbage and solid waste
6 disposal services;

7 (D) special assessments received during the preceding
8 fiscal year; and

9 (E) payments received by a municipality from a utility
10 that are in place of taxes levied and collected by the municipal-
11 ity;

12 (2) excludes

13 (A) revenue derived from the levy and collection of
14 municipal taxes and appropriated for the operating expenses and
15 debt service of utilities;

16 (B) revenue from interest earned on investments and from
17 the sale and lease of land or equipment; and

18 (C) all other revenue from whatever service derived.

19 Sec. 29.60.020. DETERMINATION OF POPULATION. (a) For purposes of
20 AS 29.60.010 - 29.60.080, the population of a taxing unit shall be
21 determined annually by the latest figures of the United States Bureau of
22 the Census or other population data that in the judgment of the depart-
23 ment is reliable.

24 (b) The population of the taxing unit includes the population of
25 any military reservation that is a part of the taxing unit. The popula-
26 tion of a taxing unit includes persons working in isolated job sites
27 located within the taxing unit regardless of where the persons reside.
28 For purposes of this subsection, the number of persons working in iso-
29 lated job sites are those persons working in the sites on July 1 of each

1 year as determined by the commissioner based on data that in the judgment
2 of the commissioner is reliable, including data supplied by employers.

3 Sec. 29.60.030. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a)
4 The department may require a municipality to return a certification,
5 signed by the municipal treasurer or manager and the mayor, that pro-
6 vides an estimate of the locally generated revenue received by the
7 municipality during the preceding fiscal year.

8 (b) By October 15 of each year, the department shall make an
9 initial determination of the millage rate equivalent of each taxing unit
10 to be used for computing and distributing equalization entitlements for
11 the current fiscal year under AS 29.60.010 - 29.60.080. The department
12 shall base the initial determination on the estimates in the certifica-
13 tion returned by a municipality under (a) of this section.

14 (c) As early as possible, but not later than December 15 of each
15 year, the department shall make a final determination of the millage
16 rate equivalent of each taxing unit to use to compute and distribute
17 equalization entitlements under AS 29.60.010 - 29.60.080. The depart-
18 ment shall base the determination on audits, financial statements and
19 other financial reports prepared and submitted by a municipality. The
20 department shall adjust the locally generated revenue reported by a
21 municipality to exclude the municipal revenue claimed that does not
22 qualify for inclusion in or recognition as locally generated revenue for
23 municipal purposes under AS 29.60.010(c)(1). The adjustment shall be
24 made by deducting from total revenue claimed by the municipality the
25 amount of the department's estimate of revenue that is not recognized
26 for municipal purposes.

27 (d) The full and true assessed property value shall be determined
28 by the department in the manner provided for the computation of state
29 aid to education under AS 14.17.140. When the determination of locally

1 generated revenue includes revenue of a utility received under AS 29.-
2 60.010(c)(1)(E), the full and true assessed property value shall include
3 the computed assessed value of the utility, determined by dividing the
4 amount of the payment in place of taxes made by the utility by the
5 millage rate that would apply to the utility if the utility were subject
6 to levy and collection of taxes under AS 29.45.

7 (e) In addition to the computation for municipalities that levy
8 and collect a property tax, the department shall determine an estimated
9 full and true assessed property value under (d) of this section for

10 (1) each municipality that is a school district and that does
11 not levy and collect a property tax;

12 (2) each second class city with a population of 750 or more
13 persons; however, a computation is not required under this paragraph
14 more often than once during a period of three successive calendar years;
15 and

16 (3) all other second class cities, by determining the average
17 per capita full and true assessed property value of all cities having a
18 population of less than 750 persons in which an assessment has been
19 completed by a municipality or for which a determination is not made
20 under (1) or (2) of this subsection.

21 (f) The department shall annually compute a statewide average per
22 capita full and true assessed property value.

23 Sec. 29.60.040. REPORTS. A payment of an equalization entitlement
24 may not be made to a municipality under AS 29.60.010 - 29.60.080 until
25 the municipality has submitted its certificate of estimated revenue and
26 its financial report to the department for the fiscal year preceding the
27 year for which the equalization entitlement is sought, together with a
28 budget for the municipality's current fiscal year. The financial report
29 shall include a listing of general revenue collected from taxes levied

1 and assessed and any other revenue that, in the opinion of the municipal
2 officials, is eligible for inclusion in computations of the locally
3 generated revenue of the taxing unit.

4 Sec. 29.60.050. LIMITATION ON COMPUTATION AND USE OF PAYMENTS.

5 (a) An equalization entitlement generated by the tax levy of a taxing
6 unit may be used only for authorized expenditures of that taxing unit,
7 but up to 15 percent of the payment of an equalization entitlement
8 generated by areawide revenue of a municipality may be used by the
9 municipality for areawide or nonareawide purposes at the discretion of
10 its governing body. This subsection applies to home rule and general
11 law municipalities.

12 (b) An equalization entitlement determined with reference to
13 revenue other than revenue obtained from the levy and collection of
14 taxes may be used for areawide or nonareawide purposes, at the discre-
15 tion of the governing body.

16 Sec. 29.60.060. TAX EQUALIZATION ACCOUNT. The tax equalization
17 account is established. Money to carry out the provisions of AS 29.60.-
18 010 - 29.60.080 shall be allocated by the department to the account.
19 The amount allocated to the account shall be fully distributed by the
20 department as payments to municipalities to fulfill each share autho-
21 rized under AS 29.60.010. The amount allocated to the account shall be
22 distributed by the department pro rata among eligible municipalities.

23 Sec. 29.60.070. ADMINISTRATION. (a) The department may adopt
24 regulations necessary to implement AS 29.60.010 - 29.60.080. The regu-
25 lations shall include, among other provisions,

26 (1) procedures and filing dates for submitting certification
27 and financial reports;

28 (2) procedures for obtaining information required to compute
29 and determine the municipality's millage rate equivalent; and

(3) procedures by which the department shall notify a municipality in writing of the reasons for a proposed disallowance or adjustment of any factor bearing upon the determination of the municipality's entitlement and by which the municipality will be provided reasonable time in which to respond or to challenge the department's determination.

(b) The department shall make reasonable efforts to advise and assist municipalities in collecting information and completing reports necessary for the determination of entitlements under AS 29.60.010 - 29.60.080.

(c) The department shall, by regulation, classify for inclusion or exclusion as a component of a municipality's millage rate equivalent under AS 29.60.010 any tax revenue appropriated for a utility not included in the definition set out in AS 29.60.080(4).

Sec. 29.60.080. DEFINITIONS. In AS 29.60.010 - 29.60.080

(1) "taxing unit" means a municipality and

(A) in a borough or unified municipality, a service area or the entire area outside cities;

(B) in a city, a differential tax zone;

(2) "utility" means electric, water, sewer, gas heat, telephone, or refuse and garbage collection service.

ARTICLE 2. STATE AID FOR MISCELLANEOUS PURPOSES.

Sec. 29.60.100. REVENUE SHARING PAYABLE. In addition to the equalization entitlements paid under AS 29.60.010 - 29.60.080, during each fiscal year the department shall pay aid

(1) to a municipality or other eligible recipient that has the power to provide the services described in AS 29.60.030 - 29.60.070 and exercises the power in the manner required by AS 29.60.100 - 29.60.-180;

(2) to an unincorporated community under AS 29.60.140.

1 Sec. 29.60.110. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The
2 department shall pay to a municipality that has power to provide for
3 road maintenance and exercises that power, \$2,500 a mile for each mile
4 of road, street, or highway maintained by the municipality, excluding
5 (1) the official state highway system, (2) roads, streets, or highways
6 not dedicated to public use, (3) roads, streets, or highways maintained
7 under the local service road program (AS 19.30.111 - 19.30.251), and (4)
8 alleyways, in accordance with regulations adopted by the Department of
9 Transportation and Public Facilities. A payment may not be made under
10 this subsection for maintenance of a road that is not used by automotive
11 equipment.

12 (b) A frozen waterway and a connection from an inhabited area to a
13 waterway that may be safely used for public transportation by automotive
14 equipment and is so used during a portion of a year is eligible for a
15 payment of \$1,500 per mile if the waterway and connection are maintained
16 during the period of use by a municipality or combination of municipali-
17 ties. The department, after consultation with the Department of Trans-
18 portation and Public Facilities, shall determine which waterways and
19 connections qualify and, where the waterways or connections lie outside
20 the corporate limits of a municipality, which municipalities shall
21 receive the payments under this subsection, unless the municipalities
22 involved have agreed in writing to a particular distribution.

23 Sec. 29.60.120. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE
24 RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The department
25 shall pay

26 (1) to a municipality that has the power to provide hospital
27 facilities and services and that exercises that power, \$1,000 per bed
28 for each bed actually used for patient care, limited to the number of
29 beds provided for in the construction design of the hospital, or

1 \$250,000 a hospital for those hospitals with 10 or more beds, or \$50,000
2 a hospital for those hospitals with less than 10 beds, as the municipal-
3 ity may elect; money received under this paragraph may be used only for
4 hospitals and shall be apportioned among qualifying hospitals as the
5 municipality determines;

6 (2) on the basis set out in (1) of this subsection to a
7 municipality for a nonprofit hospital not operated by a municipality if
8 the municipality first certifies to the department that the nonprofit
9 hospital is in compliance with all standards for hospitals that have
10 been adopted by the municipality; money may not be paid on behalf of a
11 nonprofit hospital without this certification; payments to the municipi-
12 pality shall be transferred to the nonprofit hospital in accordance with
13 the basis by which the payment was generated by the hospital, and shall
14 be applied to the annual cost of operation and maintenance of the hos-
15 pital or for the provision of health care service at the hospital as the
16 directors of the hospital determine;

17 (3) to a municipality in which a health facility is operated,
18 \$2,000 per bed for each bed actually used for patient care, limited to
19 the number of beds provided for in the construction design of the health
20 facility, or \$8,000 per health facility as the municipality determines.

21 (b) A hospital may not receive payment under both (a)(1) and
22 (a)(2) of this section.

23 (c) Money received by a municipality under (a)(3) of this section
24 shall be used for expenses of health services or operation and main-
25 tenance of health facilities as the municipality determines.

26 (d) Before money may be distributed under this section, the com-
27 missioner of health and social services shall certify to the commis-
28 sioner of community and regional affairs that any accumulation of assets
29 by nonprofit corporations or other recipients under this section is

1 dedicated irrevocably to a public purpose.

2 (a) Subsections (a) and (c) of this section apply to home rule and
3 general law municipalities.

4 Sec. 29.60.130. STATE AID TO VOLUNTEER FIRE DEPARTMENTS NOT IN
5 ORGANIZED MUNICIPALITY. (a) The department shall pay to a volunteer
6 fire department registered with the state fire marshal and serving an
7 area not in an organized municipality a sum for protection purposes
8 equal to \$10 per capita for the population served by the fire depart-
9 ment, as determined by the state fire marshal.

10 (b) A grant shall be made under (a) of this section to facilitate
11 the organization of a volunteer fire department in an area not in an
12 organized municipality, upon application of the proposed fire protection
13 group to the state fire marshal and upon approval of applications accord-
14 ing to standards of organization and service prescribed by regulations
15 adopted by the state fire marshal.

16 Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a) The
17 Department of Community and Regional Affairs shall pay an entitlement of
18 \$25,000 each fiscal year to each unincorporated community. The Depart-
19 ment of Community and Regional Affairs with advice from the Department
20 of Law shall determine whether there is in each unincorporated community
21 an incorporated nonprofit entity or a Native village council that will
22 agree to receive and spend the entitlement. If there is more than one
23 qualified entity in an unincorporated community, the Department of
24 Community and Regional Affairs shall pay the money under the entitlement
25 to the entity that the department finds most qualified to receive and
26 spend the money. The Department of Community and Regional Affairs may
27 not pay money under an entitlement to a Native village council unless
28 the council waives immunity from suit for contract claims arising out of
29 activities of the council related to the entitlement. A waiver of

1 immunity from suit under this subsection must be on a form provided by
2 the Department of Law. Neither this subsection nor any action taken
3 under it enlarges or diminishes the governmental authority or jurisdic-
4 tion of a Native village council. If there is no qualified incorporated
5 nonprofit entity or Native village council in an unincorporated community
6 that is willing to receive money under an entitlement, the entitlement
7 for that unincorporated community may not be paid.

8 (b) In this section "unincorporated community" means a place in
9 the unorganized borough that is not incorporated as a city and in which
10 25 or more persons reside as a social unit.

11 Sec. 29.60.150. POPULATION DETERMINATION. For purposes of AS 29.-
12 60.100 - 29.60.180, population shall be determined by the latest figures
13 of the United States Bureau of the Census or other reliable population
14 data, including but not limited to public school enrollment figures,
15 public utility connection, registered voters, or certified employment
16 payrolls.

17 Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments
18 to a municipality or other eligible recipient under AS 29.60.110 -
19 29.60.120 shall reflect area cost-of-living differentials. Payments
20 shall be based on the sum of per capita, per mile and per bed or facil-
21 ity grants due each municipality or other recipient multiplied by the
22 appropriate area cost-of-living differential. The area cost-of-living
23 differential for each recipient shall be determined annually by election
24 district under the provisions of AS 39.27.030. Application of the area
25 cost-of-living differential may not result in distribution of an amount
26 less than the amount of the payment determined without reference to
27 application of this section.

28 (b) The election districts used to establish area cost-of-living
29 differentials under (a) of this section are those designated by the

1 proclamation of reapportionment and redistricting of December 7, 1961,
2 and retained for the house of representatives by proclamation of the
3 governor September 3, 1965.

4 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscellaneous
5 services account is established. Money to carry out the provisions of
6 AS 29.60.100 - 29.60.180 shall be allocated by the department to the
7 account in accordance with AS 29.60.280. If amounts in the account are
8 insufficient to pay each municipality's or other recipient's share
9 authorized under AS 29.60.100 - 29.60.180, the amounts that are avail-
10 able shall be distributed pro rata among eligible municipalities and
11 other recipients.

12 Sec. 29.60.180. REGULATIONS. The department shall adopt regula-
13 tions necessary to carry out the purposes of AS 29.60.100 - 29.60.180.
14 The regulations shall include minimum standards required to qualify a
15 municipality or other recipient for payments for each service. The
16 department may require a municipality or other recipient to submit a
17 performance report adequate to demonstrate to the department that a
18 service for which payment is requested under AS 29.60.100 - 29.60.180
19 was performed by the municipality or other recipient and meets minimum
20 standards of service prescribed by regulation.

21 ARTICLE 3. STATE AID FOR HOSPITAL AND
22 HEALTH FACILITY CONSTRUCTION.

23 Sec. 29.60.230. STATE AID FOR HOSPITAL AND HEALTH FACILITY CON-
24 STRUCTION. (a) If construction of a hospital began after January 1,
25 1968, or if construction of a health facility began after January 1,
26 1980, and before July 1, 1980, and state matching aid for construction
27 approved for payment to a municipality or other hospital or health
28 facility sponsor constitutes less than 25 percent of the total project
29 cost, the department shall pay to the municipality or other hospital or

1 health facility sponsor each fiscal year \$2,500 a bed for the maximum
2 number of beds provided for in the construction design of the hospital
3 or health facility or five percent of the total project cost, whichever
4 is greater. State aid provided for in this section shall continue until
5 the municipality or other hospital or health facility sponsor has re-
6 ceived an amount that, combined with state matching money for construc-
7 tion of the hospital or health facility, equals 25 percent of the total
8 project cost. Money received for construction may not be used for any
9 other purpose.

10 (b) In this section "total project cost" means

11 (1) costs directly related to the project; and

12 (2) the total of all costs of financing and carrying out the
13 project, including but not limited to,

14 (A) the costs of all necessary studies, surveys, plans
15 and specifications, architectural, engineering or other special
16 services, acquisition of real property, site preparation and
17 development, purchase, construction, reconstruction and improvement
18 of real property, and the acquisition of machinery and equipment as
19 may be necessary in connection with the project;

20 (B) an allocable portion of the administrative and
21 operating expenses of the municipality or other hospital or health
22 facility sponsor;

23 (C) the cost of financing the project, including inter-
24 est on bonds issued to finance the project; and

25 (D) the cost of other items, including any indemnity and
26 surety bonds and premiums on insurance, legal fees, fees and ex-
27 penses of trustees, depositories, financial advisors, and paying
28 agents for the bonds issued as the issuer considers necessary.

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

1 ties.

2 Sec. 29.60.240. HOSPITAL AND HEALTH FACILITY CONSTRUCTION ASSIS-
3 TANCE ACCOUNT. The hospital and health facility construction assistance
4 account is established. Money to carry out the provisions of AS 29.-
5 60.230 - 29.60.240 shall be allocated by the department to the account
6 in accordance with AS 29.60.280. If amounts in the account are insuffi-
7 cient to pay each recipient's share authorized under AS 29.60.230 -
8 29.60.240, the amounts that are available shall be distributed pro rata
9 among eligible recipients.

10 ARTICLE 4. ADMINISTRATION OF STATE AID PROGRAMS.

11 Sec. 29.60.280. ALLOCATION AND DISTRIBUTION. (a) Each year, the
12 department shall allocate money appropriated to the accounts established
13 in AS 29.60.060, 29.60.170, and 29.60.240 in the amounts determined by
14 the legislature.

15 (b) Money in the miscellaneous services account established in
16 AS 29.60.170 that exceeds the amount required to fully fund distribu-
17 tions authorized by AS 29.60.100 - 29.60.180 shall be reallocated to the
18 tax equalization account established in AS 29.60.060 and distributed
19 according to the provisions of AS 29.60.010 - 29.60.080.

20 (c) Money in the hospital and health facility construction assis-
21 tance account established in AS 29.60.240 that exceeds the amount re-
22 quired to fully fund distributions authorized by AS 29.60.230 - 29.60.-
23 240 shall be reallocated to the tax equalization account established in
24 AS 29.60.060 and distributed according to the provisions of AS 29.60.-
25 010 - 29.60.080.

26 Sec. 29.60.290. QUALIFICATION FOR MINIMUM PAYMENT. (a) A munici-
27 pality qualifying for an entitlement under AS 29.60.010 - 29.60.080 or
28 29.60.100 - 29.60.180 shall receive a minimum payment of \$25,000 plus an
29 area cost-of-living differential for each fiscal year if

1 (1) the municipality has conducted a regular election during
2 the fiscal year preceding the year for which payment of an entitlement
3 is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 and
4 has reported the results of the election to the commissioner;

5 (2) regular meetings of the governing body are held in the
6 municipality during the fiscal year preceding the year for which payment
7 of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.-
8 100 - 29.60.180 and a record of the proceedings is maintained;

9 (3) a municipal budget has been adopted for the fiscal year
10 during which payment of an entitlement is authorized by AS 29.60.010 -
11 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement
12 for the preceding fiscal year has been prepared and furnished to the
13 department in accordance with AS 29.20.640(a); and

14 (4) local ordinances adopted by the municipality have been
15 codified in accordance with AS 29.25.050.

16 (b) The area cost-of-living differential payable to each munici-
17 pality under this section shall be determined annually by election
18 district under the provisions of AS 39.27.030. Except as provided in
19 AS 29.60.300, application of the area cost-of-living differential may
20 not result in a payment that is less than the minimum payment determined
21 under (a) of this section. For purposes of this subsection, the elec-
22 tion districts used are those designated by the proclamation of reapportionment
23 and redistricting of December 7, 1961, and retained for the
24 house of representatives by proclamation of the governor September 3,
25 1965.

26 (c) The department shall pay to each municipality eligible to
27 receive a minimum payment under this section an amount equal to the
28 difference between the minimum payment determined under (a) and (b) of
29 this section and the sum of the amounts payable for the same fiscal year

1 under AS 29.60.010 - 29.60.080 and 29.60.100 - 29.60.180.

2 (d) A payment under this section may be prorated and reduced under
3 AS 29.60.300.

4 (e) Payments under this section shall be made from the money
5 allocated to the tax equalization account established in AS 29.60.060.

6 Sec. 29.60.300. PRORATION OF PAYMENTS. (a) Payments under AS 29.-
7 60.290 and 29.60.010 - 29.60.180 shall equal the amount allocated to the
8 tax equalization account (AS 29.60.060), adjusted in accordance with
9 AS 29.60.280.

10 (b) Adjustments of payments shall be determined by prorating
11 amounts payable under AS 29.60.290 and amounts payable under AS 29.-
12 60.010 - 29.60.180 by a factor that, when applied, reduces all payments
13 in equal proportion so that payment under AS 29.60.290 and payments
14 under AS 29.60.010 - 29.60.180 equal the amount allocated to the tax
15 equalization account established in AS 29.60.060.

16 ARTICLE 5. MUNICIPAL ASSISTANCE.

17 Sec. 29.60.350. MUNICIPAL ASSISTANCE FUND. (a) There is estab-
18 lished in the department the municipal assistance fund. The legislature
19 may appropriate to the municipal assistance fund during each fiscal year
20 an amount equal to or greater than 10 percent of the income tax revenue
21 received by the state under AS 43.20.011(e) and AS 43.21 for the previous
22 fiscal year.

23 (b) The department shall distribute money from the municipal
24 assistance fund to each municipality on an annual basis as provided in
25 AS 29.60.360 and 29.60.370. A municipality may not receive payment
26 until it submits to the department a resolution approved by the govern-
27 ing body of the municipality that requests the money. Distribution of
28 money from the municipal assistance fund to a municipality with a fiscal
29 year beginning on January 1 shall be made on February 1 of the state

1 fiscal year for which the appropriation to the fund is made. Distribu-
2 tion of money from the municipal assistance fund to all other muni-
3 cipalities shall be made on June 1 of the state fiscal year for which
4 the appropriation to the fund is made. A municipality that incorporates
5 after December 31 of a state fiscal year is not eligible for a distribu-
6 tion under this section until the following state fiscal year.

7 Sec. 29.60.360. BASE AMOUNT OF ASSISTANCE. (a) The base amount
8 to be distributed from the municipal assistance fund to each munici-
9 pality for the fiscal year shall be the amount received by the munici-
10 pality during fiscal year 1978 under AS 43.70.080. A city incorporated
11 within a borough after June 30, 1977, shall receive as a base amount a
12 share of the amount distributed to the borough in which it is located
13 based on the ratio of population in the city to the total population in
14 the borough. A city incorporated outside a borough after June 30, 1977,
15 shall receive as a base amount the amount received by the city in the
16 state most closely approximating it in population at the time of its
17 incorporation. A borough incorporated after June 30, 1977, shall receive
18 as a base amount the amount received by the borough in the state most
19 closely approximating it in population at the time of its incorporation.

20 (b) If the amount appropriated to the municipal assistance fund by
21 the legislature during a fiscal year is insufficient for distribution of
22 the full base amount to each municipality, the department shall prorate
23 the amount available for distribution on the basis of amounts received
24 during the fiscal year 1978 under AS 43.70.080.

25 Sec. 29.60.370. INCREASED ASSISTANCE. (a) If the amount in the
26 municipal assistance fund at the time of distribution exceeds the base
27 amount to be distributed under AS 29.60.360, the excess amount shall be
28 distributed to each municipality on the basis of population. Population
29 for the purpose of this section shall be as certified by the commis-

1 sioner of community and regional affairs. In determining the population
2 of a borough, the population of all cities in the borough shall be
3 deducted from the total population of the borough.

4 (b) The intent of (a) of this section is that a municipality that
5 levies property taxes reduce those levies in reasonable proportion to
6 the amount of increased state aid received by the municipality. The
7 governing body of each municipality shall furnish a notice with each tax
8 statement describing its use of this increased state aid.

9 ARTICLE 15. GENERAL PROVISIONS.

10 Sec. 29.60.800. DEFINITIONS. In this chapter

11 (1) "health facility"

12 (A) means a facility is licensed, when required, by the
13 state under AS 18.20.010 - 18.20.130 and that is owned or operated
14 or both by a municipality or by a nonprofit corporation or other
15 nonprofit sponsor;

16 (B) includes a public health center, maternity home,
17 community mental health center, facility for the mentally or
18 physically handicapped, nursing home, or convalescent center;

19 (C) excludes a facility operated or wholly supported by
20 the state or the federal government;

21 (2) "hospital" means a licensed hospital determined by the
22 Department of Health and Social Services to be a general hospital; the
23 term excludes a facility operated or wholly supported by the state or
24 the federal government.

25 * Sec. 16. AS 29 is amended by adding a new chapter to read:

26 CHAPTER 65. GENERAL GRANT LAND.

27 Sec. 29.65.010. DETERMINATION OF ENTITLEMENT OF BOROUGH AND
28 UNIFIED MUNICIPALITIES. The general grant land entitlement of each of
29 the municipalities in this section is the amount set out opposite each:

- (1) Municipality of Anchorage - 44,893 acres;
- (2) City and Borough of Juneau - 19,584 acres;
- (3) City and Borough of Sitka - 10,500 acres;
- (4) Bristol Bay Borough - 2,898 acres;
- (5) Fairbanks North Star Borough - 112,000 acres;
- (6) Haines Borough - 2,800 acres;
- (7) Kenai Peninsula Borough - 155,780 acres;
- (8) Ketchikan Gateway Borough - 11,593 acres;
- (9) Kodiak Island Borough - 56,500 acres;
- (10) Matanuska-Susitna Borough - 355,210 acres;
- (11) North Slope Borough - 89,850 acres.

Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR CITIES. The general grant land entitlement of a city formerly eligible to receive general grant land under the provisions of AS 29.18.190 and 29.18.200 is 10 percent of the maximum total acreage of vacant, unappropriated, unreserved land in the boundaries of each city at any time between the initial date of eligibility under former AS 29.18.190 and 29.18.200 and July 1, 1978. Within six months after July 1, 1978, the director shall determine the entitlement for each city eligible to receive general grant land under this section and certify that entitlement to the city.

Sec. 29.65.030. DETERMINATION OF ENTITLEMENT FOR NEWLY INCORPORATED MUNICIPALITIES. (a) The general grant land entitlement of a municipality incorporated after July 1, 1978, is 10 percent of the total acreage of vacant, unappropriated, unreserved land within the boundaries of the municipality on the date of its incorporation.

(b) Within six months after the date of incorporation of a municipality that is incorporated after July 1, 1978, the director shall determine the entitlement of each municipality eligible to receive general grant land under (a) of this section and certify the entitlement

1 to the municipality.

2 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) After July 1, 1978,
3 general grant land entitlements provided in AS 29.65.010 and 29.65.020
4 are vested property rights that must be fulfilled as provided in AS 29.-
5 65.050 or 29.65.080.

6 (b) General grant land entitlements provided by AS 29.65.030 are
7 property rights that vest on the date of incorporation of the munici-
8 pality. The entitlement must be fulfilled as provided in AS 29.65.050.

9 (c) Land may be selected or nominated for selection by a munici-
10 pality to satisfy a general grant land entitlement under AS 29.65.010
11 and 29.65.020 at any time before October 1, 1980. However, if a muni-
12 cipal selection or nomination or a part of a municipal selection or
13 nomination is rejected by the director, the municipality may, not later
14 than 90 days after receipt of the director's rejection, select addi-
15 tional state land as necessary to satisfy its entitlement.

16 (d) Land may be selected by a municipality to satisfy a general
17 grant land entitlement under AS 29.65.030 at any time within one year
18 after the director certifies the entitlement to the municipality.

19 (e) The time limitations imposed by (c) and (d) of this section
20 for exercising a vested general grant land entitlement do not apply to

21 (1) the portion of an entitlement that cannot be satisfied by
22 that date because of a shortage of land suitable for residential, com-
23 mercial, and industrial purposes that is vacant, unappropriated, unre-
24 served land;

25 (2) payments for land deficiency under AS 29.65.080;

26 (3) the portion of an entitlement that cannot be satisfied
27 because the land selected by a municipality has been selected by a party
28 entitled to select land owned by the United States or the state; or

29 (4) the portion of an entitlement that cannot be satisfied

1 because the land nominated for selection by the municipality is not
2 tentatively approved for patent to the state.

3 Sec. 29.65.050. FULFILLMENT OF LAND ENTITLEMENTS. (a) The acreage
4 of each municipality's land selections for which patent has been issued
5 before July 1, 1978, shall be credited toward fulfillment of the entitle-
6 ment of that municipality.

7 (b) All approved selections under former AS 29.18.190 and 29.-
8 18.200 for which patent has not been issued to a municipality on July 1,
9 1978, shall be reviewed by the director within nine months after July 1,
10 1978. Any approved selection of land that was vacant, unappropriated,
11 or unreserved on the date of selection is valid as of the date of the
12 approval under former AS 29.18.190 and 29.18.200, and a patent shall be
13 issued to the municipality within three months after approval by the
14 director of a plat of survey. The acreage shall be credited toward
15 fulfillment of the municipality's entitlement. A municipality is not
16 entitled to receive patent under this chapter to more than its entitle-
17 ment determined under AS 29.65.010 - 29.65.030. Any prior approval by
18 the director of municipal selections for land that was not vacant,
19 unappropriated, or unreserved on the date of selection shall be re-
20 scinded, and patent may not be issued except when disposal to a third
21 party by sale or lease has occurred. Transfers of land to municipali-
22 ties under this chapter are subject to AS 38.05.321. Classification
23 actions as reflected on the land status records of the Department of
24 Natural Resources are determinative of land classification status for
25 purposes of this chapter.

26 (c) The director shall approve each selection for patent within
27 nine months of its selection by a municipality, and a patent shall be
28 issued to the municipality for land selected in satisfaction of a
29 general grant land entitlement vested under AS 29.65.010 - 29.65.030

1 within three months after approval by the director of a plat of survey.

2 Sec. 29.65.060. SCHOOL, UNIVERSITY, AND MENTAL HEALTH LAND. (a)

3 If an entitlement determined in AS 29.65.010 or 29.65.020 results in a
4 per capita entitlement for the municipality of less than one and one-
5 half acre, the municipality may select vacant school, university, or
6 mental health land in the municipality in partial fulfillment of its
7 land entitlement under this chapter. School, university, or mental
8 health land may be selected notwithstanding the fact that these lands
9 are not unappropriated and unreserved within the meaning of this chapter
10 and under former AS 29.18.190 and 29.18.200, but each selection of
11 school, university, or mental health land by a municipality must be
12 vacant, unappropriated, or unreserved land as defined in this chapter,
13 except that it need not be general grant land.

14 (b) The acreage of school, university, or mental health land, if
15 any, in a municipality may not be included in the determination of
16 entitlement under AS 29.65.010 or 29.65.020.

17 (c) Land conveyed under this section will be credited against a
18 municipality's remaining land entitlement under this chapter.

19 (d) Within six months after approval of a municipal selection of
20 school, university, or mental health land, the director shall identify
21 state general grant land of approximately equal value to the land re-
22 quested by the municipality and shall propose the replacement land for
23 the concurrence of the appropriate board. If a proposal by the director
24 is rejected by the board, the director shall meet with the board as
25 often as necessary to determine the type and amount of equal value
26 replacement land that would be required to obtain the board's concur-
27 rence, and shall propose the replacement land for consideration by the
28 board. The replacement land shall thereafter be managed for the pur-
29 poses for which the land selected by the municipality was acquired by

1 the Territory and State of Alaska.

2 (e) The notice and review provisions of AS 38.05.305 and 38.05.345
3 apply to the designation of other general grant land as school, univer-
4 sity, or mental health land in replacement of land selected under this
5 section. The provisions of AS 38.50 and AS 38.05.032 do not apply to
6 such designations under this section. The provisions of AS 38.05.-
7 030(a), 38.05.030(e), and 38.05.035(a)(13) that require the approval of
8 the respective trust board before disposal of land by the director do
9 not apply to selections of school, university, or mental health land by
10 a local government under this section.

11 (f) For purposes of determining the per capita entitlement under
12 (a) of this section, the population of a municipality shall be the
13 population determined by the commissioner under former AS 43.18.010 for
14 the program year beginning July 1, 1978, for a municipality whose en-
15 titlement is determined under AS 29.65.010.

16 Sec. 29.65.070. SELECTION AND CONVEYANCE PROCEDURE. (a) If land
17 selected by a municipality is unsurveyed at the time of approval, the
18 director shall survey, or may approve the municipality's survey of, the
19 exterior boundaries of an approved selection without interior subdivi-
20 sion, and shall issue patent in terms of the exterior boundary survey.
21 The cost of the survey shall be borne by the municipality. If land
22 selected by a municipality has been surveyed at the time of its selec-
23 tion, the boundaries shall conform to the public land subdivisions
24 established by the approved survey.

25 (b) The director may approve municipal selections of land that
26 have been tentatively approved or patented to the state by the federal
27 government, but he may not issue patent to a municipality until the land
28 has first been patented to the state. After approval of a selection by
29 the director, but before patent to a municipality, the municipality may

1 execute conditional leases and make conditional sales only with the
2 consent of the director. Conditional sales and conditional leases made
3 before July 1, 1978, do not require the consent of the director.

4 (c) Nothing in this chapter affects a valid existing claim, loca-
5 tion, or entry under the laws of the state or the United States whether
6 for homestead, mineral, right-of-way, or other purposes. Nothing in
7 this chapter affects the rights of an owner, claimant, locater, or
8 entryman to the full use and enjoyment of the land so occupied.

9 Sec. 29.65.080. PAYMENT FOR LAND DEFICIENCY. (a) The Alaska
10 municipal land account is established in the general fund for the follow-
11 ing purposes:

12 (1) providing payment to the boroughs and unified municipali-
13 ties designated in AS 29.65.010 for a deficiency of land physically
14 suitable for residential, commercial, or industrial purposes; or

15 (2) providing payment to the boroughs and unified municipali-
16 ties designated in AS 29.65.010 for certain general grant lands selected
17 by the state and conveyed to a Native corporation under the provisions
18 of the Alaska Native Claims Settlement Act.

19 (b) A municipality shall receive payment for its land deficiency
20 from the municipal land account. A municipality is eligible to receive
21 payment for land deficiency if, after July 1, 1980, the amount of land
22 selected by a municipality that is physically suitable for residential,
23 commercial, or industrial purposes amounts to less than one-third acre
24 per capita. Any entitlement under AS 29.65.010 that is less than one-
25 third acre per capita will, for the purposes of this subsection, be
26 considered a land deficiency. An unselected remaining entitlement will,
27 for the purpose of deficiency payment under this subsection, be con-
28 sidered as land physically suitable for residential, commercial, or
29 industrial purposes. A municipality eligible under this subsection is

1 entitled to receive a payment for land deficiency equal to \$1,000 per
2 acre for a number of acres equal to the difference between one-third of
3 the population of the municipality less the number of acres physically
4 suitable for residential, commercial or industrial purposes that has
5 been selected by the municipality. For the purpose of this subsection,
6 the population of the municipality shall be the population determined in
7 accordance with AS 29.65.060(f). No payment may be made to a munici-
8 pality under this subsection in excess of \$9,000,000.

9 (c) If a municipality selected vacant, unappropriated, unreserved
10 land on or before December 18, 1971, to which the state had received
11 tentative approval or patent, and that land was also selected by a
12 Native corporation organized under the Alaska Native Claims Settlement
13 Act (P.L. 92-203), and title to that land is ultimately vested in that
14 Native corporation, the municipality may, at its option, request payment
15 for land deficiency from the municipal land account. The acceptance of
16 payment under this subsection by a municipality constitutes a relin-
17 quishment of any other right, title, or claim to the land by that muni-
18 cipality. The total payment to a municipality under this subsection may
19 not exceed \$1,000 per acre to a maximum of 8,000 acres.

20 (d) The governor shall annually submit to the legislature a request
21 for an appropriation to the municipal land account for the municipali-
22 ties that have elected to receive payments under (b) or (c) of this
23 section. The request for appropriation shall distinguish between
24 amounts necessary to make payments for land deficiency under (b) of this
25 section and those required to make payments for land deficiency under
26 (c) of this section.

27 (e) For purposes of fulfilling entitlements under this section,
28 the legislature is authorized to appropriate

29 (1) not more than \$4,000,000 per fiscal year, and not more

1 than \$12,000,000 in total, for the purpose of paying entitlements under
2 (b) of this section;

3 (2) not more than \$1,000,000 per fiscal year, and not more
4 than \$8,000,000 in total, for the purpose of paying entitlements under
5 (c) of this section.

6 (f) If an annual appropriation is not sufficient to meet the
7 amount due to all municipalities that have elected to accept payment for
8 land deficiency under (b) or (c) of this section, the governor shall
9 apportion the appropriation among the municipalities in proportion to
10 the payment calculated for each municipality for that year. When a
11 distribution of payments is made under (c) of this section, the remain-
12 ing entitlement of a municipality to which payment is made shall be
13 reduced in an amount equal to the number of acres for which payment was
14 received. An appropriation made under this section is in addition to
15 other grants and entitlements authorized to eligible municipalities.

16 (g) Payments authorized by this section may not be made to a muni-
17 cipality eligible for an entitlement under AS 29.65.020 or 29.65.030.

18 (h) Payments made under this section shall be used by a municipal-
19 ity that levies property taxes to reduce the levy in proportion to the
20 amount of state payments received by the municipality for a given fiscal
21 year. The governing body of each municipality shall furnish a notice
22 with the tax statement describing the effect on property tax levies of
23 payments received under this section.

24 Sec. 29.65.090. AUTHORIZATION FOR LAND EXCHANGES. The director,
25 with the concurrence of the commissioner, and a municipality are autho-
26 rized to exchange land or interests in land when it is in the public
27 interest. Land or interests in land exchanged under this section must
28 be of approximately equal value, including the nonmonetary value of
29 public benefits. Exchange procedures shall comply with applicable law

1 and municipal ordinances. The notice and review provisions of AS 38.-
2 05.305 and 38.05.345 apply to exchanges of land under this section. The
3 provisions of AS 38.50 do not apply to exchanges of land under this
4 section.

5 Sec. 29.65.100. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Consis-
6 tent with the best interests of the state, if a municipality does not
7 contain and cannot reasonably acquire sufficient nonfederal land within
8 its boundaries to meet its legitimate needs for public or private
9 settlement or development, it shall be the policy of the state to select
10 federal land reasonably necessary to meet the needs of the municipality
11 and to make the land selected available to the municipality under AS 38.-
12 05.315 or (b) of this section.

13 (b) Where state land is the most logical location for demonstrated
14 municipal expansion for nonpublic settlement and development purposes,
15 and when an exchange of land under AS 29.65.090 is not possible or is
16 not in the public interest, it is the policy of the state to sell or
17 lease the land at public auction. The state may contract with a muni-
18 cipality to act as its agent in an auction of state land under appli-
19 cable statutes. When a municipality acts as the agent of the state in
20 an auction, the municipality may retain from the proceeds of the auction
21 the expenses that the director determines to be necessary and reason-
22 able.

23 (c) Nothing in this chapter limits or impairs the authority of the
24 director to transfer land to municipalities, without limit or considera-
25 tion, for public purposes in accordance with AS 38.05.315. If there is
26 a remaining entitlement of the municipality, land transferred under
27 AS 38.05.315 shall be credited toward fulfillment of the entitlement.

28 Sec. 29.65.110. ELECTION OF BENEFITS. (a) A municipality that on
29 July 1, 1978, is engaged in litigation, or that 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 this
3 chapter or to pursue the litigation and waive any claim to entitlement
4 under this chapter. An election shall be made by filing a motion for
5 dismissal with prejudice in the court in which the litigation is pending.
6 If the claim involves a municipality identified in AS 29.65.010, the
7 municipality shall file its motion for dismissal within 60 days after
8 July 1, 1978. If a claim involves a city eligible to receive an entitle-
9 ment under AS 29.65.020 the city shall file its motion for dismissal
10 within 60 days after receiving the certificate of entitlement provided
11 by the director under AS 29.65.020. Failure of the municipality to file
12 a motion for dismissal during the time period provided in this subsec-
13 tion is considered a waiver of entitlement under this chapter.

14 (b) A municipality that was eligible to file land selections under
15 former AS 29.18.190 and 29.18.200 and that does not enter into litiga-
16 tion over a claim to rights under those sections before the expiration
17 of the time period within which it could make an election under (a) of
18 this section is considered to have elected to receive benefits under
19 this chapter and to have waived any claim that might have been raised
20 under former AS 29.18.190 and 29.18.200.

21 (c) The provisions of this chapter do not affect the rights of a
22 party to litigation regarding the former AS 29.18.190, 29.18.200 or
23 29.18.420 maintained by a municipality that has elected not to obtain
24 the benefits provided by this chapter.

25 Sec. 29.65.120. ADMINISTRATION. The commissioner of natural
26 resources may adopt regulations in accordance with the Administrative
27 Procedure Act (AS 44.62) necessary to carry out the purposes of this
28 chapter.

29 Sec. 29.65.130. DEFINITIONS. In this chapter, unless the context

1 otherwise requires,

2 (1) "approved selection" means a municipal land selection
3 that has been approved in writing by the director for transfer by patent
4 to a municipality;

5 (2) "director" means the director of the division of lands,
6 Department of Natural Resources, or his designee;

7 (3) "general grant land" means land patented or tentatively
8 approved to the state from the United States under sec. 6(a) or (b) of
9 the Alaska Statehood Act;

10 (4) "mental health land" means land granted under Title II,
11 sec. 202 of P.L. 84-830, as amended before or after July 1, 1978;

12 (5) "municipal land selection" means a request by a municipi-
13 pality, filed in writing with the director under authority of former
14 AS 29.18.190 and 29.18.200 or under this chapter for vacant, unappro-
15 priated, unreserved general grant land within its municipal boundaries
16 in partial fulfillment of its municipal entitlement;

17 (6) "patent" means a document, issued by the director to a
18 municipality for a previously approved selection, that conveys and
19 quitclaims all the right, title, and interest of the state without
20 reservation or condition except as may be required by law;

21 (7) "remaining entitlement" means the general grant land
22 entitlement determined in accordance with this chapter, reduced by the
23 total acreage of approved selections, including both patented and un-
24 patented parcels;

25 (8) "school land" means those rectangular sections 16 and 36
26 within each township surveyed on or before January 3, 1959, and con-
27 firmed and transferred to the State of Alaska upon its admission under
28 sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other land
29 designated solely for school revenues;

1 (9) "university land" means all sections 33 reserved to the
2 university under 38 Stat. 1214, as amended (48 U.S.C. 353) and all land
3 granted to or reserved for the benefit of the university;

4 (10) "vacant, unappropriated, unreserved land" means general
5 grant land as defined in (4) of this section, excluding minerals as
6 required by sec. 6(i) of the Alaska Statehood Act, that

7 (A) has not been set aside by statute for one or more
8 particular uses or purposes;

9 (B) has not been approved for patent to a municipality
10 under this chapter or former AS 29.18.190 and 29.18.200; or

11 (C) is unclassified or, if classified under AS 38.05.-
12 300, is classified for agricultural, grazing, commercial, indus-
13 trial, private recreational, residential, utility, or open-to-entry
14 purposes, or is classified in accordance with an agreement between
15 a municipality and the state providing for state management of land
16 of the municipality.

17 Sec. 29.65.140. APPLICATION. This chapter applies to home rule
18 and general law municipalities.

19 * Sec. 17. AS 29 is amended by adding a new chapter to read:

20 CHAPTER 71. GENERAL PROVISIONS.

21 Sec. 29.71.010. ADVERSE POSSESSION. A municipality may not be
22 divested of title to real property by adverse possession.

23 Sec. 29.71.020. DEDICATION OF MUNICIPAL PROPERTY. Dedication of
24 streets, rights-of-way, easements or other areas for public use may not
25 be construed to require the municipality to maintain, improve or provide
26 for municipal services in the area dedicated and the dedication does not
27 impose any liability on the municipality for the condition of the area
28 dedicated.

29 Sec. 29.71.030. TAXATION OF MUNICIPALITIES. No state law or

1 regulation may assess or tax, or be construed to assess or tax, a muni-
2 cipality unless the law or regulation expressly provides that the muni-
3 cipality is to be assessed or taxed by the particular law or regulation.

4 Sec. 29.71.040. DEFINITIONS. In this title, unless otherwise
5 provided or the context otherwise requires,

6 (1) "areawide" means throughout a borough, both inside and
7 outside all cities in the borough;

8 (2) "assembly" means the governing body of a borough;

9 (3) "borough" means a general law first or second class
10 borough or a home rule borough;

11 (4) "city" means a general law first or second class city or
12 a home rule city;

13 (5) "commissioner" means the commissioner of community and
14 regional affairs;

15 (6) "consolidation" means dissolution of two or more muni-
16 cipalities and their incorporation as a new municipality;

17 (7) "council" means the governing body of a city;

18 (8) "department" means the Department of Community and
19 Regional Affairs;

20 (9) "election" means a regular or special municipal election
21 and does not include a state election;

22 (10) "governing body" means the legislative body of a muni-
23 cipality that is the assembly of a borough or the council of a city;

24 (11) "majority" means a simple majority;

25 (12) "merger" means dissolution of a municipality and its
26 absorption by another municipality;

27 (13) "municipality" means a political subdivision incorporated
28 under the laws of the state that is a home rule or general law city, a
29 home rule or general law borough, or a unified municipality;

1 (14) "nonareawide" means throughout the area of a borough
2 outside all cities in the borough;

3 (15) "owner" or "record owner" means the owner of record or
4 purchaser of record as shown in the records of the district recorder;

5 (16) "personal property" means tangible property other than
6 real property, such as merchandise, stock in trade, machinery, equip-
7 ment, furniture, fixtures, vehicles, boats, and aircraft;

8 (17) "property" means real and personal property;

9 (18) "published" means appearing at least once in a newspaper
10 of general circulation distributed in the municipality or, if there is
11 no newspaper of general circulation distributed in the municipality,
12 posting in three public places for at least five days;

13 (19) "real property" means land and improvements, all posses-
14 sory rights and privileges appurtenant to the property, and includes
15 personal property affixed to the land or improvements;

16 (20) "regular election" means the municipal election held on
17 the first Tuesday of October annually, or on a different date or inter-
18 val of years provided by ordinance or charter;

19 (21) "special election" means a municipal election and does
20 not include a regular election or a state election;

21 (22) "street" includes streets, avenues, boulevards, roads,
22 lanes, alleys, and other ways;

23 (23) "subdivision" means the division of a parcel of land into
24 two or more lots or other divisions for the purpose of sale or building
25 development, includes resubdivision, and relates to the process of
26 subdividing or to the land subdivided;

27 (24) "unified municipality" means a municipality unified in
28 accordance with AS 29.06.190 - 29.06.410;

29 (25) "voter" means a United States citizen who is qualified to

1 vote in state elections, has been a resident of the municipality for 30
2 days immediately preceding the election, is registered to vote in state
3 elections, and is not disqualified under art. V of the state constitu-
4 tion.

5 * Sec. 18. AS 01.10.060 is amended by adding a new paragraph to read:

6 (15) "municipality" means a political subdivision incorporated
7 under the laws of the state that is a home rule or general law city, a
8 home rule or general law borough, or a unified municipality.

9 * Sec. 19. AS 09.55.275 is amended to read:

10 Sec. 09.55.275. REPLAT APPROVAL. No agency of the state or
11 municipality may acquire property located within a municipality exercis-
12 ing the powers conferred by AS 29.40.070 - 29.40.160 that [AS 29.33.-
13 150 - 29.33.245 WHICH] results in a boundary change unless the agency or
14 municipality first obtains from the municipal platting authority pre-
15 liminary approval of a replat showing clearly the location of the pro-
16 posed public streets, easements, rights-of-way, and other taking of
17 private property. Final approval of replat shall be similarly obtained.
18 However, if a state agency clearly demonstrates an overriding state
19 interest, a waiver to the approval requirements of this section may be
20 granted by the governor. The platting authority shall treat applica-
21 tions for replat made by state or local governmental agencies in the
22 same manner as replat petitions originated by private landowners.

23 * Sec. 20. AS 09.65.070(e)(1) is amended to read:

24 (1) "municipality" means a home rule borough or city, a
25 general law borough or city of any class, or a unified municipality
26 [ESTABLISHED UNDER AS 29.68.240 - 29.68.440, OR A MUNICIPALITY ESTAB-
27 LISHED BY MERGER OR CONSOLIDATION UNDER AS 29.68.030 - 29.68.110]; the
28 term includes a public corporation established by a municipality;

29 * Sec. 21. AS 14.08.071(b) is amended to read:

1 (b) Except for the first election of regional school members under
2 (a) of this section, elections [ELECTION] shall be held annually on the
3 first Tuesday in October. Elections shall be supervised by the director
4 of elections in the office of the lieutenant governor, but shall be
5 administered within second class cities as part of the regular municipal
6 election. The lieutenant governor shall adopt [PROMULGATE] regulations
7 for the conduct of the election of regional school board members com-
8 parable, as far as practicable, to those prescribed for election of
9 school board members under AS 14.12 and AS 29.20.300 [AS 29.28] except
10 that the majority election requirements of AS 29.26.060 [AS 29.28.040]
11 do not apply to, nor may the regulations require runoff elections for,
12 the first election of regional school board members under (a) of this
13 section or, if a school board by resolution so requests, to subsequent
14 elections in the regional educational attendance area served by that
15 school board.

16 * Sec. 22. AS 14.08.081 is amended to read:

17 Sec. 14.08.081. RECALL. The members of a regional school board
18 are subject to recall in accordance with AS 29.26.240 - 29.26.360
19 [AS 29.28.130 - 29.28.250], except that the director of the division of
20 elections shall perform the functions of a municipal clerk, and the
21 lieutenant governor shall perform the functions of the assembly or
22 council under those sections.

23 * Sec. 23. AS 14.12.030(c) is amended to read:

24 (c) The [NOTWITHSTANDING THE] provisions of (a) and (b) of this
25 section do not apply if [, WHERE] the [BOROUGH] assembly serves as the
26 school board of the borough school district [UNDER AS 29.41.020 THE
27 NUMBER OF MEMBERS OF THE ASSEMBLY-SCHOOL BOARD SHALL BE DETERMINED IN
28 THE MANNER PRESCRIBED BY AS 29.23.020].

29 * Sec. 24. AS 14.12.110 is amended to read:

1 Sec. 14.12.110. SINGLE BODY AS ASSEMBLY AND SCHOOL BOARD. Not-
2 withstanding the provisions of this chapter or other law, a single body
3 may serve as both the [BOROUGH] assembly and [BOROUGH] school board in
4 the manner provided for third class boroughs under AS 29.20.300(b)
5 [AS 07.17.030], if

6 (1) an [A BOROUGH] ordinance for that purpose is approved by
7 the assembly and ratified by a referendum of a majority of the qualified
8 borough voters voting on the question at a regular or special election;
9 [,] and

10 (2) [IF] the public school population within the borough is
11 500 pupils or less.

12 * Sec. 25. AS 14.14.020 is amended to read:

13 Sec. 14.14.020. BOND REQUIRED. Before the officer responsible for
14 custody [OF], investment, or management of school district money enters
15 upon the duties of office, the district, or the municipality if the
16 treasury is centralized, shall obtain a bond with sufficient sureties in
17 an amount equal to the money that may come into the officer's official
18 custody, but not to exceed \$50,000. The bond shall be conditioned on
19 the officer's honest and faithful disbursement and accounting of all
20 money that may come into his official custody. The bond shall be filed
21 with the clerk of the school board. This section does not apply to an
22 officer who has been bonded under AS 29.20.610 [AS 29.23.520].

23 * Sec. 26. AS 14.14.050(d) is amended to read:

24 (d) The school board shall not make the audit if an audit that
25 [WHICH] satisfies the requirements of this section and that [WHICH] is
26 filed and posted as required by this section [,] is made according to
27 AS 29.35.110 [AS 29.48.220].

28 * Sec. 27. AS 14.17.140(a) is amended to read:

29 (a) To determine the equalized percentage to be applied to basic

1 need under AS 14.17.021, and the matching ratio for required local
2 effort under AS 14.17.071, the Department of Community and Regional
3 Affairs, in consultation with the assessor for each district, shall
4 determine the full value of the taxable real and personal property in
5 each district. Exemptions granted under ch. 129, SLA 1957, known as the
6 Alaska Industrial Incentive Act (AS 43.25), shall be honored. If there
7 is no local assessor or current local assessment for a district, then
8 the Department of Community and Regional Affairs shall make the deter-
9 mination of full value from information available. In making the deter-
10 mination, the Department of Community and Regional Affairs shall be
11 guided by AS 29.45.110 [AS 29.53.060]. The determination of full value
12 shall be made before October 1 and sent by certified mail, return
13 receipt requested, before that date to the president of the school board
14 in each district. Duplicate copies shall be sent to the commissioner.
15 The governing body of the municipality that [BOROUGH OR CITY WHICH] is
16 the district may obtain judicial review of the determination by filing a
17 motion in the superior court of the judicial district in which the
18 district is located within 30 days after receipt of the determination.
19 The superior court may modify the determination of the Department of
20 Community and Regional Affairs only upon a finding of abuse of discre-
21 tion or upon a finding that there is no substantial evidence to support
22 the determination.

23 * Sec. 28. AS 15.13.010(a) is amended to read:

24 (a) This chapter applies in every election for governor, lieu-
25 tenant governor, a member of the state legislature, a delegate to a
26 constitutional convention, or judge seeking electoral confirmation. It
27 also applies to every candidate for election to a municipal office in a
28 municipality [CITY OR BOROUGH] with a population of more than 1,000
29 inhabitants according to the latest United States census figures or

1 estimates of population certified as correct for administrative purposes
2 by the Department of Community and Regional Affairs. A municipality may
3 exempt its elected municipal officers from the requirements of this
4 chapter if a majority of the voters voting on the question at a [ANY]
5 regular election, as defined by AS 29.71.040(20) [AS 29.78.010(14)], or
6 a special municipality-wide election called for that purpose, vote to
7 exempt its elected municipal officers from the requirements of this
8 chapter. The question of exemption from the requirements of this
9 chapter may be submitted by the governing body [CITY COUNCIL OR BOROUGH
10 ASSEMBLY] by ordinance or by initiative election [ORDINANCE]. Nothing
11 in this chapter prohibits a municipality from regulating by ordinance
12 campaign contributions and expenditures.

13 * Sec. 29. AS 15.56.110(b)(2) is amended to read:

14 (2) a borough assemblyman under AS 29.20.170(6) [AS 29.23.-
15 060(c)];

16 * Sec. 30. AS 15.56.110(b)(3) is amended to read:

17 (3) a borough mayor under AS 29.20.280(6) [AS 29.23.130(f)];

18 * Sec. 31. AS 15.56.110(b)(4) is amended to read:

19 (4) a city councilman under AS 29.20.170(6) [AS 29.23.-
20 210(b)];

21 * Sec. 32. AS 15.56.110(b)(5) is amended to read:

22 (5) a city mayor under AS 29.20.280(6) [AS 29.23.255];

23 * Sec. 33. AS 16.20.036(g) is amended to read:

24 (g) The establishment of a refuge under this section does not
25 impair or alter existing rights of a municipality [BOROUGH OR CITY] to
26 state land selected [SELECT STATE LAND] under former AS 29.18.190 -
27 29.18.200.

28 * Sec. 34. AS 16.20.038(g) is amended to read:

29 (g) The establishment of a refuge under this section does not

1 impair or alter existing rights of a municipality [BOROUGH OR CITY] to
2 state land selected [SELECT STATE LAND] under former AS 29.18.190 -
3 29.18.200.

4 * Sec. 35. AS 18.26.250(2) is amended to read:

5 (2) municipality [MUNICIPAL CORPORATION OR POLITICAL SUB-
6 DIVISION OF THE STATE AS THE TERMS ARE USED IN AS 29];

7 * Sec. 36. AS 18.80.290(d) is amended to read:

8 (d) The governing [LEGISLATIVE] body of a general law or home rule
9 municipality has the authority under AS 29.20.320 [AS 29.48.035] to
10 grant to local commissions powers and duties similar to those exercised
11 by the Alaska Human Rights Commission under the provisions of this Act.

12 * Sec. 37. AS 19.30.241(2) is amended to read:

13 (2) "home rule city" means a city as defined in AS 29.04.010
14 [AS 29.08.010];

15 * Sec. 38. AS 19.30.241(3) is amended to read:

16 (3) "local government" means an organized borough of any
17 class, a unified municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.440],
18 a home rule city, or a first class city [OF THE FIRST CLASS];

19 * Sec. 39. AS 23.30.005 is amended by adding a new subsection to read:

20 (m) The board shall adopt regulations that permit two or more
21 municipalities to form an employer group for the purpose of providing
22 self-insurance under this chapter.

23 * Sec. 40. AS 26.23.230(5) is amended to read:

24 (5) "political subdivision" means a home rule or general law
25 borough or city [, WHETHER HOME RULE OR OTHERWISE,] including a unified
26 municipality [MUNICIPALITIES UNIFIED UNDER AS. 29.68.240 - 29.68.440],
27 an unincorporated village, or other unit of local government;

28 * Sec. 41. AS 28.15.051(d) is amended to read:

29 (d) The department may issue a special driver's permit to a person

1 who is at least 14 years of age with the consent of his parents or
2 guardians for the purpose of driving a motor-driven cycle. This permit
3 may be issued upon application and successful completion of all pre-
4 scribed tests and fees, and is valid for the same period of time as a
5 driver's license. The permit is not valid in a municipality that
6 [WHICH] by ordinance prohibits the driving of a motor-driven cycle by a
7 person under the age of 16 years; a borough may adopt the ordinance on a
8 nonareawide basis only, unless the power to adopt it on an areawide
9 basis is acquired under AS 29.35.300 - 29.35.330 or former AS 29.33.250 -
10 29.33.290.

11 * Sec. 42. AS 38.04.020(b)(1) is amended to read:

12 (1) land nominated for selection or selected by a municipal-
13 ity to satisfy a general grant land entitlement under AS 29.65 or former
14 AS 29.18.201 - 29.18.213;

15 * Sec. 43. AS 38.04.020(e)(4) is amended to read:

16 (4) for preliminary feasibility studies, engineering design
17 work, and construction of access roads and capital improvements required
18 by municipal subdivision ordinance or regulation of the platting author-
19 ity [BOARD UNDER AS 29.33.150]; if an accurate determination of the
20 amounts necessary for access roads or capital improvements cannot be
21 made at the time the estimate is submitted, a schedule for obtaining the
22 estimates, constructing the access roads or capital improvements, and
23 disposing of the land shall be submitted;

24 * Sec. 44. AS 38.04.021(a) is amended to read:

25 (a) A municipality may apply for financial assistance for the
26 execution of a land disposal program of general grant land entitlements
27 received from the state under AS 29.65 or former AS 29.18.201 - 29.18.-
28 213 by submitting a request to the commissioner for inclusion in the
29 request submitted to the legislature under AS 38.04.020(e). A munic-

1 pality may request financial assistance for expenses of surveying land,
2 designing subdivision plats, installing improvements required by municipi-
3 pal ordinance or regulation of the local platting authority [BOARD], and
4 other reasonable direct costs of land disposal.

5 * Sec. 45. AS 38.04.021(d) is amended to read:

6 (d) A grant made under this section may not exceed five times the
7 amount of money appropriated by a first class city, a borough, or a
8 unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440] for the
9 disposal of municipal land in the current fiscal year unless the commis-
10 sioner exempts the municipality from this subsection.

11 * Sec. 46. AS 38.04.021(e)(2) is amended to read:

12 (2) a first class city, a borough, or a unified municipality
13 that [UNIFIED UNDER AS 29.68.240 - 29.68.440 WHICH] is exempted by the
14 commissioner under (d) of this section.

15 * Sec. 47. AS 38.04.900(b) is amended to read:

16 (b) A municipality has standing to petition the commissioner for
17 the adoption of a regulation, or for the amendment or repeal of an
18 existing regulation, or to appeal a decision of the commissioner with
19 respect to classification, management, or disposal of land made under
20 authority of a regulation adopted under (a) of this section with respect
21 to state land outside the corporate boundaries of the municipality to
22 protect any interest which the municipality is authorized to regulate
23 outside its boundaries under AS 29.35.020 [AS 29.48.037].

24 * Sec. 48. AS 38.05.127(d) is amended to read:

25 (d) Upon application by a municipality or an affected owner of
26 land, the department may vacate, release, modify, or relocate an ease-
27 ment and right-of-way for public access to or along navigable or public
28 waters reserved by the department in a patent issued under AS 29.18.-
29 510 - 29.18.610, AS 29.05, AS 29.65, or former AS 29.18.011 - 29.18.460,

1 [AS 29.18] if the commissioner determines the action is consistent with
2 the public interest.

3 * Sec. 49. AS 38.05.290(b) is amended to read:

4 (b) Consistent with the best interests of the state, in the selec-
5 tion of general grant land it is the policy of the state to make avail-
6 able the maximum land area from which municipalities may fulfill land
7 entitlements under AS 29.65 or former AS 29.18.201 - 29.18.213.

8 * Sec. 50. AS 38.05.321(b) is amended to read:

9 (b) State land classified as agricultural land that [WHICH] has
10 been selected by a municipality under former AS 29.18.190 - 29.18.200 or
11 former AS 29.18.205(e) may be approved by the director for patent under
12 AS 29.65.050(c) or former AS 29.18.205(f); however, only rights in the
13 land for agricultural purposes may be transferred and all other inter-
14 ests in the land will remain with the state. Agricultural land approved
15 for patent to a municipality [UNDER AS 29.18.205(f)] shall be credited,
16 acre for acre, toward fulfillment of that municipality's entitlement
17 under AS 29.65.010 - 29.65.030 or former AS 29.18.201 - 29.18.203. If
18 the director later determines it to be in the best interests of the
19 state to transfer some or all of the additional rights in that approved
20 or patented agricultural land, those rights shall pass without consider-
21 ation to the municipality in which the land is located. The notice and
22 review provisions of [AS 38.05.305 AND] AS 38.05.345 are applicable to
23 conveyance of rights under this section.

24 * Sec. 51. AS 38.05.321(c) is amended to read:

25 (c) The provisions of this section do not apply to state land
26 classified as agricultural land which has been selected by a municipal-
27 ity under the provisions of former AS 29.18.190 - 29.18.200 if the
28 selection is an approved selection before April 1, 1978 and is otherwise
29 valid under AS 29.65.050(b) or former AS 29.18.205(b).

1 * Sec. 52. AS 38.05.362(b) is amended to read:

2 (b) Nothing in this section affects the selection rights of a
3 municipality [BOROUGH OR CITY] under former AS 29.18.190 - 29.18.200 for
4 areas selected as of July 1, 1977, or a valid existing claim, location,
5 or entry under law, as of July 1, 1976.

6 * Sec. 53. AS 39.50.145 is amended to read:

7 Sec. 39.50.145. PARTICIPATION BY MUNICIPALITIES. A municipality
8 may exempt its municipal officers from the requirements of this chapter
9 if a majority of the voters voting on the question at a [ANY] regular
10 election, as defined by AS 29.71.040(20) [AS 29.78.010(14)], or a
11 special municipality-wide election, vote to exempt its municipal
12 officers from the requirements of this chapter. The question of
13 exemption from the requirements of this chapter may be submitted by the
14 city council or borough assembly by ordinance or by initiative election
15 [ORDINANCE].

16 * Sec. 54. AS 39.50.200(a)(6) is amended to read:

17 (6) "municipal officer" includes a borough or city mayor,
18 borough assemblyman, city councilman, school board member, elected
19 utility board member, city or borough manager, members of a city or
20 borough planning or zoning commission within a home rule or general law
21 city or borough or [INCLUDING BUT NOT LIMITED TO] a unified municipality
22 [UNDER AS 29.68];

23 * Sec. 55. AS 40.15.075 is amended to read:

24 Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH AND THIRD
25 CLASS BOROUGH. The division of lands is the platting authority in the
26 area outside organized boroughs and outside cities in the unorganized
27 borough and in the third class borough for only the purposes of hearing
28 and acting on petitions for the change or vacation of plats and shall
29 execute this function substantially in conformity with the provisions of

1 AS 29.40.130 - 29.40.160 [AS 29.33.210 - 29.33.240]. Costs of publica-
2 tion and mailing [AS WELL AS OTHER COSTS] authorized in AS 29.40.130
3 [AS 29.33.210] shall be paid to the division by the petitioner. The
4 Department of Natural Resources shall adopt reasonable regulations
5 governing the exercise of the authority conferred by this section upon
6 the division of lands.

7 * Sec. 56. AS 40.15.200 is amended to read:

8 Sec. 40.15.200. APPLICATION TO STATE AND POLITICAL SUBDIVISIONS.
9 All subdivisions of land made by the state, its agencies, instrumentali-
10 ties and political subdivisions are subject to the provisions of this
11 chapter and AS 29.40.070 - 29.40.160 [AS 29.33.150 - 29.33.240], or home
12 rule ordinances or regulations governing subdivisions, and shall comply
13 with ordinances and other local regulations adopted under this chapter
14 and AS 29.40.070 - 29.40.160 or former AS 29.33.150 - 29.33.240, or
15 under home rule authority, in the same manner and to the same extent as
16 subdivisions made by other landowners.

17 * Sec. 57. AS 41.22.020(d) is amended to read:

18 (d) In (a) of this section "municipalities" includes cities or
19 organized boroughs of any class and unified municipalities exercising
20 powers to initiate projects described in AS 41.22.020 and acquire parks
21 and open space land, as otherwise authorized by law [, AND INCLUDES BUT
22 IS NOT LIMITED TO UNIFIED MUNICIPALITIES ORGANIZED UNDER AS 29.68.240 -
23 29.68.440].

24 * Sec. 58. AS 41.35.180(5) is amended to read:

25 (5) consult with local historical district commissions re-
26 garding the establishment of historical districts under AS 29.55.010 -
27 29.55.020 [AS 29.48.108 - 29.48.110] and the approval of project altera-
28 tions under AS 45.98.040; recommend, if appropriate, the formulation of
29 additional criteria for the designation of historical districts under

1 AS 29.55.020(b) [AS 29.48.110(b)]; approve plans for and evaluate the
2 suitability of specific structures for purposes of loan eligibility and
3 continuance under the historical district revolving loan fund (AS 45.98);
4 and consult with the Department of Commerce and Economic Development
5 relative to the adoption of regulations for historical district loans
6 under AS 45.98.

7 * Sec. 59. AS 43.18.430 is amended to read:

8 Sec. 43.18.430. POWER OF MUNICIPALITY. A municipality may own,
9 maintain and employ a facility constructed under AS 43.18.400 - 43.18.-
10 460. The exercise of this power on an areawide basis is at the option
11 of the borough and is not subject to the restrictions on acquiring
12 additional areawide powers in AS 29.35.300 - 29.35.330 [AS 29.33.250 -
13 29.33.290].

14 * Sec. 60. AS 43.18.500(d)(2)(A) is amended to read:

15 (A) has the authority under AS 29.35 [AS 29.41 OR AS 29.-
16 48] to provide and maintain a cultural facility;

17 * Sec. 61. AS 43.56.010(b) is amended to read:

18 (b) A municipality may levy and collect a tax under AS 29.45.080
19 [AS 29.53.045] at the rate of taxation that applies to other property
20 taxed by the municipality. The tax shall be levied at a rate no higher
21 than the rate applicable to other property taxable by the municipality.
22 No municipality may exempt from taxation property authorized to be taxed
23 under this chapter. Exemptions shall be limited to those in AS 29.-
24 45.030, 29.45.050, [AS 29.53.020 AND AS 29.53.025] and AS 43.56.020.

25 * Sec. 62. AS 43.56.010(c) is amended to read:

26 (c) If the total value of assessed property of a municipality
27 taxing under AS 29.45.080(c) [AS 29.53.045(c)] exceeds the product of
28 225 percent of the average per capita assessed full and true value of
29 property in the state (to be determined by the department and reported

1 to each municipality by January 15 of each year) multiplied by the
2 number of residents of the taxing municipality, the department shall
3 designate the portion of the tax base against which the local tax may be
4 applied. For purposes of this subsection the average per capita
5 assessed full and true value of property in the state shall be calcu-
6 lated without regard to the assessed value of taxable property under
7 AS 43.58.

8 * Sec. 63. AS 43.56.010(d) is amended to read:

9 (d) A tax paid to a municipality under AS 29.45.080 [AS 29.53.045]
10 on or before June 30 of the tax year shall be credited against the tax
11 levied under (a) of this section for that tax year. If, however, a tax
12 is not paid to a municipality until after June 30 of the taxable year,
13 the department upon application shall refund to the taxpayer the amount
14 of tax paid to the municipality under AS 29.45.080 [AS 29.53.045]. The
15 credit or refund of taxes paid to a municipality may not exceed the
16 total amount of tax levied by the department upon the taxpayer for the
17 tax year, under (a) of this section.

18 * Sec. 64. AS 43.56.060(a) is amended to read:

19 (a) The department shall assess property for the tax levied under
20 AS 43.56.010(b) and AS 29.45.080 [AS 29.53.045] on property used or
21 committed by contract or other agreement for use for the pipeline trans-
22 portation of gas or unrefined oil or for the production of gas or un-
23 refined oil at its full and true value as of January 1 of the assessment
24 year.

25 * Sec. 65. AS 43.75.130(1) is amended to read:

26 (1) to each unified municipality [UNIFIED UNDER AS 29.68.-
27 240 - 29.68.440,] and to each city located in the unorganized borough,
28 50 percent of the amount of tax revenue collected in the municipality
29 from taxes levied by AS 43.75;

1 * Sec. 66. AS 44.07.360(8) is amended to read:

2 (8) "municipality" means a home rule or general law city or
3 borough including but not limited to the capital city and a unified
4 municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.440];

5 * Sec. 67. AS 44.08.065(c) is amended to read:

6 (c) A property owner aggrieved by determination of his assessment
7 may appeal under AS 29.45.190 [AS 29.53.130 - 29.53.135].

8 * Sec. 68. AS 44.08.065(d) is amended to read:

9 (d) All adjustments in valuation approved by the board of equali-
10 zation are subject to review and final approval by the commissioner. A
11 property owner may appeal the final determination in accordance with
12 AS 29.45.210 [AS 29.53.140].

13 * Sec. 69. AS 44.47 is amended by adding a new section to read:

14 Sec. 44.47.157. FEASIBILITY STUDIES OF PROPOSED BOROUGHS. (a)
15 There is established a program of financial assistance for studies of
16 the feasibility of forming boroughs in the unorganized borough. A
17 municipality located in the unorganized borough or a resident of the
18 unorganized borough may request a feasibility study of an area of the
19 unorganized borough. The request shall be in writing and shall be
20 delivered to the commissioner. The request shall include

21 (1) a description of the boundaries of the area to be stud-
22 ied, and

23 (2) a showing of local interest in the feasibility study
24 demonstrated by

25 (A) a petition for the feasibility study containing the
26 signatures and addresses of at least five percent of the voters
27 residing in the area to be studied based on the number who voted in
28 the area at the last statewide election, or

29 (B) resolutions adopted by the governing bodies of at

1 least five percent of the municipalities within the area to be
2 studied.

3 (b) Upon receipt of a request for a feasibility study and after a
4 public hearing in the area of the proposed study, the commissioner may
5 authorize a study of the area as requested or alter the boundaries of
6 the area of the proposed study and authorize a study of the area as
7 altered. In determining which geographical area is appropriate for
8 study as a proposed borough, the commissioner shall consider

9 (1) the standards applicable to the incorporation of boroughs
10 under AS 29.05.030;

11 (2) the boundaries of the Native regional corporations estab-
12 lished under the Alaska Native Claims Settlement Act (43 U.S.C.
13 secs. 1601 - 1628);

14 (3) census divisions of the state used for the 1980 census;

15 (4) boundaries of the regional educational attendance areas;
16 and

17 (5) coastal resource service areas organized under AS 46.-
18 40.110 - 46.40.130.

19 (c) Subject to appropriations for the purpose, the commissioner
20 shall award a contract in accordance with AS 37.05.220 - 37.05.280 for a
21 study authorized under (b) of this section. The commissioner shall
22 include terms in the contract that provide for maximum public participa-
23 tion in the preparation of the feasibility study.

24 (d) A feasibility study under this section shall include

25 (1) a recommendation for or against incorporation of a
26 borough government for all or part of the area studied;

27 (2) an evaluation of the economic development potential of
28 the area;

29 (3) an evaluation of capital facility needs of the area;

1 (4) an evaluation of demographic, social, and environmental
2 factors affecting the area;

3 (5) an evaluation of current relationships among the regional
4 educational attendance areas, the coastal resource service areas, and
5 other regional entities responsible for providing services in the area
6 studied;

7 (6) an evaluation of the relationships between the existing
8 municipal governments in the area studied and regional entities re-
9 sponsible for providing services in the area;

10 (7) review of a home rule charter if one is submitted for
11 review by the resident or municipality that requested the study;

12 (8) specific recommendations for

13 (A) organization of a borough government if one is rec-
14 ommended; or

15 (B) the improvement of the delivery of services by the
16 state in the area studied.

17 * Sec. 70. AS 44.83.162(m) is amended to read:

18 (m) For purposes of (c) of this section, the number of residents
19 of the community equals the number of residents of the community deter-
20 mined by the Department of Community and Regional Affairs in accordance
21 with AS 29.60.020 [AS 29.88.015].

22 * Sec. 71. AS 44.85.270(i) is amended to read:

23 (i) 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 in
29 the reserve fund in an amount equal to the required debt service reserve.

1 The loans shall be made on such terms and conditions as may be agreed
2 upon by the commissioner of revenue and the authority, including, without
3 limitation, terms and conditions providing that the loans need not be
4 repaid until the obligations of the corporation secured and to be secured
5 by the account in the reserve fund are no longer outstanding.

6 * Sec. 72. AS 44.85.410(3)(A) is amended to read:

7 (A) a general obligation bond that [WHICH] is a direct
8 and general obligation of a political subdivision of the state, all
9 the taxable property within which is subject to taxation to pay the
10 bond, note or evidence of debt, and the interest without limita-
11 tion, as to rate or amount generally to the extent permitted by law
12 or to avoid a default as provided for second class cities under
13 AS 29.45.590 [AS 29.53.410]; or

14 * Sec. 73. AS 44.85.410(3)(D) is amended to read:

15 (D) a bond of a borough issued as a general obligation
16 of a service area under AS 29.47.440 or former AS 29.58.340; [.]

17 * Sec. 74. AS 45.98.020 is amended to read:

18 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and
19 plan approval by a local historical district commission established
20 under AS 29.55.010 or former AS 29.48.108 and the recommendation of a
21 majority of the members of the Historic Sites Advisory Committee, the
22 Department of Commerce and Economic Development may make loans to a
23 person, firm, business or municipality subject to applicable laws for
24 the restoration, improvement, rehabilitation, or maintenance of a struc-
25 ture that [WHICH] is

26 (1) within the boundaries of a historical district estab-
27 lished under AS 29.55.020 or former AS 29.48.110;

28 (2) identified as important in state or national history as
29 provided for in AS 29.55.020(b) or former AS 29.48.110(b); and

1 (3) another building or structure within a historical dis-
2 trict, and suitable for superficial modification so that it can conform
3 to the period or motif of the surrounding buildings or structures that
4 are the reason for the area's designation as a historical district.

5 * Sec. 75. AS 46.03.210(a) is amended to read:

6 (a) A municipality with a population in excess of 1,000 may,
7 within five years from August 5, 1969, establish and administer within
8 its jurisdiction an air pollution control program. Organized boroughs
9 may establish an air pollution control program on an areawide basis, and
10 the exercise of powers with respect to the program is not subject to the
11 restrictions on acquiring additional areawide powers specified in
12 AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.290]. Local programs
13 shall

14 (1) provide by ordinance for requirements compatible with
15 those imposed by the provisions of AS 46.03.140 and 46.03.170 and
16 applicable regulations;

17 (2) provide for the enforcement of the requirements imposed
18 through appropriate administrative and judicial processes;

19 (3) provide for a local administrative organization, staff,
20 and other resources necessary to effectively carry out the purposes of
21 the program; and

22 (4) be approved by the department as being satisfactory to
23 meet the requirements of AS 46.03.140 - 46.03.170 and the applicable
24 regulations.

25 * Sec. 76. AS 46.11.040(3)(A) is amended to read:

26 (A) is constructed under an exception to the municipal
27 building code granted because the exception will result in in-
28 creased energy efficiency [UNDER AS 29.33.080(g)];

29 * Sec. 77. AS 46.11.900(8) is amended to read:

1 (8) "state financial assistance" means a loan, grant, guaran-
2 tee, insurance, payment, rebate, subsidy, or other form of state assis-
3 tance (other than aid under AS 29.60 [AS 29.88, AS 29.89, AS 29.90,
4 AS 29.95] and AS 43.18) including the purchase by a state agency of a
5 loan to finance the construction of a new residential, commercial, or
6 industrial building;

7 * Sec. 78. AS 46.35.200(3) is amended to read:

8 (3) "local government" means a city or borough including a
9 unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440];

10 * Sec. 79. AS 46.40.140(h) is amended to read:

11 (h) Members of coastal resource service area boards are subject to
12 recall on the same grounds and in the same manner as provided for recall
13 of municipal officials in AS 29.26.240 - 29.26.350 [AS 29.28.130 -
14 29.28.250]. The lieutenant governor functions in place of the assembly
15 or council and municipal clerk for receipt and review of recall petitions
16 and the conduct of recall elections.

17 * Sec. 80. AS 46.40.210(2)(A) is amended to read:

18 (A) unified municipalities [ESTABLISHED UNDER AS 29.-
19 68.240 - 29.68.440];

20 * Sec. 81. AS 47.35.010(b) is amended to read:

21 (b) The department shall, within 90 days after receiving a written
22 request that it do so, delegate its powers relating to nurseries under
23 this section and under AS 47.35.040, 47.35.050 and 47.35.060 to a muni-
24 cipality which has adopted an ordinance providing for day care licensing
25 under home rule powers or as authorized under AS 29.35.200 - 29.35.210
26 [AS 29.48.035(a)(20)]. A municipality to which these powers have been
27 delegated may waive or modify any regulation or standard established by
28 the department under the authority of AS 47.35.010 - 47.35.080 as it
29 applies to nurseries or the application of any such regulation or stan-

1 dard as it applies to a particular day care licensee but must notify the
2 department of any waiver.

3 * Sec. 82. The following laws are repealed: AS 04.11.340(4), 04.11.-
4 400(c); AS 04.21.080(11); AS 14.56.065(b), 14.56.180(3); AS 15.13.130(6);
5 AS 18.55.950(10); AS 24.55.330(3); AS 28.35.260(10); AS 29.08; AS 29.13;
6 AS 29.18.011 - 29.18.460; AS 29.23; AS 29.28; AS 29.33; AS 29.38; AS 29.41;
7 AS 29.43; AS 29.48; AS 29.53; AS 29.58; AS 29.63; AS 29.68; AS 29.73; AS 29.-
8 78; AS 29.88; AS 29.89; AS 29.90; AS 29.95; AS 30.15.070(3); AS 30.30.170(2);
9 AS 35.15.080(3), 35.15.120(3); AS 42.06.630(6); AS 43.18.500(j)(6); AS 43.20.-
10 016; AS 43.56.210(8); AS 44.47.310(5); and AS 44.85.410(4).

11 * Sec. 83. A right or liability of a municipality existing on July 1,
12 1982, is not affected by the enactment of this Act. Ordinances and regula-
13 tions in effect on July 1, 1982, remain in effect unless they conflict with
14 provisions of this Act. Ordinances and regulations in effect on July 1,
15 1982, that conflict with provisions of this Act remain in effect for 180 days
16 after July 1, 1982. The terms of elected or appointed municipal officials in
17 office on July 1, 1982, are not affected by this Act, and their terms expire
18 as provided before July 1, 1982.

19 * Sec. 84. AS 29.45.030(a)(7), (m), and (n) as enacted in sec. 11 of this
20 Act are retroactive to December 31, 1980. AS 29.45.030(j) and (k) as enacted
21 in sec. 11 of this Act are retroactive to January 1, 1982.

22 * Sec. 85. AS 29.45.030(a)(7), (j), (k), (m), and (n) as enacted in sec.
23 11 of this Act and sec. 84 of this Act take effect immediately in accordance
24 with AS 01.10.070(c).

25 * Sec. 86. Except for AS 29.45.030(a)(7), (j), (k), (m), and (n) as
26 enacted in sec. 11 of this Act and sec. 84 of this Act, this Act takes effect
27 July 1, 1982.

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