

Introduced: 5/4/81
Referred: Community & Regional
Affairs, Health, Education & Social
Services and Finance

1 IN THE SENATE

BY HOHMAN

2 SENATE BILL NO. 544

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

13 * Section 1. AS 14.08.071 is amended by adding new subsections to read:

14 (d) At the election required to be held under (b) of this section
15 in October 1982 and at each election required to be held under (b) of
16 this section at intervals of two years thereafter, the lieutenant
17 governor shall submit to the voters within each regional educational
18 attendance area the following questions:

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

23 Yes [] No []"

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

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

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

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

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

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

1 within six years after incorporation if funds are available from appro-
2 priations for the purpose. All costs of a facility shall be borne by
3 the state.

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

5 Sec. 29.73.080. STREAMLINED BOROUGHs INCORPORATED DIRECTLY FROM
6 REGIONAL EDUCATIONAL ATTENDANCE AREAS. (a) The initial elected borough
7 mayor of a streamlined borough incorporated under AS 14.08.071(d)
8 serves until the first regular election occurring after he has served
9 two years in office and until his successor is elected and has quali-
10 fied.

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

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

28 * Sec. 3. AS 44.47 is amended by adding a new section to article 2 to
29 read:

1 Sec. 44.47.055. TRANSITIONAL ASSISTANCE TO THE UNORGANIZED
2 BOROUGH. The department shall establish the initial assessment roll
3 for a streamlined borough incorporated under AS 14.08.071(d). The
4 initial assessment roll shall contain all the information required by
5 AS 29.53.100(a) and shall be sufficient for purposes of computing tax
6 levies by the municipality and the amount of local effort required by
7 the municipality under AS 14.17.021(c)(3) and 14.17.071. In the prepar-
8 ation of the initial assessment roll, the department may contract for
9 the services of appraisers and others whose services are required to
10 complete and report the initial assessment. When completed, the initial
11 assessment roll shall be certified by the commissioner, and the com-
12 pleted roll, together with all supporting information and materials
13 prepared by the department, shall be transmitted to the borough
14 assembly. The department, to the extent appropriations are available
15 for the purpose, shall continue to fund the assessor and related staff
16 for a period of three years after the completion of the initial roll.

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

18 (a) A regional educational attendance area school which becomes a
19 city or borough district school by incorporation under AS 29.18 is
20 considered a regional educational attendance area school for purposes
21 of financial support until the expiration of a complete fiscal year
22 after the date on which the school becomes a city or borough district
23 school. A regional educational attendance area school which becomes
24 a streamlined borough district school by direct incorporation under
25 AS 14.08. 071(d) is considered a regional educational attendance area
26 school for purposes of financial support until the expiration of
27 three complete fiscal years after the date on which the school be-
28 comes a borough school, or until the fiscal year after the commis-
29 sioner of community and regional affairs certifies the initial

1 assessment roll of the streamlined borough under AS 47.44.055, which-
2 ever is later. This subsection does not prevent a local government
3 from spending money to contribute to the financial support of a regional
4 educational attendance area school which becomes a city or borough
5 district school.

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

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

12 NAME AND BOUNDARIES

13 Section 1.01. NAME OF MUNICIPALITY. The municipality shall
14 be a municipal corporation known as (INSERT THE NAME OF THE MUNI-
15 CIPALITY OR THE NAME OF THE REGIONAL EDUCATIONAL ATTENDANCE AREA
16 UNTIL CHANGED BY ORDINANCE).

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

21 POWERS

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

24 Section 2.02. CONSTRUCTION. The powers of the municipality
25 shall be liberally construed. The specific enumeration of a
26 particular power in this charter shall not be construed as limiting
27 the powers of the municipality.

28 Section 2.03. INTERGOVERNMENTAL RELATIONS. The municipality
29 may exercise any of its powers or perform any of its functions and

1 may participate in their financing, jointly or in cooperation, by
2 agreement with any one or more local governments, the State, or
3 the United States, or any agency or instrumentality of these
4 governments.

5 THE ASSEMBLY

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

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

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

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

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

27 Section 3.04. PRESIDING OFFICER, MEETINGS AND PROCEDURES.

28 (a) The mayor shall serve as a presiding officer.

29 (b) The assembly shall meet in regular session at least once

1 each month. The mayor or any three members of the assembly may
2 call special meetings.

3 (c) The assembly, by ordinance, shall determine its own
4 rules and order of business, including provision for reasonable
5 notice to the public and to all assemblymen of regular and special
6 meetings. The assembly shall maintain a journal of its proceedings
7 as a public record.

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

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

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

17 THE EXECUTIVE BRANCH

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

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

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

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

29 Section 4.02. POWERS. (a) The mayor shall appoint all

1 heads of municipal departments, subject to confirmation by the
2 assembly, on the basis of professional qualification. Persons
3 appointed by the mayor serve at the pleasure of the mayor.

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

6 (c) The mayor has the veto power. The veto must be exer-
7 cised and submitted to the assembly with a written explanation
8 within 10 days of passage of the ordinance affected. The assembly,
9 by vote of three members, may override a veto any time within 30
10 days after its exercise.

11 Section 4.03. MUNICIPAL ATTORNEY. There shall be a municipal
12 attorney, appointed by the mayor and confirmed by the assembly.
13 The attorney serves at the pleasure of the mayor. The attorney
14 shall advise and assist the municipal government on legal matters.

15 Section 4.04. MUNICIPAL OFFICERS. The municipal clerk and
16 other officers of the municipality are appointed by the mayor or
17 by the assembly, as determined by ordinance. Officers serve at
18 the pleasure of the appointing authority. Appointments by the
19 mayor are subject to confirmation by the governing body.

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

22 (1) the identity, function and responsibility of each
23 executive department;

24 (2) rules of practice and procedure governing adminis-
25 trative proceedings; and

26 (3) personnel policies and rules preserving the merit
27 principle of employment.

28 Sec. 4.06. BOARDS AND COMMISSIONS. (a) The assembly, by
29 ordinance, may provide for advisory, regulatory or appellate

1 boards or commissions. The ordinance shall prescribe the duties,
2 terms and qualifications of members.

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

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

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

13 EDUCATION

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

17 Section 5.02. POWERS. The assembly sitting as the school
18 board has the powers provided by law, including but not limited
19 to, the power to

20 (1) formulate policy for the operation of the schools;
21 (2) appoint and provide for suspension and removal of
22 school personnel, including the superintendent;

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

24 (4) generally supervise school district fiscal affairs,
25 including the preparation and submission of the annual budget and
26 capital construction program.

27 PLANNING

28 Section 6.01. PLANNING COMMISSION. There shall be a planning
29 commission consisting of five members who shall be appointed by

1 the mayor from among the qualified voters of the municipality.

2 Section 6.02. TERM AND COMPENSATION. (a) The assembly, by
3 ordinance, shall prescribe the terms of office of the members of
4 the planning commission.

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

8 Section 6.03. DUTIES. The planning commission shall

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

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

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

18 (4) perform other advisory functions and duties and
19 exercise other powers as the assembly may establish or which are
20 prescribed by law.

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

25 VACANCIES IN ELECTIVE OFFICE

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

28 (1) ceases to meet the qualifications prescribed for
29 the office by this charter;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

- (2) resigns;
 - (3) dies;
 - (4) is judicially determined to be incompetent;
 - (5) is convicted of a felony;
 - (6) is removed from office for breach of public trust;
- or
- (7) is recalled.

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

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

(b) A vacancy in the office of mayor shall be filled at a

1 regular or special election held not less than 45 days nor more
2 than 90 days from the time the vacancy occurs. If less than 45
3 days remain in the term when the vacancy occurs, the vacancy shall
4 not be filled. The assembly, by ordinance, shall provide for
5 succession to the office of acting mayor. The acting mayor has
6 the veto power.

7 INITIATIVE, REFERENDUM AND RECALL

8 Section 8.01. INITIATIVE AND REFERENDUM. (a) The powers of
9 initiative and referendum are reserved for exercise by the people
10 of the municipality in the manner provided by law. The powers of
11 initiative and referendum do not apply to ordinances establishing
12 budgets, fixing mill levies, authorizing the issuance of bonds, or
13 appropriating funds. A petition for initiative or referendum
14 shall be signed by a number of qualified voters equal to at least
15 10 percent of the voters who cast ballots in the last regular
16 mayoral election.

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

27 (c) A referendum petition may be filed at any time. However,
28 filing a referendum petition suspends the ordinance or resolution
29 only if the petition is filed within 60 days after the effective

1 date of the ordinance or resolution. The suspension of the ordi-
2 nance or resolution terminates on a finding of insufficiency of
3 the petition or upon certification of a majority vote against
4 repeal.

5 (d) An initiative petition is void if the assembly enacts an
6 identical measure before the election. A referendum petition is
7 void if the assembly repeals the ordinance or resolution in ques-
8 tion before the election.

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

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

23 LEGISLATION

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

27 (b) An ordinance may be introduced by a member of the assem-
28 bly at a regular or special meeting of the assembly. Following
29 introduction and upon approval of three members of the assembly,

1 the clerk shall publish a notice containing the text of the ordi-
2 nance or an informative summary of its contents, the time and
3 place for a public hearing on the ordinance, and the time when and
4 place where copies of the ordinance will be available. The public
5 hearing shall be held at least five days after publication of the
6 notice.

7 (c) An ordinance takes effect upon adoption or at a later
8 date specified in the ordinance. Ordinances shall be attested by
9 the municipal clerk and by the mayor.

10 Section 9.02. ACTIONS REQUIRING AN ORDINANCE. In addition
11 to other actions which require an ordinance, the assembly shall
12 use ordinances to

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

26 Section 9.03. EMERGENCY ORDINANCES. In case of an emergency,
27 an ordinance may be introduced and adopted at the same meeting.
28 An emergency ordinance shall contain a finding that an emergency
29 exists and a statement of the facts constituting the emergency.

1 An emergency ordinance is adopted by the affirmative vote of all
2 members of the assembly present or of four of the total member-
3 ship, whichever is less. The mayor may veto an emergency ordin-
4 ance. An emergency ordinance is effective for 60 days unless
5 sooner repealed by resolution.

6 Section 9.04. ADOPTION BY REFERENCE. The assembly, by ordi-
7 nance, may adopt by reference a standard code of regulations or a
8 portion of the statutes of the State of Alaska. The matter adopted
9 by reference shall be made available to the public in a manner
10 prescribed by rule of the assembly.

11 Section 9.05. CODIFICATION. The assembly shall provide for
12 the indexing and codification of all ordinances adopted by the
13 assembly. Following adoption of the initial code, all proposed
14 amendments shall be adopted as amendments or additions to the
15 code.

16 FINANCE

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

19 Section 10.02. CAPITAL IMPROVEMENT PROGRAM. At least 120
20 days before the end of the fiscal year of the municipality, the
21 mayor shall submit to the assembly, with recommendations from the
22 planning commission, a six-year program for public services,
23 fiscal policies and capital improvements of the municipality. The
24 program shall include estimates of the effect of capital improve-
25 ment projects on maintenance, operation and personnel costs. The
26 assembly shall hold at least two public hearings on the six-year
27 program before its adoption.

28 Section 10.03. OPERATING AND CAPITAL BUDGET. At least 120
29 days before the end of the fiscal year of the municipality, the

1 mayor shall submit to the assembly proposed capital and operating
2 budgets for the next fiscal year. The form and content of the
3 operating and capital budgets shall be consistent with the capital
4 improvement program. The mayor shall submit with the budgets an
5 analysis of the fiscal implications of all tax levies and programs.

6 Section 10.04. BUDGET HEARINGS. The assembly shall hold at
7 least two public hearings on the proposed capital and operating
8 budgets and the appropriation ordinances for the next fiscal year,
9 including one public hearing at the next regular meeting after the
10 budgets are submitted to the assembly and one hearing not later
11 than 60 days before the beginning of the next fiscal year.

12 Section 10.05. ASSEMBLY ACTION ON THE MUNICIPAL BUDGETS.
13 The assembly may increase or decrease any item, and may add or
14 delete items, in the proposed operating or capital budgets of the
15 municipality. The assembly shall approve the budgets of the
16 municipality as amended and appropriate by ordinance the necessary
17 funds at least 60 days before the end of the fiscal year of the
18 municipality. If the assembly fails to approve the capital and
19 operating budgets and to adopt the necessary appropriation ordin-
20 ance within the time stated, the capital and operating budget
21 proposal shall become the proposed budgets and appropriation
22 ordinances for the fiscal year without further action by the
23 assembly.

24 Section 10.06. LAPSE OF APPROPRIATIONS. At the close of the
25 fiscal year, an unexpended appropriation shall lapse into the fund
26 from which appropriated. An appropriation for a capital improve-
27 ment, or an appropriation in connection with requirements of
28 federal or state grants, shall not lapse until the purpose of the
29 appropriation has been accomplished or abandoned.

1 Section 10.07. BUDGET ADMINISTRATION. (a) No payment shall
2 be made or obligation incurred except in accordance with appropri-
3 ations. Obligations otherwise incurred are void. The assembly,
4 by ordinance, may provide for exceptions in the case of tax refunds
5 or other routine payments.

6 (b) The assembly, by ordinance, may authorize a contract,
7 lease or obligation requiring funds from future appropriations. A
8 lease-purchase agreement with respect to the acquisition of a
9 capital improvement valued in excess of one million dollars is not
10 valid until approved by a majority of the qualified voters voting
11 on the question.

12 Section 10.08. COMPETITIVE BIDDING. The assembly, by ordi-
13 nance, shall provide for competitive bidding for goods and services
14 and shall make provision for exceptions.

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

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

23 TAXATION

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

28 (b) Private leaseholds, contracts or other interests in land
29 or property owned or held by the United States, the state or other

1 political subdivisions shall be taxable only to the extent of fair
2 market value of the private interest.

3 Section 11.02. TAXING PROCEDURES. (a) The assembly, by
4 ordinance, shall adopt procedures for assessment, levy and collec-
5 tion of property taxes. The procedures shall provide for the
6 assessment of property at full and true value, except as otherwise
7 provided by law, and for notice of assessment, appeal and judicial
8 review. Property taxes, with associated collection charges,
9 penalties and interest, are first liens upon the property. Property
10 tax becomes payable on the first day of each fiscal year.

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

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

14 MUNICIPAL BORROWING

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

17 Section 12.02. LIMITATIONS. (a) No general obligation
18 bonded indebtedness may be incurred unless authorized by the
19 assembly and ratified by a majority vote of those in the munici-
20 pality voting on the question, except that refunding bonds may be
21 issued without an election.

22 (b) Tax or revenue anticipation notes shall be repaid within
23 12 months of the date of issue. When the taxes or revenues anti-
24 cipated are not received within this time, the assembly may renew
25 the notes for an additional period not to exceed six months.

26 Section 12.03. FORM AND MANNER OF SALE. The assembly, by
27 ordinance, shall provide for the form and manner of sale of bonds
28 and notes. The sale of bonds and notes to financial consultants
29 of the municipality is prohibited.

1 Section 12.04. PROCEEDS FROM THE SALE OF OBLIGATIONS. Pro-
2 ceeds derived from the sale of obligations shall be used solely
3 for the purposes for which the obligations were issued or for the
4 payment of principal or interest or other charges with respect to
5 the obligations.

6 SERVICE AREAS AND ASSESSMENT DISTRICTS

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

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

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

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

21 (b) An assessment district may be established or extended
22 only with the approval of property owners who would bear the cost
23 of more than 50 percent of the estimated cost of the improvement
24 or service. An assessment district established to finance a
25 capital improvement may be dissolved by assembly resolution at any
26 time after the district's share of the cost of the improvement has
27 been paid. An assessment district established to finance a service
28 may not be dissolved without the approval of the property owners
29 who bear more than 50 percent of the cost of providing the ser-

1 vice.

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

5 (d) An account or accounts for each special assessment dis-
6 trict shall be established and maintained separate from all other
7 municipal accounts. Revenues collected within a special assess-
8 ment district may be applied only to costs incurred with respect
9 to that assessment district.

10 GENERAL PROVISIONS

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

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

23 (b) For a period of one year after he leaves office, no
24 member of the assembly or school board may hold compensated municip-
25 al office or employment which was established, or the salary or
26 benefits of which were specially increased, during the last year
27 in office by the body of which he was a member. The provisions of
28 this subsection do not apply to employment by or election to a
29 charter commission.

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

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

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

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

25 TRANSITION

26
27 Section 15.01. INITIAL TERMS OF MEMBERS OF ASSEMBLY. Assem-
28 bly seats A and D shall be designated two-year seats. Assembly
29 seats B and C shall be designated three-year seats. Candidates
30 for the initial municipal assembly shall designate in the declara-

1 tion of candidacy or other form of nomination the letter of the
2 seat for which election is sought.

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

7 Section 15.03. ORGANIZATIONS AND INSTITUTIONS CONTINUED.
8 Special assessment districts, service areas, and regulatory and
9 advisory boards and commissions existing within municipalities on
10 the effective date of unification under this charter continue to
11 function until altered in accordance with this charter.

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

16 Section 15.05. EMPLOYMENT CONTINUED. All employees of
17 governments being unified shall continue in employment until the
18 assembly adopts by ordinance an administrative code. Current
19 employees of the former governments may be terminated, upon unifi-
20 cation, only for cause. Salaries and benefits enjoyed under
21 employment by the former municipalities shall continue until the
22 new code is effective. Pension plans, collective bargaining
23 agreements, and similar benefits shall not be diminished by unifi-
24 cation under this charter.

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

29 Sec. 29.68.480. ELECTION OF CHARTER COMMISSION. If unification

1 is approved in the manner required by AS 14.08.071(d), the assembly of
2 the streamlined borough shall, not later than 90 days before the first
3 regular election of the unified municipality, adopt a resolution calling
4 for a charter commission election in accordance with AS 29.13.010.

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

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

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

10 * Sec. 6. AS 29.13 is amended by adding a new section to article 1 to
11 read:

12 Sec. 29.13.090. ASSEMBLY MAY SERVE AS SCHOOL BOARD. The charter
13 commission elected to prepare a charter under the provisions of this
14 chapter within a unified municipality established in accordance with
15 AS 29.68.475 - 29.68.485 may provide that the borough mayor and assembly
16 shall serve as the school board. If the proposed charter provides that
17 the assembly serve as the school board, the assembly, by ordinance,
18 shall determine the manner of choosing members to serve as the officers
19 of the school board from among the members of the assembly.

20 * Sec. 7. AS 29.68 is amended by adding new sections to article 3 to
21 read:

22 ARTICLE 3. UNIFICATION OF LOCAL GOVERNMENTS.

23 Sec. 29.68.201. UNIFICATION OF LOCAL GOVERNMENTS AUTHORIZED. An
24 organized borough or a streamlined borough incorporated under AS 14.08.-
25 071(d) and all cities within the borough may unite to form a single
26 unit of home rule local government by complying with the provisions of
27 AS 29.68.201 - 29.68.251.

28 Sec. 29.68.211. UNIFICATION PROPOSALS. (a) Unification of local
29 governments authorized by AS 29.68.201 shall be proposed by resolution

1 of the borough assembly. The resolution shall read:

2 "Shall theBorough and all cities within
3 it unite as a single unit of home rule government having the
4 powers, duties and functions of a unified government as authorized
5 by law?

6 Yes [] No []"

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

12 Sec. 29.68.221. ELECTION. (a) After adoption of a resolution
13 for the purpose, the borough assembly shall submit to the voters the
14 question of whether the borough and all cities within it shall unite to
15 form a single unit of home rule government. The election shall be held
16 at the next regular borough election scheduled at least 60 days after
17 receipt of the valid petition or adoption of the resolution by the
18 borough assembly.

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

21 (c) The election on the unification proposition shall be conducted
22 in accordance with the election code of the borough. All costs incurred
23 in the conduct of a vote on the proposition shall be paid by the
24 borough.

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

1 Sec. 29.68.231. ELECTION OF INITIAL MUNICIPAL OFFICIALS. If
2 unification is approved in the manner required by AS 29.68.221, the
3 borough assembly shall provide for the first election of municipal
4 officials. The election of officials shall conform to provisions of
5 the home rule charter set out in AS 29.68.251. The election shall take
6 place not less than 45 nor more than 60 days after the date of certifi-
7 cation of the results of the unification election. The election of
8 municipal officials shall be conducted in accordance with the election
9 code of the borough. All costs incurred in conducting the election
10 required by this section shall be paid by the borough.

11 Sec. 29.68.241. EFFECT OF UNIFICATION. (a) A municipality
12 established by unification succeeds to all the assets and liabilities
13 of the local governments it unified. A bonded indebtedness or other
14 debt incurred before unification shall remain the tax obligation of the
15 area which contracted the debt, except that the tax obligation may be
16 spread over a larger area by ordinance if the governing body determines
17 that the asset for which the bonded indebtedness or other debt was
18 incurred was used for the benefit of the larger area before unification,
19 or is so used after unification.

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

24 (c) Within two years after the effective date of unification, the
25 governing body of the unified municipality shall revise, repeal, or re-
26 affirm all borough and city ordinances, resolutions and orders in force
27 within the borough at the time of unification. Each ordinance, resolu-
28 tion or order in force at the time of unification shall remain in force
29 until superseded by action of the governing body of the unified munici-

1 pality.

2 Sec. 29.68.251. GENERAL HOME RULE CHARTER FOR UNIFIED MUNICI-
3 PALITY. Until superseded by a home rule charter adopted in the manner
4 prescribed in AS 29.13.010 - 29.13.090, the following shall operate as
5 the home rule charter of a municipality organized under AS 29.68.201 -
6 29.68.251:

7 NAME AND BOUNDARIES

8 Section 1.01. NAME OF MUNICIPALITY. The municipality shall
9 be a municipal corporation known as (INSERT THE NAME OF THE MUNICI-
10 PALITY).

11 Section 1.02. BOUNDARIES. The boundaries of the municipality
12 shall include all areas within the former borough on the effective
13 date of this charter. The boundaries may be altered in the manner
14 provided by law.

15 POWERS

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

18 Section 2.02. CONSTRUCTION. The powers of the municipality
19 shall be liberally construed. The specific enumeration of a
20 particular power in this charter shall not be construed as limiting
21 the powers of the municipality.

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

28 THE ASSEMBLY

29 Section 3.01. POWERS AND DUTIES. The legislative power of

1 the municipality is vested in the assembly. The assembly shall
2 provide for the performance of all duties and obligations imposed
3 upon the municipality by this charter.

4 Section 3.02. TERM AND COMPOSITION. The assembly shall be
5 composed of seven members elected at large. Seats shall be desig-
6 nated by letter. A member of the assembly shall serve a three-
7 year term.

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

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

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

21 Section 3.04. PRESIDING OFFICER, MEETINGS AND PROCEDURES.

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

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

28 (c) The assembly, by ordinance, shall determine its own
29 rules and order of business, including provision for reasonable

1 notice to the public and to all assemblymen of regular and special
2 meetings. The assembly shall maintain a journal of its proceedings
3 as a public record.

4 (d) Four members of the assembly constitute a quorum; how-
5 ever, a smaller number may recess from time to time and compel the
6 attendance of absent members as prescribed by assembly rule.

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

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

13 THE EXECUTIVE BRANCH

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

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

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

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

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

29 (b) The mayor may participate in all assembly meetings to

1 the same extent as an assembly member, but may not vote.

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

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

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

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

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

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

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

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

28 (b) Unless otherwise specifically provided in this charter,
29 the mayor shall appoint members of boards and commissions.

1 Appointments are subject to confirmation by the assembly.

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

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

9 EDUCATION

10 Section 5.01. PUBLIC SCHOOL SYSTEM. The system of public
11 schools for the municipality shall be operated by a school board
12 of seven persons elected at large. Seats shall be designated by
13 letter.

14 Section 5.02. QUALIFICATIONS, TERM AND COMPENSATION. (a) A
15 candidate for school board shall be a qualified municipal voter,
16 and a resident of the municipality for one year immediately preced-
17 ing the election. A school board member shall serve a three-year
18 term and shall remain a resident of the municipality while in
19 office.

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

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

- 24 (1) formulate policy for the operation of the schools;
25 (2) appoint and provide for suspension and removal of
26 school personnel, including the superintendent;
27 (3) serve as a board of personnel appeals; and
28 (4) generally supervise school district fiscal affairs,
29 including the preparation and submission of the annual budget and

1 capital construction program.

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

6 Section 5.05. BUDGET AND CAPITAL CONSTRUCTION PLAN. (a)
7 The superintendent of schools shall submit to the school board at
8 such time as the board directs a proposed budget for the next
9 fiscal year and a proposed six-year program for capital improve-
10 ments and fiscal policies. The board shall hold at least one
11 public hearing on the proposed budget and program before submitting
12 them to the assembly, and at least one public hearing after
13 assembly action if the total amount is different. The proposed
14 budget and program shall be approved and submitted to the assembly
15 at least 90 days before the end of the current fiscal year of the
16 school district.

17 (b) The assembly may increase or decrease the budget of the
18 school district only as to total amount.

19 (c) The assembly shall approve the budget of the school dis-
20 trict as amended and appropriate the necessary funds at least 60
21 days before the end of the fiscal year of the school district. If
22 the assembly fails to approve the school district budget and make
23 the necessary appropriation within the time stated, the budget
24 proposal shall become the budget and appropriation for the fiscal
25 year of the school district without further assembly action.

26 PLANNING

27 Section 6.01. PLANNING COMMISSION. There shall be a plan-
28 ning commission consisting of seven members who shall be appointed
29 by the mayor from among the qualified voters of the municipality.

1 Section 6.02. TERM AND COMPENSATION. (a) The assembly, by
2 ordinance, shall prescribe the terms of office of the members of
3 the planning commission.

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

7 Section 6.03. DUTIES. The planning commission shall

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

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

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

17 (4) perform other advisory functions and duties and
18 exercise other powers as the assembly may establish or which are
19 prescribed by law.

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

24 VACANCIES IN ELECTIVE OFFICE

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

27 (1) ceases to meet the qualifications prescribed for
28 the office by this charter;

29 (2) resigns;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

- (3) dies;
 - (4) is judicially determined to be incompetent;
 - (5) is convicted of a felony;
 - (6) is removed from office for breach of public trust;
- or
- (7) is recalled.

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

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

(b) A vacancy in the office of mayor shall be filled at a regular or special election held not less than 45 days nor more

1 than 90 days from the time the vacancy occurs. If less than 45
2 days remain in the term when the vacancy occurs, the vacancy shall
3 not be filled. When a vacancy occurs in the office of mayor, the
4 chairman of the assembly shall serve as the acting mayor until a
5 successor is elected and takes office. The acting mayor has the
6 veto power, but may not vote on assembly action. The assembly, by
7 ordinance, shall provide for further succession to the office of
8 acting mayor.

9 INITIATIVE, REFERENDUM AND RECALL

10 Section 8.01. INITIATIVE AND REFERENDUM. (a) The powers of
11 initiative and referendum are reserved for exercise by the people
12 of the municipality in the manner provided by law. The powers of
13 initiative and referendum do not apply to ordinances establishing
14 budgets, fixing mill levies, authorizing the issuance of bonds, or
15 appropriating funds. A petition for initiative or referendum
16 shall be signed by a number of qualified voters equal to at least
17 10 percent of the voters who cast ballots in the last regular
18 mayoral election.

19 (b) Within 10 days of the filing of a petition for initiative
20 or referendum, the municipal clerk shall certify on the petition
21 whether or not it is sufficient. An initiative shall be submitted
22 to the voters at the next regular election held at least 45 days
23 after certification of the petition. A referendum shall be sub-
24 mitted to the voters at a regular or special election held not
25 later than 75 days after certification of the petition. However,
26 the assembly may submit a referendum to the voters at a later
27 regular or special election if the assembly suspends the ordinance
28 until the election.

29 (c) A referendum petition may be filed at any time. However,

1 filing a referendum petition suspends the ordinance or resolution
2 only if the petition is filed within 60 days after the effective
3 date of the ordinance or resolution. The suspension of the ordi-
4 nance or resolution terminates on a finding of insufficiency of
5 the petition or upon certification of a majority vote against
6 repeal.

7 (d) An initiative petition is void if the assembly enacts an
8 identical measure before the election. A referendum petition is
9 void if the assembly repeals the ordinance or resolution in ques-
10 tion before the election.

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

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

25 LEGISLATION

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

29 (b) An ordinance may be introduced by a member of the assem-

1 bly at a regular or special meeting of the assembly. The mayor
2 may cause an ordinance to be introduced. Following introduction
3 and upon approval of three members of the assembly, the clerk
4 shall publish a notice containing the text of the ordinance or an
5 informative summary of its contents, the time and place for a
6 public hearing on the ordinance, and the time when and place where
7 copies of the ordinance will be available. The public hearing
8 shall be held at least five days after publication of the notice.

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

12 Section 9.02. ACTIONS REQUIRING AN ORDINANCE. In addition
13 to other actions which require an ordinance, the assembly shall
14 use ordinances to

- 15 (1) adopt and amend the administrative code;
- 16 (2) levy taxes;
- 17 (3) authorize borrowing of money;
- 18 (4) grant, renew or extend a franchise;
- 19 (5) regulate the rate charged by a utility of the
20 municipality;
- 21 (6) provide for a fine or other penalty or establish a
22 rule or regulation for the violation of which a fine or other
23 penalty is imposed;
- 24 (7) adopt or amend zoning or similar land use control
25 measures;
- 26 (8) convey or lease, or authorize the conveyance or
27 lease, of any interest in lands of the municipality.

28 Section 9.03. EMERGENCY ORDINANCES. In case of an emergency,
29 an ordinance may be introduced and adopted at the same meeting.

1 An emergency ordinance shall contain a finding that an emergency
2 exists and a statement of the facts constituting the emergency.
3 An emergency ordinance is adopted by the affirmative vote of all
4 members of the assembly present or of three-fourths of the total
5 membership, whichever is less. The mayor may veto an emergency
6 ordinance. An emergency ordinance is effective for 60 days unless
7 sooner repealed by resolution.

8 Section 9.04. ADOPTION BY REFERENCE. The assembly, by ordi-
9 nance, may adopt by reference a standard code of regulations or a
10 portion of the statutes of the State of Alaska. The matter adopted
11 by reference shall be made available to the public in a manner
12 prescribed by rule of the assembly.

13 Section 9.05. CODIFICATION. The assembly shall provide for
14 the indexing and codification of all ordinances adopted by the
15 assembly. Following adoption of the initial code, all proposed
16 amendments shall be adopted as amendments or additions to the
17 code.

18 FINANCE

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

21 Section 10.02. CAPITAL IMPROVEMENT PROGRAM. At least 120
22 days before the end of the fiscal year of the municipality, the
23 mayor shall submit to the assembly, with recommendations from the
24 planning commission, a six-year program for capital improvements
25 of the municipality. The program shall include estimates of the
26 effect of capital improvement projects on maintenance, operation
27 and personnel costs. The assembly shall hold at least two public
28 hearings on the six-year program before its adoption.

29 Section 10.03. OPERATING AND CAPITAL BUDGET. At least 120

1 days before the end of the fiscal year of the municipality, the
2 mayor shall submit to the assembly proposed capital and operating
3 budgets for the next fiscal year. The form and content of the
4 operating and capital budgets shall be consistent with the capital
5 improvement program. The mayor shall submit with the budgets an
6 analysis of the fiscal implications of all tax levies and programs.

7 Section 10.04. BUDGET HEARINGS. The assembly shall hold at
8 least two public hearings on the proposed capital and operating
9 budgets for the next fiscal year, including one public hearing at
10 the next regular meeting after the budgets are submitted to the
11 assembly and one hearing not later than 60 days before the begin-
12 ning of the next fiscal year.

13 Section 10.05. ASSEMBLY ACTION ON THE MUNICIPAL BUDGETS.
14 The assembly may increase or decrease any item, and may add or
15 delete items, in the proposed operating or capital budgets of the
16 municipality. The assembly shall approve the budgets of the
17 municipality as amended and by ordinance appropriate the necessary
18 funds at least 60 days before the end of the fiscal year of the
19 municipality. If the assembly fails to approve the capital and
20 operating budgets and to adopt the necessary appropriation ordin-
21 ance within the time stated, the budget proposals shall become the
22 proposed budgets and appropriation ordinances for the fiscal year
23 without further action by the assembly.

24 Section 10.06. LAPSE OF APPROPRIATIONS. At the close of the
25 fiscal year, an unexpended appropriation shall lapse into the fund
26 from which appropriated. An appropriation for a capital improve-
27 ment, or an appropriation in connection with requirements of
28 federal or state grants, shall not lapse until the purpose of the
29 appropriation has been accomplished or abandoned.

1 Section 10.07. BUDGET ADMINISTRATION. (a) No payment shall
2 be made or obligation incurred except in accordance with appropri-
3 ations. Obligations otherwise incurred are void. The assembly, by
4 ordinance, may provide for exceptions in the case of tax refunds
5 or other routine payments.

6 (b) The assembly, by ordinance, may authorize a contract,
7 lease or obligation requiring funds from future appropriations. A
8 lease-purchase agreement with respect to the acquisition of a
9 capital improvement valued in excess of one million dollars is not
10 valid until approved by a majority of the qualified voters voting
11 on the question.

12 Section 10.08. COMPETITIVE BIDDING. The assembly, by ordi-
13 nance, shall provide for competitive bidding for goods and services
14 and shall make provision for exceptions.

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

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

23 TAXATION

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

28 (b) Private leaseholds, contracts or other interests in land
29 or property owned or held by the United States, the state or other

1 political subdivisions shall be taxable only to the extent of fair
2 market value of the private interest.

3 Section 11.02. TAXING PROCEDURES. (a) The assembly, by
4 ordinance, shall adopt procedures for tax assessment, levy and
5 collection of property taxes. The procedures shall provide for
6 the assessment of property at full and true value, except as
7 otherwise provided by law, and for notice of assessment, appeal
8 and judicial review. Property taxes, with associated collection
9 charges, penalties and interest, are first liens upon the property.

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

11 MUNICIPAL BORROWING

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

14 Section 12.02. LIMITATIONS. (a) No general obligation
15 bonded indebtedness may be incurred unless authorized by the
16 assembly and ratified by a majority vote of those in the munici-
17 pality voting on the question, except that refunding bonds may be
18 issued without an election.

19 (b) Tax or revenue anticipation notes shall be repaid within
20 12 months of the date of issue. When the taxes or revenues antici-
21 pated are not received within this time, the assembly may renew
22 the notes for an additional period not to exceed six months.

23 Section 12.03. FORM AND MANNER OF SALE. The assembly, by
24 ordinance, shall provide for the form and manner of sale of bonds
25 and notes. The sale of bonds and notes to financial consultants
26 of the municipality is prohibited.

27 Section 12.04. PROCEEDS FROM THE SALE OF OBLIGATIONS. Pro-
28 ceeds derived from the sale of obligations shall be used solely
29 for the purposes for which the obligations were issued or for the

1 payment of principal or interest or other charges with respect to
2 the obligations.

3 SERVICE AREAS AND ASSESSMENT DISTRICTS

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

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

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

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

18 (b) An assessment district may be established or extended
19 only with the approval of property owners who would bear the cost
20 of more than 50 percent of the estimated cost of the improvement
21 or service. An assessment district established to finance a
22 capital improvement may be dissolved by assembly resolution at any
23 time after the district's share of the cost of the improvement has
24 been paid. An assessment district established to finance a service
25 may not be dissolved without the approval of the property owners
26 who bear more than 50 percent of the cost of providing the ser-
27 vice.

28 (c) A special assessment for capital improvements, with
29 interest and collection charges, is a lien on property assessed,

1 second only to property taxes and prior special assessments.

2 (d) An account or accounts for each special assessment dis-
3 trict shall be established and maintained separate from all other
4 municipal accounts. Revenues collected within a special assess-
5 ment district may be applied only to costs incurred with respect
6 to that assessment district.

7 GENERAL PROVISIONS

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

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

20 (b) For a period of one year after he leaves office, no
21 member of the assembly or school board may hold compensated munici-
22 pal office or employment which was established, or the salary or
23 benefits of which were specially increased, during the last year
24 in office by the body of which he was a member. The provisions of
25 this subsection do not apply to employment by or election to a
26 charter commission.

27 Section 14.03. PUBLIC MEETINGS. All meetings of the assem-
28 bly, school board, and other boards and commissions shall be
29 public. The assembly, by ordinance, shall adopt procedures for

1 maximum reasonable public notice of all meetings. At each meeting
2 the public shall have reasonable opportunity to be heard. An
3 executive session may be held to discuss pending litigation or any
4 matter the immediate public knowledge of which would tend to
5 affect adversely the finances of the municipality or to defame or
6 prejudice the character or reputation of any person. The general
7 matter for consideration in executive session shall be expressed
8 in the motion calling for the session. No official action may be
9 taken in executive session.

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

12 Section 14.05. OATHS OF OFFICE. Each municipal officer,
13 before taking office, shall take and subscribe to the following
14 oath or affirmation: "I solemnly swear (or affirm) that I will
15 support and defend the Constitution of the United States, the
16 Constitution of the State of Alaska, and the charter of this
17 municipality, and that I will faithfully perform the duties of
18to the best of my ability."

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

22 TRANSITION

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

1 Section 15.02. INITIAL TERMS OF SCHOOL BOARD MEMBERS.

2 School board seats A and D shall be designated one-year seats.
3 School board seats B, E and G shall be designated two-year seats.
4 School board seats C and F shall be designated three-year seats.
5 Candidates for the intial school board shall designate in the
6 declaration of candidacy or other form of nomination the letter of
7 the seat for which election is sought.

8 Section 15.03. ORGANIZATION OF ASSEMBLY AND SCHOOL BOARD.

9 Members of the assembly and school board first elected under the
10 provisions of this charter shall take office in accordance with
11 AS 29.68.221(d).

12 Section 15.04. ORGANIZATIONS AND INSTITUTIONS CONTINUED.

13 Special assessment districts, service areas, and regulatory and
14 advisory boards and commissions existing within municipalities on
15 the effective date of unification under this charter continue to
16 function until altered in accordance with this charter.

17 Section 15.05. TRANSITIONAL BUDGET. The municipality shall

18 operate under the governments of the municipalities to be unified
19 until a municipal budget is adopted in accordance with this
20 charter.

21 Section 15.06. EMPLOYMENT CONTINUED. All employees of

22 governments being unified shall continue in employment until the
23 assembly adopts by ordinance an administrative code. Current
24 employees of the former governments may be terminated, upon unifi-
25 cation, only for cause. Salaries and benefits enjoyed under
26 employment by the former municipalities shall continue until the
27 new code is effective. Pension plans, collective bargaining
28 agreements, and similar benefits shall not be diminished by unifi-
29 cation under this charter.

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

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

8 (1) not prohibited it by law or the charter set out in
9 AS 29.68.251;

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

11 * Sec. 8. AS 29.13.010 is amended to read:

12 Sec. 29.13.010. MUNICIPAL CHARTER ADOPTION. A first class munici-
13 pality , a municipality established in accordance with AS 29.68.201 -
14 29.68.251 and a municipality established under AS 29.13.010 or a second
15 class borough may adopt a charter for its own government. A home rule
16 municipality may amend its charter or adopt a new one. A charter is
17 framed by a charter commission of seven members chosen by the municipal
18 voters at a regular or special election. A candidate for the commission
19 shall be a qualified voter of the municipality and a resident of the
20 municipality for three years immediately preceding the election. A
21 charter commission election is called by filing a petition with the
22 borough assembly, the assembly of a unified municipality, or the city
23 council, or by resolution of the borough assembly, the assembly of a
24 unified municipality, or the city council. The petition shall be
25 signed by a number of municipal voters equal to 15 percent of the votes
26 cast in the last regular election of the municipality.

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

28 Sec. 29.13.095. ASSEMBLY MAY SERVE AS SCHOOL BOARD. The charter
29 commission elected to prepare a charter under the provisions of this

1 chapter within a unified municipality established in accordance with
2 AS 29.68.201 - 29.68.251 may provide that the borough mayor and assembly
3 serve as the school board. If the proposed charter provides that the
4 assembly serve as the school board, the assembly, by ordinance, shall
5 determine the manner of choosing members to serve as the officers of
6 the school board from among the members of the assembly.

7 * Sec. 10. AS 29.68.240, 29.68.250, 29.68.260, 29.68.270, 29.68.280,
8 29.68.290, 29.68.300, 29.68.310, 29.68.320, 29.68.330, 29.68.340, 29.68.350,
9 29.68.360, 29.68.370, 29.68.380, 29.68.390, 29.68.400, 29.68.410, 29.68.420,
10 29.68.430 and 29.68.440 are repealed.

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

14 * Sec. 12. This Act takes effect immediately in accordance with AS
15 01.10.070(c).