

Offered: 3/8/85

Referred: Judiciary and Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 72 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal government; and provid-
7 ing 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,
11 the Department of Natural Resources is the platting authority in the
12 unorganized 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
16 municipal corporation and political subdivision. It is a city or a
17 borough that has adopted a home rule charter, or it is a unified
18 municipality. A home rule municipality has all legislative powers not
19 prohibited by 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 OF SECOND CLASS CITIES. (a) A
2 second class city may be reclassified as a first class city by holding
3 an election on the question, if the department determines from the
4 best figures available that the population of the city has reached 600
5 permanent residents.

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

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

11 (2) the council may propose reclassification.

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

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

22 (e) The council shall certify the election results to the de-
23 partment. If the majority of votes cast is favorable, the city shall
24 be considered reclassified to first class status 30 days after certi-
25 fication of the election results.

26 Sec. 29.04.050. RECLASSIFICATION OF SECOND CLASS BOROUGHS. A
27 second class borough may reclassify as a first class borough in the
28 manner provided by AS 29.35.320 - 29.35.330 for the addition of an
29 areawide power by a first or second class borough, except the petition

1 or proposal requests reclassification instead of requesting addition
2 of a power.

3 Sec. 29.04.060. RECLASSIFICATION OF THIRD CLASS BOROUGHS. (a)

4 A third class borough may reclassify as a first or second class bor-
5 ough in the manner provided by AS 29.35.320 - 29.35.330 for the addi-
6 tion of an areawide power by a first or second class borough, except
7 the petition or proposal requests reclassification instead of request-
8 ing addition of a power. At the time of voting on reclassification of
9 a third class borough to first or second class status, voters shall
10 vote also on whether the borough shall, on reclassification, retain a
11 combined assembly and school board or elect a separate assembly and
12 board as otherwise provided for first and second class boroughs.

13 (b) If a combined assembly and school board are approved at the
14 reclassification election, the assembly serving at the time of the
15 election continues to serve as the assembly and board on voter ap-
16 proval of reclassification and until terms of assembly members expire
17 as provided before reclassification.

18 (c) If a separate assembly and school board are approved at the
19 reclassification election, a school board shall be elected in confor-
20 mity with AS 14.12.030 - 14.12.100 at the next regular election, if it
21 occurs within 90 days of the date of the reclassification election, or
22 otherwise at a special election within 90 days of the date of the
23 reclassification election. Expiration dates of terms of school board
24 members elected at a special election must coincide with the date of
25 the regular election. Until a board is elected and qualified, the
26 assembly continues to serve as the board.

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

28 CHAPTER 05. INCORPORATION.

29 ARTICLE 1. REQUIREMENTS.

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

4 (1) the community has 600 or more permanent residents;

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

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

14 (4) the population of the community is stable enough to
15 support city government;

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

17 (b) A community that meets all the standards under (a) of this
18 section except (a)(1) may incorporate as a second class city.

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

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

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

1 (1) the population of the area is interrelated and inte-
2 grated as to its social, cultural, and economic activities, and is
3 large and stable enough to support borough government;

4 (2) the boundaries of the proposed borough conform gener-
5 ally to natural geography and include all areas necessary for full
6 development of municipal services;

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

12 (4) land, water, and air transportation facilities allow
13 the communication and exchange necessary for the development of inte-
14 grated borough government.

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

16 ARTICLE 2. PROCEDURE.

17 Sec. 29.05.060. PETITION. Municipal incorporation is proposed
18 by filing a petition with the department. The petition shall include
19 the following information about the proposed municipality:

20 (1) class;

21 (2) name;

22 (3) boundaries;

23 (4) maps, documents, and other information required by the
24 department;

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

26 (6) a proposed operating budget for the municipality pro-
27 jecting sources of income and items of expenditure through the first
28 full fiscal year of operation;

29 (7) for a borough, based on the number who voted in the

1 respective areas in the last general election, the signature and
2 resident address of 15 percent of the voters in

3 (A) home rule and first class cities in the area of
4 the proposed borough; and

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

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

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

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

13 (11) for a home rule or first class city, based on the
14 number who voted in the area in the last general election, the signa-
15 tures and resident addresses of 50 voters in the proposed city or of
16 15 percent of the voters in the proposed city, whichever is greater;

17 (12) for a second class city, based on the number who voted
18 in the area in the last general election, the signatures and resident
19 addresses of 25 voters in the proposed city or of 15 percent of the
20 voters in the proposed city, whichever is greater;

21 (13) for a home rule municipality, a proposed home rule
22 charter.

23 Sec. 29.05.070. REVIEW. The department shall review an incorpo-
24 ration petition for content and signatures and shall return a defi-
25 cient petition for correction and completion.

26 Sec. 29.05.080. INVESTIGATION. (a) If an incorporation peti-
27 tion contains the required information and signatures, the department
28 shall investigate the proposal and shall hold at least one public
29 informational meeting in the area proposed for incorporation. The

1 department shall publish notice of the meeting.

2 (b) The department may combine incorporation petitions from the
3 same general area.

4 (c) The department shall report its findings to the Local Bound-
5 ary Commission with its recommendations regarding the incorporation.

6 Sec. 29.05.090. HEARING. The Local Boundary Commission shall
7 hold at least one public hearing in the area proposed to be incorpo-
8 rated for the purpose of receiving testimony and evidence on the
9 proposal.

10 Sec. 29.05.100. DECISION. (a) If the Local Boundary Commission
11 determines that a proposed municipality fails to meet the standards
12 for incorporation, it shall reject the petition. If the commission
13 determines that the proposed municipality meets the standards, it
14 shall accept the petition. If the commission determines that the
15 proposed municipal boundaries can be altered to meet the standards, it
16 may alter the boundaries and accept the petition.

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

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

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

4 (c) Areawide borough powers included in an incorporation peti-
5 tion are considered to be part of the incorporation question. In an
6 election for the incorporation of a second class borough, each non-
7 areawide power to be exercised is placed separately on the ballot.
8 Adoption of a nonareawide power requires a majority of the votes cast
9 on the question, and the vote is limited to the voters residing in the
10 proposed borough but outside all cities in the proposed borough.

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

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

18 Sec. 29.05.120. ELECTION OF INITIAL OFFICIALS. (a) Nominations
19 for initial municipal officials are made by petition. The petition
20 shall be in the form prescribed by the director of elections and shall
21 include the name and address of the nominee and a statement of the
22 nominee that the nominee is qualified under the provisions of this
23 title for the office that is sought. A person may file for and occupy
24 more than one office, but may not serve simultaneously as

25 (1) borough mayor and as a member of the assembly; or

26 (2) city mayor and as a member of the council in a first
27 class city.

28 (b) Except for a proposed second class city, petitions to nomi-
29 nate initial officials must include the signature and resident address

1 of 50 voters in the area of the proposed municipality, or that area of
2 the proposed municipality from which the officials are to be elected
3 under the composition and apportionment set out in the accepted incor-
4 poration petition.

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

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

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

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

17 Sec. 29.05.130. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE
18 AREAS. (a) A service area in a newly incorporated municipality shall
19 be integrated into the municipality within two years after the date of
20 incorporation. On integration the municipality succeeds to all the
21 rights, powers, duties, assets and liabilities of the service area.
22 On integration all property in the service area subject to taxation to
23 pay the principal and interest on bonds at the time of integration
24 remains subject to taxation for that purpose.

25 (b) After integration, the municipality may exercise in a former
26 service area all of the rights and powers exercised by the service
27 area at the time of integration, and, as successor to the service
28 area, may levy and collect special charges, taxes, or assessments to
29 amortize bonded indebtedness incurred by the service area or by a

1 municipality in which the service area was formerly located.

2 Sec. 29.05.140. TRANSITION. (a) The powers and duties exer-
3 cised by cities and service areas that are succeeded to by a newly
4 incorporated municipality continue to be exercised by the cities and
5 service areas until the new municipality assumes the powers and func-
6 tions, which may not exceed two years after the date of incorporation.
7 Ordinances, rules, resolutions, procedures, and orders in effect
8 before the transfer remain in effect until superseded by the action of
9 the new municipality.

10 (b) Before the assumption, the new municipality shall give
11 written notice of its assumption of the rights, powers, duties, as-
12 sets, and liabilities under this section and AS 29.05.130 to the city
13 or service area concerned. Municipal officials shall consult with the
14 officials of the city or service area concerned and arrange an orderly
15 transfer.

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

19 (d) This section applies to home rule and general law municipal-
20 ities.

21 Sec. 29.05.150. CHALLENGE OF LEGALITY. A person may not chal-
22 lenge the formation of a municipality except within six months after
23 the date of its incorporation.

24 ARTICLE 3. TRANSITIONAL ASSISTANCE.

25 Sec. 29.05.180. ORGANIZATION GRANTS TO CITIES. (a) To defray
26 the cost of transition to city government and to provide for interim
27 government operations, each city incorporated after June 30, 1986 is
28 entitled to an organization grant of \$50,000 for the first full or
29 partial fiscal year after incorporation.

1 (b) To defray the cost of reclassification, each second class
2 city in the unorganized borough incorporated before July 1, 1986 that
3 reclassifies as a home rule or first class city after June 30, 1986 is
4 entitled to an organization grant equal to \$50,000 for the first full
5 or partial fiscal year after reclassification.

6 (c) The department shall disburse an organization grant under
7 (a) or (b) of this section within 30 days after certification of the
8 incorporation election or the reclassification election, or as soon
9 after certification as money is appropriated and available for the
10 purpose.

11 (d) A city entitled to an organization grant under (a) or (b) of
12 this section is entitled to a second organization grant of \$25,000.
13 The department shall disburse the second organization grant within 30
14 days after the beginning of the city's second fiscal year after incor-
15 poration or reclassification, or as soon after that time as money is
16 appropriated and available for the purpose.

17 Sec. 29.05.190. ORGANIZATION GRANTS TO BOROUGHES. (a) For the
18 purpose of defraying the cost of transition to borough government and
19 to provide for interim governmental operations, each borough incorpo-
20 rated after June 30, 1986, is entitled to organization grants as fol-
21 lows:

22 (1) \$300,000 for the borough's first full or partial fiscal
23 year;

24 (2) \$200,000 for the borough's second fiscal year; and

25 (3) \$100,000 for the borough's third fiscal year.

26 (b) The department shall disburse the first organization grant
27 to a borough within 30 days after certification of the incorporation
28 election favoring incorporation of a borough, or as soon after that as
29 money is appropriated and available for the purpose. The second grant

1 shall be disbursed within 30 days after the beginning of the borough's
2 second fiscal year, or as soon after that as money is appropriated and
3 available for the purpose. The third grant shall be disbursed within
4 30 days after the beginning of the borough's third fiscal year, or as
5 soon after that as money is appropriated and available for the pur-
6 pose.

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

9 Sec. 29.05.200. ORGANIZATION GRANT FUND. (a) The organization
10 grant fund is established in the department. An appropriation made to
11 the fund shall be used for organization grants to municipalities that
12 qualify under AS 29.05.180 or 29.05.190.

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

15 (1) each municipality expected to qualify to receive an
16 organization grant during the next fiscal year;

17 (2) the amount of money needed to cover all organization
18 grants expected to be awarded during the next fiscal year.

19 Sec. 29.05.210. TRANSITIONAL ASSISTANCE TO BOROUGHES. (a)
20 Within 30 days after the date of incorporation of a borough incorpo-
21 rated after June 30, 1986, the department shall determine the popula-
22 tion of the borough.

23 (b) The department shall provide assistance to each borough in-
24 corporated after June 30, 1986, in

25 (1) establishing the initial sales and use tax assessment
26 and collection department if the borough has adopted a sales or use
27 tax;

28 (2) determining the initial property tax assessment roll if
29 the borough has adopted a property tax, including contracting for

1 appraisals of property needed to complete the initial assessment.

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

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

5 CHAPTER 06. ALTERATION OF MUNICIPALITIES.

6 ARTICLE 1. CHANGE OF NAME.

7 Sec. 29.06.010. CHANGE OF MUNICIPAL NAME. (a) A municipality
8 may change its official name by adopting an ordinance for the purpose
9 that is ratified by the voters and filing the ordinance with the
10 office of the lieutenant governor. Upon receipt of an ordinance
11 ratified by the voters, the lieutenant governor shall issue an order
12 to the municipality changing its name. The name change shall become
13 effective on a date fixed in the order and occurring within 45 days
14 after receipt of the ordinance. A copy of the order shall be trans-
15 mitted to the department.

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

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

27 (d) This section applies to home rule and general law municipal-
28 ities.

29 ARTICLE 2. ANNEXATION AND DETACHMENT.

1 Sec. 29.06.040. LOCAL BOUNDARY COMMISSION. (a) The Local
2 Boundary Commission may consider any proposed municipal boundary
3 change. It may reject the proposed change, accept the proposed
4 change, or alter the boundaries and accept the proposal as altered. A
5 Local Boundary Commission decision under this subsection may be ap-
6 pealed under the Administrative Procedure Act (AS 44.62).

7 (b) The Local Boundary Commission may present a proposed muni-
8 cipal boundary change to the legislature during the first 10 days of a
9 regular session. The change becomes effective 45 days after presenta-
10 tion or at the end of the session, whichever is earlier, unless dis-
11 approved by a resolution concurred in by a majority of the members of
12 each house.

13 (c) In addition to the regulations governing annexation by local
14 action adopted under AS 44.47.567, the Local Boundary Commission shall
15 establish procedures for annexation and detachment of territory by
16 municipalities by local action. The procedures established under this
17 subsection include a provision that

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

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

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

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

29 Sec. 29.06.050. ANNEXATION OF MILITARY RESERVATIONS. A military

1 reservation may be annexed to a municipality in the same manner as
2 prescribed for other territory under AS 29.06.040. If a city in a
3 borough annexes a military reservation under this section, the area
4 encompassing the military reservation automatically is annexed to the
5 borough in which the city is located.

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

8 ARTICLE 3. MERGER AND CONSOLIDATION.

9 Sec. 29.06.090. MERGER AND CONSOLIDATION. (a) Two or more
10 municipalities may merge or consolidate to form a single municipality,
11 except a third class borough may not be formed through merger or
12 consolidation.

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

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

17 (2) the local option method specified in AS 29.06.100 -
18 29.06.160.

19 Sec. 29.06.100. PETITION. (a) Residents of two or more munici-
20 palities may file a merger or consolidation petition with the depart-
21 ment. The petition must be signed by a number of voters of each
22 existing municipality equal to at least 25 percent of the number of
23 votes cast in each municipality's last regular election.

24 (b) The petition includes

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

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

27 (3) the proposed composition and apportionment of the
28 governing body;

29 (4) maps, documents, and other information that shows that

1 the proposed municipality meets the standards for municipal incorpora-
2 tion.

3 Sec. 29.06.110. REVIEW. (a) The department shall review a
4 merger or consolidation petition for content and signatures and shall
5 return a deficient petition for correction or completion.

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

8 (c) The department shall report its findings to the Local Bound-
9 ary Commission with its recommendations regarding the merger or con-
10 solidation.

11 Sec. 29.06.120. HEARING. After receipt of the report by the
12 department on a merger or consolidation petition, the Local Boundary
13 Commission shall hold at least one public hearing in each of the
14 existing municipalities included in the petition, unless officials of
15 the municipalities agree to a single hearing.

16 Sec. 29.06.130. DECISION. (a) If the Local Boundary Commission
17 determines that the proposed municipality fails to meet the standards
18 for incorporation, it shall reject the merger or consolidation peti-
19 tion. If the commission determines that the proposed municipality
20 meets these standards, it shall accept the petition. If the commis-
21 sion determines that the proposed boundaries or the composition and
22 apportionment of the governing body can be altered to meet the stan-
23 dards, it may alter the proposal and accept the petition.

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

26 Sec. 29.06.140. ELECTION. (a) The Local Boundary Commission
27 shall immediately notify the director of elections of its acceptance
28 of a merger or consolidation petition. Within 30 days after notifica-
29 tion, the director of elections shall order an election in the area to

1 be included in the new municipality to determine whether the voters
2 desire merger or consolidation. The election must be held not less
3 than 30 or more than 90 days after the election order. A voter who is
4 a resident of the area to be included in the proposed municipality may
5 vote.

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

9 (c) The director of elections shall certify the election re-
10 sults. If merger or consolidation is approved, the director of elec-
11 tions shall, within 10 days, set a date for election of officials of
12 the new municipality. The election date must be not less than 60 or
13 more than 90 days after the election order and it is the effective
14 date for the merger or consolidation.

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

18 (b) When two or more municipalities consolidate, the newly
19 incorporated municipality succeeds to the rights, powers, duties,
20 assets, and liabilities of the consolidated municipalities.

21 Sec. 29.06.160. TRANSITION. After merger or consolidation, the
22 ordinances, resolutions, regulations, procedures, and orders of the
23 former municipalities remain in force in their respective territories
24 until superseded by the action of the new municipality.

25 Sec. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to
26 home rule and general law municipalities.

27 ARTICLE 4. UNIFICATION OF MUNICIPALITIES.

28 Sec. 29.06.190. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A
29 borough and all cities in the borough may unite to form a single unit

1 of home rule government by complying with AS 29.06.190 - 29.06.410.

2 Sec. 29.06.200. UNIFICATION PROPOSED. (a) Formation of a
3 charter commission to prepare a unification charter shall be proposed
4 by resolution of the assembly or by petition. A resolution to propose
5 formation of a charter commission may be adopted not more often than
6 once every 12 months.

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

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

11 "PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICA-
12 TION CHARTER. We, the undersigned, qualified voters of the borough do
13 hereby petition that the following proposition be placed before the
14 voters as provided by law: 'Shall a charter commission be formed (and
15 charter commission members be elected as elsewhere provided on this
16 ballot) to prepare, adopt and submit to the voters for their approval
17 or rejection a proposed charter uniting the borough and all cities
18 within it as a single unit of home rule government having the powers,
19 duties and functions of a unified municipality as authorized by law?
20 Yes [] No []'

21 Inside First Outside First
22 Class or Class or
23 Signature Address Home Rule City [] Home Rule City []"

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

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

28 (2) the number of voters residing in home rule or first
29 class cities in the borough equal to 25 percent of the votes cast in

1 all home rule and first class cities in the borough in the last regu-
2 lar borough election.

3 Sec. 29.06.220. REVIEW OF PETITION. The assembly shall review a
4 unification petition within 15 days to determine whether it complies
5 with AS 29.06.210. If the petition does not meet the designated re-
6 quirements, it shall be immediately returned to the person who ini-
7 tiated the petition with a statement indicating which requirements
8 have not been satisfied.

9 Sec. 29.06.230. DUTIES OF CHARTER COMMISSION. The charter
10 commission shall prepare, adopt, and submit to the voters for approval
11 or rejection a proposed home rule charter for the area to be unified.

12 Sec. 29.06.240. COMPOSITION OF CHARTER COMMISSION. The charter
13 commission shall consist of 11 voters, three of whom are residents
14 elected at large from the borough and eight of whom, proportionate to
15 the population as determined by the department, are

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

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

20 Sec. 29.06.250. CHARTER COMMISSION NOMINATIONS. (a) If the
21 assembly determines that a unification petition meets the requirements
22 of AS 29.06.210, or the assembly by its resolution proposes an elec-
23 tion on formation of a charter commission, the assembly shall issue a
24 call for the nomination of commission candidates, specifying the
25 filing deadline and the procedure for making nominations.

26 (b) Charter commission candidates shall be nominated by petition
27 signed by at least 50 voters of the area from which the candidate
28 seeks election, or by a number of voters from that area equal to at
29 least 10 percent of the number of votes cast from that area in the

1 last regular borough election, whichever is less.

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

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

9 Sec. 29.06.260. QUALIFICATIONS OF CANDIDATES. A person is eli-
10 gible to be nominated as a candidate for the charter commission if
11 that person is a voter of the area from which election is sought and
12 has been a voter of the area for at least one year immediately preced-
13 ing the date the nomination petition is filed.

14 Sec. 29.06.270. ELECTION OF CHARTER COMMISSION. (a) After
15 receipt of a valid unification petition or adoption of an assembly
16 resolution to propose formation of a charter commission, the assembly
17 shall submit to the voters the question of whether a charter commis-
18 sion shall be formed to prepare a proposed unification charter. The
19 vote shall be held at the next regular borough election scheduled at
20 least 90 days after receipt of the petition or adoption of the resolu-
21 tion. The ballot shall be worded exactly as in AS 29.06.210(a).

22 (b) The election of charter commission members shall take place
23 at the same time as the election on the question of formation of the
24 commission.

25 (c) All costs incurred in conducting an election under AS 29.-
26 06.190 - 29.06.410 shall be paid by the borough.

27 Sec. 29.06.280. REQUIREMENTS FOR APPROVAL OF FORMATION AND
28 ELECTION OF CHARTER COMMISSION. (a) The votes on the question of
29 formation of a charter commission shall be tabulated in two separate

1 classifications. One classification consists of all votes cast in
2 first class and home rule cities in the borough. The other classifi-
3 cation consists of all votes cast in the remaining area of the bor-
4 ough. In order for formation of a charter commission to be approved,
5 a majority of the votes in each classification must favor formation of
6 the commission.

7 (b) If formation of a charter commission is approved, the candi-
8 dates who received the highest number of votes from their respective
9 areas shall serve as members of the commission.

10 Sec. 29.06.290. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

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

14 (b) A majority of the total membership of the charter commission
15 constitutes a quorum. A decision of the commission is not valid or
16 binding unless approved by the number of members necessary to consti-
17 tute a quorum.

18 (c) The charter commission may elect other officials from among
19 its membership, adopt rules governing its procedures that are consis-
20 tent with AS 29.06.190 - 29.06.410 and hire and discharge employees.

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

24 Sec. 29.06.300. VACANCIES. (a) Vacancies on the charter com-
25 mission shall be filled by a majority vote of the commission, except
26 the assembly shall appoint members to fill vacancies if, after a
27 proposed charter is rejected by the voters, more than one-half of the
28 members resign.

29 (b) A person who fills a vacancy on the charter commission must

1 be a voter of the same area as the person succeeded and must have been
2 a voter of that area for at least one year immediately preceding the
3 date the vacancy is filled.

4 Sec. 29.06.310. PER DIEM. The assembly may grant a per diem
5 allowance to members of the charter commission and may reimburse the
6 members for travel expenses incurred in carrying out the duties pre-
7 scribed by AS 29.06.190 - 29.06.410. Costs, fees, and other expenses
8 incurred by the commission are a debt of the borough and shall be paid
9 upon proper verification.

10 Sec. 29.06.320. CHARTER PROVISIONS. The charter shall include

11 (1) provision for

12 (A) the adjustment of existing bonded indebtedness and
13 other obligations in a manner that will assure a fair and equit-
14 able burden of taxation for debt service, subject to AS 29.06.-
15 380;

16 (B) the establishment of service areas;

17 (C) if election of members of the governing body is
18 not areawide, the establishment of districts for the election of
19 members of the governing body of the proposed unified municipal-
20 ity and procedures by which to reapportion the election dis-
21 tricts;

22 (D) the reapportionment of districts if they are
23 established;

24 (E) nonpartisan government, and the selection, organi-
25 zation, authority, and responsibilities of the governing body and
26 its executive and administrator;

27 (F) the transfer or other disposition of property and
28 other rights, claims, assets, and franchises of the municipal-
29 ities to be unified under the charter;

1 (G) the exercise of the rights of initiative and
2 referendum in accordance with AS 29.10.030;

3 (H) amending the charter in accordance with AS 29.10.-
4 100;

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

7 (3) designation of the proposed unified municipality's
8 official name; and

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

11 Sec. 29.06.330. PUBLIC HEARINGS. Both before and after drafting
12 the proposed home rule charter, the charter commission shall hold a
13 public hearing in each area represented on the assembly. Other public
14 hearings may be held by the commission as it considers necessary.

15 Sec. 29.06.340. FILING OF PROPOSED CHARTER. Upon the adoption
16 of a proposed home rule charter by the charter commission, the charter
17 shall be signed by at least a majority of the total membership of the
18 commission and shall be filed with the borough clerk. A copy of the
19 charter with signatures affixed shall also be filed with the clerk of
20 each city in the borough.

21 Sec. 29.06.350. PUBLICATION AND POSTING OF PROPOSED CHARTER.
22 Within 10 days after filing the proposed home rule charter, the bor-
23 ough clerk shall have it published. In addition, the clerk shall have
24 a copy of the proposed charter posted in at least three public places
25 in each city and each unincorporated community in the borough. Copies
26 of the proposed charter shall be made available by the assembly to the
27 public at both the office of the borough clerk and the office of the
28 clerk of each city in the borough. The clerk shall have notice of the
29 publication, posting, and availability of the proposed charter

1 published.

2 Sec. 29.06.360. ELECTION ON CHARTER. (a) The proposed home
3 rule charter adopted by the charter commission shall be submitted to
4 the voters at a borough election held within 60 days of the date of
5 publication and posting of the proposed charter. The borough clerk
6 shall prepare the ballots for use in the election and shall give
7 notice of the election by radio and television in a manner intended to
8 apprise the entire borough population of the election. The election
9 shall be conducted 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 out-
13 side all home rule or first class cities, and a majority of the votes
14 in all home rule and first class cities in the borough are cast in
15 favor of the proposed charter, the charter is ratified. If the char-
16 ter is ratified, election results shall be certified to the commission
17 and two copies of the charter shall be filed with

- 18 (1) the lieutenant governor;
19 (2) 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
25 voters at a borough election held within one year after the date of
26 the first charter election. If the second proposed charter is also
27 rejected, the charter commission shall be dissolved and the question
28 of unification shall be treated as if it had never been proposed or
29 approved.

1 Sec. 29.06.370. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon
2 ratification, the home rule charter of a unified municipality operates
3 to dissolve all municipalities in the area unified in accordance with
4 the charter.

5 Sec. 29.06.380. ASSETS AND LIABILITIES. A unified municipality
6 shall succeed to all the assets and liabilities of the municipalities
7 it unified. A bonded indebtedness or other debt incurred before
8 unification remains the tax obligation of the area that contracted the
9 debt, except that by ordinance the tax obligation may be assumed by a
10 larger area if the governing body determines that the asset for which
11 the bonded indebtedness or other debt was incurred benefited the
12 larger area before unification, or benefits the larger area after
13 unification. However, bonded indebtedness or other debt for sewage
14 collection systems, water distribution systems, and streets, even if
15 determined to be benefiting a larger area than that which incurred the
16 debt, remains the tax obligation of the area that incurred the debt.

17 Sec. 29.06.390. TRANSITION. Within two years after ratification
18 of the home rule charter, the unified municipality shall revise,
19 repeal, or reaffirm all municipal ordinances, resolutions, and orders
20 in effect in the area of the unified municipality on the date of
21 unification. Each ordinance, resolution, regulation, or order in
22 effect on the date of unification remains in effect until superseded
23 by action of the unified municipality.

24 Sec. 29.06.400. RIGHT TO STATE AND FEDERAL AID. All provisions
25 of law authorizing aid from the state or federal government to a
26 former municipality that was in the area of a unified municipality
27 remain in effect after unification.

28 Sec. 29.06.410. POWERS OF A UNIFIED MUNICIPALITY. A municipal-
29 ity unified under AS 29.06.190 - 29.06.410 has all powers

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

2 (2) granted to a home rule borough.

3 Sec. 29.06.420. APPLICATION. AS 29.06.190 - 29.06.420 apply to
4 home rule and general law municipalities.

5 ARTICLE 5. DISSOLUTION.

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

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

10 (2) the local option method specified in AS 29.06.460 -
11 29.06.510.

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

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

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

26 (b) The petition must include

27 (1) the name of the municipality;

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

1 Sec. 29.06.470. STANDARDS. (a) Except as provided in (b) of
2 this section, voters of a municipality may petition for dissolution
3 when the municipality is free of debt, or, if in debt, each of its
4 creditors is satisfied with a method of repayment and

5 (1) it no longer meets the minimum standards prescribed for
6 incorporation by AS 29.05, or former AS 29.18.030 if it is a third
7 class borough; or

8 (2) the municipality ceases to use each of its mandatory
9 powers.

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

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

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

19 Sec. 29.06.490. REPORT AND HEARING. (a) The department shall
20 report its findings to the Local Boundary Commission with its recom-
21 mendation regarding the dissolution of a municipality.

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

24 Sec. 29.06.500. DECISION. (a) If the Local Boundary Commission
25 determines that a municipality fails to meet the standards for disso-
26 lution, it shall reject the petition. If the commission determines
27 that the municipality meets the standards, it shall accept the peti-
28 tion.

29 (b) A Local Boundary Commission decision under this section may

1 be appealed under the Administrative Procedure Act (AS 44.62).

2 Sec. 29.06.510. ELECTION. (a) The Local Boundary Commission
3 shall immediately notify the director of elections of its acceptance
4 of a dissolution petition. Within 30 days after notification, the
5 director of elections shall order an election in the municipality to
6 determine whether the voters desire dissolution. The election must be
7 held at least 30 and not more than 90 days after the election order.
8 A person who is a voter of the municipality may vote in the dissolu-
9 tion election.

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

13 (c) The director of elections shall certify the election re-
14 sults. If dissolution is approved, the director of elections shall
15 declare that the municipality is dissolved effective on the date of
16 certification.

17 Sec. 29.06.520. SUCCESSION. The government succeeding to a dis-
18 solved municipality succeeds to all its rights, powers, duties, as-
19 sets, and liabilities.

20 Sec. 29.06.530. APPLICATION. AS 29.06.450 - 29.06.530 apply to
21 home rule and general law municipalities.

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

23 CHAPTER 10. HOME RULE MUNICIPALITIES.

24 ARTICLE 1. CHARTERS.

25 Sec. 29.10.010. MUNICIPAL CHARTER ADOPTION. (a) A general law
26 borough or first class city may adopt a charter for its own govern-
27 ment. A second class city may adopt a charter for its own government
28 if the department determines from the best figures available that the
29 population of the city is at least 600 permanent residents.

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

4 (c) At an election for borough incorporation, an area in the
5 unorganized borough may adopt a charter for its own government and in-
6 corporate as a home rule municipality.

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

8 (e) A proposed charter for an existing municipality is prepared
9 by a charter commission of seven elected members. A charter commis-
10 sion election is called by filing a petition with the governing body
11 or by resolution of the governing body. The petition shall be signed
12 by a number of voters equal to 15 percent of the votes cast in the
13 last regular election in the municipality.

14 (f) The proposed charter for an unincorporated community or an
15 area of the unorganized borough shall be prepared by the petitioners
16 and filed under AS 29.05.060 with the petition to incorporate a home
17 rule municipality.

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

23 Sec. 29.10.030. INITIATIVE AND REFERENDUM. (a) A home rule
24 charter shall provide procedures for initiative and referendum.

25 (b) A charter may not require an initiative or referendum peti-
26 tion to have a number of signatures greater than 25 percent of the
27 total votes cast in the municipality at the last regular election.

28 (c) A charter may not permit the initiative and referendum to be
29 used for a purpose prohibited by art. XI, sec. 7 of the state

1 constitution.

2 Sec. 29.10.040. CHARTER COMMISSION CANDIDATES. (a) A candidate
3 for a charter commission shall be a voter of an existing municipality
4 for three years immediately preceding the charter commission election.

5 (b) A charter commission candidate is nominated by a petition
6 signed by at least 50 voters or the number of voters equal to 10
7 percent of the number of votes cast in the municipality during the
8 last regular election, whichever is less. A nomination petition shall
9 be filed with the municipal clerk on or before a date fixed by the
10 governing body.

11 (c) If at least seven nominations for qualified charter commis-
12 sion candidates are not filed, the petition or resolution calling for
13 a charter commission is void and no election on the question may be
14 held.

15 Sec. 29.10.050. CHARTER COMMISSION ELECTION. At a charter com-
16 mission election the voters of an existing municipality shall consider
17 the question "Shall a charter commission be elected to prepare a pro-
18 posed charter?" and shall elect the members of the commission. If the
19 question is approved, the seven candidates receiving the highest
20 number of votes shall immediately organize as a charter commission.

21 Sec. 29.10.060. PREPARATION OF CHARTER BY CHARTER COMMISSION.
22 The charter commission shall, within one year, prepare a proposed home
23 rule charter for an existing municipality. The proposed charter shall
24 be signed by a majority of the members of the commission and filed in
25 the office of the municipal clerk. Within 15 days, the clerk shall
26 have the proposed charter published and make copies available. The
27 commission shall give published notice of and hold at least one public
28 hearing on the proposed charter before the signing and filing of the
29 charter.

1 Sec. 29.10.070. CHARTER ELECTION. The proposed home rule char-
2 ter for an existing municipality shall be submitted to the voters at
3 an election held not less than 30 days or more than 90 days after the
4 proposed charter is published. The proposed home rule charter for an
5 unincorporated community or for an area in the unorganized borough
6 shall be submitted to the voters at an incorporation election held
7 under AS 29.05.110.

8 Sec. 29.10.080. CHARTER ADOPTION. (a) If a majority of those
9 voting in an existing municipality favor the proposed charter or if a
10 majority of those voting in an unincorporated community or in an area
11 in the unorganized borough favor incorporation of a home rule munic-
12 ipality, the proposed charter becomes the organic law of the municipal-
13 ity effective on the date the election is certified. Thereafter, a
14 court shall take judicial notice of the charter. The new home rule
15 municipality shall file the indicated number of copies of the charter
16 with

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

18 (2) the department -- two copies;

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

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

21 (b) At the time of voting on the proposed charter in a third
22 class borough, voters shall vote also on whether the borough shall, on
23 adoption of the charter, retain a combined assembly and school board
24 or elect a separate assembly and board as otherwise provided for home
25 rule boroughs. If a combined assembly and school board are approved
26 at the charter election, the assembly serving at the time of the
27 election continues to serve as the assembly and board on voter ap-
28 proval of the charter and until terms of assembly members expire as
29 provided before adoption of the charter. If a separate board and

1 assembly are approved at the charter election, a school board shall be
2 elected in conformity with AS 14.12.030 - 14.12.100 at the next regu-
3 lar election, if it occurs within 90 days of the date of the charter
4 election, or otherwise at a special election within 90 days of the
5 date of the charter election. Expiration dates of terms of school
6 board members elected at a special election must coincide with the
7 date of the regular election. Until a board is elected and qualified,
8 the assembly continues to serve as the board.

9 Sec. 29.10.090. CHARTER REJECTION. (a) If a proposed charter
10 for an existing municipality is rejected, the charter commission shall
11 prepare another proposed charter to be submitted to the voters at an
12 election to be held within one year after the date of the first char-
13 ter election. If the second proposed charter is also rejected, the
14 charter commission shall be dissolved and the question of adoption of
15 a charter shall be treated as if it had never been proposed or ap-
16 proved.

17 (b) If incorporation of a home rule municipality is rejected by
18 the voters in an unincorporated community or area in the unorganized
19 borough, the proposed charter is rejected.

20 Sec. 29.10.100. CHARTER AMENDMENT. (a) A home rule charter may
21 be amended as provided in the charter, except that no amendment is
22 effective unless ratified by the voters.

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

24 ARTICLE 2. HOME RULE LIMITATIONS.

25 Sec. 29.10.200. LIMITATION OF HOME RULE POWERS. Only the fol-
26 lowing provisions of this title apply to home rule municipalities as
27 prohibitions on acting otherwise than as provided. These provisions
28 supersede existing and prohibit future home rule enactments that
29 provide otherwise:

- 1 (1) AS 29.05.140 (transition)
- 2 (2) AS 29.06.010 (change of municipal name)
- 3 (3) AS 29.06.040 - 29.06.060 (annexation and detachment)
- 4 (4) AS 29.06.090 - 29.06.170 (merger and consolidation)
- 5 (5) AS 29.06.190 - 29.06.420 (unification of municipali-
- 6 ties)
- 7 (6) AS 29.06.450 - 29.06.530 (dissolution)
- 8 (7) AS 29.10.100 - (charter amendment)
- 9 (8) AS 29.20.010 (conflict of interest)
- 10 (9) AS 29.20.020 (meetings public)
- 11 (10) AS 29.20.050 (legislative power)
- 12 (11) AS 29.20.060 - 29.20.120 (assembly composition and
- 13 apportionment)
- 14 (12) AS 29.20.140 (qualifications of members of governing
- 15 bodies)
- 16 (13) AS 29.20.150 (term of office)
- 17 (14) AS 29.20.220 (executive power)
- 18 (15) AS 29.20.630 (prohibitions)
- 19 (16) AS 29.20.640 (reports)
- 20 (17) AS 29.25.010(a)(10) (municipal exemption on contractor
- 21 bond requirements)
- 22 (18) AS 29.25.050 (codification)
- 23 (19) AS 29.25.060 (resolutions)
- 24 (20) AS 29.26.030 (notice of elections)
- 25 (21) AS 29.26.050 (voter qualification)
- 26 (22) AS 29.26.250 - 29.26.360 (recall)
- 27 (23) AS 29.35.020 (extraterritorial jurisdiction)
- 28 (24) AS 29.35.030 (eminent domain)
- 29 (25) AS 29.35.050 (garbage and solid waste services)

- 1 (26) AS 29.35.070 (public utilities)
2 (27) AS 29.35.080 (alcoholic beverages)
3 (28) AS 29.35.120 (post audit)
4 (29) AS 29.35.160 (education)
5 (30) AS 29.35.170(b) (assessment and collection of taxes)
6 (31) AS 29.35.180(b) (land use regulation)
7 (32) AS 29.35.250 (cities inside boroughs)
8 (33) AS 29.35.260 (cities outside boroughs)
9 (34) AS 29.35.340 (acquisition of areawide power)
10 (35) AS 29.40.160(a) - (c) (title to vacated areas)
11 (36) AS 29.40.200 (subdivisions of state land)
12 (37) AS 29.45.010 - 29.45.570 (property taxes)
13 (38) AS 29.45.650(c) and (d) (sales and use tax)
14 (39) AS 29.46.090 (exemption from special assessment)
15 (40) AS 29.47.200(b) (security for bonds)
16 (41) AS 29.47.260 (construction)
17 (42) AS 29.60.050(a) (limitation on computation and use of
18 payment)
19 (43) AS 29.60.120(a) and (c) (state aid for health facili-
20 ties and hospitals)
21 (44) AS 29.65.010 - 29.65.140 (general grant land)

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

23 CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

24 ARTICLE 1. CONFLICT OF INTEREST AND PUBLIC MEETINGS.

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

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

1 (2) the presiding officer shall rule on a request by a
2 member of the governing body to be excused from a vote;

3 (3) the decision of the presiding officer on a request by a
4 member of the governing body to be excused from a vote may be overrid-
5 den by the majority vote of the governing body; and

6 (4) a municipal employee or official, other than a member
7 of the governing body, may not participate in an official action in
8 which the employee or official has a substantial financial interest.

9 (b) If a municipality fails to adopt a conflict of interest
10 ordinance within 180 days after January 1, 1986, the provisions of
11 this section are automatically applicable to and binding upon that
12 municipality.

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

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

19 (b) This section applies to home rule and general law municipal-
20 ities.

21 ARTICLE 2. GOVERNING BODIES.

22 Sec. 29.20.050. LEGISLATIVE POWER. (a) The legislative power
23 of a borough is vested in the assembly. The legislative power of a
24 city is vested in the council.

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

27 Sec. 29.20.060. ASSEMBLY COMPOSITION AND APPORTIONMENT. (a)
28 Assembly composition and apportionment shall be consistent with the
29 equal representation standards of the Constitution of the United

1 States.

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

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

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

13 (e) This section applies to home rule and general law municipal-
14 ities.

15 Sec. 29.20.070. ASSEMBLY COMPOSITION AND FORM OF REPRESENTATION.

16 (a) The assembly shall provide for its composition and for the form
17 of its representation.

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

24 (1) election of members of the assembly at large by the
25 voters throughout the borough;

26 (2) election of members of the assembly by district, in-
27 cluding

28 (A) election at large by the voters throughout the
29 borough, but with a requirement that a candidate live in an

1 election district established by the borough for election of
2 assembly members; or

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

6 (3) election of members of the assembly both at large and
7 by district.

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

12 (d) The assembly shall, within 30 days after certification of
13 the results of the election held under this section, adopt an ordi-
14 nance providing for

15 (1) composition of the assembly;

16 (2) the form of assembly representation that received the
17 most votes; and

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

21 (e) This section applies to home rule and general law municipal-
22 ities, except it does not apply to a

23 (1) unified municipality;

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

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

1 whether the existing apportionment of the assembly meets the standards
2 of AS 29.20.060. If the assembly submits to the voters a form of
3 representation that includes election of assembly members under
4 AS 29.20.070(b)(2) or (b)(3) the assembly shall submit with the propo-
5 sition a proposed plan of apportionment that corresponds to the form
6 of representation proposed. The assembly shall describe the plan of
7 apportionment in the ballot proposition, and may present the plan in
8 any manner that it believes accurately describes the apportionment
9 that is proposed under the form of representation. If the assembly
10 determines that its existing apportionment meets the standards of
11 AS 29.20.060, the assembly may include the existing apportionment as a
12 proposed plan of apportionment of assembly seats that corresponds to a
13 form of representation that is proposed.

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

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

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

1 majority of the votes cast.

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

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

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

1 petition.

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

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

17 (e) If at the end of the time period provided under (d) of this
18 section an ordinance providing for reapportionment has not been ap-
19 proved by the voters, the commissioner shall provide for the reappor-
20 tionment of the assembly in accordance with the standards of AS 29.-
21 20.060 by preparing an order of reapportionment and delivering the
22 order to the borough mayor.

23 Sec. 29.20.100. JUDICIAL REVIEW AND RELIEF. (a) The commis-
24 sioner may request the superior court to enforce a reapportionment
25 order issued under AS 29.20.090(e).

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

27 (1) a plan of reapportionment approved by the voters under
28 AS 29.20.080(a);

29 (2) a determination by the assembly under AS 29.20.080 that

1 the standards of AS 29.20.060 do not require a change in apportionment;
2

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

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

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

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

11 Sec. 29.20.110. EFFECTIVE DATE OF APPORTIONMENT. (a) A change
12 in assembly apportionment or composition under AS 29.20.080 or 29.20.-
13 090 is effective beginning with the first regular election for members
14 of the assembly that is held more than 60 days after the later of

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

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

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

7 Sec. 29.20.120. APPLICABILITY OF APPORTIONMENT PROVISIONS. The
8 provisions of AS 29.20.080 - 29.20.110 apply to home rule and general
9 law municipalities, except they do not apply to a

10 (1) unified municipality;

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

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

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

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

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

1 regular election unless provided otherwise by ordinance.

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

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

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

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

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

18 (d) This section applies to home rule and general law municipal-
19 ities.

20 Sec. 29.20.160. PROCEDURES OF GOVERNING BODIES. (a) The assem-
21 bly shall elect from among its members a presiding officer and a
22 deputy presiding officer to serve at the pleasure of the members,
23 except that in a borough that has adopted a manager form of government
24 under AS 29.20.460 - 29.20.510 the mayor serves as presiding officer.
25 In a city the mayor serves as presiding officer. If the presiding
26 officer is not present or if the presiding officer is personally
27 disqualified, the deputy presiding officer shall preside.

28 (b) A governing body shall hold at least one regular meeting
29 each month unless otherwise provided by ordinance. If a majority of

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

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

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

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

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

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

1 when the person elected

2 (1) fails to qualify or take office within 30 days after
3 election or appointment;

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

6 (3) resigns and the resignation is accepted;

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

9 (5) is convicted of a felony or of an offense involving a
10 violation of the oath of office;

11 (6) is convicted of a felony or misdemeanor described in
12 AS 15.56 and two-thirds of the members of the governing body concur in
13 expelling the person elected;

14 (7) is convicted of a violation of AS 15.13;

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

17 (9) if a member of the governing body, misses three consec-
18 utive regular meetings and is not excused.

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

24 (b) Notwithstanding (a) of this section, if the membership is
25 reduced to fewer than the number required to constitute a quorum, the
26 remaining members shall, within seven days, appoint a number of quali-
27 fied persons to constitute a quorum.

28 (c) A person appointed under this section serves until the next
29 regular election, when a successor shall be elected to serve the

1 balance of the term.

2 ARTICLE 3. MUNICIPAL EXECUTIVE AND ADMINISTRATOR.

3 Sec. 29.20.220. EXECUTIVE POWER. (a) The executive power in a
4 municipality is vested in a mayor. The mayor of a home rule or uni-
5 fied municipality is elected by the voters. The mayors of other
6 municipalities are elected in accordance with AS 29.20.230.

7 (b) The mayor acts as ceremonial head of government, executes
8 official documents on authorization of the governing body, and is
9 responsible for additional duties and powers prescribed by this chap-
10 ter or by home rule charter.

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

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

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

28 (c) Except by ordinance ratified by the voters, no limit may be
29 placed on the total number of terms or number of consecutive terms a

1 mayor may serve.

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

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

8 Sec. 29.20.250. POWERS AND DUTIES OF MAYOR. (a) If a munici-
9 pality has not adopted a manager plan of government, the mayor is the
10 chief administrator and the mayor has the same powers and duties as
11 those of a manager under AS 29.20.500.

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

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

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

27 (b) A veto must be exercised before the next regular meeting of
28 the governing body and must be accompanied by a written explanation of
29 the reasons for the veto. A veto may be overridden by vote of two-

1 thirds of the authorized membership of the governing body within 21
2 days following exercise of the veto, or at the next regular meeting,
3 whichever is later.

4 (c) The veto does not extend to

5 (1) appropriation items in a school budget ordinance;

6 (2) actions of the governing body sitting as the board of
7 equalization or the board of adjustment;

8 (3) adoption or repeal of a manager plan of government.

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

10 Sec. 29.20.280. VACANCY IN THE OFFICE OF MAYOR. (a) The gov-
11 erning body shall, by two-thirds concurring vote, declare the office
12 of mayor vacant only when the person elected

13 (1) fails to qualify or take office within 30 days after
14 election or appointment;

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

17 (3) resigns and the resignation is accepted;

18 (4) is physically or mentally unable to perform the duties
19 of office;

20 (5) is convicted of a felony or of an offense involving a
21 violation of the oath of office;

22 (6) is convicted of a felony or misdemeanor described in
23 AS 15.56;

24 (7) is convicted of a violation of AS 15.13;

25 (8) no longer physically resides in the municipality; or

26 (9) if a member of the governing body in a second class
27 city, misses three consecutive regular meetings and is not excused.

28 (b) A vacancy in the office of mayor occurring six months before
29 a regular election shall be filled by the governing body. The person

1 appointed serves until the next regular election when a successor is
2 elected to serve the balance of the term. If a member of the govern-
3 ing body is appointed mayor, the member shall resign the seat on the
4 governing body. If a vacancy occurs more than six months before a
5 regular election, the governing body shall call a special election to
6 fill the unexpired term.

7 (c) Notwithstanding (b) of this section, a vacancy in the office
8 of mayor of a second class city shall be filled by and from the coun-
9 cil. A mayor appointed under this subsection serves the balance of
10 the term to which appointed, except the mayor may serve only while a
11 member of the council.

12 ARTICLE 4. BOARDS AND COMMISSIONS.

13 Sec. 29.20.300. SCHOOL BOARDS. (a) Each municipal school dis-
14 trict has a school board. Except as provided in (b) of this section,
15 members of a school board are elected at the regular election for
16 three-year terms and until their successors take office. Members are
17 elected at large unless a different method of election has been ap-
18 proved by the voters in a regular election.

19 (b) The assembly is the school board for a third class borough.
20 The mayor is the presiding officer of the assembly and president of
21 the school board. However, the mayor may not veto an action of the
22 school board.

23 Sec. 29.20.310. UTILITY BOARDS. (a) The governing body of a
24 municipality operating a public utility may provide by ordinance for a
25 utility board of five members and define the board's powers and
26 duties.

27 (b) As determined by ordinance, members of a utility board are
28 either appointed by the mayor and confirmed by the governing body or
29 are elected at a regular election. The term of a utility board member

1 is two years and until a successor is selected and qualifies. How-
2 ever, the governing body may by ordinance provide for a different term
3 not to exceed four years. The current term of an elected incumbent
4 may not be altered.

5 (c) Vacancies on a utility board are filled by the mayor.
6 Executive appointments shall be confirmed by the governing body. A
7 person appointed to fill a vacancy on a utility board serves until the
8 expiration of the term for which appointed and until a successor is
9 elected and qualifies.

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

12 (1) choose its chairman and secretary;

13 (2) appoint the manager of the public utility for a term
14 not longer than five years and set the manager's salary;

15 (3) formulate and enforce the general rules and policies of
16 the utility.

17 Sec. 29.20.320. OTHER BOARDS AND COMMISSIONS. (a) The govern-
18 ing body may by ordinance establish advisory, administrative, techni-
19 cal, or quasi-judicial boards and commissions.

20 (b) Members of boards and commissions, except for members of the
21 board of adjustment and assembly members serving on the board of
22 equalization, are appointed by the mayor and confirmed by the govern-
23 ing body.

24 ARTICLE 5. OTHER OFFICIALS AND EMPLOYEES.

25 Sec. 29.20.360. APPOINTMENT OF OFFICIALS. Unless otherwise pro-
26 vided by ordinance, the municipal clerk, attorney, treasurer, and
27 police chief are appointed by the chief administrator. Unless other-
28 wise provided by ordinance, an official described in this section
29 serves at the pleasure of the appointing authority and, if appointed

1 by the chief administrator, must be confirmed by the governing body.

2 Sec. 29.20.370. MUNICIPAL ATTORNEY. The municipal attorney is
3 the legal advisor of the governing body, the school board, and the
4 other officials of the municipality. The municipal attorney repre-
5 sents the municipality as attorney in civil and criminal proceedings.
6 The school board may hire independent counsel when in its judgment
7 independent counsel is needed.

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

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

11 (2) attend meetings of the governing body and keep the
12 journal;

13 (3) arrange publication of notices, ordinances, and resolu-
14 tions;

15 (4) maintain and make available for public inspection an
16 indexed file containing municipal ordinances, resolutions, rules,
17 regulations, and codes;

18 (5) attest deeds and other documents;

19 (6) perform other duties specified in this title or pre-
20 scribed by the chief administrator or by the governing body.

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

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

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

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

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

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

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

18 ARTICLE 6. MANAGER PLAN.

19 Sec. 29.20.460. MANAGER PLAN. A municipality may adopt a man-
20 ager plan of government. Adoption of a manager plan may be initiated
21 either by petition or by motion of the governing body. A petition for
22 the adoption of a manager plan is submitted to the governing body.
23 The petition must be signed by a number of voters equal to the follow-
24 ing percentage of the votes cast at the preceding regular election:

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

27 (2) 15 percent if the municipality has 7,500 persons or
28 more.

29 Sec. 29.20.470. ELECTION ON ADOPTION OF MANAGER PLAN. On

1 receipt of a petition to adopt a manager plan or on its own motion to
2 adopt a manager plan, the governing body shall provide by ordinance or
3 resolution for a vote on the question at the next election.

4 Sec. 29.20.480. ADOPTION OF MANAGER PLAN. (a) If a manager
5 plan is approved, the governing body shall, within 60 days, adopt the
6 plan by ordinance or resolution.

7 (b) The governing body shall notify the department of the adop-
8 tion of a manager plan.

9 Sec. 29.20.490. APPOINTMENT OF MANAGER. (a) The governing body
10 shall appoint a manager by a majority vote of its membership. A
11 manager is chosen on the basis of administrative qualifications and
12 receives the compensation set by the governing body. A member of the
13 governing body may not be appointed manager of the municipality sooner
14 than one year after leaving office, except by a vote of three-fourths
15 of the authorized membership of the governing body.

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

18 Sec. 29.20.500. POWERS AND DUTIES OF A MANAGER. The manager may
19 hire necessary administrative assistants and may authorize an adminis-
20 trative official to appoint, suspend, or remove subordinates. As
21 chief administrator the manager shall

22 (1) appoint, suspend, or remove municipal employees and
23 administrative officials, except as provided otherwise in this title
24 and AS 14.14.065;

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

27 (3) prepare and submit an annual budget and capital im-
28 provement program for consideration by the governing body, and execute
29 the budget and capital improvement program adopted;

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

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

5 (6) perform other duties required by law or by the govern-
6 ing body; and

7 (7) serve as personnel officer, unless the governing body
8 authorizes the manager to appoint a personnel officer.

9 Sec. 29.20.510. INTERGOVERNMENTAL APPOINTMENT OF MANAGER. A
10 borough adopting a manager plan may, on agreement with a city in the
11 borough, provide that the manager of the city serve also as borough
12 manager. A city adopting a manager plan may, on agreement with the
13 borough in which it is located, provide that the manager of the bor-
14 ough serve also as city manager. Appointment and service of the
15 manager shall be as provided in AS 29.20.490 - 29.20.500. Nothing in
16 this section affects the authority of the governing body to provide
17 for other dual officeholding if the dual offices held are compatible,
18 or otherwise to appoint officials and employees in accordance with
19 law.

20 Sec. 29.20.520. REPEAL OF MANAGER PLAN. A municipality may
21 repeal a manager plan in the same manner used for its adoption.
22 Within 60 days after repeal of a manager plan, the governing body
23 shall enact provisions for the reorganization of the municipal execu-
24 tive and administrative functions.

25 ARTICLE 7. MISCELLANEOUS PROVISIONS.

26 Sec. 29.20.600. OATHS OF OFFICE. Before taking office a munici-
27 pal official shall affirm in writing that the duties of the office
28 will be honestly, faithfully, and impartially performed by the offi-
29 cial. The oath is filed with the municipal clerk.

1 Sec. 29.20.610. BONDING. The manager and the other municipal
2 officials or employees that the governing body may designate shall
3 give bond in the amount and with the surety prescribed by the govern-
4 ing body. Premiums on bonds are paid by the municipality.

5 Sec. 29.20.620. COMPENSATION FOR ELECTED OFFICIALS. The govern-
6 ing body shall by ordinance provide a method of determining the sal-
7 aries of elected officials. The salary of the mayor may not be re-
8 duced during the term of office of the mayor, unless during the term a
9 manager plan is adopted. An elected official may not receive com-
10 pensation for service to the municipality in addition to the salary
11 received as an elected official, unless otherwise provided by ordi-
12 nance. Per diem payments or reimbursements for expenses are not
13 compensation under this section.

14 Sec. 29.20.630. PROHIBITIONS. (a) A person may not be in any
15 way favored or discriminated against with respect to municipal
16 employment because of the person's race, color, sex, creed, national
17 origin or, unless otherwise contrary to law, because of the person's
18 political opinions or affiliations.

19 (b) Subject to AS 14.14.140, a state employee or school district
20 employee may not be denied the right to serve as an elected municipal
21 official because of employment by the state or a school district. For
22 purposes of this subsection a school district employee is not a
23 municipal employee.

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

26 Sec. 29.20.640. REPORTS. (a) A municipality shall file with
27 the department

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

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

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

4 (4) a copy of the current annual budget of the municipal-
5 ity;

6 (5) a summary of the optional property tax exemptions
7 authorized together with the estimate of the revenues lost to the
8 municipality by operation of each of the exemptions.

9 (b) Compliance with the provisions of this section is a prereq-
10 uisite to receipt of municipal tax resource equalization assistance
11 under AS 29.60.010 - 29.60.080 and state aid for miscellaneous munici-
12 pal services under AS 29.60.100 - 29.60.180. If a municipality does
13 not comply with this section, the department shall withhold the allo-
14 cations until the required reports are filed.

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

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

18 CHAPTER 25. MUNICIPAL ENACTMENTS.

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

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

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

26 (3) provide for the levying of taxes;

27 (4) make appropriations, including supplemental appropria-
28 tions or transfer of appropriations;

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

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

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

6 (8) designate the borough seat;

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

9 (10) exempt contractors from compliance with general re-
10 quirements relating to payment and performance bonds in the construc-
11 tion or repair of municipal public works projects within the limita-
12 tions set out in AS 36.25.025; this paragraph applies to home rule and
13 general law municipalities.

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

16 Sec. 29.25.020. ORDINANCE PROCEDURE. (a) An ordinance is
17 introduced in writing in the form required by the governing body.

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

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

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

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

28 (4) copies of the ordinance shall be available to all
29 persons present at the hearing, or the ordinance shall be read in

1 full;

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

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

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

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

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

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

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

25 Sec. 29.25.040. CODES OF REGULATION. The governing body may in
26 a single ordinance adopt or amend by reference provisions of a pub-
27 lished code of municipal regulations. The procedure under AS 29.25.-
28 020 applies to an ordinance adopted under this section, except that
29 neither the ordinance or its amendments must be distributed to the

1 public or read in full at the public hearing. For a period of 15 days
2 before adoption of an ordinance under this section, at least five
3 copies of the code of regulations shall be made available for public
4 inspection at a time and place set out in the hearing notice. Only
5 the ordinance must be printed after it is adopted under this section.
6 The governing body shall provide for an adopted code of regulations to
7 be made available to the public at no more than cost.

8 Sec. 29.25.050. CODIFICATION. (a) Each ordinance shall be
9 codified after it is adopted.

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

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

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

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

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

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

1 have been adopted.

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

4 Sec. 29.25.070. PENALTIES. (a) For the violation of an ordi-
5 nance, a municipality may by ordinance prescribe a penalty not to
6 exceed a fine of \$1,000 and imprisonment for 90 days.

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

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

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

20 CHAPTER 26. ELECTIONS.

21 ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Sec. 29.26.060. RUNOFF ELECTIONS. (a) Unless otherwise pro-
2 vided by ordinance, a runoff election shall be held if no candidate
3 receives over 40 percent of the votes cast for the office of

4 (1) mayor; or

5 (2) member of the governing body or school board if candi-
6 dates run for a designated seat.

7 (b) Unless otherwise provided by ordinance, if candidates for
8 the governing body or school board run at large, a runoff election for
9 a seat shall be held if no candidate receives a number of votes great-
10 er than 40 percent of the total votes cast for all candidates divided
11 by the number of seats to be filled.

12 (c) Unless otherwise provided by ordinance, a runoff election
13 shall be held within three weeks after the date of certification of
14 the election for which a runoff is required, and notice of the runoff
15 election shall be published at least five days before the election
16 date. The runoff election shall be between the two candidates receiv-
17 ing the greatest number of votes for the seat.

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

21 (b) Unless otherwise provided by ordinance, an election may be
22 contested only by a voter by filing a written affidavit with the
23 municipal clerk specifying with particularity the grounds for the
24 contest. An election may be contested before or during the first
25 canvass of ballots by the governing body.

26 (c) Unless otherwise provided by ordinance, the governing body
27 shall declare the election results at the first meeting to canvass the
28 election, record the results in the minutes of that meeting, and
29 authorize the results to be certified.

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

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

14 ARTICLE 2. INITIATIVE AND REFERENDUM.

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

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

29 (1) is not restricted by AS 29.26.100;

- 1 (2) includes only a single subject;
2 (3) relates to a legislative rather than to an administra-
3 tive matter; and
4 (4) would be enforceable as a matter of law.

5 (b) A decision by the clerk on an application for petition is
6 subject to judicial review.

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

11 (1) a summary of the ordinance or resolution to be initi-
12 ated or the ordinance or resolution to be referred;

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

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

16 (4) notice that signatures must be secured within 90 days
17 after the date the petition is issued;

18 (5) spaces for each signature, the printed name of each
19 signer, the date each signature is affixed, and the residence and
20 mailing addresses of each signer;

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

26 (7) space for indicating the total number of signatures on
27 the petition.

28 (b) If a petition consists of more than one page, each page
29 shall contain the summary of the ordinance or resolution to be

1 initiated or the ordinance or resolution to be referred.

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

4 Sec. 29.26.130. SIGNATURE REQUIREMENTS. (a) The signatures on
5 an initiative or referendum petition shall be secured within 90 days
6 after the clerk issues the petition. The statement provided under
7 AS 29.26.120(a)(6) shall be signed and dated by the sponsor. Signa-
8 tures shall be in ink or indelible pencil.

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

13 (1) 25 percent of the votes cast if a municipality has
14 fewer than 7,500 persons; or

15 (2) 15 percent of the votes cast if a municipality has
16 7,500 persons or more.

17 (c) Illegible signatures shall be rejected by the clerk unless
18 accompanied by a legible printed name. Signatures not accompanied by
19 a legible residence address shall be rejected.

20 (d) A petition signer may withdraw the signer's signature on
21 written application to the clerk before certification of the petition.

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

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

27 (2) if the petition is insufficient, identify the insuffi-
28 ciency and notify the sponsors at the address provided under AS 29.-
29 26.110(a) by certified mail.

1 (b) A petition that is insufficient may be supplemented with
2 additional signatures obtained and filed before the 11th day after the
3 date on which the petition is rejected.

4 (c) A petition that is insufficient shall be rejected and filed
5 as a public record unless it is supplemented under (b) of this sec-
6 tion. Within 10 days after a supplementary filing the clerk shall
7 recertify the petition. If it is still insufficient, the petition is
8 rejected and filed as a public record.

9 Sec. 29.26.150. PROTEST. If the municipal clerk certifies an
10 initiative or referendum petition is insufficient, a signer of the
11 petition may file a protest with the mayor within seven days after the
12 certification. The mayor shall present the protest at the next regu-
13 lar meeting of the governing body. The governing body shall hear and
14 decide the protest.

15 Sec. 29.26.160. NEW PETITION. Failure to secure sufficient
16 signatures does not preclude the filing of a new initiative or refer-
17 endum petition. However, a new petition on substantially the same
18 matter may not be filed sooner than six months after a petition is
19 rejected as insufficient.

20 Sec. 29.26.170. INITIATIVE ELECTION. (a) Unless substantially
21 the same measure is adopted, when a petition seeks an initiative vote
22 the clerk shall submit the matter to the voters at the next regular
23 election occurring no sooner than 45 days after certification of the
24 petition. If no regular election occurs within 75 days after the
25 certification of a petition, the governing body shall hold a special
26 election within 75 days, but not sooner than 45 days after certifica-
27 tion.

28 (b) If the governing body adopts substantially the same measure,
29 the petition is void and the matter initiated may not be placed before

1 the voters.

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

5 (d) If a majority vote favors the ordinance or resolution, it
6 becomes effective upon certification of the election, unless a diff-
7 erent effective date is provided in the ordinance or resolution.

8 Sec. 29.26.180. REFERENDUM ELECTION. (a) Unless the ordinance
9 or resolution is repealed, when a petition seeks a referendum vote the
10 clerk shall submit the matter to the voters at the next election
11 occurring no sooner than 45 days after certification of the petition.
12 If no election occurs within 75 days of certification of a petition,
13 the governing body shall hold a special election within 75 days, but
14 not sooner than 45 days after certification.

15 (b) If a petition is certified before the effective date of the
16 matter referred, the ordinance or resolution against which the peti-
17 tion is filed shall be suspended pending the referendum vote. During
18 the period of suspension, the governing body may not enact an ordi-
19 nance or resolution substantially similar to the suspended measure.

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

23 (d) If a majority vote favors the repeal of the matter referred,
24 it is repealed. Otherwise, the matter referred remains in effect or,
25 if it has been suspended, becomes effective on certification of the
26 election.

27 Sec. 29.26.190. EFFECT. (a) The effect of an ordinance or
28 resolution may not be modified or negated within two years after its
29 effective date if adopted in an initiative election or if adopted

1 after a petition that contains substantially the same measure has been
2 filed.

3 (b) If an ordinance or resolution is repealed in a referendum
4 election or by the governing body after a petition that contains sub-
5 stantially the same measure has been filed, substantially similar
6 legislation may not be enacted by the governing body for a period of
7 two years.

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

12 ARTICLE 3. RECALL.

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

17 Sec. 29.26.250. GROUNDS FOR RECALL. Grounds for recall are
18 misconduct in office, incompetence, or failure to perform prescribed
19 duties.

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

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

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

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

29 (b) An additional sponsor may be added at any time before the

1 petition is filed by submitting the name of the sponsor to the clerk.

2 Sec. 29.26.270. RECALL PETITION. (a) If the municipal clerk
3 determines that an application for a recall petition meets the re-
4 quirements of AS 29.26.260, the clerk shall prepare a recall petition.
5 All copies of the petition shall contain

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

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

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

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

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

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

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

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

24 Sec. 29.26.280. SIGNATURE REQUIREMENTS. (a) The signatures on
25 a recall petition shall be secured within 60 days after the date the
26 clerk issues the petition. The statement provided under AS 29.26.-
27 270(a)(6) shall be completed and signed by the sponsor. Signatures
28 shall be in ink or indelible pencil.

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

1 on a petition and inform each sponsor. If a petition seeks to recall
2 an official who represents the municipality at large, the petition
3 shall be signed by a number of voters equal to 25 percent of the
4 number of votes cast for that office at the last regular election held
5 before the date the petition was issued. If a petition seeks to
6 recall an official who represents a district, the petition shall be
7 signed by a number of the voters residing in the district equal to 25
8 percent of the number of votes cast in the district for that office at
9 the last regular election held before the date the petition was is-
10 sued.

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

14 (d) A petition signer may withdraw the signer's signature upon
15 written application to the clerk before certification of the petition.

16 Sec. 29.26.290. SUFFICIENCY OF PETITION. (a) The copies of a
17 recall petition shall be assembled and filed as a single instrument.
18 A petition may not be filed within 180 days before the end of the term
19 of office of the official sought to be recalled. Within 10 days after
20 the date a petition is filed, 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.-
24 26.260(a)(2) by certified mail.

25 (b) A petition that is insufficient may be supplemented with
26 additional signatures obtained and filed before the 11th day after the
27 date on which the petition is rejected if

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

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

4 (c) A petition that is insufficient shall be rejected and filed
5 as a public record unless it is supplemented under (b) of this sec-
6 tion. Within 10 days after the supplementary filing the clerk shall
7 recertify the petition. If it is still insufficient, the petition is
8 rejected and filed as a public record.

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

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

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

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

23 (c) If a vacancy occurs in the office after a sufficient recall
24 petition is filed with the clerk, the recall question may not be sub-
25 mitted to the voters. The governing body may not appoint to the same
26 office an official who resigns after a sufficient recall petition is
27 filed naming that official.

28 Sec. 29.26.330. FORM OF RECALL BALLOT. A recall ballot shall
29 contain

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

3 (2) a statement by the official named on the recall peti-
4 tion of 200 words or less, if the statement is filed with the clerk
5 for publication and public inspection within 20 days before the elec-
6 tion;

7 (3) the following question: "Shall (name of person) be
8 recalled from the office of (office)? Yes [] No []".

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

11 (b) If an official is not recalled at the election, an applica-
12 tion for a petition to recall the same official may not be filed
13 sooner than six months after the election.

14 Sec. 29.26.350. SUCCESSORS. (a) If an official is recalled
15 from the governing body, the office of that official is filled in
16 accordance with AS 29.20.180. If all members of the governing body
17 are recalled, the governor shall appoint three qualified persons to
18 the governing body. The appointees shall appoint additional members
19 to fill remaining vacancies in accordance with AS 29.20.180.

20 (b) If a member of the school board is recalled, the office of
21 that member is filled in accordance with AS 14.12.070. If all members
22 are recalled from a school board, the governor shall appoint three
23 qualified persons to the school board. The appointees shall appoint
24 additional members to fill remaining vacancies in accordance with
25 AS 14.12.070.

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

28 (d) If an official other than a member of the governing body or
29 school board is recalled, a successor shall be elected to fill the

1 unexpired portion of the term. The election shall be held not more
2 than 60 days after the date the recall election is certified, except
3 that if a regular election occurs within 75 days after certification
4 the successor shall be chosen at that election.

5 (e) Nominations for a successor may be filed until seven days
6 before the last date on which a first notice of the election must be
7 given. Nominations may not be filed before the certification of the
8 recall election.

9 Sec. 29.26.360. APPLICATION. AS 29.26.250 - 29.26.360 apply to
10 home rule and general law municipalities.

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

12 CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

13 ARTICLE 1. GENERAL POWERS.

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

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

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

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

22 (4) to require periodic and special reports from a munici-
23 pal department to be submitted through the mayor;

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

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

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

1 (8) to acquire, manage, control, use, and dispose of real
2 and personal property, whether the property is situated inside or
3 outside the municipal boundaries; this power includes the power of a
4 borough to expend, for any purpose authorized by law, money received
5 from the disposal of land in a service area established under AS 29.-
6 35.450;

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

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

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

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

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

19 (14) to sue and be sued.

20 Sec. 29.35.020. EXTRATERRITORIAL JURISDICTION. (a) To the
21 extent a municipality is otherwise authorized by law to exercise the
22 power necessary to provide the facility or service, the municipality
23 may provide parks, playgrounds, cemeteries, emergency medical ser-
24 vices, solid and septic waste disposal, utility services, airports,
25 streets (including ice roads), trails, transportation facilities,
26 wharves, harbors and other marine facilities outside its boundaries
27 and may regulate their use and operation to the extent that the juris-
28 diction in which they are located does not regulate them. A regu-
29 lation adopted under this section must state that it applies outside

1 the municipality.

2 (b) A municipality may adopt an ordinance to protect its water
3 supply and watershed, and may enforce the ordinance outside its bound-
4 aries. Before this power may be exercised inside the boundaries of
5 another municipality, the approval of the other municipality must be
6 given by ordinance.

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

9 Sec. 29.35.030. EMINENT DOMAIN. (a) A municipality may exer-
10 cise the powers of eminent domain and declaration of taking in the
11 performance of a power or function of the municipality under the
12 procedures set out in AS 09.55.250 - 09.55.460. In the case of a
13 second class city, the exercise of the power of eminent domain or
14 declaration of taking must be by ordinance that is submitted to the
15 voters at the next general election or at a special election called
16 for that purpose. A majority of the votes on the question is required
17 for approval of the ordinance.

18 (b) This section applies to home rule and general law municipal-
19 ities.

20 Sec. 29.35.040. EMERGENCY DISASTER POWERS. (a) A municipality
21 that is wholly or partially in an area that is declared by the Presi-
22 dent or governor to be a disaster area may participate in and provide
23 for housing, urban renewal, and redevelopment in the same manner as a
24 home rule city. The exercise of these powers by a borough shall be on
25 a nonareawide basis, except a borough may exercise the powers trans-
26 ferred to it by a city as provided by AS 29.35.310.

27 (b) Powers granted by this section must be initiated within a
28 period of not more than five years after the date of declaration of a
29 natural disaster by the President or governor, but these powers may be

1 extended for an additional period of not more than three years.

2 Sec. 29.35.050. GARBAGE AND SOLID WASTE SERVICES. (a) A muni-
3 cipality may by ordinance

4 (1) provide for the establishment, maintenance, and opera-
5 tion of a system of garbage and solid waste collection and disposal
6 for the entire municipality, or for districts or portions of it;

7 (2) require all persons in the municipality or district to
8 use the system and to dispose of their garbage and solid waste as
9 provided in the ordinance;

10 (3) award contracts for collection and disposal, or provide
11 for the collection and disposal of garbage and solid waste by muni-
12 cipal officials and employees;

13 (4) pay for garbage and solid waste collection and disposal
14 from available money;

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

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

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

21 (b) The governing body of a municipality may not prohibit a
22 person holding a valid certificate from the Alaska Public Utilities
23 Commission from continuing to collect and dispose of garbage, refuse,
24 trash, waste material, or provide other related services in an area in
25 the municipality if the certificate authorizes the collection and
26 disposal of garbage, refuse, trash, or other waste material and pro-
27 viding of other services in the area, and the certificate was orig-
28 inally issued before the municipality provided similar services. A
29 municipality may not provide for a garbage, refuse, trash, or other

1 waste material collection and disposal service in an area to the
2 extent it lies in an area granted to a garbage, refuse, trash, or
3 other waste material carrier by a certificate issued by the Alaska
4 Public Utilities Commission to the carrier until it has purchased the
5 certificate, equipment and facilities of the carrier, or that portion
6 of the certificate that would be affected, at fair market value. A
7 municipality may exercise the right of eminent domain to acquire the
8 certificate, equipment and facilities of the carrier, or that portion
9 of the certificate that would be affected.

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

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

19 (b) Unless the grant is made on a competitive basis, the grant
20 of an exclusive right to use a public street or right-of-way for more
21 than five years to a utility or a transportation system not certifi-
22 cated by the Alaska Public Utilities Commission or by the Alaska
23 Transportation Commission shall be valid only if approved by a major-
24 ity of the voters at an election.

25 Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for
26 the area outside all cities in the borough and the council acting for
27 the area in a city may regulate, fix, establish, and change the rates
28 and charges imposed for a utility service provided to the municipality
29 or its inhabitants by a utility to the extent

1 (1) that it is not subject to regulation under AS 42.05;
2 and

3 (2) not otherwise prohibited by law.

4 (b) A municipality may provide for a reasonable deposit for
5 meters and service to be given if interest is paid on the deposit.

6 (c) Unless the utility is owned by the municipality, all rates,
7 charges, and regulations established under this section shall be
8 established by ordinance and shall be reasonable and permit a fair
9 return on invested capital.

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

12 Sec. 29.35.080. ALCOHOLIC BEVERAGES. (a) A municipality may
13 regulate the barter, sale, importation, and consumption of alcoholic
14 beverages in accordance with AS 04.11.480 - 04.11.506 and AS 04.21.-
15 010.

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

18 Sec. 29.35.090. MUNICIPAL PROPERTY. The governing body shall by
19 ordinance establish a formal procedure for acquisition and disposal of
20 land and interests in land by the municipality.

21 Sec. 29.35.100. BUDGET AND CAPITAL PROGRAM. (a) The governing
22 body shall establish the manner for the preparation and submission of
23 the budget and capital program. After a public hearing, the governing
24 body may approve the budget with or without amendments, and shall
25 appropriate the money required for the approved budget.

26 (b) The governing body may make supplemental and emergency
27 appropriations. Payment may not be authorized or made and an obliga-
28 tion may not be incurred except in accordance with appropriations.

29 Sec. 29.35.110. EXPENDITURE OF BOROUGH REVENUES. Borough

1 revenues received through taxes collected on an areawide basis by the
2 borough may be expended on general administrative costs and on area-
3 wide functions only. Borough revenues received through taxes col-
4 lected on a nonareawide basis may be expended on general administra-
5 tive costs and functions that render service only to the area outside
6 all cities in the borough.

7 Sec. 29.35.120. POST AUDIT. (a) The governing body shall
8 provide for an annual independent audit of the accounts and financial
9 transactions of the municipality or, in the case of a second class
10 city, an audit or statement of annual income and expenditures. To
11 make the audit the governing body shall designate a public accountant
12 who has no personal interest, direct or indirect, in the fiscal af-
13 fairs of the municipality. Copies of the audit shall be available to
14 the public upon request.

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

17 Sec. 29.35.130. EMERGENCY SERVICES COMMUNICATIONS CENTERS. (a)
18 A municipality may establish an emergency services communications
19 center with one or more other municipalities and one or more state,
20 federal, or private agencies that provide emergency service communica-
21 tions to the same geographic area. An emergency services communica-
22 tions center established under this section may be organized and
23 operated as a public nonprofit corporation under AS 10.20.

24 (b) An emergency services communications center under this
25 section may be governed by a board of directors. A member of a board
26 of directors of an emergency services communications center serves
27 without compensation but is entitled to per diem and travel expenses.
28 If an emergency services communications center is organized as a
29 nonprofit corporation, a member of its board of directors may not be

1 employed by the nonprofit corporation.

2 (c) An emergency services communications center may assess the
3 feasibility and desirability of providing emergency services communi-
4 cations for the geographic area in which it is located through one
5 central office. An emergency services communications center may

6 (1) combine or coordinate the existing emergency services
7 communications programs of the participating municipalities and agen-
8 cies;

9 (2) operate a dispatch center to receive all requests for
10 emergency services and dispatch those services;

11 (3) study the need for improvement in the timely delivery
12 of emergency services to residents of the participating municipali-
13 ties;

14 (4) hold public hearings to obtain information concerning
15 the timely delivery of emergency services;

16 (5) apply for and accept federal, state, municipal, and
17 private money, property, or assistance for use in providing the timely
18 delivery of emergency services;

19 (6) enter into contracts to carry out the provisions of
20 this section;

21 (7) employ personnel necessary to carry out the provisions
22 of this section.

23 (d) In this section

24 (1) "emergency services" means services provided by law
25 enforcement agencies, fire departments, ambulance services, and other
26 organizations that are intended to respond to emergency situations of
27 imminent danger to life or property;

28 (2) "state agency" means a department, division, or office
29 in the executive branch of state government.

1 Sec. 29.35.140. REGULATION OF TRANSPORTATION CARRIERS. A
2 municipality may not regulate an activity regarding transportation of
3 passengers or freight for hire if the regulation conflicts with the
4 regulation of that activity by the Alaska Transportation Commission as
5 the regulation existed on April 1, 1983 under former AS 02.05, former
6 AS 42.07, or former AS 42.10.

7 ARTICLE 2. MANDATORY AREAWIDE POWERS.

8 Sec. 29.35.150. SCOPE OF AREAWIDE POWERS. A borough shall
9 exercise the powers as specified and in the manner specified in
10 AS 29.35.150 - 29.35.180 on an areawide basis.

11 Sec. 29.35.160. EDUCATION. (a) Each borough constitutes a
12 borough school district and establishes, maintains, and operates a
13 system of public schools on an areawide basis as provided in AS 14.-
14 14.060. A military reservation in a borough is not part of the bor-
15 ough school district until the military mission is terminated or until
16 inclusion in the borough school district is approved by the Department
17 of Education. However, operation of the military reservation schools
18 by the borough school district may be required by the Department of
19 Education under AS 14.14.110. If the military mission of a military
20 reservation terminates or continued management and control by a re-
21 gional educational attendance area is disapproved by the Department of
22 Education, operation, management, and control of schools on the mili-
23 tary reservation transfers to the borough school district in which the
24 military reservation is located.

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

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

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

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

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

9 ARTICLE 3. ADDITIONAL POWERS.

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

13 (b) A first class borough may by ordinance exercise the follow-
14 ing powers on an areawide basis:

- 15 (1) provide transportation systems;
16 (2) provide water pollution control;
17 (3) provide air pollution control in accordance with
18 AS 46.03.140 - 46.03.230;
19 (4) license day care facilities;
20 (5) license, impound, and dispose of animals.

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

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

- 28 (1) provide transportation systems;
29 (2) regulate the offering for sale, exposure for sale,

- 1 sale, use or explosion of fireworks;
- 2 (3) license, impound, and dispose of animals;
- 3 (4) provide garbage, solid waste, and septic waste col-
4 lection and disposal;
- 5 (5) provide air pollution control in accordance with
6 AS 46.03.140 - 46.03.230;
- 7 (6) provide water pollution control;
- 8 (7) participate in federal or state loan programs for
9 housing rehabilitation and improvement for energy conservation;
- 10 (8) provide for economic development;
- 11 (9) provide for the acquisition and construction of local
12 service roads and trails under AS 19.30.111 - 19.30.251;
- 13 (10) establish an emergency services communications center
14 under AS 29.35.130;
- 15 (11) subject to AS 28.01.010, regulate the licensing and
16 operation of motor vehicles and operators.

17 (b) A second class borough may by ordinance exercise the follow-
18 ing powers on an areawide basis:

- 19 (1) provide transportation systems;
- 20 (2) license, impound, and dispose of animals;
- 21 (3) provide air pollution control in accordance with
22 AS 46.03.140 - 46.03.230;
- 23 (4) provide water pollution control;
- 24 (5) license day care facilities.

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

1 (d) In addition to powers conferred by (b) of this section, a
2 second class borough may, on an areawide basis, exercise a power not
3 otherwise prohibited by law if the power has been acquired in accor-
4 dance with AS 29.35.300.

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

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

10 (c) A third class borough may acquire the power to provide for
11 planning, platting, and land use regulation as provided in AS 29.40
12 for first and second class boroughs, except the power may only be
13 exercised within a service area.

14 (d) A third class borough may acquire any power not otherwise
15 prohibited by law, except the power may only be exercised within a
16 service area.

17 ARTICLE 4. CITY POWERS.

18 Sec. 29.35.250. CITIES INSIDE BOROUGHES. (a) A city inside a
19 borough may exercise any power not otherwise prohibited by law.

20 (b) On adoption of a borough ordinance to provide for areawide
21 exercise of a power, no city may exercise the power unless the borough
22 ordinance provides otherwise or the borough by ordinance ceases to
23 exercise the power.

24 (c) A home rule city in a third class borough shall provide for
25 planning, platting, and land use regulation as provided by AS 29.35.-
26 180(b) for home rule boroughs. A first class city in a third class
27 borough shall provide for planning, platting, and land use regulation
28 as provided by AS 29.35.180(a) for first and second class boroughs. A
29 second class city in a third class borough may provide for planning,

1 platting, and land use regulation as provided by AS 29.35.180(a) for
2 first and second class boroughs.

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

4 Sec. 29.35.260. CITIES OUTSIDE BOROUGHES. (a) A city outside a
5 borough may exercise a power not otherwise prohibited by law. A
6 provision that is incorporated by reference to laws governing boroughs
7 applies to home rule cities outside boroughs only if the provision is
8 made applicable to home rule boroughs.

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

14 (c) A home rule city outside a borough shall provide for plan-
15 ning, platting, and land use regulation as provided by AS 29.35.180(b)
16 for home rule boroughs. A first class city outside a borough shall,
17 and a second class city outside a borough may, provide for planning,
18 platting, and land use regulation as provided by AS 29.35.180(a) for
19 first and second class boroughs.

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

21 ARTICLE 5. ACQUISITION OF ADDITIONAL POWERS.

22 Sec. 29.35.300. ADDITIONAL POWERS. (a) A first class borough
23 acquires an additional areawide power by transfer of the power by a
24 city or by holding an areawide election on the question.

25 (b) A second class borough acquires an additional power by
26 transfer of the power by a city or by holding an election on the ques-
27 tion. For acquisition of an areawide power, the election shall be
28 held areawide. For acquisition of a nonareawide power, the election
29 shall be held nonareawide.

1 (c) A third class borough acquires an additional power to exer-
2 cise in a service area by forming a service area in accordance with
3 AS 29.35.490(b) or (c).

4 Sec. 29.35.310. TRANSFER BY CITY. (a) A city in a first or
5 second class borough may transfer to the borough in which it is lo-
6 cated any of its powers or functions, subject to the approval of the
7 assembly.

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

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

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

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

19 (b) An election on the question of adding a power in a third
20 class borough for exercise in a service area may be initiated in two
21 ways:

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

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

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

1 (d) Within 30 days after a petition is certified as containing
2 the required number of signatures or the assembly proposes the acqui-
3 sition of a power, at least one public hearing shall be held in the
4 borough on the question. The assembly shall then evaluate the ability
5 of the borough to exercise the power and make its findings public.
6 Within 60 days after its findings have been made public, the assembly
7 shall order an election on the question.

8 Sec. 29.35.330. ELECTION. (a) If more than one power is pro-
9 posed for acquisition under AS 29.35.320, each shall appear separately
10 on the ballot.

11 (b) If a power is proposed for exercise by a third class borough
12 in a service area, only voters residing in the proposed service area
13 may vote.

14 (c) A vote on the question of adding an areawide power in a
15 first or second class borough shall be tabulated in two separate
16 classifications. One shall consist of all votes cast in all cities
17 located in the borough. The other shall consist of all votes cast in
18 the borough area outside all cities. If the majority of the votes
19 cast in each classification is favorable, the borough shall assume the
20 added power within 30 days after certification of the election re-
21 sults.

22 (d) If a majority of the votes cast on the question of adding a
23 nonareawide power in a second class borough or a power to be exercised
24 in a service area in a third class borough is favorable, the borough
25 shall assume the added power within 30 days after certification of the
26 election results.

27 (e) The borough mayor shall certify the election results to the
28 department.

29 Sec. 29.35.340. EFFECT OF ACQUIRING AN AREAWIDE POWER. (a) On

1 acquisition of an areawide power the first or second class borough
2 succeeds to all of the rights, powers, and duties of any city or
3 service area with respect to that power. The borough succeeds to
4 claims, franchises, and other contractual obligations, liability for
5 bonded and all other indebtedness, and to all of the right, title, and
6 interest in the real and personal property held by a city or service
7 area for the exercise of the power.

8 (b) The assembly may levy and collect special charges, taxes, or
9 assessments including interest for the purpose of amortizing bonded
10 indebtedness previously incurred by a city or service area for exer-
11 cising an areawide power acquired by the borough. When a city or
12 service area had previously incurred bonded indebtedness, all property
13 that was in the city or service area at the time the bonds were issued
14 remains subject to taxation to pay the principal of and interest on
15 the bonds.

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

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

22 Sec. 29.35.350. DEFINITION. In AS 29.35.200 - 29.35.350,
23 "power" means the provision of a public facility or service, or the
24 exercise of a regulatory power.

25 ARTICLE 6. CONSTRUCTION OF POWERS.

26 Sec. 29.35.400. GENERAL CONSTRUCTION. A liberal construction
27 shall be given to all powers and functions of a municipality conferred
28 in this title.

29 Sec. 29.35.410. EXTENT OF POWERS. Unless otherwise limited by

1 law, a municipality has and may exercise all powers and functions
2 necessarily or fairly implied in or incident to the purpose of all
3 powers and functions conferred in this title.

4 Sec. 29.35.420. ENUMERATION OF POWERS. Specific examples in an
5 enumerated power or function conferred upon a municipality in this
6 title is illustrative of the object and not a limitation on or exclu-
7 sion from the exercise of the power or function.

8 ARTICLE 7. SERVICE AREAS.

9 Sec. 29.35.450. SERVICE AREAS. (a) A service area to provide
10 special services in a borough may be established, operated, altered,
11 or abolished by ordinance. Special services include services not
12 provided on an areawide or nonareawide basis in the borough, or a
13 higher or different level of service than that provided on an areawide
14 or nonareawide basis. The borough may include a city in a service
15 area if

16 (1) the city agrees by ordinance; or

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

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

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

27 Sec. 29.35.470. FINANCING. The assembly may levy or authorize
28 the levying of taxes, charges, or assessments in a service area to
29 finance the special services. If the assembly authorizes the levying

1 of taxes, charges, or assessments, the rate of taxation and the issu-
2 ance of bonds are subject to assembly approval.

3 Sec. 29.35.480. SERVICE AREAS IN FIRST CLASS BOROUGHS. In a
4 first class borough, the assembly may exercise in a service area any
5 power granted a first class city by law. The assembly may exercise in
6 a service area any nonareawide power that may be exercised by a first
7 class borough.

8 Sec. 29.35.490. SERVICE AREAS IN SECOND AND THIRD CLASS BOR-
9 OUGHS. (a) A second class borough may exercise in a service area any
10 power granted a first class city by law or a nonareawide power that
11 may be exercised by a first class borough if

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

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

17 (b) If the exercise of the power is approved by a majority of
18 the voters residing in the service area, a third class borough may
19 exercise in a service area any power not otherwise prohibited by law.

20 (c) A second or third class borough may establish a service area
21 that includes only vacant, unappropriated, and unreserved land owned
22 by the borough. A second or third class borough may establish a
23 service area, with the concurrence of the commissioner of natural
24 resources, that includes only vacant, unappropriated, and unreserved
25 land owned by the state and classified for disposal to individuals.
26 By ordinance a second or third class borough may provide the services
27 in a service area established under this subsection necessary to
28 develop state or municipal land as required by the planning, platting,
29 and land use regulations of the borough.

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

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

3 Sec. 29.40.010. PLANNING, PLATTING, AND LAND USE REGULATION.

4 (a) A first or second class borough shall provide for planning,
5 platting, and land use regulation on an areawide basis.

6 (b) If a city in a borough consents by ordinance, the assembly
7 may by ordinance delegate any of its powers and duties under this
8 chapter to the city. The assembly may by ordinance, without first
9 obtaining the consent of the city, revoke any power or duty delegated
10 under this section.

11 Sec. 29.40.020. PLANNING COMMISSION. (a) Each first and second
12 class borough shall establish a planning commission consisting of five
13 residents unless a greater number is required by ordinance. Commis-
14 sion membership shall be apportioned so that the number of members
15 from home rule and first class cities reflects the proportion of
16 borough population residing in home rule and first class cities lo-
17 cated in the borough. A member shall be appointed by the borough
18 mayor for a term of three years subject to confirmation by the assem-
19 bly, except that a member from a home rule or first class city shall
20 be selected from a list of recommendations submitted by the council.
21 Members first appointed shall draw lots for one, two, and three year
22 terms. Appointments to fill vacancies are for the unexpired term.
23 The compensation and expenses of the planning commission and its staff
24 are paid as directed by the assembly.

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

27 (1) prepare and submit to the assembly a proposed compre-
28 hensive plan in accordance with AS 29.40.030 for the systematic and
29 organized development of the borough;

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

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

9 (1) statements of policies, goals, and standards;
10 (2) a land use plan;
11 (3) a community facilities plan;
12 (4) a transportation plan; and
13 (5) recommendations for implementation of the comprehensive
14 plan.

15 (b) With the recommendations of the planning commission, the
16 assembly shall adopt by ordinance a comprehensive plan. The assembly
17 shall, after receiving the recommendations of the planning commission,
18 periodically undertake an overall review of the comprehensive plan and
19 update the plan as necessary.

20 Sec. 29.40.040. LAND USE REGULATION. (a) In accordance with a
21 comprehensive plan adopted under AS 29.40.030 and in order to imple-
22 ment the plan, the assembly by ordinance shall adopt or amend provi-
23 sions governing the use and occupancy of land that may include, but
24 are not limited to,

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

27 (2) land use permit requirements designed to encourage or
28 discourage specified uses and construction of specified structures, or
29 to minimize unfavorable effects of uses and the construction of

1 structures;

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

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

6 (1) special conditions that require the variance are caused
7 by the person seeking the variance;

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

10 (3) the variance is sought solely to relieve pecuniary
11 hardship or inconvenience.

12 Sec. 29.40.050. APPEALS FROM ADMINISTRATIVE DECISIONS. (a) By
13 ordinance the assembly shall provide for an appeal from an administra-
14 tive decision of a municipal employee, board, or commission made in
15 the enforcement, administration, or application of a land use regula-
16 tion adopted under this chapter. The assembly may provide for an
17 appeal to a court, hearing officer, board of adjustment, or other
18 body. The assembly shall provide for an appeal from a decision on a
19 request for a variance from the terms of a land use regulation when
20 literal enforcement would deprive a property owner of rights commonly
21 enjoyed by other properties in the district.

22 (b) By ordinance the assembly may provide for appointment of a
23 hearing officer, or for the composition, appointment, and terms of
24 office of a board of adjustment or other body established to hear
25 appeals from administrative actions. The assembly may define proper
26 parties and prescribe evidentiary rules, standards of review, and
27 remedies available to the hearing officer, board of adjustment, or
28 other body.

29 Sec. 29.40.060. JUDICIAL REVIEW. (a) The assembly shall

1 provide by ordinance for an appeal by a municipal officer or person
2 aggrieved from a decision of a hearing officer, board of adjustment,
3 or other body to the superior court.

4 (b) An appeal to the superior court under this section is an
5 administrative appeal heard solely on the record established by the
6 hearing officer, board of adjustment, or other body.

7 Sec. 29.40.070. PLATTING REGULATION. By ordinance the assembly
8 shall adopt platting requirements that may include, but are not lim-
9 ited to, the control of

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

12 (2) dimensions and design of lots;

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

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

20 Sec. 29.40.080. PLATTING AUTHORITY. (a) The assembly by ordi-
21 nance shall establish a platting authority to administer subdivision
22 regulations and to perform other duties as required by the assembly.
23 The platting authority may consist of members of the planning commis-
24 sion or of other municipal residents.

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

28 Sec. 29.40.090. ABBREVIATED PLATS AND WAIVERS. (a) Notwith-
29 standing other provisions of this chapter, the assembly shall by

1 ordinance establish an abbreviated plat procedure for a plat that will
2 (1) subdivide a single lot into not more than four lots;
3 (2) provide legal and physical access to a public highway
4 or street for each lot created by the subdivision;
5 (3) not contain or require a dedication of a street, right-
6 of-way, or other area;
7 (4) not require a vacation of a public dedication of land
8 or a variance from a subdivision regulation.

9 (b) The platting authority shall waive the preparation, submis-
10 sion for approval, and recording of a plat on satisfactory evidence
11 that the subdivision meets the requirements of (a) of this section and
12 each lot created by the subdivision is five acres or larger.

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

- 14 (1) initial point of survey;
15 (2) original or reestablished corners and their descrip-
16 tions;
17 (3) actual traverse showing area of closure and all dis-
18 tances, angles, and calculations required to determine initial point,
19 corners, and distances of the plat; and
20 (4) other information that may be required by ordinance.

21 Sec. 29.40.110. PLAT PROCEDURE. (a) The platting authority
22 shall approve or disapprove a plat within 60 days after it is filed,
23 or shall return it to the applicant for modification or correction.
24 Unless the applicant for plat approval consents to an extension of
25 time, the plat is considered approved and a certificate of approval
26 shall be issued by the platting authority on demand if the platting
27 authority fails to act within 60 days.

28 (b) The platting authority shall state in writing its reasons
29 for disapproval of a plat. If the platting authority approves a plat,

1 the plat shall be acknowledged and filed in accordance with AS 40.15.-
2 010 - 40.15.020.

3 Sec. 29.40.120. ALTERATION OR REPLAT PETITION. A recorded plat
4 may not be altered or replatted except by the platting authority on
5 petition of the state, the borough, a public utility, or the owners of
6 a majority of the land affected by the alteration or replat. A plat-
7 ted street may not be vacated, except on petition of the state, the
8 borough, a public utility, or owners of a majority of the land front-
9 ing the part of the street sought to be vacated. The petition shall
10 be filed with the platting authority and shall be accompanied by a
11 copy of the existing plat showing the proposed alteration or replat.

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

20 Sec. 29.40.140. HEARING AND DETERMINATION. (a) The platting
21 authority shall consider the alteration or replat petition at a hear-
22 ing and make its decision on the merits of the proposal.

23 (b) Vacation of a city street may not be made without the con-
24 sent of the council. Vacation of a street in the borough area outside
25 all cities may not be made without the consent of the assembly. The
26 governing body shall have 30 days from the decision of the platting
27 authority in which to veto a vacation of a street. If no veto is
28 received by the platting authority within the 30-day period, consent
29 is considered to have been given to the vacation.

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

4 Sec. 29.40.160. TITLE TO VACATED AREA. (a) The title to the
5 street or other public area vacated on a plat attaches to the lot or
6 lands bordering the area in equal proportions, except that if the area
7 was originally dedicated by different persons, original boundary lines
8 shall be adhered to so that the street area that lies on one side of
9 the boundary line shall attach to the abutting property on that side,
10 and the street area that lies on the other side of the boundary line
11 shall attach to the property on that side. The portion of a vacated
12 street that lies inside the limits of a platted addition attaches to
13 the lots of the platted addition bordering on the area. If a public
14 square is vacated, the title to it vests in a city if it lies inside
15 the city, and in the borough if it lies inside the borough but outside
16 all cities. If the property vacated is a lot, title vests in the
17 rightful owner.

18 (b) If the municipality acquired the street or other public area
19 vacated for legal consideration or by express dedication to the muni-
20 cipality other than as a subdivision platting requirement, before the
21 final act of vacation the fair market value of the street or public
22 area shall be deposited with the platting authority to be paid to the
23 municipality on final vacation.

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

26 (d) The council of a second class city located outside a borough
27 may vacate streets, alleys, crossings, sidewalks, or other public ways
28 that may have been previously dedicated or established when the coun-
29 cil finds that the streets, alleys, crossings, sidewalks, or other

1 public ways are no longer necessary for the public welfare, or when
2 the public welfare will be enhanced by the vacation. If the council
3 determines that all or a portion of the area vacated under this sub-
4 section should be devoted to another public purpose, title to the area
5 vacated and held for another public purpose does not vest as provided
6 in (a) of this section but remains in the city.

7 Sec. 29.40.170. DELEGATIONS. The planning commission and the
8 platting authority may, as authorized by ordinance, delegate powers to
9 hear and decide cases under this chapter, including, but not limited
10 to, delegations to

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

13 (2) other boards or commissions;

14 (3) a hearing officer designated by the planning commission
15 or platting authority.

16 Sec. 29.40.180. VIOLATIONS. It is unlawful for the owner of
17 land located in a subdivision to transfer, sell, offer to sell, or
18 enter into a contract to sell land in a subdivision before a plat of
19 the subdivision has been prepared, approved, and filed in accordance
20 with this chapter. It is unlawful for a person to file a plat or
21 other document depicting subdivided land in a public recorder's office
22 unless the plat or document has been approved by the platting author-
23 ity. For the violation of a provision of this chapter, a subdivision
24 regulation adopted under this chapter, or a term, condition, or
25 limitation imposed by a platting authority in the exercise of its
26 powers under this chapter, a municipality may by ordinance prescribe a
27 penalty not to exceed a fine of \$1,000 and imprisonment for 90 days.

28 Sec. 29.40.190. REMEDIES. (a) The municipality or an aggrieved
29 person may institute a civil action against a person who violates a

1 provision of this chapter, a subdivision regulation adopted under this
2 chapter, or a term, condition, or limitation imposed by a platting
3 authority. In addition to other relief, a civil penalty not to exceed
4 \$1,000 may be imposed for each violation. An action to enjoin a
5 violation may be brought notwithstanding the availability of any other
6 remedy. Upon application for injunctive relief and a finding of a
7 violation or threatened violation, the superior court shall grant the
8 injunction.

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

11 Sec. 29.40.200. SUBDIVISIONS OF STATE LAND. (a) The subdivi-
12 sion requirements adopted under this chapter apply to a subdivision
13 plat of undeveloped state land for disposal under AS 38.05 or AS 38.08
14 filed with the platting authority. Subdivision ordinances and regula-
15 tions adopted after the platting authority is notified by the commis-
16 sioner of natural resources of a proposed sale of subdivided state
17 land under AS 38.05 or AS 38.08 do not apply to the state land in the
18 proposed sale.

19 (b) The platting authority shall approve and sign a subdivision
20 plat of state land within 60 days after its receipt from the commis-
21 sioner of natural resources unless the platting authority

22 (1) determines that the plat does not comply with subdivi-
23 sion requirements; and

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

26 (c) The commissioner of natural resources may withdraw the sub-
27 division plat and amend it in response to the determination of non-
28 compliance by the platting authority under (b) of this section. The
29 platting authority shall respond within 30 days to the amendment or

1 response from the commissioner of natural resources.

2 (d) Nothing in this section relieves the Department of Natural
3 Resources of its obligation to provide legal access to a subdivision.

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

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

7 CHAPTER 45. MUNICIPAL TAXATION.

8 ARTICLE 1. MUNICIPAL PROPERTY TAX.

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

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

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

14 (3) a property tax in a service area for functions limited
15 to the service area.

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

19 (c) If a tax is levied on real property or on personal property,
20 the tax must be assessed, levied, and collected as provided in this
21 chapter.

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

25 "NOTICE TO TAXPAYER

26 For the current fiscal year the (city)(borough) has been allo-
27 cated the following amount of state aid for school and municipal
28 purposes under the applicable financial assistance Acts:

29 PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE

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(AS 14.17)	\$
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT (AS 14.11.100)	\$
MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE (AS 29.60.010 - 29.60.080)	\$
STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES (AS 29.60.100 - 29.60.180)	\$
TOTAL AID	\$

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

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

Notice shall be provided

- (1) by furnishing a copy of the notice with tax statements mailed for the fiscal year for which aid is received; or
- (2) by publishing in a newspaper of general circulation in the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45

1 days after the final adoption of the municipality's budget.

2 (b) Compliance with the provisions of this section is a pre-
3 requisite to receipt of municipal tax resource equalization assistance
4 under AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipi-
5 pal services under AS 29.60.100 - 29.60.180. The department shall
6 withhold annual allocations under those sections until municipal
7 officials demonstrate that the requirements of this section have been
8 met.

9 Sec. 29.45.030. REQUIRED EXEMPTIONS. (a) The following prop-
10 erty is exempt from general taxation:

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

14 (2) household furniture of the head of a family or house-
15 hold;

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

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

22 (5) money on deposit;

23 (6) the real property of certain residents of the state to
24 the extent and subject to the conditions provided in (e) of this sec-
25 tion;

26 (7) real property or an interest in real property that is
27 exempt from taxation under 43 U.S.C. 1620(d), as amended.

28 (b) In (a) of this section, "property used exclusively for
29 religious purposes" includes the following property owned by a

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religious organization:

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

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

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

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

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

(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over or by a disabled veteran is exempt from taxation of the assessed value of the real property. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties concerned, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560 and 44.62.570.

(f) An exemption may not be granted under (e) of this section except upon written application for the exemption on a form approved by the state assessor for use by local assessors. The claimant must file the application no later than January 15, or a date provided by ordinance that is not later than March 31, of the assessment year for

1 which the exemption is sought. The governing body of the municipality
2 for good cause shown may waive during a year the claimant's failure to
3 make timely application for exemption for that year and authorize the
4 assessor to accept the application as if timely filed. The claimant
5 must file a separate application for each assessment year in which the
6 exemption is sought. If an application is filed within the required
7 time and is approved by the assessor, the assessor shall allow an
8 exemption in accordance with the provisions of this section. If a
9 failure to file by January 15, or a date provided by ordinance that is
10 not later than March 31, of the assessment year has been waived as
11 provided in this subsection and the application for exemption is
12 approved, the amount of tax that the claimant has already paid for the
13 assessment year for the property exempted shall be refunded to the
14 claimant. The assessor shall require proof in the form the assessor
15 considers necessary of the right to and amount of an exemption claimed
16 under (e) of this section, and shall require a disabled veteran claim-
17 ing an exemption under (e) of this section to provide evidence of the
18 disability rating. The assessor may require proof under this section
19 at any time.

20 (g) The state shall reimburse a borough or city, as appropriate,
21 for the real property tax revenues lost to it by the operation of (e)
22 of this section. However, reimbursement will be made to a municipal-
23 ity for revenue lost to it only to the extent that the loss exceeds an
24 exemption that was granted by the municipality, or that on proper
25 application by an individual would have been granted under AS 29.45.-
26 050(a).

27 (h) Except as provided in (g) of this section, nothing in (e) -
28 (j) of this section affects similar exemptions from property taxes
29 granted by a municipality on September 10, 1972, or prevents a

1 municipality from granting similar exemptions by ordinance as provided
2 in AS 29.45.050.

3 (i) In (e) - (i) of this section

4 (1) "disabled veteran" means a disabled person separated
5 from the military service of the United States under a condition that
6 is not dishonorable who is a resident of the state, whose disability
7 was incurred or aggravated in the line of duty in the military service
8 of the United States, and whose disability has been rated as 50 per-
9 cent or more by the branch of service in which that person served or
10 by the Veterans' Administration;

11 (2) "real property" includes but is not limited to mobile
12 homes, whether classified as real or personal property for municipal
13 tax purposes.

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

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

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

1 subsection is limited to

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

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

10 (m) For the purpose of determining property exempt under (a)(7)
11 of this section, the following definitions apply to terms used in 43
12 U.S.C. 1620(d) unless superseded by applicable federal law:

13 (1) "developed" means a purposeful modification of the
14 property from its original state that effectuates a condition of
15 gainful and productive present use without further substantial modifi-
16 cation; surveying, construction of roads, providing utilities or other
17 similar actions normally considered to be component parts of the
18 development process, but that do not create the condition described in
19 this paragraph, do not constitute a developed state within the meaning
20 of this paragraph; developed property, in order to remove the exemp-
21 tion, must be developed for purposes other than exploration, and be
22 limited to the smallest practicable tract of the property actually
23 used in the developed state;

24 (2) "exploration" means the examination and investigation
25 of undeveloped land to determine the existence of subsurface nonrenew-
26 able resources;

27 (3) "lease" means a grant of primary possession entered
28 into for gainful purposes with a determinable fee remaining in the
29 hands of the grantor; with respect to a lease that conveys rights of

1 exploration and development, this exemption shall continue with re-
2 spect to that portion of the leased tract that is used solely for the
3 purpose of exploration.

4 (n) If property or an interest in property that is determined
5 not to be exempt under (a)(7) of this section reverts to an undevel-
6 oped state, or if the lease is terminated, the exemption shall be
7 granted, subject to the provisions of (a)(7) and (m) of this section.

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

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

18 (c) To obtain a tax equivalency payment the eligible resident
19 must apply to the department for payment for the preceding year by
20 January 15 of each year on forms and in the manner prescribed by the
21 department. The department for good cause shown may waive an appli-
22 cant's failure to make timely application for a tax equivalency pay-
23 ment and accept the application as if timely filed. Each applicant
24 shall submit with the application rental receipts or, if rental re-
25 cepts are not available, other evidence satisfactory to the depart-
26 ment for determination of the fact of payment of rent and the amount
27 paid. A disabled veteran shall submit with the application evidence
28 of the disability rating.

29 (d) If two or more persons occupy a residence as tenants, not

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

9 (e) In this section "disabled veteran" has the meaning given in
10 AS 29.45.030(i).

11 Sec. 29.45.045. REIMBURSEMENT PAYMENTS. (a) A resident of the
12 state 65 years of age or older or a disabled veteran who rents a
13 permanent place of abode is eligible for a reimbursement payment from
14 the state through the department if the abode is located in a munici-
15 pality that

16 (1) does not levy and collect a property tax; and

17 (2) levies and collects a sales tax on rents paid for
18 residential property.

19 (b) The amount of a reimbursement payment under this section
20 equals the amount of sales taxes paid on the abode during the preced-
21 ing year by the eligible resident.

22 (c) To obtain a reimbursement payment under this section an
23 eligible resident must apply by January 15 of each year to the depart-
24 ment for reimbursement of sales taxes paid for the preceding year.
25 The application shall be on the form and filed as prescribed by the
26 department. The department for good cause shown may waive an appli-
27 cant's failure to make timely application for reimbursement and accept
28 the application as if timely filed. Each applicant shall submit, with
29 the application rental receipts or, if rental receipts are not

1 available, other evidence satisfactory to the department for
2 determination of the fact of payment of rent and the amount paid. A
3 disabled veteran shall submit with the application evidence of the
4 disability rating.

5 (d) If two or more persons occupy a residence as tenants, not
6 all of whom are eligible for a reimbursement payment under this sec-
7 tion, the assessor shall determine equitable partial payments to be
8 made to the eligible tenants. However, a reimbursement payment to an
9 eligible applicant may not be reduced because the spouse is less than
10 65 years of age or not a disabled veteran. If all occupants in a
11 residence are eligible for a reimbursement payment, the occupants
12 shall decide between and among themselves which shall receive the
13 payment.

14 (e) In this section "disabled veteran" has the meaning given in
15 AS 29.45.030(i)(1).

16 Sec. 29.45.050. OPTIONAL EXEMPTIONS AND EXCLUSIONS. (a) A
17 municipality may exclude or exempt or partially exempt residential
18 property from taxation by ordinance ratified by the voters at an
19 election. An exclusion or exemption authorized by this section may
20 not exceed the assessed value of \$10,000 for any one residence.

21 (b) A municipality may by ordinance

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

25 (2) classify and exempt from taxation

26 (A) the property of an organization not organized for
27 business or profit-making purposes and used exclusively for
28 community purposes if the income derived from rental of that
29 property does not exceed the actual cost to the owner of the use

1 by the renter;

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

3 (C) land of a nonprofit organization used for agricul-
4 tural purposes if rights to subdivide the land are conveyed to
5 the state and the conveyance includes a covenant restricting use
6 of the land to agricultural purposes only; rights conveyed to the
7 state under this subparagraph may be conveyed by the state only
8 in accordance with AS 38.05.069(c);

9 (3) exempt personal property from taxation;

10 (4) exempt business inventories from taxation;

11 (5) classify as to type and exempt or partially exempt any
12 or all types of motor vehicles from taxation.

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

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

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

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

24 (B) the city appropriates to the borough sufficient
25 money to equal revenues lost by the borough because of the exemp-
26 tions or exclusions, the amount to be determined annually by the
27 assembly;

28 (3) a city in a borough may, by ordinance, adjust its prop-
29 erty tax structure in whole or in part to the property tax structure

1 of the borough, including but not limited to exempting or partially
2 exempting property from taxation.

3 (d) Exemptions or exclusions from property tax that have been
4 granted by a home rule municipality in addition to exemptions autho-
5 rized or required by law, and that are in effect on September 10,
6 1972, and not later withdrawn, are not affected by this chapter.

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

16 (f) A municipality may by ordinance exempt from taxation all or
17 part of the increase in assessed value of improvements to real prop-
18 erty if an increase in assessed value is directly attributable to
19 alteration of the natural features of the land, or new maintenance,
20 repair, or renovation of an existing structure, and if the alteration,
21 maintenance, repair, or renovation, when completed, enhances the
22 exterior appearance or aesthetic quality of the land or structure. An
23 exemption may not be allowed under this subsection for the construc-
24 tion of an improvement to a structure if the principal purpose of the
25 improvement is to increase the amount of space for occupancy or non-
26 residential use in the structure or for the alteration of land as a
27 consequence of construction activity. An exemption provided in this
28 subsection may continue for up to four years from the date the im-
29 provement is completed, or from the date of approval for the exemption

1 by the local assessor, whichever is later.

2 (g) A municipality may by ordinance exempt from taxation all or
3 part of the increase in assessed value of improvements to a single-
4 family dwelling if the principal purpose of the improvement is to
5 increase the amount of space for occupancy. An exemption provided in
6 this subsection may continue for up to two years from the date the
7 improvement is completed, or from the date of approval of an applica-
8 tion for the exemption by the local assessor, whichever is later.

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

24 (b) An owner of farm use land must, to secure the assessment
25 under this section, apply to the assessor before May 15 of each year
26 in which the assessment is desired. The application shall be made
27 upon forms prescribed by the state assessor for the use of the local
28 assessor, and shall include information that may reasonably be
29 required to determine the entitlement of the applicant. If the land

1 is leased for farm use purposes, the applicant shall furnish to the
2 assessor a copy of the lease bearing the signatures of both lessee and
3 lessor along with the completed application. The applicant shall
4 furnish the assessor a copy of the lease covering the period for which
5 the exemption is requested.

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

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

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

28 Sec. 29.45.070. MOBILE HOMES. Mobile homes, trailers, house
29 trailers, trailer coaches and similar property used or intended to be

1 used for residential, office, or commercial purposes and attached to
2 the land or connected to water, gas, electric, or sewage facilities
3 are classified as real property for tax purposes unless expressly
4 classified as personal property by ordinance. This section does not
5 apply to house trailers and mobile homes that are unoccupied and held
6 for sale by persons engaged in the business of selling mobile homes.

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

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

17 (c) A municipality may levy and collect a tax on the full and
18 true value of that portion of property taxable under this chapter and
19 under AS 43.56 as assessed by the Department of Revenue which value,
20 when combined with the value of property otherwise taxable by the
21 municipality, does not exceed the product of 225 percent of the aver-
22 age per capita assessed full and true value of property in the state
23 multiplied by the number of residents of the taxing municipality.

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

27 (e) For purposes of this section, population shall be determined
28 by the commissioner based on the latest statistics of the United
29 States Bureau of the Census or on other reliable population data, and

1 the commissioner shall advise each municipality of its population by
2 January 15 of each year.

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

8 (b) A municipality, or combination of municipalities occupying
9 the same geographical area, in whole or in part, may not levy taxes

10 (1) that will result in tax revenues from all sources ex-
11 ceeding \$1,500 a year for each person residing within the municipal
12 boundaries; or

13 (2) upon value that, when combined with the value of prop-
14 erty otherwise taxable by the municipality, exceeds the product of 225
15 percent of the average per capita assessed full and true value of
16 property in the state multiplied by the number of residents of the
17 taxing municipality.

18 (c) The commissioner shall apportion the lawful levy and equi-
19 tably divide the tax revenues on the basis of need, services per-
20 formed, and other considerations in the public interest if two or more
21 municipalities occupying the same geographical area, in whole or in
22 part, attempt to levy a tax

23 (1) the combined levy of which would result in tax revenues
24 from all sources exceeding \$1,500 a year for each person residing
25 within the municipal boundaries; or

26 (2) upon value that, when combined with the value of prop-
27 erty otherwise taxable by the municipality, exceeds the product of 225
28 percent of the average per capita assessed full and true value of
29 property in the state multiplied by the number of residents of the

1 taxing municipality.

2 (d) For the purpose of (b) and (c) of this section, population
3 shall be determined by the commissioner based on the latest statistics
4 of the United States Bureau of the Census or on other reliable popula-
5 tion data.

6 Sec. 29.45.100. NO LIMITATIONS ON TAXES TO PAY BONDS. The
7 limitations provided for in AS 29.45.080 - 29.45.090 do not apply to
8 taxes levied or pledged to pay or secure the payment of the principal
9 and interest on bonds. Taxes to pay or secure the payment of princi-
10 pal and interest on bonds may be levied without limitation as to rate
11 or amount, regardless of whether the bonds are in default or in danger
12 of default.

13 Sec. 29.45.103. TAXATION RECORDS. (a) Municipal records deal-
14 ing with assessment, valuation or taxation may be inspected by the
15 State Assessor or a designee.

16 (b) If a municipality's assessment and valuation has been done
17 by a private contractor, records concerning the municipality's valua-
18 tion and assessment shall be made available to the State Assessor or a
19 designee on request.

20 Sec. 29.45.105. ERRORS IN TAXATION PROCEDURES. (a) If a
21 municipality receives a notice from the State Assessor that major
22 errors have been found in its assessment, valuation or taxation proce-
23 dures, the municipality shall correct its procedures before the begin-
24 ning of the next fiscal year or file an appeal under (b) of this
25 section.

26 (b) A municipality may appeal a notice from the State Assessor
27 that it has made a major error in assessment, valuation or taxation
28 procedures by filing an appeal with the commissioner within 30 days
29 after receipt of notice of error.

1 (c) The commissioner, after consulting with the Alaska Associa-
2 tion of Assessing Officers, shall render a decision within 60 days
3 after the receipt of a request under (b) of this section. If the
4 commissioner determines that a major error has been made in assess-
5 ment, valuation or taxation procedures the commissioner shall notify
6 the municipality of changes that must be made and the municipality
7 shall correct its procedures before the beginning of the next fiscal
8 year.

9 (d) If errors in its assessment, valuation or taxation proce-
10 dures have resulted in a loss of revenue to the state, the municipal-
11 ity shall reimburse the state for the amount of revenues lost.

12 Sec. 29.45.110. FULL AND TRUE VALUE. (a) The assessor shall
13 assess property at its full and true value as of January 1 of the
14 assessment year, except as provided in this section, AS 29.45.060, and
15 29.45.230. The full and true value is the estimated price that the
16 property would bring in an open market and under the then prevailing
17 market conditions in a sale between a willing seller and a willing
18 buyer both conversant with the property and with prevailing general
19 price levels.

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

24 (c) In the case of cessation of business during the tax year,
25 the municipality may provide for reassessment of business inventories
26 using the average monthly method of assessment for the tax year rather
27 than the value existing on January 1 of the tax year, and for reduc-
28 tion and refund of taxes. In enacting an ordinance authorized by this
29 section, the municipality may prescribe procedures, restrictions, and

1 conditions of assessing or reassessing business inventories and of
2 remitting or refunding taxes.

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

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

10 Sec. 29.45.130. INDEPENDENT INVESTIGATION. (a) The assessor is
11 not bound to accept a return as correct. The assessor may make an
12 independent investigation of property returned or of taxable property
13 on which no return has been filed. In either case, the assessor may
14 make the assessor's own valuation of the taxable property and this
15 valuation is prima facie evidence of the value of the property.

16 (b) For investigation, the assessor or the assessor's agent may
17 enter a premise during reasonable hours and may examine property on
18 the premise. The assessor or the assessor's agent may examine all
19 property records involved. A person shall, on request, furnish to the
20 assessor or the assessor's agent every facility and assistance for the
21 investigation. The assessor may seek a court order to compel entry
22 and production of records needed for assessment purposes.

23 (c) An assessor may examine a person on oath. On request, the
24 person shall submit to examination at a reasonable time and place
25 selected by the assessor.

26 Sec. 29.45.140. VIOLATIONS. For knowingly failing to file a tax
27 statement required by ordinance or knowingly making a false affidavit
28 to a statement required by a tax ordinance relative to the amount,
29 location, kind or value of property subject to taxation with intent to

1 evade the taxation, a municipality may by ordinance prescribe a
2 penalty not to exceed a fine of \$1,000 or imprisonment for 90 days.

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

11 Sec. 29.45.160. ASSESSMENT ROLL. (a) The assessor shall pre-
12 pare an annual assessment roll. The roll shall contain

- 13 (1) a description of all taxable property;
14 (2) the assessed value of all taxable property;
15 (3) the names and addresses of persons with property sub-
16 ject to assessment and taxation.

17 (b) The assessor may list real property by any description that
18 may be made certain. Real property is assessed to the record owner.
19 The district recorder shall at least monthly provide the assessor a
20 copy of each recorded change of ownership showing the name and mailing
21 address of the owner and the name and mailing address of the person
22 recording the change of ownership. Other persons having an interest
23 in the property may be listed on the assessment records with the
24 owner. The person in whose name property is listed as owner is conclu-
25 sively presumed to be the legal record owner. If the property owner
26 is unknown, the property may be assessed to "unknown owner". An
27 assessment is not invalidated by a mistake, omission, or error in the
28 name of the owner, if the property is correctly described.

29 Sec. 29.45.170. ASSESSMENT NOTICE. (a) The assessor shall give

1 each person named in the assessment roll a notice of assessment,
2 showing the assessed value of the person's property. On each notice
3 is printed a brief summary of the dates when taxes are payable, delin-
4 quent, and subject to penalty and interest, and the dates when the
5 board of equalization will sit.

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

11 Sec. 29.45.180. CORRECTIONS. (a) A person receiving an assess-
12 ment notice shall advise the assessor of errors or omissions in the
13 assessment of the person's property. The assessor may correct errors
14 or omissions in the roll before the board of equalization hearing.

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

18 Sec. 29.45.190. APPEAL. (a) A person whose name appears on the
19 assessment roll or the agent or assigns of that person may appeal to
20 the board of equalization for relief from an alleged error in valua-
21 tion not adjusted by the assessor to the taxpayer's satisfaction.

22 (b) The appellant shall, within 30 days after the date of mail-
23 ing of notice of assessment, submit to the assessor a written appeal
24 specifying grounds in the form that the board of equalization may
25 require. Otherwise, the right of appeal ceases unless the board of
26 equalization finds that the taxpayer was unable to comply.

27 (c) The assessor shall notify an appellant by mail of the time
28 and place of hearing.

29 (d) The assessor shall prepare for use by the board of

1 equalization a summary of assessment data relating to each assessment
2 that is appealed.

3 (e) A city in a borough may appeal an assessment to the borough
4 board of equalization in the same manner as a taxpayer. Within five
5 days after receipt of the appeal, the assessor shall notify the person
6 whose property assessment is being appealed by the city.

7 Sec. 29.45.200. BOARD OF EQUALIZATION. (a) The governing body
8 sits as a board of equalization for the purpose of hearing an appeal
9 from a determination of the assessor, or it may delegate this author-
10 ity to one or more boards appointed by it. An appointed board may be
11 composed of not less than three persons, who may be members of the
12 governing body, municipal residents, or a combination of members of
13 the governing body and residents. The governing body shall by ordi-
14 nance establish the qualifications for membership.

15 (b) The board of equalization is governed in its proceedings by
16 rules adopted by ordinance that are consistent with general rules of
17 administrative procedure. The board may alter an assessment of a lot
18 only pursuant to an appeal filed as to the particular lot.

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

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

25 (b) The appellant bears the burden of proof. The only grounds
26 for adjustment of assessment are proof of unequal, excessive, im-
27 proper, or under valuation based on facts that are stated in a valid
28 written appeal or proven at the appeal hearing. If a valuation is
29 found to be too low, the board of equalization may raise the

1 assessment.

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

6 (d) An appellant or the assessor may appeal a determination of
7 the board of equalization to the superior court as provided by rules
8 of court applicable to appeals from the decisions of administrative
9 agencies. Appeals are heard on the record established at the hearing
10 before the board of equalization.

11 Sec. 29.45.220. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor
12 shall include property omitted from the assessment roll on a supple-
13 mentary roll, using the procedures set out in this chapter for the
14 original roll.

15 Sec. 29.45.230. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATU-
16 RAL DISASTER. (a) The municipality may provide for assessment or
17 reassessment and reduction of taxes for property destroyed, damaged,
18 or otherwise reduced in value as a result of a natural disaster.

19 (b) An assessment or reassessment under this section may be made
20 by the assessor only upon the receipt of a sworn statement of the tax-
21 payer that losses exceed \$1,000. A reduction of taxes may be made
22 only on losses in excess of \$1,000 for the remainder of the year
23 following the disaster. On reassessment, the municipality shall
24 recompute this tax and refund taxes that have already been paid.

25 (c) The municipality shall give notice of assessment or re-
26 assessment under this section and shall hold an equalization hearing
27 as provided in this chapter, except that a notice of appeal must be
28 filed with the board of equalization within 10 days after notice of
29 assessment or reassessment is given to the person appealing.

1 Otherwise, the right of appeal ceases unless the board finds that the
2 taxpayer is unable to comply.

3 (d) In enacting an ordinance or resolution authorized by this
4 section the municipality may, consistent with this section, prescribe
5 procedures, restrictions, and conditions of assessing or reassessing
6 property and of remitting, refunding, or forgiving taxes.

7 (e) In this section "disaster" means a major disaster declared
8 by the President of the United States under the provisions of 42
9 U.S.C. sec. 1855 - 1855g (Federal Disaster Act of 1950), or other
10 federal law, or a disaster declared by the governor under AS 26.-
11 23.010 - 26.23.110.

12 Sec. 29.45.240. TAX LEVY AND RATE. (a) The power granted to a
13 municipality to assess, levy, and collect a property tax shall be
14 exercised by means of an ordinance. The rate of levy, the date of
15 equalization, and the date when taxes become delinquent shall be fixed
16 by resolution.

17 (b) A municipality shall annually determine the rate of levy
18 before June 15. By July 1 the tax collector shall mail tax statements
19 setting out the levy, dates when taxes are payable and delinquent, and
20 penalties and interest.

21 Sec. 29.45.250. RATES OF PENALTY AND INTEREST. (a) A penalty
22 not to exceed 20 percent of the tax due may be added to all delinquent
23 taxes, and interest not to exceed 15 percent a year shall accrue upon
24 all unpaid taxes, not including penalty, from the due date until paid
25 in full. A municipality may impose a penalty not to exceed 20 percent
26 of the tax due upon the late return of personal property assessment
27 forms. A penalty under this section may be imposed according to a
28 formula that increases the amount of the penalty as the length of time
29 increases during which payment is delinquent or assessment forms are

1 not returned.

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

5 ARTICLE 2. ENFORCEMENT OF TAX LIENS.

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

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

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

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

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

1 the tax, penalty, interest, and costs of sale. If the property is
2 sold for more money than is needed to satisfy the tax, the municipal-
3 ity shall remit the excess to the former record owner upon presenta-
4 tion of a proper claim. A claim for the excess filed after six months
5 of the date of sale is forever barred.

6 Sec. 29.45.320. REAL PROPERTY TAX COLLECTION. (a) The munici-
7 pality shall enforce delinquent real property tax liens by annual
8 foreclosure, unless otherwise provided by ordinance.

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

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

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

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

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

28 (b) The list shall be arranged in alphabetical order as to the
29 last name and shall include

- 1 (1) the last known owner;
2 (2) the property description as stated on the assessment
3 roll;
4 (3) years and amounts of delinquency;
5 (4) penalty and interest due;
6 (5) a statement that the list is available for public
7 inspection at the clerk's office;
8 (6) a statement that the list has been presented to the
9 superior court with a petition for judgment and decree.

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

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

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

22 Sec. 29.45.360. GENERAL FORECLOSURE. A municipality shall bring
23 one general foreclosure proceeding in rem against the properties in-
24 cluded in the foreclosure list. If the owner is unknown, the property
25 is proceeded against as belonging to "unknown owner."

26 Sec. 29.45.370. ANSWER AND OBJECTION. A person having an inter-
27 est in a lot on the foreclosure list may file an answer within 30 days
28 after the date of last publication, specifying the person's objection.
29 The court shall make its decision in summary proceedings. The

1 foreclosure list is prima facie evidence that the assessment and levy
2 of the tax is valid and that the tax is unpaid.

3 Sec. 29.45.380. JUDGMENT. The court shall in a proper case give
4 judgment and decree that the tax liens be foreclosed. It is a several
5 judgment against each lot and a lien on each lot.

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

14 (b) The court clerk shall deliver a certified copy of the judg-
15 ment and decree to the municipal clerk. The certified judgment and
16 decree constitutes a transfer to the municipality.

17 (c) The judgment and decree stops objections to it that could
18 have been presented before judgment and decree. Appeal from a judg-
19 ment and decree of foreclosure, or from a final order in the proceed-
20 ing, may be taken in the manner provided for appeals in civil actions.

21 Sec. 29.45.400. REDEMPTION PERIOD. Properties transferred to
22 the municipality are held by the municipality for at least one year.
23 During the redemption period a party having an interest in the prop-
24 erty may redeem it by paying the lien amount plus penalties, interest,
25 and costs, including all costs incurred under AS 29.45.440(a). Prop-
26 erty redeemed is subject to all accrued taxes, assessments, liens, and
27 claims as though it had continued in private ownership. Only the
28 amount applicable under the judgment and decree must be paid in order
29 to redeem the property.

1 Sec. 29.45.410. EFFECT. Receipt of redemption money by the
2 municipality releases the judgment obtained under AS 29.45.380. The
3 clerk or the clerk's designee shall record the redemption and issue a
4 certificate containing a property description, the redemption amount,
5 and the dates of judgment and decree of foreclosure. The clerk or the
6 clerk's designee shall collect the recording fee at the time of re-
7 demption and shall file the certificate with the record as part of the
8 judgment roll.

9 Sec. 29.45.420. ADDITIONAL LIENS. If a property included in a
10 foreclosure list is removed after payment of delinquencies or redemp-
11 tion by another lienholder, the payment represented by receipt for
12 payment constitutes an additional lien on the property, collectible by
13 the lienholder in the same manner as the original lien.

14 Sec. 29.45.430. POSSESSION DURING REDEMPTION PERIOD. Foreclo-
15 sure does not affect the former owner's right to possession during the
16 redemption period. If waste is committed by the former owner or by
17 anyone acting under the permission or control of the former owner, the
18 municipality may declare an immediate forfeiture of the right to
19 possession.

20 Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the
21 expiration of the redemption period the clerk or the clerk's designee
22 shall publish a redemption period expiration notice. The notice shall
23 contain the date of judgment, the date of expiration of the period of
24 redemption, and a warning that all properties ordered sold under the
25 judgment, unless redeemed, shall be deeded to the municipality immedi-
26 ately on expiration of the period of redemption and that every right
27 or interest of a person in the properties will be forfeited forever to
28 the municipality. The notice appears once a week for four consecutive
29 weeks in a newspaper of general circulation distributed in the

1 municipality. If there is no newspaper of general circulation
2 distributed in the municipality, the notice is posted in three public
3 places for at least four consecutive weeks. The clerk shall send a
4 copy of the notice by certified mail to each record owner of property
5 against which a judgment of foreclosure has been taken and, if the
6 assessed value of the property is more than \$10,000, to all holders of
7 mortgages or other liens of record on the property. The notice shall
8 be mailed within five days after the first publication. The mailing
9 shall be sufficient if mailed to the property owner and to the holder
10 of a mortgage or recorded lien at the last address of record.

11 (b) The right of redemption expires 30 days after the date of
12 the first notice publication.

13 (c) Costs incurred in the determination of holders of mortgages
14 and other liens of record and costs of notice publication incurred by
15 a municipality under (a) of this section are a lien on the property
16 and may be recovered by the municipality.

17 Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) Unredeemed prop-
18 erty in the area of the borough outside all cities is deeded to the
19 borough by the clerk of the court. Unredeemed property in a city is
20 deeded to the city subject to the payment by the city of unpaid bor-
21 ough taxes and costs of foreclosure levied against the property before
22 foreclosure. The deed shall be recorded in the recording district in
23 which the property is located.

24 (b) Conveyance gives the municipality clear title, except for
25 prior recorded tax liens of the United States and the state.

26 (c) If unredeemed property lies in a city and if the city has no
27 immediate public use for the property but the borough does have an
28 immediate public use, the city shall deed the property to the borough.
29 If unredeemed property lies in the borough outside all cities and if

1 the borough does not have an immediate public use for the property but
2 a city does have an immediate public use, the borough shall deed the
3 property to the city.

4 (d) No deed is invalid for irregularities, omissions, or defects
5 in the proceedings under this chapter unless the former owner has been
6 misled so as to be injured. Two years after the date of the deed, its
7 validity is conclusively presumed and a claim of the former owner or
8 other person having an interest in the property is forever barred.

9 Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTY.

10 (a) The municipality shall determine by ordinance whether foreclosed
11 property deeded to the municipality shall be retained for a public
12 purpose. The ordinance shall contain the legal description of the
13 property, the address or a general description of the property suffi-
14 cient to provide the public with notice of its location, and the name
15 of the last record owner of the property as the name appears on the
16 assessment rolls.

17 (b) Tax-foreclosed property conveyed to a municipality by tax
18 foreclosure and not required for a public purpose may be sold. Before
19 the sale of tax-foreclosed property held for a public purpose, the
20 municipality, by ordinance, shall determine that a public need does
21 not exist. The ordinance shall contain the information required under
22 (a) of this section.

23 (c) The clerk or the clerk's designee shall send a copy of the
24 published notice of hearing of an ordinance to consider a determina-
25 tion required under (a) or (b) of this section by certified mail to
26 the former record owner of the property that is the subject of the
27 ordinance. The notice shall be mailed within five days after its
28 first publication and shall be sufficient if mailed to the last record
29 owner of the property as the name appears on the assessment rolls of

1 the municipality.

2 (d) The provisions of (c) of this section do not apply with
3 respect to property that has been held by the municipality for a
4 period of more than 10 years after the close of the redemption period.

5 Sec. 29.45.470. REPURCHASE BY RECORD OWNER. (a) The record
6 owner at the time of tax foreclosure of property acquired by a muni-
7 cipality, or the assigns of that record owner, may, within 10 years
8 and before the sale or contract of sale of the tax-foreclosed property
9 by the municipality, repurchase the property. The municipality shall
10 sell the property for the full amount applicable to the property under
11 the judgment and decree, with interest not to exceed 15 percent a year
12 from the date of entry of the judgment of foreclosure to the date of
13 repurchase, delinquent taxes assessed and levied as though it had
14 continued in private ownership, and costs of foreclosure and sale.

15 (b) After adoption of an ordinance providing for the retention
16 of tax-foreclosed property by the municipality for a public purpose,
17 the right of the former record owner to repurchase the property
18 ceases.

19 Sec. 29.45.480. PROCEEDS OF TAX SALE. (a) On sale of fore-
20 closed real or personal property the municipality shall divide the
21 proceeds less cost of collection, between the borough and the city
22 having unpaid taxes against the property. The division is in propor-
23 tion to the respective municipal taxes against the property at the
24 time of foreclosure.

25 (b) If tax-foreclosed real property that has been held by a
26 municipality for less than 10 years after the close of the redemption
27 period and never designated for a public purpose is sold at a tax-
28 foreclosure sale, the former record owner is entitled to the portion
29 of the proceeds of the sale that exceeds the amount of unpaid taxes,

1 the amount equal to taxes that would have been assessed and levied
2 after foreclosure if the property had continued in private ownership,
3 penalty, interest, and costs to the municipality of foreclosing and
4 selling the property. If the proceeds of the sale of tax-foreclosed
5 property exceed the total of unpaid and delinquent taxes, penalty,
6 interest, and costs, the municipality shall provide the former owner
7 of the property written notice advising of the amount of the excess
8 and the manner in which a claim for the balance of the proceeds may be
9 submitted. Notice is sufficient under this subsection if mailed to
10 the former record owner at the last address of record of the former
11 record owner. On presentation of a proper claim, the municipality
12 shall remit the excess to the former record owner. A claim for the
13 excess filed after six months of the date of sale is forever barred.

14 Sec. 29.45.490. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a
15 municipality takes title to tax-foreclosed property for a public pur-
16 pose, the municipality shall satisfy unpaid taxes and assessments
17 against the property held by other municipalities, with accrued inter-
18 est but without penalty. If the amount required to satisfy the unpaid
19 taxes and assessments exceeds the assessed value of the property, the
20 municipality shall pay the other municipalities the assessed value,
21 which shall be divided between the other municipalities in proportion
22 to their respective taxes and assessments against the property at the
23 time of foreclosure.

24 Sec. 29.45.500. REFUND OF TAXES. (a) If a taxpayer pays taxes
25 under protest, the taxpayer may bring suit in the superior court
26 against the municipality for recovery of the taxes. If judgment for
27 recovery is given against the municipality, or, if in the absence of
28 suit, it becomes obvious to the governing body that judgment for
29 recovery of the taxes would be obtained if legal proceedings were

1 brought, the municipality shall refund the amount of the taxes to the
2 taxpayer with interest at eight percent from the date of payment plus
3 costs.

4 (b) If, in payment of taxes legally imposed, a remittance by a
5 taxpayer through error or otherwise exceeds the amount due, and the
6 municipality, on audit of the account in question, is satisfied that
7 this is the case, the municipality shall refund the excess to the tax-
8 payer with interest at eight percent from the date of payment. A
9 claim for refund filed one year after the due date of the tax is
10 forever barred.

11 (c) The governing body may correct manifest clerical errors at
12 anytime.

13 ARTICLE 3. CITY PROPERTY TAX.

14 Sec. 29.45.550. CITIES OUTSIDE BOROUGHES. Home rule and first
15 class cities outside boroughs may assess, levy, and collect a property
16 tax. A property tax if levied must be assessed, levied, and collected
17 as provided by AS 29.45.010 - 29.45.500.

18 Sec. 29.45.560. CITIES INSIDE BOROUGHES. Home rule and first
19 class cities inside boroughs may levy a property tax. A property tax,
20 if levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.-
21 100, 29.45.250, 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The
22 council shall by June 15 of each year present to the assembly a state-
23 ment of the city's rate of levy unless a different date is agreed upon
24 by the borough and city.

25 Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to
26 home rule and general law municipalities.

27 Sec. 29.45.580. DIFFERENTIAL TAX ZONES. A city may by ordinance
28 establish, alter, and abolish differential tax zones to provide and
29 levy property taxes for services not provided generally in the city or

1 a different level of service than that provided generally in the city.

2 Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS
3 CITIES. A second class city may by referendum levy property taxes as
4 provided for first class cities. However, levy by a second class city
5 may not exceed one-half of one percent of the assessed value of the
6 property taxed, except that the limit does not apply to a levy neces-
7 sary to avoid a default upon payment of principal and interest of
8 bonded or other indebtedness that is secured by a pledge to levy ad
9 valorem or other taxes without limit to meet debt payments.

10 Sec. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A
11 SECOND CLASS CITY. A petition for second class city incorporation may
12 request that a property tax proposal be placed on the same ballot.
13 The petition must state the proposed tax rate. The petition may re-
14 quest that incorporation be dependent on the passage of the property
15 tax proposition. If so, the incorporation proposition fails if the
16 property tax fails.

17 ARTICLE 4. BOROUGH SALES AND USE TAX.

18 Sec. 29.45.650. SALES AND USE TAX. (a) A borough may levy and
19 collect a sales tax not exceeding six percent on sales, rents, and on
20 services provided in the borough. The sales tax may apply to any or
21 all of these sources. Exemptions may be granted by ordinance.

22 (b) A borough levying a sales tax may also by ordinance levy a
23 use tax on the storage, use, or consumption of tangible personal
24 property in the borough. The use tax rate must equal the sales tax
25 rate and the use tax shall be levied only on buyers.

26 (c) A person who furnishes proof, in the form required by the
27 borough tax collector, that the person has paid a sales tax on the
28 source on which a use tax is levied by the borough is required to pay
29 the use tax only to the extent of the difference between the amount of

1 the sales tax paid and the amount of the use tax levied by the bor-
2 ough. This subsection applies to a sales tax levied in any taxing
3 jurisdiction whether inside or outside the state.

4 (d) If the assembly charges interest on sales taxes not paid
5 when due, the rate of interest may not exceed 15 percent a year on the
6 delinquent taxes and shall be charged from the due date until paid in
7 full. This subsection applies to home rule and general law municipal-
8 ities.

9 (e) A borough may provide for the creation, recording, and
10 notice of a lien on real or personal property to secure the payment of
11 a sales and use tax, and the interest, penalties, and administration
12 costs in the event of delinquency. When recorded, a lien authorized
13 under this section has priority over other liens except those for
14 property taxes and special assessments.

15 Sec. 29.45.660. NOTICE OF SALES AND USE TAX. (a) If the bor-
16 ough levies and collects only a sales tax and use tax, the assembly
17 shall provide a notice substantially in the form set out in AS 29.45.-
18 020. In providing notice under this subsection, the assembly shall
19 substitute for the millage equivalency its estimate of the equivalent
20 sales tax rate for each of the categories of financial assistance set
21 out in AS 29.45.020. Notice shall be provided

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

26 (2) if there is no newspaper of general circulation in the
27 borough, by posting a copy of the notice for at least 20 days in at
28 least two public places in the borough, with posting to occur not
29 later than 45 days after the final adoption of the borough's budget.

1 (b) Compliance with the provisions of this section is a prereq-
2 uisite to receipt of municipal tax resource equalization assistance
3 under AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipi-
4 pal services under AS 29.60.100 - 29.60.180. The department shall
5 withhold annual allocations under those sections until municipal
6 officials demonstrate that the requirements of this section have been
7 met.

8 Sec. 29.45.670. REFERENDUM, ADOPTION, AND MODIFICATION. A new
9 sales and use tax or an increase in the rate of levy of a sales tax
10 approved by ordinance does not take effect until ratified by a major-
11 ity of the voters at an election.

12 ARTICLE 5. CITY SALES AND USE TAXES.

13 Sec. 29.45.700. POWER OF LEVY. (a) A city in a borough that
14 levies and collects areawide sales and use taxes may levy sales and
15 use taxes on all sources taxed by the borough in the manner provided
16 for boroughs, except that the assembly may by ordinance authorize a
17 city to levy and collect sales and use taxes on other sources.

18 (b) A city in a borough that does not levy and collect sales and
19 use taxes for areawide borough functions may levy and collect sales
20 and use taxes in the manner provided for boroughs.

21 (c) A city outside a borough may levy and collect sales and use
22 taxes in the manner provided for boroughs.

23 Sec. 29.45.710. COMBINING SALES AND USE TAX WITH INCORPORATION
24 OF A SECOND CLASS CITY. A petition for incorporation of a second
25 class city may request that a sales and use tax proposal be placed on
26 the same ballot. The petition must state the proposed tax rate. The
27 petition may request that incorporation be dependent on the passage of
28 the tax proposition. If so, the incorporation proposition fails if
29 the tax fails.

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

2 CHAPTER 46. SPECIAL ASSESSMENTS.

3 Sec. 29.46.010. ASSESSMENT AND PROPOSAL. The municipality may
4 assess against the property of a state or federal governmental unit
5 and private real property to be benefited by an improvement all or a
6 portion of the cost of acquiring, installing, or constructing capital
7 improvements. The state shall pay an assessment levied, except as
8 otherwise provided by law and subject to its right of protest under
9 AS 29.46.020(b). If a governmental unit other than the state benefit-
10 ed by an improvement refuses to pay the assessment, it shall be denied
11 the benefit of the improvement. An improvement proposal may be initi-
12 ated by

13 (1) petition to the governing body of the owners of one-
14 half in value of the property to be benefited; or

15 (2) the governing body.

16 Sec. 29.46.020. PROCEDURE. (a) The municipality may prescribe
17 by ordinance the procedures relating to creating special assessment
18 districts, making local improvements, levying and collecting assess-
19 ments, and financing improvements, including the following:

20 (1) a procedure for filing petitions;

21 (2) a survey and report by the mayor concerning the need
22 for, desirable extent of, and estimated cost of each proposed local
23 improvement;

24 (3) a public hearing on the necessity for the proposed
25 local improvement;

26 (4) a resolution or ordinance determining to proceed or not
27 to proceed with the proposed local improvement;

28 (5) a public hearing by the governing body on the special
29 assessment roll for the proposed local improvement;

1 (6) published notice of each public hearing required by
2 this section and mailing notice to each record owner of real property
3 in the special assessment district;

4 (7) a resolution or ordinance confirming the special as-
5 sessment roll for the proposed local improvement.

6 (b) If protests as to the necessity of a proposed local improve-
7 ment are made by owners of property that will bear 50 percent or more
8 of the estimated cost of the improvement, the governing body may not
9 proceed with the improvement until the objections have been reduced to
10 less than 50 percent, except on approval of not fewer than three-
11 fourths of the governing body.

12 (c) To the extent that the municipality does not prescribe a
13 procedure for special assessments as permitted by this section, the
14 municipality shall comply with the special assessment procedures set
15 out in AS 29.46.030 - 29.46.100.

16 Sec. 29.46.030. CREATION OF DISTRICT. (a) When an improvement
17 proposal is filed with the municipal clerk and presented to the gov-
18 erning body, the municipality shall find by resolution or ordinance
19 whether (1) the improvement requested is necessary and should be made,
20 and (2) if by petition, the request has sufficient and proper peti-
21 tioners. The findings under this section are conclusive.

22 (b) If the municipality approves an improvement proposal, it
23 shall develop a proposed improvement plan including the total cost
24 estimate and the percentage of the cost to be assessed against the
25 benefited property. The improvement plan shall be filed with the
26 municipal clerk.

27 (c) The governing body shall set a time for public hearing on
28 the improvement plan and the period for filing objections to the plan.
29 The governing body shall publish a notice of the hearing and of the

1 period during which objections may be filed at least once a week for
2 four consecutive weeks in a newspaper of general circulation if dis-
3 tributed in the municipality and shall send notice by mail to every
4 record owner of property in the special assessment district.

5 Sec. 29.46.040. RECORD OWNER. The person in whose name property
6 is listed on the municipal property tax roll as owner is conclusively
7 presumed to be the legal owner of record. If the owner is unknown,
8 the assessment roll may designate "unknown owner".

9 Sec. 29.46.050. OBJECTIONS AND REVISION. (a) Objections to an
10 improvement plan may be filed during a period of 60 days after publi-
11 cation of notice. The municipality may by resolution or ordinance
12 approve the plan and order the improvement subject to the limitation
13 of (b) of this section.

14 (b) If objections are made in writing during the period set for
15 objections by the owners of property bearing 50 percent or more of the
16 estimated total cost of the improvement, the governing body may not
17 proceed with the improvement unless it revises the plan to meet the
18 objections and the objections are reduced to less than 50 percent. A
19 revised plan shall be approved and adopted as an original plan in
20 accordance with AS 29.46.030.

21 Sec. 29.46.060. ASSESSMENT ROLL. (a) At any time after ap-
22 proval of an improvement plan, the governing body shall assess the
23 authorized percentage of the cost against property in the district
24 included in the plan in proportion to the benefit received.

25 (b) The special assessment roll shall contain property descrip-
26 tions, names of record owners, and assessment amounts.

27 (c) The governing body shall fix a time to hear objections to
28 the roll. The municipal clerk shall send an assessment and hearing
29 notice by mail to each record owner of an assessed property not less

1 than 15 days before the hearing.

2 Sec. 29.46.070. HEARING AND SETTLEMENT. After the public hear-
3 ing, the governing body shall correct errors and inequalities in the
4 roll. If an assessment is increased, a new hearing shall be set and
5 notice published, except that a new hearing and notice is not required
6 if all record owners of property subject to the increased assessment
7 consent in writing to the increase. Objections to the increased
8 assessment shall be limited to record owners of property on which the
9 assessment was increased. When the roll is corrected, it shall be
10 confirmed by resolution or ordinance.

11 Sec. 29.46.080. PAYMENT. (a) The governing body shall fix
12 times of payment, penalties on delinquent payments, and the rate of
13 interest on the unpaid balance of the assessment. Payment may be in
14 one sum or by installments. If payment is to be in one sum, payment
15 may not be required sooner than 60 days after mailing of the assess-
16 ment statement. The entire assessment may be prepaid without interest
17 or penalty within 30 days after mailing of the assessment statement,
18 and thereafter the assessment may be prepaid in whole or in part with
19 interest to the payment date.

20 (b) Within 30 days after fixing the time of payment the municipi-
21 pal clerk shall mail a statement to the record owner of each property
22 assessed. The statement designates the property, the assessment
23 amount, method of payment, rate of interest on the unpaid balance of
24 the assessment, the time of delinquency, and penalties on delinquent
25 payments. Within five days after the statements are mailed, the clerk
26 shall have notice published that the statements have been mailed.

27 (c) Assessments are liens on the property assessed and are prior
28 and paramount to all liens except municipal tax liens. They may be
29 enforced as provided in AS 29.45.320 - 29.45.470 for enforcement of

1 property tax liens.

2 Sec. 29.46.090. EXEMPTION. (a) The real property owned and
3 occupied by a resident 65 years of age or over, or the spouse, widow,
4 widower, or minor heir of the original applicant, on which is located
5 only the permanent abode of the applicant that is a single-family
6 residence, is exempt from (1) special sewer assessments levied by a
7 municipality after September 2, 1975, and (2) special water assess-
8 ments levied by a municipality after September 2, 1975. Only one
9 exemption may be granted with respect to the same property, and, if
10 two or more persons are eligible for an exemption with respect to the
11 same property, the parties shall decide between or among themselves
12 which shall receive the benefit of the exemption. Real property may
13 not be exempted under this subsection that the municipality deter-
14 mines, after notice and hearing to the parties concerned, has been
15 conveyed to the applicant primarily for the purpose of obtaining the
16 exemption. The determination of the municipality is appealable under
17 AS 44.62.560 - 44.62.570.

18 (b) An exemption may not be granted under this section except
19 upon written application for the exemption on a form prescribed by the
20 state assessor for use by local assessors and in accordance with the
21 following requirements:

22 (1) The claimant must file the initial application during
23 the period of time between the date the assessment roll is confirmed
24 and the time of payment fixed by the governing body. Within one year
25 after the date the assessment roll is confirmed the governing body for
26 good cause shown may waive the claimant's failure to make timely
27 initial application for the exemption and authorize the assessor to
28 accept the application as if timely filed.

29 (2) A claimant receiving the exemption must file with the

1 assessor by March 15 of each subsequent year a separate application
2 proving eligibility as of January 1 in order to retain the exemption.
3 Within the same year the assessor for good cause shown may waive the
4 claimant's failure to make timely application and approve the applica-
5 tion as if timely filed.

6 (3) If an application is filed within the required time
7 under this subsection and is approved by the governing body, the
8 exemption shall be allowed in accordance with the provisions of this
9 section. If a waiver under this subsection is granted and the appli-
10 cation for exemption approved, the amount of any assessment, penalty,
11 or interest that the claimant has already paid on the assessment shall
12 be refunded to the claimant. The municipality may at any time require
13 proof in the form considered necessary of the right and amount of an
14 exemption claimed under this section.

15 (c) The state shall reimburse a municipality for the sewer and
16 water assessment revenues that it would receive but for the operation
17 of this section. Reimbursement under this subsection is a lien in
18 favor of the state against the property exempted to the extent of the
19 assessment against the property exempted. When properly recorded, the
20 lien is prior and superior to other liens against the property except
21 for property taxes or other special assessments and may be enforced by
22 lien foreclosure. The lien becomes immediately due and payable

23 (1) upon sale or other transfer of the property except to a
24 spouse, widow, widower, or minor heir; however, if the property is
25 transferred to a minor heir the lien becomes due and payable on the
26 date the minor heir reaches the age of 25 years;

27 (2) when property exempted under (a)(1) or (2) of this
28 section receives more than one sewer connection or more than one water
29 connection; or

1 (3) when the claimant fails to prove eligibility under
2 (b)(2) of this section.

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

5 (e) In this section

6 (1) "minor heir" means a person who, at the time of trans-
7 fer of the property, has not attained the age of 19 years or who, if
8 under 22 years of age, is a full-time student at an educational insti-
9 tution or a member of the armed forces of the United States;

10 (2) "real property" includes, but is not limited to, mobile
11 homes, whether classified as real or personal property for municipal
12 tax purposes.

13 Sec. 29.46.100. REASSESSMENT. (a) The governing body shall
14 within one year correct any deficiency in a special assessment found
15 by a court. Notice and hearing must conform to the initial assessment
16 procedures.

17 (b) Payments on the initial assessment are credited to the prop-
18 erty upon reassessment. The reassessment becomes a charge upon the
19 property notwithstanding failure to comply with any provision of the
20 assessment procedure.

21 Sec. 29.46.110. ALLOWABLE COSTS. (a) When a special assessment
22 district is created, there may be included in the assessments

23 (1) all of the cost of acquiring, installing, making, or
24 constructing the local improvement;

25 (2) the costs of all engineering and surveying to be done
26 in connection with creating the district or improvement;

27 (3) the cost of mailing and publishing notices;

28 (4) interest on interim financing;

29 (5) the cost of legal services and other expenses incurred

n the formation of the special assessment district;

(6) the cost of completing the improvement and financing the improvement, including the issuance of bonds.

(b) The total amount of the assessment roll may not exceed actual costs, but actual costs may include reasonable estimates of the costs to be incurred in connection with issuance of bonds.

Sec. 29.46.120. OBJECTION AND APPEAL. (a) The validity of an assessment may not be contested by a person who did not file with the municipal clerk a written objection to the assessment roll before its confirmation.

(b) The decision of the governing body on an objection may be appealed to the superior court within 30 days after the date of confirmation of the assessment roll. If no objection is filed or appeal taken within that time, the assessment procedure is considered valid in all respects.

Sec. 29.46.130. INTERIM FINANCING. (a) A municipality may provide by resolution or ordinance for the issuance of notes in payment of the costs of a local improvement project, payable out of special assessments for the improvement. The notes shall bear interest at a rate or rates authorized by the resolution or ordinance, and shall be redeemed either in cash or bonds for the improvement project.

(b) Notes issued against assessments shall be claims against the assessments that are prior and superior to a right, lien or claim of a surety on the bond given to the municipality to secure the performance of its contract for a local improvement project, or to secure the payment of persons who have performed work or furnished materials under the contract.

(c) The municipal treasurer may accept notes against special assessments on conditions prescribed by the governing body in payment

1 of

2 (1) assessments against which the notes were issued in
3 order of priority;

4 (2) judgments rendered against property owners who have
5 become delinquent in the payment of assessments; and

6 (3) certificates of purchase when property has been sold
7 under execution or at tax sale for failure to pay the assessments.

8 Sec. 29.46.140. SPECIAL ASSESSMENT BONDS. (a) The municipality
9 may by ordinance authorize the issuance and sale of special assessment
10 bonds to pay all or part of the cost of an improvement in a special
11 assessment district. The principal and interest of bonds issued shall
12 be payable solely from the levy of special assessments against the
13 property to be benefited. The assessments shall constitute a sinking
14 fund for the payment of principal and interest on the bonds. The
15 benefited property may be pledged by the governing body to secure a
16 payment.

17 (b) On default in a payment due on a special assessment bond, a
18 bondholder may enforce payment of principal, interest, and costs of
19 collection in a civil action in the same manner and with the same
20 effect as actions for the foreclosure of mortgages on real property.
21 Foreclosure shall be against all property on which assessments are in
22 default. The period for redemption is the same as for a mortgage
23 foreclosure on real property.

24 (c) Before the governing body may issue special assessment
25 bonds, it shall establish a guarantee fund and appropriate to the fund
26 annually a sum adequate to cover a deficiency in meeting payments of
27 principal and interest on bonds if the reason for the deficiency is
28 nonpayment of assessments when due. Money received from actions taken
29 against property for nonpayment of assessments shall be credited to

1 the guarantee fund.

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

3 CHAPTER 47. MUNICIPAL DEBT.

4 ARTICLE 1. REVENUE ANTICIPATION NOTES.

5 Sec. 29.47.010. BORROWING IN ANTICIPATION OF REVENUE. A muni-
6 cipality that is authorized to incur indebtedness may borrow money to
7 meet appropriations for any fiscal year in anticipation of the collec-
8 tion of the revenues for that year, but all debt so contracted shall
9 be paid before the end of the next fiscal year. Negotiable or nonne-
10 gotiable revenue anticipation notes may be issued as evidence of the
11 borrowing.

12 Sec. 29.47.020. ISSUANCE OF NOTES. A municipality may by ordi-
13 nance or resolution authorize the issuance of revenue anticipation
14 notes. The governing body may delegate to its chief fiscal officer
15 the power to issue the notes from time to time under the terms and
16 conditions of the ordinance or resolution that provides for the manner
17 of their sale.

18 Sec. 29.47.030. ISSUANCE OF NOTES IN ANTICIPATION OF STATE, FED-
19 ERAL GRANTS. (a) A municipality, on adoption of a long-range capital
20 improvement budget by ordinance or resolution, may by resolution
21 provide for negotiable or nonnegotiable revenue anticipation notes in
22 an amount not to exceed the total amount of any state or federal
23 grants finally committed for these projects. The notes mature no
24 later than the end of the next fiscal year. The notes may be for
25 single or multiple projects outlined in the adopted capital improve-
26 ment budget.

27 (b) If the state or federal grants for capital improvement pro-
28 jects have not been paid to the municipality before maturity of the
29 notes issued in anticipation of the receipt of the revenue, the

1 governing body may issue new notes in order to meet payment of the
2 notes then maturing or may renew the outstanding revenue anticipation
3 notes. New notes issued or renewals of outstanding revenue
4 anticipation notes mature not later than the end of the next fiscal
5 year.

6 Sec. 29.47.040. PRIORITY OF REPAYMENT. The payment of the
7 principal and interest on revenue anticipation notes is payable from
8 revenues, and their payment additionally shall be secured by a pledge
9 of the full 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
15 authorized by ordinance and ratified by a majority vote at an elec-
16 tion;

17 (2) the revenue bonds to be sold have been authorized by
18 ordinance.

19 Sec. 29.47.090. ISSUANCE OF NOTES. The governing body shall
20 issue negotiable or nonnegotiable notes for the amounts borrowed with
21 a maturity date not to exceed one year from the date of issue. All
22 notes and the interest on them are payable at fixed places on or
23 before a fixed time from the proceeds of the sale of bonds in antici-
24 pation of which the original note or notes were issued, unless the
25 bonds have not been sold by the maturity date of the notes.

26 Sec. 29.47.100. ISSUANCE OF NEW NOTES. If the sale of the bonds
27 has not occurred before the maturity of the notes issued in antici-
28 pation of the sale, the governing body shall issue new notes in order to
29 meet payment of the notes then maturing, or shall renew the

1 outstanding bond anticipation notes. New notes issued or renewals of
2 outstanding bond anticipation notes bear a maturity date not to exceed
3 one year from the date of issue. Notes, new notes, and renewals of
4 notes may not be outstanding for a total elapsed time of more than
5 three years.

6 Sec. 29.47.110. REPAYMENT OF NOTES. Every note is payable from
7 the proceeds of the sale of bonds that the notes anticipated or from
8 the proceeds of the sale of new bond anticipation notes.

9 Sec. 29.47.120. SECURITY. (a) Notwithstanding other provisions
10 of this chapter as to payment of notes, notes issued in anticipation
11 of the sale of general obligation bonds and the interest on them are
12 secured by the full faith and credit of the municipality. The muni-
13 cipality may levy ad valorem taxes for payment without limitation of
14 rate or amount.

15 (b) Notes issued in anticipation of the sale of revenue bonds
16 and the interest on them are secured in the same manner as are the
17 revenue bonds in anticipation of which the notes are issued.

18 Sec. 29.47.130. LIMITATION. The total amount of notes issued
19 and outstanding may at no time exceed the total amount of bonds autho-
20 rized to be issued.

21 Sec. 29.47.140. USE OF PROCEEDS. The proceeds from the sale of
22 notes shall be used only for the purposes for which the proceeds from
23 the sale of bonds may be used, or to meet payment of outstanding bond
24 anticipation notes.

25 ARTICLE 3. GENERAL OBLIGATION BONDS.

26 Sec. 29.47.180. GENERAL OBLIGATION BONDS. A municipality may
27 acquire, construct, improve, and equip capital improvements and issue
28 negotiable or nonnegotiable general obligation bonds for these pur-
29 poses.

1 Sec. 29.47.190. VOTE AND NOTICE OF EXISTING INDEBTEDNESS RE-
2 REQUIRED. (a) A municipality may incur general obligation bond debt
3 only after a bond authorization ordinance is approved by a majority
4 vote at an election. Any municipal voter may vote in the bond elec-
5 tion, except as otherwise provided by law.

6 (b) Before a general obligation bond issue election, the govern-
7 ing body shall have published a notice of the total existing bond
8 indebtedness at least once a week for three consecutive weeks. The
9 first notice shall be published at least 20 days before the date of
10 the election. A notice shall include

11 (1) the current total general obligation bonded indebted-
12 ness, including authorized but unsold bonds of the municipality;

13 (2) the cost of the debt service on the current indebted-
14 ness;

15 (3) the total assessed value of property in the municipal-
16 ity.

17 Sec. 29.47.200. PAYMENT. (a) The full faith and credit of a
18 municipality are pledged for the payment of principal and interest on
19 general obligation bonds. The municipality may levy ad valorem taxes
20 for payment without limitation of rate or amount to pay or secure the
21 payment of the principal and interest on bonds, regardless of whether
22 the bonds are in default or in danger of default.

23 (b) General obligation bonds issued for acquiring, constructing,
24 improving and equipping a municipally owned utility or other revenue-
25 generating enterprise may be additionally secured by a pledge of the
26 revenue derived from operation. Bonds so secured are not subject to a
27 debt limitation imposed by a home rule charter. This subsection
28 applies to home rule and general law municipalities.

29 ARTICLE 4. REVENUE BONDS.

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Sec. 29.47.240. REVENUE BONDS. (a) A municipality may issue negotiable or nonnegotiable revenue bonds for a public enterprise or public corporation of the municipality where the only security is the revenue of the public enterprise or corporation.

(b) A municipality may issue its revenue bonds to finance the purchase of residential mortgage loans. The revenue bonds issued under this subsection are payable solely from the principal and interest of the mortgage loans and from other amounts pledged by the municipality, except the pledge of revenues derived from taxes. Revenue bonds issued under this subsection do not constitute a general obligation of the municipality.

Sec. 29.47.250. NO ELECTION REQUIRED. An election is not required to authorize the issuance and sale of revenue bonds, unless otherwise provided by ordinance.

Sec. 29.47.260. CONSTRUCTION. The prohibitions of AS 37.10.085 do not apply to the issuance of revenue bonds or the use of proceeds from revenue bonds by a home rule or general law municipality.

ARTICLE 5. REFUNDING BONDS.

Sec. 29.47.300. AUTHORIZATION. If a municipality has outstanding general obligation or revenue bonds and the governing body determines that it would be financially advantageous to refund the bonds, the municipality may provide by ordinance or resolution for the issuance of negotiable or nonnegotiable

- (1) general obligation refunding bonds; or
- (2) revenue refunding bonds.

Sec. 29.47.310. EFFECT OF REFUNDING BONDS. The refunding bonds may take up and refund all or part of outstanding bonds at or before their maturity or redemption date. The governing body may include various series and issues of bonds in a single issue of refunding

1 bonds.

2 Sec. 29.47.320. NO ELECTION REQUIRED. An election is not re-
3 quired to authorize the issuance and sale of refunding bonds. Their
4 issuance may be authorized and all proceedings with reference to them
5 prescribed by ordinance. However, when it is desirable to use general
6 obligation bonds to refund a revenue bond issue, the governing body
7 shall call an election on the question.

8 Sec. 29.47.330. PAYMENT OF REFUNDING BONDS. General obligation
9 refunding bonds are payable according to AS 29.47.200. Revenue re-
10 funding bonds are payable according to AS 29.47.240.

11 Sec. 29.47.340. SALE OF REFUNDING BONDS. General obligation or
12 revenue refunding bonds may, at the discretion of the governing body,
13 be exchanged for the bonds being refunded, or may be sold at public or
14 private sale. They may be issued and delivered at any time before the
15 date of maturity or redemption of the refunded bonds.

16 ARTICLE 6. MISCELLANEOUS PROVISIONS.

17 Sec. 29.47.390. OTHER MUNICIPAL FINANCING. (a) A municipality
18 may authorize by ordinance or resolution the issuance of negotiable or
19 nonnegotiable revenue bonds to finance any project that serves a
20 public purpose, and the bonds shall be secured and payable from any
21 source except revenues, including tax revenue, of the municipality.

22 (b) Bonds issued under this section are not a debt or liability
23 of the municipality and do not create or constitute an indebtedness,
24 liability, or obligation of the municipality, nor do they constitute a
25 pledge of faith, credit, or taxing power of the municipality. Each
26 bond must contain on its face a statement that the municipality is not
27 obligated to pay the principal or the interest on the bonds except
28 from those sources indicated, and that neither the faith and credit
29 nor the taxing power of the municipality is pledged to the payment of

1 principal or interest on the bond.

2 (c) A municipality may

3 (1) loan the proceeds of the bonds issued under this sec-
4 tion;

5 (2) pledge, mortgage or assign money, leases, agreements,
6 property, or other assets of the project being financed;

7 (3) enter into covenants and agreements concerning bonds
8 issued under this section that the municipality determines to be de-
9 sirable;

10 (4) provide for any matter that affects the security of the
11 bonds.

12 (d) In this section

13 (1) "bonds" means bonds, notes, or other evidence of in-
14 debtedness;

15 (2) "project" includes commercial, manufacturing,
16 agricultural, industrial, residential housing, recreation, tourism,
17 and medical projects and programs.

18 Sec. 29.47.400. SALE. Bonds and notes issued under this chapter
19 may be sold at either public or private sale by the municipality in
20 the manner and at the price it determines.

21 Sec. 29.47.410. FORMS AND TERMS. The municipality may by ordi-
22 nance or resolution fix the date, denominations, maturities, rate or
23 rates of interest, redemption terms, registration privileges, manner
24 of execution, signatures required, purchase price, manner of sale, and
25 other requirements for issuing bonds or notes under this chapter. If
26 an official whose signature appears on the bonds or coupons ceases to
27 be an official before delivery of the bonds, the signature of the
28 former official is valid as if the former official had remained in
29 office until delivery.

1 Sec. 29.47.420. INTEREST RATE. The interest rate payable on a
2 bond or note issued under this chapter shall be determined by the
3 municipality and is not subject to the usury rate limitations of
4 AS 45.45.010.

5 Sec. 29.47.430. REDEMPTION BEFORE MATURITY. A bond or note
6 issued under this chapter may be made subject to redemption before
7 maturity as stated in the authorization or in the bond or note.

8 Sec. 29.47.440. BOROUGH INDEBTEDNESS. (a) A borough may incur
9 indebtedness

10 (1) on an areawide basis for areawide functions; or

11 (2) on a nonareawide basis for functions performed only in
12 the borough area outside all cities; or

13 (3) on a service area basis for functions performed only in
14 a service area.

15 (b) Payment of debt principal and interest as well as other
16 costs shall be derived from the area incurring the debt under (a)(2)
17 or (a)(3) of this section, except that the full faith and credit of
18 the entire borough may be pledged to guarantee payment of principal
19 and interest.

20 (c) If the bonded debt to be incurred by a borough is an area-
21 wide debt, the vote is areawide. If the full faith and credit of the
22 entire borough is pledged for the payment of the debt of the borough
23 area outside all cities or of a service area, an areawide election is
24 held and the proposition must pass both areawide and in the area that
25 will benefit from the improvement. If the bonded indebtedness to be
26 incurred is limited to the borough area outside all cities, the vote
27 is limited to voters outside all cities. If the indebtedness to be
28 incurred is limited to a service area, the vote is limited to voters
29 in the service area. Only the full faith and credit of the area

1 voting on the indebtedness is pledged for the payment of the debt.

2 (d) The indebtedness of a municipality reclassified under
3 AS 29.04.040 - 29.04.060 is not affected by reclassification. All
4 property in a municipality that is reclassified remains subject to
5 taxation to amortize bonded or other indebtedness affecting the muni-
6 cipality and authorized on the effective date of reclassification.

7 Sec. 29.47.450. SERVICE AREA DEBT. The indebtedness of a ser-
8 vice area acquired under AS 29.47.440 remains the indebtedness of the
9 area that incurred the debt, notwithstanding a subsequent court deter-
10 mination that the service area was not validly formed under law or by
11 virtue of a defect in the proceedings creating the service area. All
12 property in the service area remains subject to taxation to pay the
13 bonded indebtedness.

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

15 CHAPTER 55. MUNICIPAL PROGRAMS.

16 Sec. 29.55.010. CREATION OF LOCAL HISTORICAL DISTRICT COMMIS-
17 SIONS. The governing body of a municipality may establish a local
18 historical district commission or designate the planning commission or
19 itself to serve as the historical district commission.

20 Sec. 29.55.020. ESTABLISHMENT OF HISTORICAL DISTRICTS. (a) In
21 addition to existing municipal authority providing for the preserva-
22 tion, protection, and maintenance of historic sites, the local histor-
23 ical district commission, in consultation with the Historic Sites
24 Advisory Committee in the Department of Natural Resources, may estab-
25 lish historical districts within the boundaries of the municipality.

26 (b) A historical district shall be a reasonably compact area of
27 historical significance in which two or more structures important in
28 state or national history, and related by physical proximity or his-
29 torical association, are located. For purposes of this section,

1 "structures important in state or national history" means properties
2 recommended by historical district commissions that are listed in the
3 National Register of Historic Places or are characteristic of the
4 Russian-American period before October 18, 1867, the early territorial
5 period before 1930, or early Native heritage, reflecting the indige-
6 nous characteristics of Native culture in Alaska. On recommendation
7 of the governing body of a municipality and the Historic Sites Advi-
8 sory Committee, the Department of Natural Resources may by regulation
9 formulate additional criteria for the establishment of historical
10 districts not inconsistent with this subsection.

11 (c) The establishment of a historical district under this sec-
12 tion shall be consistent with any applicable comprehensive plan for
13 the municipality.

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

15 CHAPTER 60. STATE PROGRAMS.

16 ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

17 Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICI-
18 PAL SERVICES. (a) During each fiscal year the department shall
19 compute an equalization entitlement for municipal services provided by
20 a taxing unit.

21 (b) The equalization entitlement computed for a taxing unit is
22 based on the population, relative ability to generate revenue, and
23 local tax burden of the taxing unit and is determined by the applica-
24 tion of the formula

25 Entitlement = P x R

26 where P = population, and

27 R = millage rate equivalent, determined by dividing the sum
28 of the locally generated revenue of the taxing unit by one-tenth of
29 one percent of the full and true value of assessed property of the

1 taxing unit determined under AS 29.60.030(d); however, the per capita
2 property value used under this subsection may not be less than 15
3 percent of the statewide average per capita full and true assessed
4 property value.

5 (c) For purposes of this section, locally generated revenue

6 (1) includes

7 (A) the actual revenue derived from the levy and
8 collection of local taxes in the taxing unit for municipal ser-
9 vices during the preceding fiscal year of the taxing unit;

10 (B) motor vehicle payments received by the municipal-
11 ity during the preceding fiscal year under AS 28.10.431;

12 (C) revenue from fees, rentals, leases, penalties,
13 licenses or permits received during the preceding fiscal year by
14 the municipality for a function or service over which it has con-
15 trol, including revenues derived from parks and recreation ser-
16 vices, mass transit, offstreet parking, and garbage and solid
17 waste disposal services;

18 (D) special assessments received during the preceding
19 fiscal year; and

20 (E) payments received by a municipality from a utility
21 that are in place of taxes levied and collected by the municipal-
22 ity;

23 (2) excludes

24 (A) revenue derived from the levy and collection of
25 municipal taxes and appropriated for the operating expenses and
26 debt service of utilities;

27 (B) revenue from interest earned on investments and
28 from the sale and lease of land or equipment; and

29 (C) all other revenue from whatever service derived.

1 Sec. 29.60.020. DETERMINATION OF POPULATION. For purposes of
2 AS 29.60.010 - 29.60.080, the population of a taxing unit shall be
3 determined annually by the latest figures of the United States Bureau
4 of the Census or other population data that in the judgment of the
5 department is reliable.

6 Sec. 29.60.030. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a)
7 The department may require a municipality to return a certification,
8 signed by the municipal treasurer or manager and the mayor, that pro-
9 vides an estimate of the locally generated revenue received by the
10 municipality during the preceding fiscal year.

11 (b) By October 15 of each year, the department shall make an
12 initial determination of the millage rate equivalent of each taxing
13 unit to be used for computing and distributing equalization entitle-
14 ments for the current fiscal year under AS 29.60.010 - 29.60.080. The
15 department shall base the initial determination on the estimates in
16 the certification returned by a municipality under (a) of this sec-
17 tion.

18 (c) As early as possible, but not later than December 15 of each
19 year, the department shall make a final determination of the millage
20 rate equivalent of each taxing unit to use to compute and distribute
21 equalization entitlements under AS 29.60.010 - 29.60.080. The depart-
22 ment shall base the determination on audits, financial statements and
23 other financial reports prepared and submitted by a municipality. The
24 department shall adjust the locally generated revenue reported by a
25 municipality to exclude the municipal revenue claimed that does not
26 qualify for inclusion in or recognition as locally generated revenue
27 for municipal purposes under AS 29.60.010(c)(1). The adjustment shall
28 be made by deducting from total revenue claimed by the municipality
29 the amount of the department's estimate of revenue that is not

1 recognized for municipal purposes.

2 (d) The full and true assessed property value shall be deter-
3 mined by the department in the manner provided for the computation of
4 state aid to education under AS 14.17.140. When the determination of
5 locally generated revenue includes revenue of a utility received under
6 AS 29.60.010(c)(1)(E), the full and true assessed property value shall
7 include the computed assessed value of the utility, determined by
8 dividing the amount of the payment in place of taxes made by the
9 utility by the millage rate that would apply to the utility if the
10 utility were subject to levy and collection of taxes under AS 29.45.

11 (e) In addition to the computation for municipalities that levy
12 and collect a property tax, the department shall determine an esti-
13 mated full and true assessed property value under (d) of this section
14 for

15 (1) each municipality that is a school district and that
16 does not levy and collect a property tax;

17 (2) each second class city with a population of 750 or more
18 persons; however, a computation is not required under this paragraph
19 more often than once during a period of three successive calendar
20 years; and

21 (3) all other second class cities, by determining the
22 average per capita full and true assessed property value of all cities
23 having a population of less than 750 persons in which an assessment
24 has been completed by a municipality or for which a determination is
25 not made under (1) or (2) of this subsection.

26 (f) The department shall annually compute a statewide average
27 per capita full and true assessed property value.

28 Sec. 29.60.040. REPORTS. A payment of an equalization entitle-
29 ment may not be made to a municipality under AS 29.60.010 - 29.60.080

1 until the municipality has submitted its certificate of estimated
2 revenue and its financial report to the department for the fiscal year
3 preceding the year for which the equalization entitlement is sought,
4 together with a budget for the municipality's current fiscal year.
5 The financial report shall include a listing of general revenue col-
6 lected from taxes levied and assessed and any other revenue that, in
7 the opinion of the municipal officials, is eligible for inclusion in
8 computations of the locally generated revenue of the taxing unit.

9 Sec. 29.60.050. LIMITATION ON COMPUTATION AND USE OF PAYMENTS.

10 (a) An equalization entitlement generated by the tax levy of a taxing
11 unit may be used only for authorized expenditures of that taxing unit,
12 but up to 15 percent of the payment of an equalization entitlement
13 generated by areawide revenue of a municipality may be used by the
14 municipality for areawide or nonareawide purposes at the discretion of
15 its governing body. This subsection applies to home rule and general
16 law municipalities.

17 (b) An equalization entitlement determined with reference to
18 revenue other than revenue obtained from the levy and collection of
19 taxes may be used for areawide or nonareawide purposes, at the discre-
20 tion of the governing body.

21 Sec. 29.60.060. TAX EQUALIZATION ACCOUNT. The tax equalization
22 account is established. Money to carry out the provisions of AS 29.-
23 60.010 - 29.60.080 shall be allocated by the department to the ac-
24 count. The amount allocated to the account shall be fully distributed
25 by the department as payments to municipalities to fulfill each share
26 authorized under AS 29.60.010. The amount allocated to the account
27 shall be distributed by the department pro rata among eligible munici-
28 palities.

29 Sec. 29.60.070. ADMINISTRATION. (a) The department may adopt

1 regulations necessary to implement AS 29.60.010 - 29.60.080. The
2 regulations shall include, among other provisions,

3 (1) procedures and filing dates for submitting certifica-
4 tion and financial reports;

5 (2) procedures for obtaining information required to com-
6 pute and determine the municipality's millage rate equivalent; and

7 (3) procedures by which the department shall notify a
8 municipality in writing of the reasons for a proposed disallowance or
9 adjustment of any factor bearing upon the determination of the muni-
10 cipality's entitlement and by which the municipality will be provided
11 reasonable time in which to respond or to challenge the department's
12 determination.

13 (b) The department shall make reasonable efforts to advise and
14 assist municipalities in collecting information and completing reports
15 necessary for the determination of entitlements under AS 29.60.010 -
16 29.60.080.

17 (c) The department shall, by regulation, classify for inclusion
18 or exclusion as a component of a municipality's millage rate equiva-
19 lent under AS 29.60.010 any tax revenue appropriated for a utility not
20 included in the definition set out in AS 29.60.080(2).

21 Sec. 29.60.080. DEFINITIONS. In AS 29.60.010 - 29.60.080

22 (1) "taxing unit" means a municipality and

23 (A) in a borough or unified municipality, a service
24 area or the entire area outside cities;

25 (B) in a city, a differential tax zone;

26 (2) "utility" means electric, water, sewer, gas heat, tele-
27 phone, or refuse and garbage collection service.

28 ARTICLE 2. STATE AID FOR MISCELLANEOUS PURPOSES.

29 Sec. 29.60.100. REVENUE SHARING PAYABLE. In addition to the

1 equalization entitlements paid under AS 29.60.010 - 29.60.080, during
2 each fiscal year the department shall pay aid

3 (1) to a municipality or other eligible recipient that has
4 the power to provide the services described in AS 29.60.110 - 29.60.-
5 130 and exercises the power in the manner required by AS 29.60.100 -
6 29.60.180;

7 (2) to an unincorporated community under AS 29.60.140.

8 Sec. 29.60.110. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The
9 department shall pay to a municipality that has power to provide for
10 road maintenance and exercises that power, \$2,500 a mile for each mile
11 of road, street, or highway maintained by the municipality, excluding
12 (1) the official state highway system, (2) roads, streets, or highways
13 not dedicated to public use, (3) roads, streets, or highways main-
14 tained under the local service road program (AS 19.30.111 - 19.30.-
15 251), and (4) alleyways, in accordance with regulations adopted by the
16 Department of Transportation and Public Facilities. A payment may not
17 be made under this subsection for maintenance of a road that is not
18 used by automotive equipment.

19 (b) A frozen waterway and a connection from an inhabited area to
20 a waterway that may be safely used for public transportation by auto-
21 motive equipment and is so used during a portion of a year is eligible
22 for a payment of \$1,500 per mile if the waterway and connection are
23 maintained during the period of use by a municipality or combination
24 of municipalities. The department, after consultation with the De-
25 partment of Transportation and Public Facilities, shall determine
26 which waterways and connections qualify and, where the waterways or
27 connections lie outside the corporate limits of a municipality, which
28 municipalities shall receive the payments under this subsection,
29 unless the municipalities involved have agreed in writing to a

1 particular distribution.

2 Sec. 29.60.120. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE
3 RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The department
4 shall pay

5 (1) to a municipality that has the power to provide hospi-
6 tal facilities and services and that exercises that power, \$1,000 per
7 bed for each bed actually used for patient care, limited to the number
8 of beds provided for in the construction design of the hospital, or
9 \$250,000 a hospital for those hospitals with 10 or more beds, or
10 \$50,000 a hospital for those hospitals with less than 10 beds, as the
11 municipality may elect; money received under this paragraph may be
12 used only for hospitals and shall be apportioned among qualifying
13 hospitals as the municipality determines;

14 (2) on the basis set out in (1) of this subsection to a
15 municipality for a nonprofit hospital not operated by a municipality
16 if the municipality first certifies to the department that the non-
17 profit hospital is in compliance with all standards for hospitals that
18 have been adopted by the municipality; money may not be paid on behalf
19 of a nonprofit hospital without this certification; payments to the
20 municipality shall be transferred to the nonprofit hospital in accor-
21 dance with the basis by which the payment was generated by the hospi-
22 tal, and shall be applied to the annual cost of operation and mainte-
23 nance of the hospital or for the provision of health care service at
24 the hospital as the directors of the hospital determine;

25 (3) to a municipality in which a licensed health facility
26 is operated, \$2,000 per bed for each bed actually used for patient
27 care, limited to the number of beds provided for in the construction
28 design of the health facility, or \$8,000 per health facility as the
29 municipality determines.

1 (b) A hospital may not receive payment under both (a)(1) and
2 (a)(2) of this section.

3 (c) Money received by a municipality under (a)(3) of this sec-
4 tion shall be used for expenses of health services or operation and
5 maintenance of health facilities as the municipality determines.

6 (d) Before money may be distributed under this section, the com-
7 missioner of health and social services shall certify to the commis-
8 sioner of community and regional affairs that any accumulation of
9 assets by nonprofit corporations or other recipients under this sec-
10 tion is dedicated irrevocably to a public purpose.

11 (e) Subsections (a) and (c) of this section apply to home rule
12 and general law municipalities.

13 (f) In this section

14 (1) "health facility"

15 (A) means a facility that is licensed or certified by
16 the state or approved under regulations adopted by the department
17 and that is owned or operated or both by a municipality or by a
18 nonprofit corporation or other nonprofit sponsor;

19 (B) includes a public health center, maternity home,
20 community mental health center, facility for the mentally or
21 physically handicapped, nursing home, convalescent center,
22 domestic violence or sexual assault shelter qualified to receive
23 a grant or contract under AS 18.66, or alcohol or drug abuse
24 facility that meets standards established under AS 47.37;

25 (C) excludes a facility operated or wholly supported
26 by the state or the federal government;

27 (2) "hospital" means a licensed hospital determined by the
28 Department of Health and Social Services to be a general or special
29 hospital; the term excludes a facility operated or wholly supported by

1 the state or the federal government.

2 Sec. 29.60.130. STATE AID TO VOLUNTEER FIRE DEPARTMENTS NOT IN
3 ORGANIZED MUNICIPALITY. (a) The department shall pay to a volunteer
4 fire department registered with the state fire marshal and serving an
5 area not in an organized municipality a sum for protection purposes
6 equal to \$10 per capita for the population served by the fire depart-
7 ment, as determined by the state fire marshal.

8 (b) A grant shall be made under (a) of this section to facili-
9 tate the organization of a volunteer fire department in an area not in
10 an organized municipality, upon application of the proposed fire
11 protection group to the state fire marshal and upon approval of appli-
12 cations according to standards of organization and service prescribed
13 by regulations adopted by the state fire marshal.

14 Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a)
15 The department shall pay to each unincorporated community an entitle-
16 ment of \$25,000 each fiscal year to be used for a public purpose. The
17 department with advice from the Department of Law shall determine
18 whether there is in each unincorporated community an incorporated
19 nonprofit entity or a Native village council that will agree to re-
20 ceive and spend the entitlement. If there is more than one qualified
21 entity in an unincorporated community, the department shall pay the
22 money under the entitlement to the entity that the department finds
23 most qualified to receive and spend the money. The department may not
24 pay money under an entitlement to a Native village council unless the
25 council waives immunity from suit for claims arising out of activities
26 of the council related to the entitlement. A waiver of immunity from
27 suit under this subsection must be on a form provided by the Depart-
28 ment of Law. If there is no qualified incorporated nonprofit entity
29 or Native village council in an unincorporated community that is

1 willing to receive money under an entitlement, the entitlement for
2 that unincorporated community may not be paid. Neither this sub-
3 section nor any action taken under it enlarges or diminishes the
4 governmental authority or jurisdiction of a Native village council.

5 (b) In this section "unincorporated community" means a place in
6 the unorganized borough that is not incorporated as a city and in
7 which 25 or more persons reside as a social unit.

8 Sec. 29.60.150. POPULATION DETERMINATION. For purposes of
9 AS 29.60.100 - 29.60.180, population shall be determined by the latest
10 figures of the United States Bureau of the Census or other population
11 data that in the judgment of the department is reliable.

12 Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments
13 to a municipality or other eligible recipient under AS 29.60.110 -
14 29.60.130 shall reflect area cost-of-living differentials. Payments
15 shall be based on the sum of per capita, per mile and per bed or
16 facility grants due each municipality or other recipient multiplied by
17 the appropriate area cost-of-living differential. The area cost-of-
18 living differential for each recipient shall be determined annually by
19 election district under the provisions of AS 39.27.030. Application
20 of the area cost-of-living differential may not result in distribution
21 of an amount less than the amount of the payment determined without
22 reference to application of this section.

23 (b) The election districts used to establish area cost-of-living
24 differentials under (a) of this section are those designated by the
25 proclamation of reapportionment and redistricting of December 7, 1961,
26 and retained for the house of representatives by proclamation of the
27 governor September 3, 1965.

28 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscella-
29 neous services account is established. Money to carry out the

1 provisions of AS 29.60.100 - 29.60.180 shall be allocated by the
2 department to the account in accordance with AS 29.60.280. If amounts
3 in the account are insufficient to pay each municipality's or other
4 recipient's share authorized under AS 29.60.100 - 29.60.180, the
5 amounts that are available shall be distributed pro rata among
6 eligible municipalities and other recipients.

7 Sec. 29.60.180. REGULATIONS. The department shall adopt regula-
8 tions necessary to carry out the purposes of AS 29.60.100 - 29.60.180.
9 The regulations shall include minimum standards required to qualify a
10 municipality or other recipient for payments for each service. The
11 department may require a municipality or other recipient to submit a
12 performance report adequate to demonstrate to the department that a
13 service for which payment is requested under AS 29.60.100 - 29.60.180
14 was performed by the municipality or other recipient and meets minimum
15 standards of service prescribed by regulation.

16 ARTICLE 3. ADMINISTRATION OF STATE AID PROGRAMS.

17 Sec. 29.60.280. ALLOCATION AND DISTRIBUTION. (a) Each year,
18 the department shall allocate money appropriated to the accounts
19 established in AS 29.60.060, 29.60.170, and former AS 29.90.020 in the
20 amounts determined by the legislature.

21 (b) Money in the miscellaneous services account established in
22 AS 29.60.170 that exceeds the amount required to fully fund distribu-
23 tions authorized by AS 29.60.100 - 29.60.180 shall be reallocated to
24 the tax equalization account established in AS 29.60.060 and distri-
25 buted according to the provisions of AS 29.60.010 - 29.60.080.

26 (c) Money in the hospital and health facility construction
27 assistance account established in former AS 29.90.020 that exceeds the
28 amount required to fully fund distributions authorized by sec. 9, ch.
29 95, SLA 1983 shall be reallocated to the tax equalization account

1 established in AS 29.60.060 and distributed according to the provi-
2 sions of AS 29.60.010 - 29.60.080.

3 Sec. 29.60.290. QUALIFICATION FOR MINIMUM PAYMENT. (a) A
4 municipality qualifying for an entitlement under AS 29.60.010 - 29.-
5 60.080 or 29.60.100 - 29.60.180 shall receive a minimum payment of
6 \$25,000 plus an area cost-of-living differential for each fiscal year
7 if

8 (1) the municipality has conducted a regular election
9 during the fiscal year preceding the year for which payment of an
10 entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 -
11 29.60.180 and has reported the results of the election to the commis-
12 sioner;

13 (2) regular meetings of the governing body are held in the
14 municipality during the fiscal year preceding the year for which
15 payment of an entitlement is authorized by AS 29.60.010 - 29.60.080 or
16 29.60.100 - 29.60.180 and a record of the proceedings is maintained;

17 (3) a municipal budget has been adopted for the fiscal year
18 during which payment of an entitlement is authorized by AS 29.60.010 -
19 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement
20 for the preceding fiscal year has been prepared and furnished to the
21 department in accordance with AS 29.20.640(a); and

22 (4) local ordinances adopted by the municipality have been
23 codified in accordance with AS 29.25.050.

24 (b) The area cost-of-living differential payable to each munici-
25 pality under this section shall be determined annually by election
26 district under the provisions of AS 39.27.030. Except as provided in
27 AS 29.60.300, application of the area cost-of-living differential may
28 not result in a payment that is less than the minimum payment deter-
29 mined under (a) of this section. For purposes of this subsection, the

1 election districts used are those designated by the proclamation of
2 reapportionment and redistricting of December 7, 1961, and retained
3 for the house of representatives by proclamation of the governor
4 September 3, 1965.

5 (c) The department shall pay to each municipality eligible to
6 receive a minimum payment under this section an amount equal to the
7 difference between the minimum payment determined under (a) and (b) of
8 this section and the sum of the amounts payable for the same fiscal
9 year under AS 29.60.010 - 29.60.080 and 29.60.100 - 29.60.180.

10 (d) A payment under this section may be prorated and reduced
11 under AS 29.60.300.

12 (e) Payments under this section shall be made from the money
13 allocated to the tax equalization account established in AS 29.60.060.

14 Sec. 29.60.300. PRORATION OF PAYMENTS. (a) Payments under
15 AS 29.60.290 and 29.60.010 - 29.60.180 shall equal the amount allo-
16 cated to the tax equalization account (AS 29.60.060), adjusted in
17 accordance with AS 29.60.280.

18 (b) Adjustments of payments shall be determined by prorating
19 amounts payable under AS 29.60.290 and amounts payable under AS 29.-
20 60.010 - 29.60.180 by a factor that, when applied, reduces all pay-
21 ments in equal proportion so that payment under AS 29.60.290 and
22 payments under AS 29.60.010 - 29.60.180 equal the amount allocated to
23 the tax equalization account established in AS 29.60.060.

24 ARTICLE 4. MUNICIPAL ASSISTANCE.

25 Sec. 29.60.350. MUNICIPAL ASSISTANCE FUND. (a) There is estab-
26 lished in the department the municipal assistance fund. The legisla-
27 ture may appropriate to the municipal assistance fund during each
28 fiscal year an amount equal to or greater than 30 percent of the
29 income tax revenue received by the state under AS 43.20.011(e) for the

1 previous fiscal year.

2 (b) The department shall distribute money from the municipal
3 assistance fund to each municipality on an annual basis as provided in
4 AS 29.60.360 and 29.60.370. A municipality may not receive payment
5 until it submits to the department a resolution approved by the gov-
6 erning body of the municipality that requests the money. Distribution
7 of money from the municipal assistance fund to a municipality with a
8 fiscal year beginning on January 1 shall be made on February 1 of the
9 state fiscal year for which the appropriation to the fund is made.
10 Distribution of money from the municipal assistance fund to all other
11 municipalities shall be made on June 1 of the state fiscal year for
12 which the appropriation to the fund is made. A municipality that
13 incorporates after December 31 of a state fiscal year is not eligible
14 for a distribution under this section until the following state fiscal
15 year.

16 Sec. 29.60.360. BASE AMOUNT OF ASSISTANCE. (a) The base amount
17 to be distributed from the municipal assistance fund to each munici-
18 pality for the fiscal year shall be the amount received by the munici-
19 pality during fiscal year 1978 under AS 43.70.080. A city incor-
20 porated within a borough after June 30, 1977, shall receive as a base
21 amount a share of the amount distributed to the borough in which it is
22 located based on the ratio of population in the city to the total
23 population in the borough. A city incorporated outside a borough
24 after June 30, 1977, shall receive as a base amount the amount re-
25 ceived by the city in the state most closely approximating it in
26 population at the time of its incorporation. A borough incorporated
27 after June 30, 1977, shall receive as a base amount the amount re-
28 ceived by the borough in the state most closely approximating it in
29 population at the time of its incorporation.

1 (b) If the amount appropriated to the municipal assistance fund
2 by the legislature during a fiscal year is insufficient for distri-
3 bution of the full base amount to each municipality, the department
4 shall prorate the amount available for distribution on the basis of
5 amounts received during the fiscal year 1978 under AS 43.70.080.

6 Sec. 29.60.370. INCREASED ASSISTANCE. (a) If the amount in the
7 municipal assistance fund at the time of distribution exceeds the base
8 amount to be distributed under AS 29.60.360, the excess amount shall
9 be distributed to each municipality on the basis of population.
10 Population for the purpose of this section shall be as certified by
11 the commissioner of community and regional affairs. In determining
12 the population of a borough, the population of all cities in the
13 borough shall be deducted from the total population of the borough.

14 (b) The intent of (a) of this section is that a municipality
15 that levies property taxes reduce those levies in reasonable propor-
16 tion to the amount of increased state aid received by the municipal-
17 ity. The governing body of each municipality shall furnish a notice
18 with each tax statement describing its use of this increased state
19 aid.

20 ARTICLE 5. COMMUNITY FACILITIES GRANTS.

21 Sec. 29.60.400. GRANTS FOR COMMUNITY FACILITIES. (a) Within
22 the limits of appropriations for the purpose the Department of Com-
23 merce and Economic Development shall make matching grants in accor-
24 dance with the provisions of AS 29.60.410 - 29.60.440 to municipal-
25 ities or their nonprofit designees equal to

26 (1) 50 percent of the estimated reasonable costs of con-
27 struction of municipal civic, convention, and community recreation
28 centers; and

29 (2) 50 percent of the cost of feasibility studies relating

1 to the construction of municipal civic, convention, and community
2 recreation centers.

3 (b) A grant may be made under this section only to a municipal-
4 ity with the power to implement the study or project for which the
5 grant is authorized or to its nonprofit designee. A grant for only
6 one study and one project may be awarded to a municipality or its
7 designee under this section.

8 (c) In this section "costs of construction" means, in addition
9 to costs directly related to a project, the sum of all costs of fi-
10 nancing and carrying out the project, including the costs of all
11 necessary studies, surveys, plans and specifications, architectural,
12 engineering or other special services, acquisition of real property,
13 site preparation and development, purchase, construction, recon-
14 struction and improvement of real property and the acquisition of
15 machinery and equipment necessary to the project; an allocable portion
16 of the administrative and operating expenses of the grantee; and the
17 cost of financing the project, including interest on bonds issued to
18 finance the project, the cost of indemnity and surety bonds, premiums
19 on insurance, legal fees, fees and expenses of trustees, depositaries,
20 financial advisors, and the costs associated with the issuance of
21 bonds. It does not include the cost of feasibility studies.

22 Sec. 29.60.410. GRANT PROCEDURES. (a) An application for a
23 grant under AS 29.60.400 shall be made in a form prescribed by the
24 commissioner of commerce and economic development.

25 (b) A grant shall be allotted in accordance with an agreement
26 made between the commissioner of commerce and economic development on
27 behalf of the state and the grantee. The agreement may include any
28 provision agreed upon by the parties and shall include in substance
29 the following provisions:

1 (1) estimates of reasonable costs of the study or project
2 as approved by the commissioner after consultation with the Department
3 of Transportation and Public Facilities;

4 (2) a schedule of disbursements of money from the grant if
5 the commissioner determines that the grant money is not to be dis-
6 bursed in one sum;

7 (3) agreement by the grantee

8 (A) to proceed with and complete the proposed study or
9 project expeditiously;

10 (B) not to discontinue operation or dispose of all or
11 part of a community facility for which it receives a grant with-
12 out the approval of the commissioner;

13 (C) to apply for and make reasonable efforts to secure
14 federal assistance that may be available for the study or proj-
15 ect, subject to any conditions the commissioner may require to
16 maximize the amounts of that assistance available for all proj-
17 ects in the state;

18 (D) to provide for payment of the grantee's share of
19 the cost of the study or project;

20 (E) that, if federal assistance for a study or project
21 becomes available to the grantee that was not included in the
22 calculation of the amount of the grant, the value of the federal
23 assistance shall be subtracted from the total value of the proj-
24 ect and the balance shall be equally divided between the grantee
25 and the state;

26 (4) alteration or modification of an approved study or
27 project;

28 (5) alteration or modification of an existing facility that
29 would have qualified for a grant at the time of initial construction

1 if AS 29.60.400 - 29.60.440 had been in effect;

2 (6) remedies in case of failure to perform the agreement or
3 noncompliance with regulations adopted under AS 29.60.420.

4 (c) The commissioner of commerce and economic development shall
5 require in negotiations and in each grant agreement that continued
6 maintenance of the community facility is the responsibility of the
7 municipality. The municipality must show the feasibility of continu-
8 ing to maintain the facility before state money may be authorized for
9 a grant.

10 Sec. 29.60.420. POWERS AND DUTIES OF THE COMMISSIONER. (a) The
11 commissioner of commerce and economic development shall provide an
12 annual report to the legislature about grants made under AS 29.60.400.

13 (b) The commissioner of commerce and economic development shall
14 adopt regulations to carry out the purposes of AS 29.60.400 - 29.60.-
15 440.

16 Sec. 29.60.430. ALLOCATION OF MONEY. If the amount of money
17 appropriated by the legislature for grants under AS 29.60.400 is not
18 adequate to satisfy amounts required for approved grant applications,
19 money shall be allocated on the basis of priority established by
20 regulations of the Department of Commerce and Economic Development.

21 Sec. 29.60.440. LIMITATION. AS 29.60.400 - 29.60.440 does not
22 require that a recipient of a grant for a feasibility study must
23 proceed with construction of the project, regardless of whether the
24 project is determined to be feasible.

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 BOROUGHES AND
28 UNIFIED MUNICIPALITIES. (a) The general grant land entitlement of
29 each of the municipalities in this section is the amount set out

1 opposite each:

- 2 (1) Municipality of Anchorage - 44,893 acres;
3 (2) City and Borough of Juneau - 19,584 acres;
4 (3) City and Borough of Sitka - 10,500 acres;
5 (4) Bristol Bay Borough - 2,898 acres;
6 (5) Fairbanks North Star Borough - 112,000 acres;
7 (6) Haines Borough - 2,800 acres;
8 (7) Kenai Peninsula Borough - 155,780 acres;
9 (8) Ketchikan Gateway Borough - 11,593 acres;
10 (9) Kodiak Island Borough - 56,500 acres;
11 (10) Matanuska-Susitna Borough - 355,210 acres;
12 (11) North Slope Borough - 89,850 acres.

13 (b) This section is a continuation of the provisions of former
14 AS 29.18.201 and does not grant additional entitlements.

15 Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR CITIES. (a)
16 The general grant land entitlement of a city formerly eligible to
17 receive general grant land under the provisions of former AS 29.18.190
18 and 29.18.200 is 10 percent of the maximum total acreage of vacant,
19 unappropriated, unreserved land in the boundaries of each city at any
20 time between the initial date of eligibility under former AS 29.18.190
21 and 29.18.200 and July 1, 1978. Within six months after July 1, 1978,
22 the director shall determine the entitlement for each city eligible to
23 receive general grant land under former AS 29.18.202 and certify that
24 entitlement to the city.

25 (b) This section is a continuation of the provisions of former
26 AS 29.18.203 and does not grant additional entitlements to cities
27 incorporated before January 1, 1986.

28 Sec. 29.65.030. DETERMINATION OF ENTITLEMENT FOR NEWLY INCOR-
29 PORATED MUNICIPALITIES. (a) The general grant land entitlement of a

1 municipality incorporated after July 1, 1978, is 10 percent of the
2 total acreage of vacant, unappropriated, unreserved land within the
3 boundaries of the municipality on the date of its incorporation.

4 (b) Within six months after the date of incorporation of a muni-
5 cipality that is incorporated after July 1, 1978, the director shall
6 determine the entitlement of each municipality eligible to receive
7 general grant land under (a) of this section and certify the entitle-
8 ment to the municipality.

9 (c) This section is a continuation of the provisions of former
10 AS 29.18.203 and does not grant additional entitlements to
11 municipalities incorporated before January 1, 1986.

12 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) After July 1,
13 1978, general grant land entitlements provided in former AS 29.18.201
14 and former AS 29.18.202 are vested property rights that must be
15 fulfilled as provided in AS 29.65.050 or 29.65.080.

16 (b) General grant land entitlements provided by AS 29.65.030 are
17 property rights that vest on the date of incorporation of the muni-
18 cipality. The entitlement must be fulfilled as provided in AS 29.65.-
19 050.

20 (c) Land may be selected or nominated for selection by a muni-
21 cipality to satisfy a general grant land entitlement under former
22 AS 29.18.201 and 29.18.202 at any time before October 1, 1980. How-
23 ever, if a municipal selection or nomination or a part of a municipal
24 selection or nomination is rejected by the director, the municipality
25 may, not later than 90 days after receipt of the rejection, select
26 additional state land as necessary to satisfy its entitlement.

27 (d) Land may be selected by a municipality to satisfy a general
28 grant land entitlement under AS 29.65.030 at any time within one year
29 after the director certifies the entitlement to the municipality.

1 (e) The time limitations imposed by (c) and (d) of this section
2 for exercising a vested general grant land entitlement do not apply to

3 (1) the portion of an entitlement that cannot be satisfied
4 by that date because of a shortage of land suitable for residential,
5 commercial, and industrial purposes that is vacant, unappropriated,
6 unreserved land;

7 (2) payments for land deficiency under AS 29.65.080;

8 (3) the portion of an entitlement that cannot be satisfied
9 because the land selected by a municipality has been selected by a
10 party entitled to select land owned by the United States or the state;
11 or

12 (4) the portion of an entitlement that cannot be satisfied
13 because the land nominated for selection by the municipality is not
14 tentatively approved for patent to the state.

15 Sec. 29.65.050. FULFILLMENT OF LAND ENTITLEMENTS. (a) The
16 acreage of each municipality's land selections for which patent has
17 been issued before July 1, 1978, shall be credited toward fulfillment
18 of the entitlement of that municipality.

19 (b) All approved selections under former AS 29.18.190 and 29.-
20 18.200 for which patent has not been issued to a municipality on
21 July 1, 1978, shall be reviewed by the director within nine months
22 after July 1, 1978. Any approved selection of land that was vacant,
23 unappropriated, or unreserved on the date of selection is valid as of
24 the date of the approval under former AS 29.18.190 and 29.18.200, and
25 a patent shall be issued to the municipality within three months after
26 approval by the director of a plat of survey. The acreage shall be
27 credited toward fulfillment of the municipality's entitlement. A
28 municipality is not entitled to receive patent under this chapter to
29 more than its entitlement determined under AS 29.65.010 - 29.65.030.

1 Any prior approval by the director of municipal selections for land
2 that was not vacant, unappropriated, or unreserved on the date of
3 selection shall be rescinded, and patent may not be issued except when
4 disposal to a third party by sale or lease has occurred. Transfers of
5 land to municipalities under this chapter are subject to AS 38.05.321.
6 Classification actions as reflected on the land status records of the
7 Department of Natural Resources are determinative of land classifica-
8 tion status for purposes of this chapter.

9 (c) The director shall approve each selection for patent within
10 nine months of its selection by a municipality, and a patent shall be
11 issued to the municipality for land selected in satisfaction of a
12 general grant land entitlement vested under AS 29.65.010 - 29.65.030
13 within three months after approval by the director of a plat of sur-
14 vey.

15 Sec. 29.65.060. SCHOOL AND MENTAL HEALTH LAND. (a) If an
16 entitlement determined under AS 29.65.010 or 29.65.020 results in a
17 per capita entitlement for the municipality of less than one and
18 one-half acre, the municipality may select vacant school or mental
19 health land in the municipality in partial fulfillment of its land
20 entitlement under this chapter. School or mental health land may be
21 selected notwithstanding the fact that this land is not unappropriated
22 and unreserved within the meaning of this chapter and under former
23 AS 29.18.190 and 29.18.200, but each selection of school or mental
24 health land by a municipality must be vacant, unappropriated, or
25 unreserved land as defined in this chapter, except that it need not be
26 general grant land.

27 (b) The acreage of school, university or mental health land, if
28 any, in a municipality may not be included in the determination of
29 entitlement under AS 29.65.010 or 29.65.020.

1 (c) Land conveyed under this section will be credited against a
2 municipality's remaining land entitlement under this chapter.

3 (d) Within six months after approval of a municipal selection of
4 school or mental health land, the director shall identify state
5 general grant land of approximately equal value to the land requested
6 by the municipality and shall propose the replacement land for the
7 concurrence of the appropriate board. If a proposal by the director
8 is rejected by the board, the director shall meet with the board as
9 often as necessary to determine the type and amount of equal value
10 replacement land that would be required to obtain the board's concur-
11 rence, and shall propose the replacement land for consideration by the
12 board. The replacement land shall thereafter be managed for the pur-
13 poses for which the land selected by the municipality was acquired by
14 the Territory and State of Alaska.

15 (e) The notice provisions of AS 38.05.945 apply to the designa-
16 tion of other general grant land as school, university or mental
17 health land in replacement of land selected under this section. The
18 provisions of AS 38.50 do not apply to such designations under this
19 section.

20 (f) For purposes of determining the per capita entitlement under
21 (a) of this section, the population of a municipality shall be the
22 population determined by the commissioner under former AS 43.18.010
23 for the program year beginning July 1, 1978, for a municipality whose
24 entitlement was determined under former AS 29.18.201 or 29.18.202.

25 Sec. 29.65.070. SELECTION AND CONVEYANCE PROCEDURE. (a) If
26 land selected by a municipality is unsurveyed at the time of approval,
27 the director shall survey, or may approve the municipality's survey
28 of, the exterior boundaries of an approved selection without interior
29 subdivision, and shall issue patent in terms of the exterior boundary

1 survey. The cost of the survey shall be borne by the municipality.
2 If land selected by a municipality has been surveyed at the time of
3 its selection, the boundaries shall conform to the public land subdivi-
4 sions established by the approved survey.

5 (b) The director may approve municipal selections of land that
6 have been tentatively approved or patented to the state by the federal
7 government but may not issue patent to a municipality until the land
8 has first been patented to the state. After approval of a selection
9 by the director, but before patent to a municipality, the municipality
10 may execute conditional leases and make conditional sales only with
11 the consent of the director. Conditional sales and conditional leases
12 made before July 1, 1978, do not require the consent of the director.

13 (c) Nothing in this chapter affects a valid existing claim,
14 location, or entry under the laws of the state or the United States
15 whether for homestead, mineral, right-of-way, or other purposes.
16 Nothing in this chapter affects the rights of an owner, claimant,
17 locater, or entryman to the full use and enjoyment of the land so
18 occupied.

19 Sec. 29.65.080. PAYMENT FOR LAND DEFICIENCY. (a) The Alaska
20 municipal land account is established in the general fund for the
21 following purposes:

22 (1) providing payment to the boroughs and unified muni-
23 cipalities designated in AS 29.65.010 for a deficiency of land phys-
24 ically suitable for residential, commercial, or industrial purposes;
25 or

26 (2) providing payment to the boroughs and unified muni-
27 cipalities designated in AS 29.65.010 for certain general grant lands
28 selected by the state and conveyed to a Native corporation under the
29 provisions of the Alaska Native Claims Settlement Act.

1 (b) A municipality shall receive payment for its land deficiency
2 from the municipal land account. A municipality is eligible to re-
3 ceive payment for land deficiency if, after July 1, 1980, the amount
4 of land selected by a municipality that is physically suitable for
5 residential, commercial, or industrial purposes amounts to less than
6 one-third acre per capita. Any entitlement under AS 29.65.010 that is
7 less than one-third acre per capita will, for the purposes of this
8 subsection, be considered a land deficiency. An unselected remaining
9 entitlement will, for the purpose of deficiency payment under this
10 subsection, be considered as land physically suitable for residential,
11 commercial, or industrial purposes. A municipality eligible under
12 this subsection is entitled to receive a payment for land deficiency
13 equal to \$1,000 per acre for a number of acres equal to the difference
14 between one-third of the population of the municipality less the
15 number of acres physically suitable for residential, commercial or
16 industrial purposes that has been selected by the municipality. For
17 the purpose of this subsection, the population of the municipality
18 shall be the population determined in accordance with AS 29.65.060(f).
19 No payment may be made to a municipality under this subsection in
20 excess of \$9,000,000.

21 (c) If a municipality selected vacant, unappropriated, unre-
22 served land on or before December 18, 1971, to which the state had
23 received tentative approval or patent, and that land was also selected
24 by a Native corporation organized under the Alaska Native Claims
25 Settlement Act (P.L. 92-203), and title to that land is ultimately
26 vested in that Native corporation, the municipality may, at its op-
27 tion, request payment for land deficiency from the municipal land
28 account. The acceptance of payment under this subsection by a muni-
29 cipality constitutes a relinquishment of any other right, title, or

1 claim to the land by that municipality. The total payment to a muni-
2 cipality under this subsection may not exceed \$1,000 per acre to a
3 maximum of 8,000 acres.

4 (d) The governor shall annually submit to the legislature a
5 request for an appropriation to the municipal land account, for the
6 municipalities that have elected to receive payments under (b) or (c)
7 of this section. The request for appropriation shall distinguish
8 between amounts necessary to make payments for land deficiency under
9 (b) of this section and those required to make payments for land
10 deficiency under (c) of this section.

11 (e) For purposes of fulfilling entitlements under this section,
12 the legislature is authorized to appropriate

13 (1) not more than \$4,000,000 per fiscal year, and not more
14 than \$12,000,000 in total, for the purpose of paying entitlements
15 under (b) of this section;

16 (2) not more than \$1,000,000 per fiscal year, and not more
17 than \$8,000,000 in total, for the purpose of paying entitlements under
18 (c) of this section.

19 (f) If an annual appropriation is not sufficient to meet the
20 amount due to all municipalities that have elected to accept payment
21 for land deficiency under (b) or (c) of this section, the governor
22 shall apportion the appropriation among the municipalities in propor-
23 tion to the payment calculated for each municipality for that year.
24 When a distribution of payments is made under (c) of this section, the
25 remaining entitlement of a municipality to which payment is made shall
26 be reduced in an amount equal to the number of acres for which payment
27 was received. An appropriation made under this section is in addition
28 to other grants and entitlements authorized to eligible municipali-
29 ties.

1 (g) Payments authorized by this section may not be made to a
2 municipality eligible for an entitlement under AS 29.65.020 or 29.65.-
3 030.

4 (h) Payments made under this section shall be used by a muni-
5 cipality that levies property taxes to reduce the levy in proportion
6 to the amount of state payments received by the municipality for a
7 given fiscal year. The governing body of each municipality shall
8 furnish a notice with the tax statement describing the effect on
9 property tax levies of payments received under this section.

10 Sec. 29.65.090. AUTHORIZATION FOR LAND EXCHANGES. The director,
11 and a municipality are authorized to exchange land or interests in
12 land when it is in the public interest. Land or interests in land
13 exchanged under this section must be of approximately equal value,
14 including the nonmonetary value of public benefits. Exchange
15 procedures shall comply with applicable law and municipal ordinances.
16 The notice and review provisions of AS 38.05.945 apply to exchanges of
17 land under this section. The provisions of AS 38.50 do not apply to
18 exchanges of land under this section.

19 Sec. 29.65.100. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Con-
20 sistent with the best interests of the state, if a municipality does
21 not contain and cannot reasonably acquire sufficient nonfederal land
22 within its boundaries to meet its legitimate needs for public or
23 private settlement or development, it is the policy of the state to
24 select federal land reasonably necessary to meet the needs of the
25 municipality and to make the land selected available to the municipal-
26 ity under AS 38.05.810 or (b) of this section.

27 (b) The state may contract with a municipality to act as its
28 agent in an auction of state land under applicable statutes. When a
29 municipality acts as the agent of the state in an auction, the

1 municipality may retain from the proceeds of the auction the capital
2 and other expenses that the director determines to be necessary and
3 reasonable.

4 (c) Nothing in this chapter limits or impairs the authority of
5 the director to transfer land to municipalities, without limit or
6 consideration, for public purposes in accordance with AS 38.05.810.
7 If there is a remaining entitlement of the municipality, land trans-
8 ferred under AS 38.05.810 shall be credited toward fulfillment of the
9 entitlement.

10 Sec. 29.65.110. ELECTION OF BENEFITS. (a) A municipality that
11 on July 1, 1978, was engaged in litigation, or that becomes engaged in
12 litigation, regarding a claim to state land under former AS 29.18.190
13 or 29.18.200 shall elect either to obtain the benefits provided in
14 this chapter or to pursue the litigation and waive any claim to en-
15 titlement under this chapter. An election shall be made by filing a
16 motion for dismissal with prejudice in the court in which the litiga-
17 tion is pending. If the claim involves a municipality identified in
18 AS 29.65.010, the municipality shall file its motion for dismissal
19 within 60 days after July 1, 1978. If a claim involves a city eligi-
20 ble to receive an entitlement under AS 29.65.020, the city shall file
21 its motion for dismissal within 60 days after receiving the certifi-
22 cate of entitlement provided by the director under AS 29.65.020.
23 Failure of the municipality to file a motion for dismissal during the
24 time period provided in this subsection is considered a waiver of
25 entitlement under this chapter.

26 (b) A municipality that was eligible to file land selections
27 under former AS 29.18.190 or 29.18.200 and that does not enter into
28 litigation over a claim to rights under those sections before the
29 expiration of the time period within which it could make an election

1 under (a) of this section is considered to have elected to receive
2 benefits under this chapter and to have waived any claim that might
3 have been raised under former AS 29.18.190 or 29.18.200.

4 (c) The provisions of this chapter do not affect the rights of a
5 party to litigation regarding former AS 29.18.190, 29.18.200 or
6 29.18.420 maintained by a municipality that has elected not to obtain
7 the benefits provided by this chapter.

8 Sec. 29.65.120. ADMINISTRATION. The commissioner of natural
9 resources may adopt regulations in accordance with the Administrative
10 Procedure Act (AS 44.62) necessary to carry out the purposes of this
11 chapter.

12 Sec. 29.65.130. DEFINITIONS. In this chapter, unless the con-
13 text otherwise requires,

14 (1) "approved selection" means a municipal land selection
15 that has been approved in writing by the director for transfer by
16 patent to a municipality;

17 (2) "director" means the director of lands, Department of
18 Natural Resources;

19 (3) "general grant land"

20 (A) means land patented or tentatively approved to the
21 state from the United States under sec. 6(a) or (b) of the Alaska
22 Statehood Act;

23 (B) does not include university land;

24 (4) "mental health land" means land granted under Title II,
25 sec. 202 of P.L. 84-830, as amended before or after July 1, 1978;

26 (5) "municipal land selection" means a request by a munici-
27 pality, filed in writing with the director under authority of former
28 AS 29.18.190 and 29.18.200 or under this chapter for vacant, unappro-
29 priated, unreserved general grant land within its municipal boundaries

1 in partial fulfillment of its municipal entitlement;

2 (6) "patent" means a document, issued by the director to a
3 municipality for a previously approved selection, that conveys and
4 quitclaims all the right, title, and interest of the state without
5 reservation or condition except as may be required by law;

6 (7) "remaining entitlement" means the general grant land
7 entitlement determined in accordance with this chapter, reduced by the
8 total acreage of approved selections, including both patented and un-
9 patented parcels;

10 (8) "school land" means those rectangular sections 16 and
11 36 within each township surveyed on or before January 3, 1959, and
12 confirmed and transferred to the State of Alaska upon its admission
13 under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other
14 land designated solely for school revenues;

15 (9) "university land" has the meaning given in
16 AS 38.05.365;

17 (10) "vacant, unappropriated, unreserved land" means general
18 grant land as defined in (3) of this section, excluding minerals as
19 required by sec. 6(i) of the Alaska Statehood Act, that

20 (A) has not been set aside by statute for one or more
21 particular uses or purposes;

22 (B) has not been approved for patent to a municipality
23 under this chapter or former AS 29.18.190 and 29.18.200; or

24 (C) is unclassified or, if classified under AS 38.05.-
25 300, is classified for agricultural, grazing, commercial, indus-
26 trial, private recreational, residential, utility, or open-to-
27 entry purposes, or is classified in accordance with an agreement
28 between a municipality and the state providing for state manage-
29 ment of land of the municipality.

1 Sec. 29.65.140. APPLICATION. This chapter applies to home rule
2 and general law municipalities.

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

4 CHAPTER 71. GENERAL PROVISIONS.

5 Sec. 29.71.010. ADVERSE POSSESSION. A municipality may not be
6 divested of title to real property by adverse possession.

7 Sec. 29.71.020. DEDICATION OF MUNICIPAL PROPERTY. Dedication of
8 streets, rights-of-way, easements or other areas for public use may
9 not be construed to require the municipality to maintain, improve or
10 provide for municipal services in the area dedicated and the dedica-
11 tion does not impose any liability on the municipality for the condi-
12 tion of the area dedicated.

13 Sec. 29.71.030. TAXATION OF MUNICIPALITIES. No state law or
14 regulation may assess or tax, or be construed to assess or tax, a
15 municipality unless the law or regulation expressly provides that the
16 municipality is to be assessed or taxed by the particular law or
17 regulation.

18 Sec. 29.71.800. DEFINITIONS. In this title, unless otherwise
19 provided or the context otherwise requires,

20 (1) "areawide" means throughout a borough, both inside and
21 outside all cities in the borough;

22 (2) "assembly" means the governing body of a borough;

23 (3) "borough" means a general law borough or a home rule
24 borough;

25 (4) "city" means a general law first or second class city
26 or a home rule city;

27 (5) "commissioner" means the commissioner of community and
28 regional affairs;

29 (6) "consolidation" means dissolution of two or more

1 municipalities and their incorporation as a new municipality;

2 (7) "council" means the governing body of a city;

3 (8) "department" means the Department of Community and
4 Regional Affairs;

5 (9) "election" means a regular or special municipal elec-
6 tion and does not include a state election;

7 (10) "governing body" means the legislative body of a muni-
8 cipality that is the assembly of a borough or the council of a city;

9 (11) "majority" means a simple majority;

10 (12) "merger" means dissolution of a municipality and its
11 absorption by another municipality;

12 (13) "municipality" means a political subdivision incor-
13 porated under the laws of the state that is a home rule or general law
14 city, a home rule or general law borough, or a unified municipality;

15 (14) "nonareawide" means throughout the area of a borough
16 outside all cities in the borough;

17 (15) "owner" or "record owner" means the owner of record or
18 purchaser of record as shown in the records of the district recorder;

19 (16) "personal property" means tangible property other than
20 real property, such as merchandise, stock in trade, machinery, equip-
21 ment, furniture, fixtures, vehicles, boats, and aircraft;

22 (17) "property" means real and personal property;

23 (18) "published" means appearing at least once in a news-
24 paper of general circulation distributed in the municipality or, if
25 there is no newspaper of general circulation distributed in the muni-
26 cipality, posting in three public places for at least five days;

27 (19) "real property" means land and improvements, all pos-
28 sessory rights and privileges appurtenant to the property, and in-
29 cludes personal property affixed to the land or improvements;

1 (20) "regular election" means the municipal election held on
2 the first Tuesday of October annually, or on a different date or
3 interval of years provided by ordinance or charter;

4 (21) "special election" means a municipal election and does
5 not include a regular election or a state election;

6 (22) "street" includes streets, avenues, boulevards, roads,
7 lanes, alleys, and other ways;

8 (23) "subdivision"

9 (A) means the division of a parcel of land into two or
10 more lots or other divisions for the purpose of sale or building
11 development, includes resubdivision, and relates to the process
12 of subdividing or to the land subdivided;

13 (B) does not include cadastral plats, cadastral con-
14 trol plats, open-to-entry plats, or remote parcel plats created
15 by or on behalf of the state regardless of whether these plats
16 include easements or other public dedications;

17 (24) "unified municipality" means a municipality unified in
18 accordance with AS 29.06.190 - 29.06.410;

19 (25) "voter" means a United States citizen who is qualified
20 to vote in state elections, has been a resident of the municipality
21 for 30 days immediately preceding the election, is registered to vote
22 in state elections, and is not disqualified under art. V of the state
23 constitution.

24 * Sec. 18. AS 01.10.060 is amended by adding a new paragraph to read:

25 (15) "municipality" means a political subdivision incor-
26 porated under the laws of the state that is a home rule or general law
27 city, a home rule or general law borough, or a unified municipality.

28 * Sec. 19. AS 05.35.040 is amended to read:

29 Sec. 05.35.040. POWER OF MUNICIPALITY. A municipality may own,

1 maintain and employ a facility constructed under AS 05.35.010 -
2 05.35.070. The exercise of this power on an areawide basis is at the
3 option of the borough and is not subject to the restrictions on ac-
4 quiring additional areawide powers in AS 29.35.300 - 29.35.330
5 [AS 29.33.250 - 29.33.290].

6 * Sec. 20. AS 09.45.845 is amended to read:

7 Sec. 09.45.845. VACATING OF STREETS IN WHOLE OR IN PART. The
8 vacating of streets in whole or in part by the voluntary action of a
9 municipality, for the purpose of making it possible for the court to
10 mitigate the hardships suffered by individuals because of the change
11 in land boundaries caused by the act of God, consisting of an earth-
12 slide, can be accomplished by the offer of the municipality expressed
13 in the complaint followed by the court's approval of it in the action
14 authorized in AS 09.45.800 - 09.45.880, without other formalities.
15 This provision is a special emergency substitute for the provisions
16 contained in AS 29.40.120 - 29.40.160 [AS 29.33.200 - 29.33.240].

17 * Sec. 21. AS 09.55.275 is amended to read:

18 Sec. 09.55.275. REPLAT APPROVAL. No agency of the state or
19 municipality may acquire property located within a municipality exer-
20 cising the powers conferred by AS 29.35.180 or 29.35.260(c) that
21 [AS 29.33.150 - 29.33.245 WHICH] results in a boundary change unless
22 the agency or municipality first obtains from the municipal platting
23 authority preliminary approval of a replat showing clearly the loca-
24 tion of the proposed public streets, easements, rights-of-way, and
25 other taking of private property. Final approval of replat shall be
26 similarly obtained. However, if a state agency clearly demonstrates
27 an overriding state interest, a waiver to the approval requirements of
28 this section may be granted by the governor. The platting authority
29 shall treat applications for replat made by state or local

1 governmental agencies in the same manner as replat petitions
2 originated by private landowners.

3 * Sec. 22. AS 09.65.070(e)(1) is amended to read:

4 (1) "municipality" has the meaning given in AS 01.10.-
5 060(15) and [MEANS A HOME RULE BOROUGH OR CITY, A GENERAL LAW BOROUGH
6 OR CITY OF ANY CLASS, A UNIFIED MUNICIPALITY ESTABLISHED UNDER AS 29.-
7 68.240 - 29.68.440, OR A MUNICIPALITY ESTABLISHED BY MERGER OR CON-
8 SOLIDATION UNDER AS 29.68.030 - 29.68.110; THE TERM] includes a public
9 corporation established by a municipality;

10 * Sec. 23. AS 14.08.071(b) is amended to read:

11 (b) Except for the first election of regional school members
12 under (a) of this section, elections [ELECTION] shall be held annually
13 on the first Tuesday in October. Elections shall be supervised by the
14 director of elections in the office of the lieutenant governor, but
15 shall be administered within second class cities as part of the regular
16 municipal election. The lieutenant governor shall adopt [PROMULGATE]
17 regulations for the conduct of the election of regional school board
18 members comparable, as far as practicable, to those prescribed for
19 election of school board members under AS 14.12 and AS 29.20.300
20 [AS 29.28] except that the majority election requirements of AS 29.-
21 26.060 [AS 29.28.040] do not apply to, nor may the regulations require
22 runoff elections for, the first election of regional school board
23 members under (a) of this section or, if a school board by resolution
24 so requests, to subsequent elections in the regional educational
25 attendance area served by that school board.

26 * Sec. 24. AS 14.08.081 is amended to read:

27 Sec. 14.08.081. RECALL. The members of a regional school board
28 are subject to recall in accordance with AS 29.26.240 - 29.26.360
29 [AS 29.28.130 - 29.28.250], except that the director of the division

1 of elections shall perform the functions of a municipal clerk, and the
2 lieutenant governor shall perform the functions of the assembly or
3 council under those sections.

4 * Sec. 25. AS 14.12.030(c) is amended to read:

5 (c) The [NOTWITHSTANDING THE] provisions of (a) and (b) of this
6 section do not apply if [, WHERE] the [BOROUGH] assembly serves as the
7 school board of the borough school district [UNDER AS 29.41.020 THE
8 NUMBER OF MEMBERS OF THE ASSEMBLY-SCHOOL BOARD SHALL BE DETERMINED IN
9 THE MANNER PRESCRIBED BY AS 29.23.020].

10 * Sec. 26. AS 14.12.110 is amended to read:

11 Sec. 14.12.110. SINGLE BODY AS ASSEMBLY AND SCHOOL BOARD. Not-
12 withstanding the provisions of this chapter or other law, a single
13 body may serve as both the [BOROUGH] assembly and [BOROUGH] school
14 board in the manner provided for third class boroughs under AS 29.20.-
15 300(b) [AS 07.17.030], if

16 (1) an [A BOROUGH] ordinance for that purpose is approved
17 by the assembly and ratified by a referendum of a majority of the
18 qualified borough voters voting on the question at a regular or spe-
19 cial election; [,] and

20 (2) [IF] the public school population within the borough is
21 500 pupils or less.

22 * Sec. 27. AS 14.14.020 is amended to read:

23 Sec. 14.14.020. BOND REQUIRED. Before the officer responsible
24 for custody [OF], investment, or management of school district money
25 enters upon the duties of office, the district, or the municipality if
26 the treasury is centralized, shall obtain a bond with sufficient
27 sureties in an amount equal to the money that may come into the offi-
28 cer's official custody, but not to exceed \$50,000. The bond shall be
29 conditioned on the officer's honest and faithful disbursement and

1 accounting of all money that may come into the official custody of the
2 officer. The bond shall be filed with the clerk of the school board.
3 This section does not apply to an officer who has been bonded under
4 AS 29.20.610 [AS 29.23.520].

5 * Sec. 28. AS 14.14.050(d) is amended to read:

6 (d) The school board shall not make the audit if an audit that
7 [WHICH] satisfies the requirements of this section and that [WHICH] is
8 filed and posted as required by this section [,] is made according to
9 AS 29.35.110 [AS 29.48.220].

10 * Sec. 29. AS 14.17.140(a) is amended to read:

11 (a) The Department of Community and Regional Affairs, in
12 consultation with the assessor for each district, shall determine the
13 full value of the taxable real and personal property in each district.
14 Exemptions granted under AS 43.25 shall be honored. If there is no
15 local assessor or current local assessment for a district, then the
16 Department of Community and Regional Affairs shall make the deter-
17 mination of full value from information available. In making the
18 determination, the Department of Community and Regional Affairs shall
19 be guided by AS 29.45.110 [AS 29.53.060]. The determination of full
20 value shall be made before October 1 and sent by certified mail,
21 return receipt requested, before that date to the president of the
22 school board in each district. Duplicate copies shall be sent to the
23 commissioner. The governing body of the municipality that [BOROUGH OR
24 CITY WHICH] is the district may obtain judicial review of the deter-
25 mination by filing a motion in the superior court of the judicial
26 district in which the district is located within 30 days after receipt
27 of the determination. The superior court may modify the determination
28 of the Department of Community and Regional Affairs only upon a find-
29 ing of abuse of discretion or upon a finding that there is no

1 substantial evidence to support the determination.

2 * Sec. 30. AS 15.13.010(a) is amended to read:

3 (a) This chapter applies in every election for governor, lieu-
4 tenant governor, a member of the state legislature, a delegate to a
5 constitutional convention, or judge seeking electoral confirmation.
6 It also applies to every candidate for election to a municipal office
7 in a municipality [CITY OR BOROUGH] with a population of more than
8 1,000 inhabitants according to the latest United States census figures
9 or estimates of population certified as correct for administrative
10 purposes by the Department of Community and Regional Affairs. A
11 municipality may exempt its elected municipal officers from the re-
12 quirements of this chapter if a majority of the voters voting on the
13 question at a [ANY] regular election, as defined by AS 29.71.800(20)
14 [AS 29.78.010(14)], or a special municipality-wide election called for
15 that purpose, vote to exempt its elected municipal officers from the
16 requirements of this chapter. The question of exemption from the
17 requirements of this chapter may be submitted by the governing body
18 [CITY COUNCIL OR BOROUGH ASSEMBLY] by ordinance or by initiative
19 election [ORDINANCE]. Nothing in this chapter prohibits a municipal-
20 ity from regulating by ordinance campaign contributions and expendi-
21 tures.

22 * Sec. 31. AS 15.13.120(f)(3) is amended to read:

23 (3) AS 29.20.170 [AS 29.23.060(c)], if the candidate is a
24 candidate for the borough assembly;

25 * Sec. 32. AS 15.13.120(f)(4) is amended to read:

26 (4) AS 29.20.280 [AS 29.23.130(f)], if the candidate is a
27 candidate for borough mayor;

28 * Sec. 33. AS 15.13.120(f)(5) is amended to read:

29 (5) AS 29.20.170 [AS 29.23.210(b)], if the candidate is a

- 1 candidate for city council;
- 2 * Sec. 34. AS 15.13.120(f)(6) is amended to read:
- 3 (6) AS 29.20.280 [AS 29.23.255], if the candidate is a
- 4 candidate for city mayor;
- 5 * Sec. 35. AS 15.56.110(b)(2) is amended to read:
- 6 (2) a member of the borough assembly [ASSEMBLYMAN] under
- 7 AS 29.20.170(6) [AS 29.23.060(c)];
- 8 * Sec. 36. AS 15.56.110(b)(3) is amended to read:
- 9 (3) a borough mayor under AS 29.20.280(6) [AS 29.23.130-
- 10 (f)];
- 11 * Sec. 37. AS 15.56.110(b)(4) is amended to read:
- 12 (4) a member of the city council [COUNCILMAN] under AS 29.-
- 13 20.170(6) [AS 29.23.210(b)];
- 14 * Sec. 38. AS 15.56.110(b)(5) is amended to read:
- 15 (5) a city mayor under AS 29.20.280(6) [AS 29.23.255];
- 16 * Sec. 39. AS 16.20.036(g) is amended to read:
- 17 (g) The establishment of a refuge under this section does not
- 18 impair or alter existing rights of a municipality [BOROUGH OR CITY] to
- 19 state land selected [SELECT STATE LAND] under former AS 29.18.190 -
- 20 29.18.200.
- 21 * Sec. 40. AS 16.20.038(g) is amended to read:
- 22 (g) The establishment of a refuge under this section does not
- 23 impair or alter existing rights of a municipality [BOROUGH OR CITY] to
- 24 state land selected [SELECT STATE LAND] under former AS 29.18.190 -
- 25 29.18.200.
- 26 * Sec. 41. AS 18.26.250(2) is amended to read:
- 27 (2) municipality [MUNICIPAL CORPORATION OR POLITICAL SUB-
- 28 DIVISION OF THE STATE AS THE TERMS ARE USED IN AS 29];
- 29 * Sec. 42. AS 18.80.290(d) is amended to read:

1 (d) The governing [LEGISLATIVE] body of a general law or home
2 rule municipality has the authority under AS 29.20.320 [AS 29.48.035]
3 to grant to local commissions powers and duties similar to those
4 exercised by the Alaska Human Rights Commission under the provisions
5 of this chapter [ACT].

6 * Sec. 43. AS 19.30.241(2) is amended to read:

7 (2) "home rule city" means a city as defined in AS 29.04.-
8 010 [AS 29.08.010];

9 * Sec. 44. AS 19.30.241(3) is amended to read:

10 (3) "local government" means an organized borough of any
11 class, a unified municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.-
12 440], a home rule city, or a first class city [OF THE FIRST CLASS];

13 * Sec. 45. AS 19.30.260 is amended to read:

14 Sec. 19.30.260. PURPOSE. The purpose of AS 19.30.260 -
15 19.30.320 is to facilitate funding for the upgrading, reconstruction,
16 rehabilitation, or paving of existing subdivision roads within a road
17 maintenance service area established under AS 29.35.450 [AS 29.63] or
18 under a home rule charter.

19 * Sec. 46. AS 19.30.280(a) is amended to read:

20 (a) After establishing a road maintenance service area under
21 AS 29.35.450 [AS 29.63], or under a home rule charter, a municipality
22 may apply to the department for a grant as money is available for road
23 improvements, subject to regulations adopted by the department to
24 carry out the provisions of AS 19.30.260 - 19.30.320. The department
25 shall require a municipality to submit a five-year plan for the up-
26 grading, reconstructing, rehabilitating, or paving of maintenance
27 service area roads for approval before October 1 of each fiscal year.

28 * Sec. 47. AS 26.23.230(5) is amended to read:

29 (5) "political subdivision" means a home rule or general

1 law borough or city [, WHETHER HOME RULE OR OTHERWISE,] including a
2 unified municipality [MUNICIPALITIES UNIFIED UNDER AS 29.68.240 -
3 29.68.440], an unincorporated village, or other unit of local govern-
4 ment;

5 * Sec. 48. AS 28.15.051(d) is amended to read:

6 (d) The department may issue a special driver's permit to a
7 person who is at least 14 years of age with the consent of the per-
8 son's parents or guardians for the purpose of driving a motor-driven
9 cycle. This permit may be issued upon application and successful
10 completion of all prescribed tests and fees, and is valid for the same
11 period of time as a driver's license. The permit is not valid in a
12 municipality that [WHICH] by ordinance prohibits the driving of a
13 motor-driven cycle by a person under the age of 16 years; a borough
14 may adopt the ordinance on a nonareawide basis only, unless the power
15 to adopt it on an areawide basis is acquired under AS 29.35.300 -
16 29.35.330 or former AS 29.33.250 - 29.33.290.

17 * Sec. 49. AS 38.04.020(b)(1) is amended to read:

18 (1) land nominated for selection or selected by a muni-
19 cipality to satisfy a general grant land entitlement under AS 29.65 or
20 former AS 29.18.201 - 29.18.213;

21 * Sec. 50. AS 38.04.020(e)(4) is amended to read:

22 (4) preliminary feasibility studies, engineering design
23 work, right-of-way acquisition, and construction of access roads and
24 capital improvements required by municipal subdivision ordinance or
25 regulation of the platting authority [BOARD UNDER AS 29.33.150];

26 * Sec. 51. AS 38.04.021(a) is amended to read:

27 (a) A municipality may apply for financial assistance for the
28 execution of a land disposal program of general grant land entitle-
29 ments received from the state under AS 29.65 or former AS 29.18.201 -

1 29.18.213 by submitting a request to the commissioner for inclusion in
2 the request submitted to the legislature under AS 38.04.020(e). A
3 municipality may request financial assistance for expenses of survey-
4 ing land, designing subdivision plats, installing improvements re-
5 quired by municipal ordinance or regulation of the local platting
6 authority [BOARD], and other reasonable direct costs of land disposal.

7 * Sec. 52. AS 38.04.021(d) is amended to read:

8 (d) A grant made under this section may not exceed five times
9 the amount of money appropriated by a first class city, a borough, or
10 a unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440] for
11 the disposal of municipal land in the current fiscal year unless the
12 commissioner exempts the municipality from this subsection.

13 * Sec. 53. AS 38.04.021(e)(2) is amended to read:

14 (2) a first class city, a borough, or a unified municipal-
15 ity that [UNIFIED UNDER AS 29.68.240 - 29.68.440 WHICH] is exempted by
16 the commissioner under (d) of this section.

17 * Sec. 54. AS 38.04.900(b) is amended to read:

18 (b) A municipality has standing to petition the commissioner for
19 the adoption of a regulation, or for the amendment or repeal of an
20 existing regulation, or to appeal a decision of the commissioner with
21 respect to classification, management, or disposal of land made under
22 authority of a regulation adopted under (a) of this section with
23 respect to state land outside the corporate boundaries of the muni-
24 cipality to protect any interest which the municipality is authorized
25 to regulate outside its boundaries under AS 29.35.020 [AS 29.48.037].

26 * Sec. 55. AS 38.05.127(d) is amended to read:

27 (d) Upon application by a municipality or an affected owner of
28 land, the department may vacate, release, modify, or relocate an ease-
29 ment and right-of-way for public access to or along navigable or

1 public waters reserved by the department in a patent issued under
2 AS 29.65 or former AS 29.18.011 - 29.18.460, [AS 29.18] if the commis-
3 sioner determines the action is consistent with the public interest.

4 * Sec. 56. AS 38.05.290(b) is amended to read:

5 (b) Consistent with the best interests of the state, in the
6 selection of general grant land it is the policy of the state to make
7 available the maximum land area from which municipalities may fulfill
8 land entitlements under AS 29.65 or former AS 29.18.201 - 29.18.213.

9 * Sec. 57. AS 38.05.321(b) is amended to read:

10 (b) State land classified as agricultural land that [WHICH] has
11 been selected by a municipality under former AS 29.18.190 - 29.18.200
12 or former AS 29.18.205(e) may be approved by the director for patent
13 under AS 29.65.050(c) [AS 29.18.205(f)]; however, only rights in the
14 land for agricultural purposes may be transferred and all other inter-
15 ests in the land will remain with the state. Agricultural land ap-
16 proved for patent to a municipality [UNDER AS 29.18.205(f)] shall be
17 credited, acre for acre, toward fulfillment of that municipality's
18 entitlement under AS 29.65.010 - 29.65.030 or former AS 29.18.201 -
19 29.18.203. If the director later determines it to be in the best
20 interests of the state to transfer some or all of the additional
21 rights in that approved or patented agricultural land, those rights
22 shall pass without consideration to the municipality in which the land
23 is located. The notice and review provisions of AS 38.05.945 are
24 applicable to conveyance of rights under this section.

25 * Sec. 58. AS 38.05.321(c) is amended to read:

26 (c) The provisions of this section do not apply to

27 (1) [TO] state land classified as agricultural land that
28 has been selected by a municipality under the provisions of former
29 AS 29.18.190 - 29.18.200 if the selection is an approved selection

1 before April 1, 1978 and is otherwise valid under AS 29.65.050(b) or
2 former AS 29.18.205(b); or

3 (2) a quitclaim of the interest of the state to the federal
4 government under AS 38.05.035(b)(9).

5 * Sec. 59. AS 38.09.080 is amended to read:

6 Sec. 38.09.080. LAND WITHIN MUNICIPALITIES. (a) If a municipi-
7 pality has filed a selection of state lands under AS 29.65 or former
8 AS 29.18.201 - 29.18.213 with the commissioner, the state land se-
9 lected may not be designated for homestead entry; if the commissioner
10 determines that land selected by a municipality is not available for
11 patent to the municipality under AS 29.65 or former AS 29.18.201 -
12 29.18.213, the state land is available for designation by the commis-
13 sioner for homestead entry under AS 38.09.010.

14 (b) The disposal of homestead entry land is subject to local
15 platting, recording, or subdivision requirements established under
16 AS 29.35.180 [AS 29.33] and AS 40.15.

17 * Sec. 60. AS 39.50.145 is amended to read:

18 Sec. 39.50.145. PARTICIPATION BY MUNICIPALITIES. A municipality
19 may exempt its municipal officers from the requirements of this chap-
20 ter if a majority of the voters voting on the question at a [ANY]
21 regular election, as defined by AS 29.71.800(20) [AS 29.78.010(14)],
22 or a special municipality-wide election, vote to exempt its municipal
23 officers from the requirements of this chapter. The question of
24 exemption from the requirements of this chapter may be submitted by
25 the city council or borough assembly by ordinance or by initiative
26 election [ORDINANCE].

27 * Sec. 61. AS 39.50.200(a)(7) is amended to read:

28 (7) "municipal officer" includes a borough or city mayor,
29 borough assemblyman, city councilman, school board member, elected

1 utility board member, city or borough manager, members of a city or
2 borough planning or zoning commission within a home rule or general
3 law city or borough, or [INCLUDING BUT NOT LIMITED TO] a unified muni-
4 cipality [UNDER AS 29.68];

5 * Sec. 62. AS 40.15.075 is amended to read:

6 Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH AND THIRD
7 CLASS BOROUGH. The division of lands is the platting authority in
8 the area outside organized boroughs and outside cities in the unor-
9 ganized borough and in the third class borough for only the purposes
10 of hearing and acting on petitions for the change or vacation of plats
11 and shall execute this function substantially in conformity with the
12 provisions of AS 29.40.130 - 29.40.160 [AS 29.33.210 - 29.33.240].
13 Costs of publication and mailing [AS WELL AS OTHER COSTS] authorized
14 in AS 29.40.130 [AS 29.33.210] shall be paid to the division by the
15 petitioner. The Department of Natural Resources shall adopt reason-
16 able regulations governing the exercise of the authority conferred by
17 this section upon the division of lands.

18 * Sec. 63. AS 40.15.200 is amended to read:

19 Sec. 40.15.200. APPLICATION TO STATE AND POLITICAL SUBDIVI-
20 SIONS. All subdivisions of land made by the state, its agencies,
21 instrumentalities and political subdivisions are subject to the provi-
22 sions of this chapter and AS 29.40.070 - 29.40.160 [AS 29.33.150 -
23 29.33.240], or home rule ordinances or regulations governing subdivi-
24 sions, and shall comply with ordinances and other local regulations
25 adopted under this chapter and AS 29.40.070 - 29.40.160 or former
26 AS 29.33.150 - 29.33.240, or under home rule authority, in the same
27 manner and to the same extent as subdivisions made by other land-
28 owners.

29 * Sec. 64. AS 41.35.180(5) is amended to read:

1 (5) consult with local historical district commissions re-
2 garding the establishment of historical districts under AS 29.55.010 -
3 29.55.020 [AS 29.48.108 - 29.48.110] and the approval of project
4 alterations under AS 45.98.040; recommend, if appropriate, the formu-
5 lation of additional criteria for the designation of historical dis-
6 tricts under AS 29.55.020(b) [AS 29.48.110(b)]; approve plans for and
7 evaluate the suitability of specific structures for purposes of loan
8 eligibility and continuance under the historical district revolving
9 loan fund (AS 45.98); and consult with the Department of Commerce and
10 Economic Development relative to the adoption of regulations for
11 historical district loans under AS 45.98.

12 * Sec. 65. AS 41.98.175(d) is amended to read:

13 (d) In (a) of this section "municipalities" includes cities or
14 organized boroughs of any class and unified municipalities exercising
15 powers to initiate projects described in AS 41.98.170 and acquire
16 parks and open space land, as otherwise authorized by law [, AND
17 INCLUDES BUT IS NOT LIMITED TO UNIFIED MUNICIPALITIES ORGANIZED UNDER
18 AS 29.68.240 - 29.68.440].

19 * Sec. 66. AS 42.05.711(1) is amended to read:

20 (1) A person, utility, or cooperative that is exempt from regu-
21 lation under AS 42.05.711(a) or (d) - (k) is not subject to regulation
22 by a municipality under AS 29.35.070 [AS 29.48.060 - 29.48.090].

23 * Sec. 67. AS 43.56.010(b) is amended to read:

24 (b) A municipality may levy and collect a tax under AS 29.45.080
25 [AS 29.53.045] at the rate of taxation that applies to other property
26 taxed by the municipality. The tax shall be levied at a rate no
27 higher than the rate applicable to other property taxable by the
28 municipality. No municipality may exempt from taxation property
29 authorized to be taxed under this chapter. Exemptions shall be

1 limited to those in AS 29.45.030, 29.45.050, [AS 29.53.020 AND
2 AS 29.53.025] and AS 43.56.020.

3 * Sec. 68. AS 43.56.010(c) is amended to read:

4 (c) If the total value of assessed property of a municipality
5 taxing under AS 29.45.080(c) [AS 29.53.045(c)] exceeds the product of
6 225 percent of the average per capita assessed full and true value of
7 property in the state (to be determined by the department and reported
8 to each municipality by January 15 of each year) multiplied by the
9 number of residents of the taxing municipality, the department shall
10 designate the portion of the tax base against which the local tax may
11 be applied. [FOR PURPOSES OF THIS SUBSECTION THE AVERAGE PER CAPITA
12 ASSESSED FULL AND TRUE VALUE OF PROPERTY IN THE STATE SHALL BE
13 CALCULATED WITHOUT REGARD TO THE ASSESSED VALUE OF TAXABLE PROPERTY
14 UNDER AS 43.58.]

15 * Sec. 69. AS 43.56.010(d) is amended to read:

16 (d) A tax paid to a municipality under AS 29.45.080 or former
17 AS 29.53.045 on or before June 30 of the tax year shall be credited
18 against the tax levied under (a) of this section for that tax year.
19 If, however, a tax is not paid to a municipality until after June 30
20 of the taxable year, the department upon application shall refund to
21 the taxpayer the amount of tax paid to the municipality under AS 29.-
22 45.080 or former AS 29.53.045. The credit or refund of taxes paid to
23 a municipality may not exceed the total amount of tax levied by the
24 department upon the taxpayer for the tax year, under (a) of this
25 section.

26 * Sec. 70. AS 43.56.060(a) is amended to read:

27 (a) The department shall assess property for the tax levied
28 under AS 43.56.010(b) and AS 29.45.080 [AS 29.53.045] on property used
29 or committed by contract or other agreement for use for the pipeline

1 transportation of gas or unrefined oil or for the production of gas or
2 unrefined oil at its full and true value as of January 1 of the as-
3 sessment year.

4 * Sec. 71. AS 43.75.130(1) is amended to read:

5 (1) to each unified municipality [UNIFIED UNDER AS 29.68.-
6 240 - 29.68.440,] and to each city located in the unorganized borough,
7 50 percent of the amount of tax revenue collected in the municipality
8 from taxes levied by AS 43.75;

9 * Sec. 72. AS 44.33.403(2)(A) is amended to read:

10 (A) has the authority under AS 29.35 [AS 29.41 OR
11 AS 29.48] to provide and maintain a cultural facility;

12 * Sec. 73. AS 44.47 is amended by adding new sections to read:

13 ARTICLE 12. BOROUGH FEASIBILITY STUDIES.

14 Sec. 44.47.700. BOROUGH FEASIBILITY STUDIES. (a) The commis-
15 sioner may contract for studies of the feasibility of establishing
16 boroughs in the unorganized borough. A study may be conducted under
17 this section only if

18 (1) appropriations are available for that purpose; and

19 (2) the study is requested by a person residing in the area
20 to be studied or by a city located in the area to be studied.

21 Sec. 44.47.710. REQUESTS FOR STUDIES. A request for a study of
22 the feasibility of establishing a borough in the unorganized borough
23 shall be submitted to the commissioner in writing and shall include

24 (1) a description of the boundaries of the area of the pro-
25 posed study; and

26 (2) an indication of local interest in the proposed study
27 consisting of either

28 (A) a petition requesting the study containing the
29 signatures and addresses of five percent of the voters residing

1 in the area of the proposed study based on the number of voters
2 who voted in the area in the last statewide election; or

3 (B) resolutions requesting the study adopted by the
4 governing bodies of at least five percent of the cities within
5 the area of the proposed study.

6 Sec. 44.47.720. BOUNDARIES. The boundaries of an area studied
7 shall conform to the boundaries indicated in the request for the study
8 under AS 44.47.710 unless the commissioner, after a public hearing
9 held in the area of the proposed study, determines that the boundaries
10 should be altered. In determining the boundaries of an area to be
11 studied, the commissioner shall consider

12 (1) the standards applicable to the incorporation of bor-
13 oughs under AS 29.05.030;

14 (2) boundaries of regional corporations established under
15 43 U.S.C. 1606;

16 (3) census divisions of the state used for the 1980 census;

17 (4) boundaries of the regional educational attendance areas
18 established under AS 14.08.031; and

19 (5) boundaries of coastal resource service areas organized
20 under AS 46.40.110 - 46.40.210.

21 Sec. 44.47.730. CONTRACTS. (a) The commissioner shall contract
22 for a study of the feasibility of establishing a borough in the unor-
23 ganized borough by following the procedures set out in AS 36.98. The
24 commissioner shall include terms in the contract that provide for

25 (1) public participation in the preparation of the study;

26 (2) completion of the study not later than June 30 of the
27 third year after the year the contract is executed.

28 (b) A study under this section shall include

29 (1) a recommendation for or against incorporation of a

- 1 borough containing all or part of the area studied;
- 2 (2) an evaluation of the economic development potential of
- 3 the area studied;
- 4 (3) an evaluation of capital facility needs of the area
- 5 studied;
- 6 (4) an evaluation of demographic, social, and environmental
- 7 factors affecting the area studied;
- 8 (5) an evaluation of the relationships among regional
- 9 educational attendance areas, coastal resource service areas, and
- 10 other regional entities responsible for providing services in the area
- 11 studied;
- 12 (6) an evaluation of the relationships between the existing
- 13 cities within the area studied and regional entities responsible for
- 14 providing services in the area; and
- 15 (7) specific recommendations for
- 16 (A) organization of a home rule or general law borough
- 17 government if one is recommended;
- 18 (B) changes in organization of cities in the area
- 19 studied; or
- 20 (C) the improvement of the delivery of services to the
- 21 public by the state in the area studied.

22 * Sec. 74. AS 44.83.162(m) is amended to read:

23 (m) For purposes of (c) of this section, the number of residents

24 of the community equals the number of residents of the community

25 determined by the Department of Community and Regional Affairs in

26 accordance with AS 29.60.020 [AS 29.88.015].

27 * Sec. 75. AS 44.85.270(i) is amended to read:

28 (i) All references to the "reserve fund" in this section include

29 special accounts within the reserve fund which may be created by the

1 authority to secure the payment of particular bonds, including, with-
2 out limitation, bonds issued by the capital city established under
3 AS 29.14.010 [AS 29.18.510]. The commissioner of revenue may lend
4 surplus money in the general fund to the authority for deposit to any
5 account in the reserve fund in an amount equal to the required debt
6 service reserve. The loans shall be made on such terms and conditions
7 as may be agreed upon by the commissioner of revenue and the author-
8 ity, including, without limitation, terms and conditions providing
9 that the loans need not be repaid until the obligations of the corpo-
10 ration secured and to be secured by the account in the reserve fund
11 are no longer outstanding.

12 * Sec. 76. AS 44.85.410(3)(A) is amended to read:

13 (A) a general obligation bond that [WHICH] is a direct
14 and general obligation of a political subdivision of the state,
15 all the taxable property within which is subject to taxation to
16 pay the bond, note or evidence of debt, and the interest without
17 limitation, as to rate or amount generally to the extent permit-
18 ted by law or to avoid a default as provided for second class
19 cities under AS 29.45.590 [AS 29.53.410]; or

20 * Sec. 77. AS 44.85.410(3)(D) is amended to read:

21 (D) a bond of a borough issued as a general obligation
22 of a service area under AS 29.47.440 or former AS 29.58.340; [.]

23 * Sec. 78. AS 45.98.020 is amended to read:

24 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and
25 plan approval by a local historical district commission established
26 under AS 29.55.010 or former AS 29.48.108 and the recommendation of a
27 majority of the members of the Historic Sites Advisory Committee, the
28 Department of Commerce and Economic Development may make loans to a
29 person, firm, business or municipality subject to applicable laws for

1 the restoration, improvement, rehabilitation, or maintenance of a
2 structure that [WHICH] is

3 (1) within the boundaries of a historical district estab-
4 lished under AS 29.55.020 or former AS 29.48.110;

5 (2) identified as important in state or national history as
6 provided for in AS 29.55.020(b) or former AS 29.48.110(b); and

7 (3) another building or structure within a historical dis-
8 trict, and suitable for superficial modification so that it can con-
9 form to the period or motif of the surrounding buildings or structures
10 that are the reason for the area's designation as a historical dis-
11 trict.

12 * Sec. 79. AS 46.03.210(a) is amended to read:

13 (a) A municipality with a population in excess of 1,000 may,
14 within five years from August 5, 1969, establish and administer within
15 its jurisdiction an air pollution control program. Organized boroughs
16 may establish an air pollution control program on an areawide basis,
17 and the exercise of powers with respect to the program is not subject
18 to the restrictions on acquiring additional areawide powers specified
19 in AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.290]. Local pro-
20 grams shall

21 (1) provide by ordinance for requirements compatible with
22 those imposed by the provisions of AS 46.03.140 and 46.03.170 and
23 applicable regulations;

24 (2) provide for the enforcement of the requirements imposed
25 through appropriate administrative and judicial processes;

26 (3) provide for a local administrative organization, staff,
27 and other resources necessary to effectively carry out the purposes of
28 the program; and

29 (4) be approved by the department as being satisfactory to

1 meet the requirements of AS 46.03.140 - 46.03.170 and the applicable
2 regulations.

3 * Sec. 80. AS 46.11.040(3)(A) is amended to read:

4 (A) is constructed under an exception to the municipal
5 building code granted because the exception will result in in-
6 creased energy efficiency [UNDER AS 29.33.080(g)]; or

7 * Sec. 81. AS 46.11.900(8) is amended to read:

8 (8) "state financial assistance" means a loan, grant,
9 guarantee, insurance, payment, rebate, subsidy, or other form of state
10 assistance (other than aid under AS 29.60 [AS 29.88, AS 29.89, AS 29.-
11 90, AS 29.95,] and AS 43.18) including the purchase by a state agency
12 of a loan to finance the construction of a new residential, commer-
13 cial, or industrial building;

14 * Sec. 82. AS 46.35.200(3) is amended to read:

15 (3) "local government" means a city or borough including a
16 unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440];

17 * Sec. 83. AS 46.40.140(h) is amended to read:

18 (h) Members of coastal resource service area boards are subject
19 to recall on the same grounds and in the same manner as provided for
20 recall of municipal officials in AS 29.26.240 - 29.26.350 [AS 29.28.-
21 130 - 29.28.250]. The lieutenant governor functions in place of the
22 assembly or council and municipal clerk for receipt and review of
23 recall petitions and the conduct of recall elections.

24 * Sec. 84. AS 46.40.210(2)(A) is amended to read:

25 (A) unified municipalities [ESTABLISHED UNDER AS 29.-
26 68.240 - 29.68.440];

27 * Sec. 85. AS 47.35.010(b) is amended to read:

28 (b) The department shall, within 90 days after receiving a
29 written request that it do so, delegate its powers relating to

1 nurseries under this section and under AS 47.35.040 - 47.35.060 to a
2 municipality that [WHICH] has adopted an ordinance providing for day
3 care licensing under home rule powers or as authorized under AS 29.-
4 35.200 - 29.35.210 [AS 29.48.035(a)(20)]. A municipality to which
5 these powers have been delegated may waive or modify any regulation or
6 standard established by the department under the authority of AS 47.-
7 35.010 - 47.35.080 as it applies to nurseries or the application of
8 any such regulation or standard as it applies to a particular day care
9 licensee but must notify the department of any waiver.

10 * Sec. 86. The following laws are repealed: AS 04.11.400(c); AS 04.-
11 21.080(b)(11); AS 14.56.065(b), 14.56.180(3); AS 15.13.130(6); AS 18.55.-
12 950(10); AS 19.20.015(f); AS 24.55.330(3); AS 28.40.100(a)(10); AS 29.08;
13 AS 29.13; AS 29.18; AS 29.23; AS 29.28; AS 29.33; AS 29.38; AS 29.41;
14 AS 29.43; AS 29.48; AS 29.53; AS 29.58; AS 29.63; AS 29.68; AS 29.73;
15 AS 29.78; AS 29.88; AS 29.89; AS 29.95; AS 30.15.070(3); AS 30.30.170(2);
16 AS 35.15.120(3); AS 42.06.630(6); AS 43.20.016; AS 43.56.210(8); AS 44.-
17 07.360(8); AS 44.33.417(6); AS 44.47.310(5); and AS 44.85.410(4).

18 * Sec. 87. A right or liability of a municipality existing on
19 January 1, 1986, is not affected by the enactment of this Act. Ordinances
20 and regulations in effect on January 1, 1986, remain in effect unless they
21 conflict with provisions of this Act. Ordinances and regulations in effect
22 on January 1, 1986, that conflict with provisions of this Act remain in
23 effect for 180 days after January 1986. The terms of elected or appointed
24 municipal officials in office on January 1986, are not affected by this
25 Act, and their terms expire as provided before January 1, 1986.

26 * Sec. 88. This Act takes effect January 1, 1986.