

Offered: 5/8/85  
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 72 (Finance)

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. PURPOSE. The legislature finds that the municipal code  
10 contains many provisions that have created problems for municipalities that  
11 must function under AS 29 and that the title is poorly organized and diffi-  
12 cult for people to use. Therefore, it is the purpose of the legislature to  
13 revise and reorganize the municipal code to permit local government to  
14 function more effectively. Except as expressly provided, the legislature  
15 does not intend by this Act to alter or affect in any way the relationship  
16 or balance of authority between the state and home rule or general law  
17 municipalities with respect to the timing or manner of resource development  
18 under AS 31, AS 38, or other provisions of law. Except as expressly pro-  
19 vided, the legislature does not intend by this Act to increase or reduce  
20 the authority of state agencies to carry out their functions under other  
21 titles.

22 \* Sec. 2. AS 29.03 is amended by adding a new section to read:

23 Sec. 29.03.030. PLATTING AUTHORITY. Subject to AS 40.15.075,  
24 the Department of Natural Resources is the platting authority in the  
25 unorganized borough in the area outside all cities.

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

27 CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

28 Sec. 29.04.010. HOME RULE. A home rule municipality is a munic-  
29 ipal corporation and political subdivision. It is a city or a borough

1 that has adopted a home rule charter, or it is a unified municipality.  
2 A home rule municipality has all legislative powers not prohibited by  
3 law or charter.

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

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

- 9 (1) first class boroughs;
- 10 (2) second class boroughs;
- 11 (3) third class boroughs;
- 12 (4) first class cities;
- 13 (5) second class cities.

14 Sec. 29.04.040. RECLASSIFICATION OF SECOND CLASS CITIES. (a) A  
15 second class city may be reclassified as a first class city by holding  
16 an election on the question, if the department determines from the  
17 best figures available that the population of the city has reached 400  
18 permanent residents.

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

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

24 (2) the council may propose reclassification.

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

29 (d) The council shall, within 30 days after its findings have

1        been made public, order an election on the question of reclassifica-  
2        tion. The election shall be held at least 30 days after the order and  
3        not later than the next regular election occurring after the 30-day  
4        period. If more than one question is to be voted on at the election,  
5        each shall appear separately on the ballot.

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

10           Sec. 29.04.050. RECLASSIFICATION OF SECOND CLASS BOROUGHES.    A  
11        second class borough may reclassify as a first class borough in the  
12        manner provided by AS 29.35.320 - 29.35.330 for the addition of an  
13        areawide power by a first or second class borough, except the petition  
14        or proposal requests reclassification instead of requesting addition  
15        of a power.

16           Sec. 29.04.060. RECLASSIFICATION OF THIRD CLASS BOROUGHES.    (a)  
17        A third class borough may reclassify as a first or second class bor-  
18        ough in the manner provided by AS 29.35.320 - 29.35.330 for the addi-  
19        tion of an areawide power by a first or second class borough, except  
20        the petition or proposal requests reclassification instead of request-  
21        ing addition of a power. At the time of voting on reclassification of  
22        a third class borough to first or second class status, voters shall  
23        vote also on whether the borough shall, on reclassification, retain a  
24        combined assembly and school board or elect a separate assembly and  
25        board as otherwise provided for first and second class boroughs.

26           (b) If a combined assembly and school board are approved at the  
27        reclassification election, the assembly serving at the time of the  
28        election continues to serve as the assembly and board on voter ap-  
29        proval of reclassification and until terms of assembly members expire

1 as provided before reclassification.

2 (c) If a separate assembly and school board are approved at the  
3 reclassification election, a school board shall be elected in confor-  
4 mity with AS 14.12.030 - 14.12.100 at the next regular election, if it  
5 occurs within 90 days of the date of the reclassification election, or  
6 otherwise at a special election within 90 days of the date of the  
7 reclassification election. Expiration dates of terms of school board  
8 members elected at a special election must coincide with the date of  
9 the regular election. Until a board is elected and qualified, the  
10 assembly continues to serve as the board.

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

12 CHAPTER 05. INCORPORATION.

13 ARTICLE 1. REQUIREMENTS.

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

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

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

19 (3) the economy of the community includes the human and  
20 financial resources necessary to provide municipal services; in con-  
21 sidering the economy of the community, the Local Boundary Commission  
22 shall consider property values, economic base, personal income, re-  
23 source and commercial development, anticipated functions, and the  
24 expenses and income of the proposed city, including the ability of the  
25 community to generate local revenue;

26 (4) the population of the community is stable enough to  
27 support city government;

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

29 (b) A community that meets all the standards under (a) of this

1 section except (a)(1) may incorporate as a second class city.

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

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

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

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

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

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

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

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

28 ARTICLE 2. PROCEDURE.

29 Sec. 29.05.060. PETITION. Municipal incorporation is proposed

1 by filing a petition with the department. The petition shall include  
2 the following information about the proposed municipality:

3 (1) class;

4 (2) name;

5 (3) boundaries;

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

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

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

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

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

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

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

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

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

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

29 (12) for a second class city, based on the number who voted

1 in the area in the last general election, the signatures and resident  
2 addresses of 25 voters in the proposed city or of 15 percent of the  
3 voters in the proposed city, whichever is greater;

4 (13) for a home rule borough, a proposed home rule charter.

5 Sec. 29.05.070. REVIEW. The department shall review an incorpo-  
6 ration petition for content and signatures and shall return a defi-  
7 cient petition for correction and completion.

8 Sec. 29.05.080. INVESTIGATION. (a) If an incorporation peti-  
9 tion contains the required information and signatures, the department  
10 shall investigate the proposal and shall hold at least one public  
11 informational meeting in the area proposed for incorporation. The  
12 department shall publish notice of the meeting.

13 (b) The department may combine incorporation petitions from the  
14 same general area.

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

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

21 Sec. 29.05.100. DECISION. (a) If the Local Boundary Commission  
22 determines that a proposed municipality fails to meet the standards  
23 for incorporation, it shall reject the petition. If the commission  
24 determines that the proposed municipality meets the standards, it  
25 shall accept the petition. If the commission determines that the  
26 proposed municipal boundaries can be altered to meet the standards, it  
27 may alter the boundaries and accept the petition.

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

1           Sec. 29.05.110. INCORPORATION ELECTION. (a) The Local Boundary  
2 Commission shall immediately notify the director of elections of its  
3 acceptance of an incorporation petition. Within 30 days after notifi-  
4 cation, the director of elections shall order an election in the pro-  
5 posed municipality to determine whether the voters desire incorpora-  
6 tion and, if so, to elect the initial municipal officials. If incor-  
7 poration is rejected, no officials are elected. The election must be  
8 held not less than 30 or more than 90 days after the date of the  
9 election order. The election order must specify the dates during  
10 which nomination petitions for election of initial officials may be  
11 filed.

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

15           (c) Areawide borough powers included in an incorporation peti-  
16 tion are considered to be part of the incorporation question. In an  
17 election for the incorporation of a second class borough, each non-  
18 areawide power to be exercised is placed separately on the ballot.  
19 Adoption of a nonareawide power requires a majority of the votes cast  
20 on the question, and the vote is limited to the voters residing in the  
21 proposed borough but outside all cities in the proposed borough.

22           (d) A home rule charter included in an incorporation petition  
23 under AS 29.05.060(13) is considered to be part of the incorporation  
24 question. The home rule charter is adopted if the voters approve in-  
25 corporation of the borough.

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

29           Sec. 29.05.120. ELECTION OF INITIAL OFFICIALS. (a) Nominations

1 for initial municipal officials are made by petition. The petition  
2 shall be in the form prescribed by the director of elections and shall  
3 include the name and address of the nominee and a statement of the  
4 nominee that the nominee is qualified under the provisions of this  
5 title for the office that is sought. A person may file for and occupy  
6 more than one office, but may not serve simultaneously as

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

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

10 (b) Except for a proposed second class city, petitions to nomi-  
11 nate initial officials must include the signature and resident address  
12 of 50 voters in the area of the proposed municipality, or that area of  
13 the proposed municipality from which the officials are to be elected  
14 under the composition and apportionment set out in the accepted incor-  
15 poration petition.

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

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

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

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

28 Sec. 29.05.130. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE  
29 AREAS. (a) A service area in a newly incorporated municipality shall

1 be integrated into the municipality within two years after the date of  
2 incorporation. On integration the municipality succeeds to all the  
3 rights, powers, duties, assets and liabilities of the service area.  
4 On integration all property in the service area subject to taxation to  
5 pay the principal and interest on bonds at the time of integration  
6 remains subject to taxation for that purpose.

7 (b) After integration, the municipality may exercise in a former  
8 service area all of the rights and powers exercised by the service  
9 area at the time of integration, and, as successor to the service  
10 area, may levy and collect special charges, taxes, or assessments to  
11 amortize bonded indebtedness incurred by the service area or by a  
12 municipality in which the service area was formerly located.

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

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

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

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

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

6 ARTICLE 3. TRANSITIONAL ASSISTANCE.

7 Sec. 29.05.180. ORGANIZATION GRANTS TO CITIES. (a) To defray  
8 the cost of transition to city government and to provide for interim  
9 government operations, each city incorporated after December 31, 1985  
10 is entitled to an organization grant of \$50,000 for the first full or  
11 partial fiscal year after incorporation.

12 (b) To defray the cost of reclassification, each second class  
13 city in the unorganized borough incorporated before January 1, 1986  
14 that reclassifies as a first class city or adopts a home rule charter  
15 after December 31, 1985 is entitled to an organization grant equal to  
16 \$50,000 for the first full or partial fiscal year after reclassifica-  
17 tion.

18 (c) The department shall disburse an organization grant under  
19 (a) or (b) of this section within 30 days after certification of the  
20 incorporation, reclassification, or home rule charter election, or as  
21 soon after certification as money is appropriated and available for  
22 the purpose.

23 (d) A city entitled to an organization grant under (a) or (b) of  
24 this section is entitled to a second organization grant of \$25,000.  
25 The department shall disburse the second organization grant within 30  
26 days after the beginning of the city's second fiscal year after incor-  
27 poration, reclassification, or adoption of a home rule charter or as  
28 soon after that time as money is appropriated and available for the  
29 purpose.

1           Sec. 29.05.190. ORGANIZATION GRANTS TO BOROUGHES. (a) For the  
2 purpose of defraying the cost of transition to borough government and  
3 to provide for interim governmental operations, each borough incorpo-  
4 rated after December 31, 1985, is entitled to organization grants as  
5 follows:

6           (1) \$300,000 for the borough's first full or partial fiscal  
7 year;

8           (2) \$200,000 for the borough's second fiscal year; and

9           (3) \$100,000 for the borough's third fiscal year.

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

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

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

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

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

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

3           Sec. 29.05.210.   TRANSITIONAL ASSISTANCE TO BOROUGH.   (a)  
4 Within 30 days after the date of incorporation of a borough incorpo-  
5 rated after December 31, 1985, the department shall determine the  
6 population of the borough.

7           (b) The department shall provide assistance to each borough in-  
8 corporated after December 31, 1985, in

9           (1) establishing the initial sales and use tax assessment  
10 and collection department if the borough has adopted a sales or use  
11 tax;

12           (2) determining the initial property tax assessment roll if  
13 the borough has adopted a property tax, including contracting for  
14 appraisals of property needed to complete the initial assessment.

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

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

18           CHAPTER 06. ALTERATION OF MUNICIPALITIES.

19           ARTICLE 1. CHANGE OF NAME.

20           Sec. 29.06.010. CHANGE OF MUNICIPAL NAME. (a) A municipality  
21 may change its official name by adopting an ordinance for the purpose  
22 that is ratified by the voters and filing the ordinance with the  
23 office of the lieutenant governor. Upon receipt of an ordinance  
24 ratified by the voters, the lieutenant governor shall issue an order  
25 to the municipality changing its name. The name change shall become  
26 effective on a date fixed in the order and occurring within 45 days  
27 after receipt of the ordinance. A copy of the order shall be trans-  
28 mitted to the department.

29           (b) If an ordinance adopted under (a) of this section that

1 results in a change of the municipal name is subsequently repealed,  
2 the lieutenant governor shall issue an order reinstating the former  
3 name within 45 days after the date of the order, unless a different  
4 name is adopted as provided in (a) of this section.

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

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

13 ARTICLE 2. ANNEXATION AND DETACHMENT.

14 Sec. 29.06.040. LOCAL BOUNDARY COMMISSION. (a) The Local  
15 Boundary Commission may consider any proposed municipal boundary  
16 change. It may reject the proposed change, accept the proposed  
17 change, or alter the boundaries and accept the proposal as altered. A  
18 Local Boundary Commission decision under this subsection may be ap-  
19 pealed under the Administrative Procedure Act (AS 44.62).

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

26 (c) In addition to the regulations governing annexation by local  
27 action adopted under AS 44.47.567, the Local Boundary Commission shall  
28 establish procedures for annexation and detachment of territory by  
29 municipalities by local action. The procedures established under this

1 subsection include a provision that

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

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

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

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

13 Sec. 29.06.050. ANNEXATION OF MILITARY RESERVATIONS. A military  
14 reservation may be annexed to a municipality in the same manner as  
15 prescribed for other territory under AS 29.06.040. If a city in a  
16 borough annexes a military reservation under this section, the area  
17 encompassing the military reservation automatically is annexed to the  
18 borough in which the city is located.

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

21 ARTICLE 3. MERGER AND CONSOLIDATION.

22 Sec. 29.06.090. MERGER AND CONSOLIDATION. (a) Two or more  
23 municipalities may merge or consolidate to form a single municipality,  
24 except a third class borough may not be formed through merger or  
25 consolidation.

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

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

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

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

8 (b) The petition includes

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

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

11 (3) the proposed composition and apportionment of the  
12 governing body;

13 (4) maps, documents, and other information that shows that  
14 the proposed municipality meets the standards for municipal incorpora-  
15 tion.

16 Sec. 29.06.110. REVIEW. (a) The department shall review a  
17 merger or consolidation petition for content and signatures and shall  
18 return a deficient petition for correction or completion.

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

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

24 Sec. 29.06.120. HEARING. After receipt of the report by the  
25 department on a merger or consolidation petition, the Local Boundary  
26 Commission shall hold at least one public hearing in each of the  
27 existing municipalities included in the petition, unless officials of  
28 the municipalities agree to a single hearing.

29 Sec. 29.06.130. DECISION. (a) If the Local Boundary Commission

1 determines that the proposed municipality fails to meet the standards  
2 for incorporation, it shall reject the merger or consolidation peti-  
3 tion. If the commission determines that the proposed municipality  
4 meets these standards, it shall accept the petition. If the commis-  
5 sion determines that the proposed boundaries or the composition and  
6 apportionment of the governing body can be altered to meet the stan-  
7 dards, it may alter the proposal and accept the petition.

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

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

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

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

28 Sec. 29.06.150. ASSETS AND LIABILITIES. (a) When two or more  
29 municipalities merge, one succeeds to the rights, powers, duties,

1 assets, and liabilities of the others.

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

5 Sec. 29.06.160. TRANSITION. After merger or consolidation, the  
6 ordinances, resolutions, regulations, procedures, and orders of the  
7 former municipalities remain in force in their respective territories  
8 until superseded by the action of the new municipality.

9 Sec. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to  
10 home rule and general law municipalities.

11 ARTICLE 4. UNIFICATION OF MUNICIPALITIES.

12 Sec. 29.06.190. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A  
13 borough and all cities in the borough may unite to form a single unit  
14 of home rule government by complying with AS 29.06.190 - 29.06.410.

15 Sec. 29.06.200. UNIFICATION PROPOSED. (a) Formation of a  
16 charter commission to prepare a unification charter shall be proposed  
17 by resolution of the assembly or by petition. A resolution to propose  
18 formation of a charter commission may be adopted not more often than  
19 once every 12 months.

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

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

24 "PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICA-  
25 TION CHARTER. We, the undersigned, qualified voters of the borough do  
26 hereby petition that the following proposition be placed before the  
27 voters as provided by law: 'Shall a charter commission be formed (and  
28 charter commission members be elected as elsewhere provided on this  
29 ballot) to prepare, adopt and submit to the voters for their approval

1 or rejection a proposed charter uniting the borough and all cities  
2 within it as a single unit of home rule government having the powers,  
3 duties and functions of a unified municipality as authorized by law?  
4 Yes [ ] No [ ]'

5 Inside First Outside First  
6 Class or Class or  
7 Signature Address Home Rule City [ ] Home Rule City [ ]"

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

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

12 (2) the number of voters residing in home rule or first  
13 class cities in the borough equal to 25 percent of the votes cast in  
14 all home rule and first class cities in the borough in the last regu-  
15 lar borough election.

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

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

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

29 (1) residents of and elected from the area outside all home

1 rule and first class cities in the borough; or,

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

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

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

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

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

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

27 Sec. 29.06.270. ELECTION OF CHARTER COMMISSION. (a) After  
28 receipt of a valid unification petition or adoption of an assembly  
29 resolution to propose formation of a charter commission, the assembly

1 shall submit to the voters the question of whether a charter commis-  
2 sion shall be formed to prepare a proposed unification charter. The  
3 vote shall be held at the next regular borough election scheduled at  
4 least 90 days after receipt of the petition or adoption of the resolu-  
5 tion. The ballot shall be worded exactly as in AS 29.06.210(a).

6 (b) The election of charter commission members shall take place  
7 at the same time as the election on the question of formation of the  
8 commission.

9 (c) All costs incurred in conducting an election under AS 29.-  
10 06.190 - 29.06.410 shall be paid by the borough.

11 Sec. 29.06.280. REQUIREMENTS FOR APPROVAL OF FORMATION AND  
12 ELECTION OF CHARTER COMMISSION. (a) The votes on the question of  
13 formation of a charter commission shall be tabulated in two separate  
14 classifications. One classification consists of all votes cast in  
15 first class and home rule cities in the borough. The other classifi-  
16 cation consists of all votes cast in the remaining area of the bor-  
17 ough. In order for formation of a charter commission to be approved,  
18 a majority of the votes in each classification must favor formation of  
19 the commission.

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

23 Sec. 29.06.290. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

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

27 (b) A majority of the total membership of the charter commission  
28 constitutes a quorum. A decision of the commission is not valid or  
29 binding unless approved by the number of members necessary to

1 constitute a quorum.

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

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

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

13 (b) A person who fills a vacancy on the charter commission must  
14 be a voter of the same area as the person succeeded and must have been  
15 a voter of that area for at least one year immediately preceding the  
16 date the vacancy is filled.

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

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

24 (1) provision for

25 (A) the adjustment of existing bonded indebtedness and  
26 other obligations in a manner that will assure a fair and equit-  
27 able burden of taxation for debt service, subject to AS 29.06.-  
28 380;

29 (B) the establishment of service areas;

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

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

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

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

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

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

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

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

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

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

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

Sec. 29.06.340. FILING OF PROPOSED CHARTER. Upon the adoption of a proposed home rule charter by the charter commission, the charter

1 shall be signed by at least a majority of the total membership of the  
2 commission and shall be filed with the borough clerk. A copy of the  
3 charter with signatures affixed shall also be filed with the clerk of  
4 each city in the borough.

5 Sec. 29.06.350. PUBLICATION AND POSTING OF PROPOSED CHARTER.

6 Within 10 days after filing the proposed home rule charter, the bor-  
7 ough clerk shall have it published. In addition, the clerk shall have  
8 a copy of the proposed charter posted in at least three public places  
9 in each city and each unincorporated community in the borough. Copies  
10 of the proposed charter shall be made available by the assembly to the  
11 public at both the office of the borough clerk and the office of the  
12 clerk of each city in the borough. The clerk shall have notice of the  
13 publication, posting, and availability of the proposed charter pub-  
14 lished.

15 Sec. 29.06.360. ELECTION ON CHARTER. (a) The proposed home

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

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

25 (c) If a majority of the votes in the area of the borough out-  
26 side all home rule or first class cities, and a majority of the votes  
27 in all home rule and first class cities in the borough are cast in  
28 favor of the proposed charter, the charter is ratified. If the char-  
29 ter is ratified, election results shall be certified to the commission

1 and two copies of the charter shall be filed with

2 (1) the lieutenant governor;

3 (2) the department;

4 (3) the district recorder for the area of the borough;

5 (4) the clerk of the borough;

6 (5) the clerk of each city in the borough.

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

14 Sec. 29.06.370. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon  
15 ratification, the home rule charter of a unified municipality operates  
16 to dissolve all municipalities in the area unified in accordance with  
17 the charter.

18 Sec. 29.06.380. ASSETS AND LIABILITIES. A unified municipality  
19 shall succeed to all the assets and liabilities of the municipalities  
20 it unified. A bonded indebtedness or other debt incurred before  
21 unification remains the tax obligation of the area that contracted the  
22 debt, except that by ordinance the tax obligation may be assumed by a  
23 larger area if the governing body determines that the asset for which  
24 the bonded indebtedness or other debt was incurred benefited the  
25 larger area before unification, or benefits the larger area after  
26 unification. However, bonded indebtedness or other debt for sewage  
27 collection systems, water distribution systems, and streets, even if  
28 determined to be benefiting a larger area than that which incurred the  
29 debt, remains the tax obligation of the area that incurred the debt.

1           Sec. 29.06.390. TRANSITION. Within two years after ratification  
2 of the home rule charter, the unified municipality shall revise,  
3 repeal, or reaffirm all municipal ordinances, resolutions, and orders  
4 in effect in the area of the unified municipality on the date of  
5 unification. Each ordinance, resolution, regulation, or order in  
6 effect on the date of unification remains in effect until superseded  
7 by action of the unified municipality.

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

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

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

15                   (2) granted to a home rule borough.

16           Sec. 29.06.420. APPLICATION. AS 29.06.190 - 29.06.420 apply to  
17 home rule and general law municipalities.

18                                   ARTICLE 5. DISSOLUTION.

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

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

23                   (2) the local option method specified in AS 29.06.460 -  
24 29.06.510.

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

1 sec. 12 of the state constitution.

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

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

10 (b) The petition must include

11 (1) the name of the municipality;

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

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

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

21 (2) the municipality ceases to use each of its mandatory  
22 powers.

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

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

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

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

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

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

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

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

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

26 (c) The director of elections shall certify the election re-  
27 sults. If dissolution is approved, the director of elections shall  
28 declare that the municipality is dissolved effective on the date of  
29 certification.

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

4           Sec. 29.06.530. APPLICATION. AS 29.06.450 - 29.06.530 apply to  
5           home rule and general law municipalities.

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

7                           CHAPTER 10. HOME RULE MUNICIPALITIES.

8                                   ARTICLE 1. CHARTERS.

9           Sec. 29.10.010. MUNICIPAL CHARTER ADOPTION. (a) A general law  
10           borough or first class city may adopt a charter for its own govern-  
11           ment.

12                   (b) A second class city that exceeds 35 square miles in area may  
13           adopt a charter for its own government if the department determines  
14           from the best figures available that the population of the city is at  
15           least 3,500 permanent residents.

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

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

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

26                   (f) The proposed charter for an area of the unorganized borough  
27           shall be prepared by the petitioners and filed under AS 29.05.060 with  
28           the petition to incorporate a home rule borough.

29           Sec. 29.10.020. MODEL CHARTERS. The department shall prepare at

1 least one model home rule charter for a borough. The model charter  
2 shall be made available to persons interested in filing a petition to  
3 incorporate a home rule borough under AS 29.05.060.

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

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

9 (c) A charter may not permit the initiative and referendum to be  
10 used for a purpose prohibited by art. XI, sec. 7 of the state consti-  
11 tution.

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

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

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

25 Sec. 29.10.050. CHARTER COMMISSION ELECTION. At a charter com-  
26 mission election the voters of an existing municipality shall consider  
27 the question "Shall a charter commission be elected to prepare a pro-  
28 posed charter?" and shall elect the members of the commission. If the  
29 question is approved, the seven candidates receiving the highest

1 number of votes shall immediately organize as a charter commission.

2 Sec. 29.10.060. PREPARATION OF CHARTER BY CHARTER COMMISSION.

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

11 Sec. 29.10.070. CHARTER ELECTION. The proposed home rule char-  
12 ter for an existing municipality shall be submitted to the voters at  
13 an election held not less than 30 days or more than 90 days after the  
14 proposed charter is published. The proposed home rule charter for an  
15 area in the unorganized borough shall be submitted to the voters at an  
16 incorporation election held under AS 29.05.110.

17 Sec. 29.10.080. CHARTER ADOPTION. (a) If a majority of those  
18 voting in an existing municipality favor the proposed charter or if a  
19 majority of those voting in an area in the unorganized borough favor  
20 incorporation of a home rule borough, the proposed charter becomes the  
21 organic law of the municipality effective on the date the election is  
22 certified. Thereafter, a court shall take judicial notice of the  
23 charter. The new home rule municipality shall file the indicated  
24 number of copies of the charter with

- 25 (1) the lieutenant governor -- two copies;  
26 (2) the department -- two copies;  
27 (3) the district recorder -- one copy;  
28 (4) the municipal clerk -- one copy.

29 (b) At the time of voting on the proposed charter in a third

1 class borough, voters shall vote also on whether the borough shall, on  
2 adoption of the charter, retain a combined assembly and school board  
3 or elect a separate assembly and board as otherwise provided for home  
4 rule boroughs. If a combined assembly and school board are approved  
5 at the charter election, the assembly serving at the time of the  
6 election continues to serve as the assembly and board on voter ap-  
7 proval of the charter and until terms of assembly members expire as  
8 provided before adoption of the charter. If a separate board and  
9 assembly are approved at the charter election, a school board shall be  
10 elected in conformity with AS 14.12.030 - 14.12.100 at the next regu-  
11 lar election, if it occurs within 90 days of the date of the charter  
12 election, or otherwise at a special election within 90 days of the  
13 date of the charter election. Expiration dates of terms of school  
14 board members elected at a special election must coincide with the  
15 date of the regular election. Until a board is elected and qualified,  
16 the assembly continues to serve as the board.

17 Sec. 29.10.090. CHARTER REJECTION. (a) If a proposed charter  
18 for an existing municipality is rejected, the charter commission shall  
19 prepare another proposed charter to be submitted to the voters at an  
20 election to be held within one year after the date of the first char-  
21 ter election. If the second proposed charter is also rejected, the  
22 charter commission shall be dissolved and the question of adoption of  
23 a charter shall be treated as if it had never been proposed or ap-  
24 proved.

25 (b) If incorporation of a home rule borough is rejected by the  
26 voters in an area in the unorganized borough, the proposed charter is  
27 rejected.

28 Sec. 29.10.100. CHARTER AMENDMENT. (a) A home rule charter may  
29 be amended as provided in the charter, except that no amendment is

1 effective unless ratified by the voters.

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

3 ARTICLE 2. HOME RULE LIMITATIONS.

4 Sec. 29.10.200. LIMITATION OF HOME RULE POWERS. Only the fol-  
5 lowing provisions of this title apply to home rule municipalities as  
6 prohibitions on acting otherwise than as provided. These provisions  
7 supersede existing and prohibit future home rule enactments that  
8 provide otherwise:

- 9 (1) AS 29.05.140 (transition)
- 10 (2) AS 29.06.010 (change of municipal name)
- 11 (3) AS 29.06.040 - 29.06.060 (annexation and detachment)
- 12 (4) AS 29.06.090 - 29.06.170 (merger and consolidation)
- 13 (5) AS 29.06.190 - 29.06.420 (unification of municipali-  
14 ties)
- 15 (6) AS 29.06.450 - 29.06.530 (dissolution)
- 16 (7) AS 29.10.100 - (charter amendment)
- 17 (8) AS 29.20.010 (conflict of interest)
- 18 (9) AS 29.20.020 (meetings public)
- 19 (10) AS 29.20.050 (legislative power)
- 20 (11) AS 29.20.060 - 29.20.120 (assembly composition and  
21 apportionment)
- 22 (12) AS 29.20.140 (qualifications of members of governing  
23 bodies)
- 24 (13) AS 29.20.150 (term of office)
- 25 (14) AS 29.20.220 (executive power)
- 26 (15) AS 29.20.630 (prohibitions)
- 27 (16) AS 29.20.640 (reports)
- 28 (17) AS 29.25.010(a)(10) (municipal exemption on contractor  
29 bond requirements)

- 1 (18) AS 29.25.050 (codification)
- 2 (19) AS 29.25.060 (resolutions)
- 3 (20) AS 29.26.030 (notice of elections)
- 4 (21) AS 29.26.050 (voter qualification)
- 5 (22) AS 29.26.250 - 29.26.360 (recall)
- 6 (23) AS 29.35.020 (extraterritorial jurisdiction)
- 7 (24) AS 29.35.030 (eminent domain)
- 8 (25) AS 29.35.050 (garbage and solid waste services)
- 9 (26) AS 29.35.060 (franchises and permits)
- 10 (27) AS 29.35.070 (public utilities)
- 11 (28) AS 29.35.080 (alcoholic beverages)
- 12 (29) AS 29.35.120 (post audit)
- 13 (30) AS 29.35.145 (regulation of firearms)
- 14 (31) AS 29.35.160 (education)
- 15 (32) AS 29.35.170(b) (assessment and collection of taxes)
- 16 (33) AS 29.35.180(b) (land use regulation)
- 17 (34) AS 29.35.250 (cities inside boroughs)
- 18 (35) AS 29.35.260 (cities outside boroughs)
- 19 (36) AS 29.35.340 (acquisition of areawide power)
- 20 (37) AS 29.40.160(a) - (c) (title to vacated areas)
- 21 (38) AS 29.40.200 (subdivisions of state land)
- 22 (39) AS 29.45.010 - 29.45.570 (property taxes)
- 23 (40) AS 29.45.650(c) and (d) (sales and use tax)
- 24 (41) AS 29.46.090 (exemption from special assessment)
- 25 (42) AS 29.47.200(b) (security for bonds)
- 26 (43) AS 29.47.260 (construction)
- 27 (44) AS 29.60.050(a) (limitation on computation and use of
- 28 payment)
- 29 (45) AS 29.60.120(a) and (c) (state aid for health

1 facilities and hospitals)

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

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

4 CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

5 ARTICLE 1. CONFLICT OF INTEREST AND PUBLIC MEETINGS.

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

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

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

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

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

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

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

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

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

1 municipalities.

2 ARTICLE 2. GOVERNING BODIES.

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

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

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

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

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

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

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

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

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

28 (b) Not later than the first regular election that occurs after  
29 the report of a federal decennial census, the assembly shall propose

1 and submit to the voters of the borough, at that regular election or  
2 at a special election called for the purpose, one or more forms of  
3 assembly representation. The forms of representation that the assem-  
4 bly may submit to the voters are:

5 (1) election of members of the assembly at large by the  
6 voters throughout the borough;

7 (2) election of members of the assembly by district, in-  
8 cluding

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

13 (B) election from election districts established by  
14 the borough for the election of assembly members by the voters of  
15 a district;

16 (3) election of members of the assembly both at large and  
17 by district.

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

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

25 (1) composition of the assembly;

26 (2) the form of assembly representation that received the  
27 most votes; and

28 (3) if applicable, the apportionment of assembly seats in  
29 accordance with the form of representation that received the most

1 votes.

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

4 (1) unified municipality;

5 (2) home rule borough if the home rule charter contains  
6 procedures for changing assembly composition and form of representa-  
7 tion.

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

9 Not later than two months after the official report of a federal de-  
10 cennial census, the assembly shall determine and declare by resolution  
11 whether the existing apportionment of the assembly meets the standards  
12 of AS 29.20.060. If the assembly submits to the voters a form of  
13 representation that includes election of assembly members under  
14 AS 29.20.070(b)(2) or (b)(3) the assembly shall submit with the propo-  
15 sition a proposed plan of apportionment that corresponds to the form  
16 of representation proposed. The assembly shall describe the plan of  
17 apportionment in the ballot proposition, and may present the plan in  
18 any manner that it believes accurately describes the apportionment  
19 that is proposed under the form of representation. If the assembly  
20 determines that its existing apportionment meets the standards of  
21 AS 29.20.060, the assembly may include the existing apportionment as a  
22 proposed plan of apportionment of assembly seats that corresponds to a  
23 form of representation that is proposed.

24 (b) The assembly shall provide, by ordinance, for a change in an  
25 existing apportionment of the assembly whenever it determines that the  
26 apportionment does not meet the standards of AS 29.20.060. At the  
27 same time, the assembly may, by ordinance, change the composition of  
28 the assembly.

29 (c) If a petition signed by not less than 50 voters requests the

1 assembly to determine whether the existing apportionment meets the  
2 standards for apportionment in AS 29.20.060, and the petition contains  
3 evidence that the existing apportionment does not meet those stan-  
4 dards, the assembly may make the determination requested. The assem-  
5 bly shall make a determination required by this subsection within two  
6 months of receipt of a petition that meets the requirements of this  
7 subsection.

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

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

21 Sec. 29.20.090. APPORTIONMENT APPEALS. (a) A reapportionment  
22 ordinance approved by the voters, or a decision of the assembly that  
23 the standards of AS 29.20.060 do not require a change in apportion-  
24 ment, may be appealed to the commissioner. Fifty voters may submit a  
25 petition to the commissioner requesting the commissioner to determine  
26 whether the proposed reapportionment ordinance approved by the voters  
27 meets the standards of AS 29.20.060 or whether a decision of the  
28 assembly that the standards of AS 29.20.060 do not require a change of  
29 apportionment is correct. If the petition asks the commissioner to

1 review an ordinance approved by the voters under AS 29.20.080(e), the  
2 petition shall be delivered to the commissioner not later than 20 days  
3 after certification of the election. If the petition asks the commis-  
4 sioner to review a decision of the assembly under AS 29.20.080(c), the  
5 petition shall be delivered to the commissioner within 20 days of the  
6 decision of the assembly.

7 (b) The commissioner shall review the petition and may make the  
8 determination requested. The commissioner shall provide copies of the  
9 determination to the persons petitioning for appeal and to borough  
10 officials not later than 60 days after the commissioner receives the  
11 petition.

12 (c) If the commissioner determines that the proposed reapportion-  
13 ment ordinance approved by the voters does not meet the standards  
14 of AS 29.20.060, or if the commissioner determines that the decision  
15 of the assembly that the standards of AS 29.20.060 do not require a  
16 change of apportionment is not correct, the commissioner shall, by  
17 order, direct the assembly to prepare a reapportionment ordinance that  
18 meets the standards of AS 29.20.060 and submit the ordinance to the  
19 voters.

20 (d) When the assembly has been directed by the commissioner to  
21 prepare a reapportionment ordinance under (c) of this section, the  
22 assembly shall, within two months after its receipt of the commis-  
23 sioner's order, adopt an ordinance providing for reapportionment. The  
24 assembly shall submit an ordinance adopted under this subsection to  
25 the voters at an election held within 60 days after the date of adop-  
26 tion of the reapportionment ordinance.

27 (e) If at the end of the time period provided under (d) of this  
28 section an ordinance providing for reapportionment has not been ap-  
29 proved by the voters, the commissioner shall provide for the

1 reapportionment of the assembly in accordance with the standards of  
2 AS 29.20.060 by preparing an order of reapportionment and delivering  
3 the order to the borough mayor.

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

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

8 (1) a plan of reapportionment approved by the voters under  
9 AS 29.20.080(a);

10 (2) a determination by the assembly under AS 29.20.080 that  
11 the standards of AS 29.20.060 do not require a change in apportion-  
12 ment;

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

15 (4) a reapportionment order of the commissioner made under  
16 AS 29.20.090(c);

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

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

21 Sec. 29.20.110. EFFECTIVE DATE OF APPORTIONMENT. (a) A change  
22 in assembly apportionment or composition under AS 29.20.080 or 29.20.-  
23 090 is effective beginning with the first regular election for members  
24 of the assembly that is held more than 60 days after the later of

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

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

29 (b) The provisions of (a) of this section do not apply to a

1 borough in which a change in assembly composition or apportionment is  
2 subject to review and approval or determination of nonobjection by the  
3 Attorney General of the United States under the Voting Rights Act of  
4 1965, as amended (42 U.S.C. 1971 - 1974). A change in assembly compo-  
5 sition or apportionment subject to review under the Voting Rights Act  
6 of 1965, as amended, is effective beginning with the first regular  
7 election for members of the assembly that is held more than 60 days  
8 after

9 (1) receipt by the assembly of approval by the Attorney  
10 General of the United States of the proposed change in the composition  
11 or apportionment of the assembly;

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

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

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

20 (1) unified municipality;

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

23 Sec. 29.20.130. CITY COUNCIL COMPOSITION. Each first class city  
24 has a council of six members elected by the voters at large. Each  
25 second class city has a council of seven members elected by the voters  
26 at large. The council of a first or second class city may by ordi-  
27 nance provide for election of members other than on an at-large basis  
28 for all members.

29 Sec. 29.20.140. QUALIFICATIONS. (a) A borough voter is

1 eligible to be a member of the assembly and a city voter is eligible  
2 to be a member of the council. A member of the governing body who  
3 ceases to be a voter in the municipality immediately forfeits office.

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

7 (c) A municipality may by ordinance establish district residency  
8 requirements for members of its governing body. A member of the  
9 governing body who represents a district and who becomes a resident of  
10 another district in the municipality continues to serve until the next  
11 regular election unless provided otherwise by ordinance.

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

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

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

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

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

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

1           Sec. 29.20.160. PROCEDURES OF GOVERNING BODIES. (a) The assem-  
2 bly shall elect from among its members a presiding officer and a  
3 deputy presiding officer to serve at the pleasure of the members,  
4 except that in a borough that has adopted a manager form of government  
5 under AS 29.20.460 - 29.20.510 the mayor serves as presiding officer.  
6 In a city the mayor serves as presiding officer. If the presiding  
7 officer is not present or if the presiding officer is personally  
8 disqualified, the deputy presiding officer shall preside.

9           (b) A governing body shall hold at least one regular meeting  
10 each month unless otherwise provided by ordinance. If a majority of  
11 the members are given at least 24 hours oral or written notice and  
12 reasonable efforts are made to notify all members, a special meeting  
13 of the governing body may be held at the call of the presiding officer  
14 or at least one-third of the members. A special meeting may be con-  
15 ducted with less than 24 hours notice if all members are present or if  
16 absent members have waived in writing the required notice. Waiver of  
17 notice can be made before or after the special meeting is held. A  
18 waiver of notice shall be made a part of the journal for the meeting.

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

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

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

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

6 Sec. 29.20.170. VACANCIES. The governing body may provide by  
7 ordinance the manner in which a vacancy occurs in any elected office  
8 except the office of mayor or school board member. Unless otherwise  
9 provided by ordinance, the governing body shall declare an elective  
10 office, other than the office of mayor or school board member, vacant  
11 when the person elected

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

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

16 (3) resigns and the resignation is accepted;

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

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

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

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

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

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

29 Sec. 29.20.180. FILLING A VACANCY. (a) If a vacancy occurs in

1 a governing body, the remaining members shall, within 30 days unless a  
2 different period is provided by ordinance, appoint a qualified person  
3 to fill the vacancy. If less than 30 days remain in a term, a vacancy  
4 may not be filled.

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

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

12 ARTICLE 3. MUNICIPAL EXECUTIVE AND ADMINISTRATOR.

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

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

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

23 Sec. 29.20.230. ELECTION AND TERM OF MAYOR. (a) The mayor of a  
24 borough or first class city is elected at large. The mayor of a  
25 borough or first class city serves a term of three years, unless by  
26 ordinance a different term not to exceed four years is provided. The  
27 current term of an incumbent mayor may not be altered. The regular  
28 term of a mayor of a borough or first class city begins on the first  
29 Monday following certification of the election.

1 (b) The mayor of a second class city is elected by and from the  
2 council, and serves until a successor is elected and qualifies. The  
3 council of a second class city shall meet on the first Monday after  
4 certification of the regular election and elect a mayor who takes  
5 office immediately. The mayor of a second class city serves a one-  
6 year term, unless a longer term is provided by ordinance. The mayor  
7 of a second class city may serve only while a member of the council  
8 regardless of the term established for the office of mayor.

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

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

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

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

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

27 Sec. 29.20.260. EXECUTIVE ABSENCE. The borough mayor, subject  
28 to assembly approval, shall designate a person to act as mayor during  
29 the borough mayor's temporary absence or disability. If a manager

1 plan has been adopted, the assembly shall designate by resolution a  
2 borough administrative official to act as manager during the manager's  
3 absence or disability.

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

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

14 (c) The veto does not extend to

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

16 (2) actions of the governing body sitting as the board of  
17 equalization or the board of adjustment;

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

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

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

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

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

27 (3) resigns and the resignation is accepted;

28 (4) is physically or mentally unable to perform the duties  
29 of office;

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

3 (6) is convicted of a felony or misdemeanor described in  
4 AS 15.56;

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

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

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

9 (b) A vacancy in the office of mayor occurring six months before  
10 a regular election shall be filled by the governing body. The person  
11 appointed serves until the next regular election when a successor is  
12 elected to serve the balance of the term. If a member of the govern-  
13 ing body is appointed mayor, the member shall resign the seat on the  
14 governing body. If a vacancy occurs more than six months before a  
15 regular election, the governing body shall call a special election to  
16 fill the unexpired term.

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

#### 22 ARTICLE 4. BOARDS AND COMMISSIONS.

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

29 (b) The assembly is the school board for a third class borough.

1 The mayor is the presiding officer of the assembly and president of  
2 the school board. However, the mayor may not veto an action of the  
3 school board.

4 Sec. 29.20.310. UTILITY BOARDS. (a) The governing body of a  
5 municipality operating a public utility may provide by ordinance for a  
6 utility board of five members and define the board's powers and  
7 duties.

8 (b) As determined by ordinance, members of a utility board are  
9 either appointed by the mayor and confirmed by the governing body or  
10 are elected at a regular election. The term of a utility board member  
11 is two years and until a successor is selected and qualifies. How-  
12 ever, the governing body may by ordinance provide for a different term  
13 not to exceed four years. The current term of an elected incumbent  
14 may not be altered.

15 (c) Vacancies on a utility board are filled by the mayor.  
16 Executive appointments shall be confirmed by the governing body. A  
17 person appointed to fill a vacancy on a utility board serves until the  
18 expiration of the term for which appointed and until a successor is  
19 elected and qualifies.

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

22 (1) choose its chairman and secretary;

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

25 (3) formulate and enforce the general rules and policies of  
26 the utility.

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

1 (b) Members of boards and commissions, except for members of the  
2 board of adjustment and assembly members serving on the board of  
3 equalization, are appointed by the mayor and confirmed by the govern-  
4 ing body.

5 ARTICLE 5. OTHER OFFICIALS AND EMPLOYEES.

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

12 Sec. 29.20.370. MUNICIPAL ATTORNEY. The municipal attorney is  
13 the legal advisor of the governing body, the school board, and the  
14 other officials of the municipality. The municipal attorney repre-  
15 sents the municipality as attorney in civil and criminal proceedings.  
16 The school board may hire independent counsel when in its judgment  
17 independent counsel is needed.

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

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

21 (2) attend meetings of the governing body and keep the  
22 journal;

23 (3) arrange publication of notices, ordinances, and resolu-  
24 tions;

25 (4) maintain and make available for public inspection an  
26 indexed file containing municipal ordinances, resolutions, rules,  
27 regulations, and codes;

28 (5) attest deeds and other documents;

29 (6) perform other duties specified in this title or

1 prescribed by the chief administrator or by the governing body.

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

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

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

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

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

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

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

28 ARTICLE 6. MANAGER PLAN.

29 Sec. 29.20.460. MANAGER PLAN. A municipality may adopt a

1 manager plan of government. Adoption of a manager plan may be initi-  
2 ated either by petition or by motion of the governing body. A peti-  
3 tion for the adoption of a manager plan is submitted to the governing  
4 body. The petition must be signed by a number of voters equal to the  
5 following percentage of the votes cast at the preceding regular elec-  
6 tion:

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

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

11 Sec. 29.20.470. ELECTION ON ADOPTION OF MANAGER PLAN. On re-  
12 ceipt of a petition to adopt a manager plan or on its own motion to  
13 adopt a manager plan, the governing body shall provide by ordinance or  
14 resolution for a vote on the question at the next election.

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

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

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

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

29 Sec. 29.20.500. POWERS AND DUTIES OF A MANAGER. The manager may

1 hire necessary administrative assistants and may authorize an adminis-  
2 trative official to appoint, suspend, or remove subordinates. As  
3 chief administrator the manager shall

4 (1) appoint, suspend, or remove municipal employees and  
5 administrative officials, except as provided otherwise in this title  
6 and AS 14.14.065;

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

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

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

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

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

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

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

1 law.

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

7 ARTICLE 7. MISCELLANEOUS PROVISIONS.

8 Sec. 29.20.600. OATHS OF OFFICE. Before taking office a municipi-  
9 pal official shall affirm in writing that the duties of the office  
10 will be honestly, faithfully, and impartially performed by the offi-  
11 cial. The oath is filed with the municipal clerk.

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

16 Sec. 29.20.620. COMPENSATION FOR ELECTED OFFICIALS. The govern-  
17 ing body shall by ordinance provide a method of determining the sal-  
18 aries of elected officials. The salary of the mayor may not be re-  
19 duced during the term of office of the mayor, unless during the term a  
20 manager plan is adopted. An elected official may not receive com-  
21 pensation for service to the municipality in addition to the salary  
22 received as an elected official, unless otherwise provided by ordi-  
23 nance. Per diem payments or reimbursements for expenses are not  
24 compensation under this section.

25 Sec. 29.20.630. PROHIBITIONS. (a) A person may not be appoint-  
26 ed to or removed from municipal office or in any way favored or dis-  
27 criminated against with respect to a municipal position or municipal  
28 employment because of the person's race, color, sex, creed, national  
29 origin or, unless otherwise contrary to law, because of the person's

1 political opinions or affiliations.

2 (b) Subject to AS 14.14.140, a state employee or school district  
3 employee may not be denied the right to serve as an elected municipal  
4 official because of employment by the state or a school district. For  
5 purposes of this subsection a school district employee is not a munic-  
6 ipal employee.

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

9 Sec. 29.20.640. REPORTS. (a) A municipality shall file with  
10 the department

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

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

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

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

18 (5) a summary of the optional property tax exemptions  
19 authorized together with the estimate of the revenues lost to the  
20 municipality by operation of each of the exemptions.

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

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

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

1 CHAPTER 25. MUNICIPAL ENACTMENTS.

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

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

6 (2) provide for a fine or other penalty, or establish rules  
7 or regulations for violation of which a fine or other penalty is im-  
8 posed;

9 (3) provide for the levying of taxes;

10 (4) make appropriations, including supplemental appropria-  
11 tions or transfer of appropriations;

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

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

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

18 (8) designate the borough seat;

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

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

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

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

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

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

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

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

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

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

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

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

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

22 Sec. 29.25.030. EMERGENCY ORDINANCES. (a) To meet a public  
23 emergency the governing body may adopt an emergency ordinance effec-  
24 tive on adoption. Each emergency ordinance shall contain a finding by  
25 the governing body that an emergency exists and a statement of the  
26 facts upon which the finding is based. An emergency ordinance may be  
27 adopted, amended and adopted, or rejected at the meeting at which it  
28 is introduced. The affirmative vote of all members present, or the  
29 affirmative vote of three-fourths of the total membership, whichever

1 is less, is required for adoption of an emergency ordinance. The  
2 governing body shall print and make available copies of adopted emer-  
3 gency ordinances.

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

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

8 Sec. 29.25.040. CODES OF REGULATION. The governing body may in  
9 a single ordinance adopt or amend by reference provisions of a pub-  
10 lished code of municipal regulations. The procedure under AS 29.25.-  
11 020 applies to an ordinance adopted under this section, except that  
12 neither the ordinance or its amendments must be distributed to the  
13 public or read in full at the public hearing. For a period of 15 days  
14 before adoption of an ordinance under this section, at least five  
15 copies of the code of regulations shall be made available for public  
16 inspection at a time and place set out in the hearing notice. Only  
17 the ordinance must be printed after it is adopted under this section.  
18 The governing body shall provide for an adopted code of regulations to  
19 be made available to the public at no more than cost.

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

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

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

29 (1) the ordinance has been given a serial number or other

1 permanent identifying number, and, bearing a notation of the date of  
2 adoption and the adopting authority, it has been entered by the munic-  
3 ipal clerk in a properly indexed book maintained for the purposes of  
4 organizing and recording the ordinances; or

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

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

11 Sec. 29.25.060. RESOLUTIONS. (a) The governing body shall  
12 provide for the maintenance of a permanent file of resolutions that  
13 have been adopted.

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

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

19 (b) The municipality or an aggrieved person may institute a  
20 civil action against a person who violates an ordinance. In addition  
21 to injunctive and compensatory relief, a civil penalty not to exceed  
22 \$1,000 may be imposed for each violation. An action to enjoin a  
23 violation may be brought notwithstanding the availability of any other  
24 remedy. On application for injunctive relief and a finding of a  
25 violation or a threatened violation, the superior court shall grant  
26 the injunction. Each day that a violation of an ordinance continues  
27 constitutes a separate violation.

28 (c) The penalties authorized under this section may be imposed  
29 only if copies of the ordinance are made available for distribution to

1 the public at no more than cost.

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

3 CHAPTER 26. ELECTIONS.

4 ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

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

10 Sec. 29.26.020. NOMINATIONS. (a) Subject to other provisions  
11 of this title, the governing body shall provide by ordinance for  
12 nominations of elected officials by providing for declaration of  
13 candidacy or for petition requiring the signatures of not more than 10  
14 voters, or for both.

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

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

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

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

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

29 (1) is a United States citizen who is qualified to vote in

1 state elections;

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

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

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

7 (b) Voter registration by the municipality may not be required.  
8 However, a municipality may by ordinance require that a person be  
9 registered to vote in state elections in the precinct in which that  
10 person seeks to vote in municipal elections.

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

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

16 (1) mayor; or

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

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

24 (c) Unless otherwise provided by ordinance, a runoff election  
25 shall be held within three weeks after the date of certification of  
26 the election for which a runoff is required, and notice of the runoff  
27 election shall be published at least five days before the election  
28 date. The runoff election shall be between the two candidates receiv-  
29 ing the greatest number of votes for the seat.

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

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

9           (c) Unless otherwise provided by ordinance, the governing body  
10 shall declare the election results at the first meeting to canvass the  
11 election, record the results in the minutes of that meeting, and  
12 authorize the results to be certified.

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

18           (e) A person may not appeal or seek judicial review of an elec-  
19 tion for any cause unless the person is a voter, has exhausted all  
20 administrative remedies before the governing body, and has commenced,  
21 within 10 days after the governing body has declared the election  
22 results, an action in the superior court in the judicial district in  
23 which the municipality is located. If court action is not commenced  
24 within the 10-day period, the election and election results are con-  
25 clusive and valid.

26                           ARTICLE 2. INITIATIVE AND REFERENDUM.

27           Sec. 29.26.100. RESERVATION OF POWERS. The powers of initiative  
28 and referendum are reserved to the residents of municipalities, except  
29 the powers do not extend to matters restricted by art. XI, sec. 7 of

1 the state constitution.

2 Sec. 29.26.110. APPLICATION FOR PETITION. (a) An initiative or  
3 referendum is proposed by filing an application with the municipal  
4 clerk containing the ordinance or resolution to be initiated or the  
5 ordinance or resolution to be referred and the address to which all  
6 correspondence relating to the petition may be sent. An application  
7 shall be signed by at least 10 voters who will sponsor the petition.  
8 An additional sponsor may be added at any time before the petition is  
9 filed by submitting the name of the sponsor to the clerk. Within two  
10 weeks the clerk shall certify the application if the clerk finds that  
11 it is in proper form and, for an initiative petition, that the matter

- 12 (1) is not restricted by AS 29.26.100;  
13 (2) includes only a single subject;  
14 (3) relates to a legislative rather than to an administra-  
15 tive matter; and  
16 (4) would be enforceable as a matter of law.

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

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

- 23 (1) a summary of the ordinance or resolution to be initi-  
24 ated or the ordinance or resolution to be referred;  
25 (2) the complete ordinance or resolution sought to be ini-  
26 tiated or referred as submitted by the sponsors;  
27 (3) the date on which the petition is issued by the clerk;  
28 (4) notice that signatures must be secured within 90 days  
29 after the date the petition is issued;

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

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

9 (7) space for indicating the total number of signatures on  
10 the petition.

11 (b) If a petition consists of more than one page, each page  
12 shall contain the summary of the ordinance or resolution to be initi-  
13 ated or the ordinance or resolution to be referred.

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

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

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

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

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

29 (c) Illegible signatures shall be rejected by the clerk unless

1 accompanied by a legible printed name. Signatures not accompanied by  
2 a legible residence address shall be rejected.

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

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

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

10 (2) if the petition is insufficient, identify the insuffi-  
11 ciency and notify the sponsors at the address provided under AS 29.-  
12 26.110(a) by certified mail.

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

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

21 Sec. 29.26.150. PROTEST. If the municipal clerk certifies an  
22 initiative or referendum petition is insufficient, a signer of the  
23 petition may file a protest with the mayor within seven days after the  
24 certification. The mayor shall present the protest at the next regu-  
25 lar meeting of the governing body. The governing body shall hear and  
26 decide the protest.

27 Sec. 29.26.160. NEW PETITION. Failure to secure sufficient  
28 signatures does not preclude the filing of a new initiative or refer-  
29 endum petition. However, a new petition on substantially the same

1 matter may not be filed sooner than six months after a petition is  
2 rejected as insufficient.

3 Sec. 29.26.170. INITIATIVE ELECTION. (a) Unless substantially  
4 the same measure is adopted, when a petition seeks an initiative vote  
5 the clerk shall submit the matter to the voters at the next regular  
6 election occurring no sooner than 45 days after certification of the  
7 petition. If no regular election occurs within 75 days after the  
8 certification of a petition, the governing body shall hold a special  
9 election within 75 days, but not sooner than 45 days after certifica-  
10 tion.

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

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

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

20 Sec. 29.26.180. REFERENDUM ELECTION. (a) Unless the ordinance  
21 or resolution is repealed, when a petition seeks a referendum vote the  
22 clerk shall submit the matter to the voters at the next election  
23 occurring no sooner than 45 days after certification of the petition.  
24 If no election occurs within 75 days of certification of a petition,  
25 the governing body shall hold a special election within 75 days, but  
26 not sooner than 45 days after certification.

27 (b) If a petition is certified before the effective date of the  
28 matter referred, the ordinance or resolution against which the peti-  
29 tion is filed shall be suspended pending the referendum vote. During

1 the period of suspension, the governing body may not enact an ordi-  
2 nance or resolution substantially similar to the suspended measure.

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

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

10 Sec. 29.26.190. EFFECT. (a) The effect of an ordinance or  
11 resolution may not be modified or negated within two years after its  
12 effective date if adopted in an initiative election or if adopted  
13 after a petition that contains substantially the same measure has been  
14 filed.

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

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

24 ARTICLE 3. RECALL.

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

29 Sec. 29.26.250. GROUNDS FOR RECALL. Grounds for recall are

1 misconduct in office, incompetence, or failure to perform prescribed  
2 duties.

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

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

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

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

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

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

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

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

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

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

24 (5) spaces for each signature, the printed name of each  
25 signer, the date of each signature, and the residence and mailing  
26 addresses of each signer;

27 (6) a statement, with space for the sponsor's sworn signa-  
28 ture and date of signing, that the sponsor personally circulated the  
29 petition, that all signatures were affixed in the presence of the

1 sponsor, and that the sponsor believes the signatures to be those of  
2 the persons whose names they purport to be; and

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

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

7 Sec. 29.26.280. SIGNATURE REQUIREMENTS. (a) The signatures on  
8 a recall petition shall be secured within 60 days after the date the  
9 clerk issues the petition. The statement provided under AS 29.26.-  
10 270(a)(6) shall be completed and signed by the sponsor. Signatures  
11 shall be in ink or indelible pencil.

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

23 (c) Illegible signatures shall be rejected by the clerk unless  
24 accompanied by a legible printed name. Signatures not accompanied by  
25 a legible residence address shall be rejected.

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

28 Sec. 29.26.290. SUFFICIENCY OF PETITION. (a) The copies of a  
29 recall petition shall be assembled and filed as a single instrument.

1 A petition may not be filed within 180 days before the end of the term  
2 of office of the official sought to be recalled. Within 10 days after  
3 the date a petition is filed, the municipal clerk shall

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

5 (2) if the petition is insufficient, identify the insuffi-  
6 ciency and notify the sponsors at the address provided under AS 29.-  
7 26.260(a)(2) by certified mail.

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

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

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

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

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

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

27 Sec. 29.26.320. ELECTION. (a) If a regular election occurs  
28 within 75 days but not sooner than 45 days after submission of the  
29 petition to the governing body, the governing body shall submit the

1 recall at that election.

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

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

11 Sec. 29.26.330. FORM OF RECALL BALLOT. A recall ballot shall  
12 contain

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

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

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

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

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

26 Sec. 29.26.350. SUCCESSORS. (a) If an official is recalled  
27 from the governing body, the office of that official is filled in  
28 accordance with AS 29.20.180. If all members of the governing body  
29 are recalled, the governor shall appoint three qualified persons to

1 the governing body. The appointees shall appoint additional members  
2 to fill remaining vacancies in accordance with AS 29.20.180.

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

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

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

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

21 Sec. 29.26.360. APPLICATION. AS 29.26.250 - 29.26.360 apply to  
22 home rule and general law municipalities.

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

24 CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

25 ARTICLE 1. GENERAL POWERS.

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

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

- 1                   (2) to combine two or more appointive or administrative  
2 offices;
- 3                   (3) to establish and prescribe the functions of a municipal  
4 department, office, or agency;
- 5                   (4) to require periodic and special reports from a municipi-  
6 pal department to be submitted through the mayor;
- 7                   (5) to investigate an affair of the municipality and make  
8 inquiries into the conduct of a municipal department;
- 9                   (6) to levy a tax or special assessment, and impose a lien  
10 for its enforcement;
- 11                   (7) to enforce an ordinance and to prescribe a penalty for  
12 violation of an ordinance;
- 13                   (8) to acquire, manage, control, use, and dispose of real  
14 and personal property, whether the property is situated inside or  
15 outside the municipal boundaries; this power includes the power of a  
16 borough to expend, for any purpose authorized by law, money received  
17 from the disposal of land in a service area established under AS 29.-  
18 35.450;
- 19                   (9) to expend money for a community purpose, facility, or  
20 service for the good of the municipality to the extent the municipali-  
21 ty is otherwise authorized by law to exercise the power necessary to  
22 accomplish the purpose or provide the facility or service;
- 23                   (10) to regulate the operation and use of a municipal right-  
24 of-way, facility, or service;
- 25                   (11) to borrow money and issue evidences of indebtedness;
- 26                   (12) to acquire membership in an organization that promotes  
27 legislation for the good of the municipality;
- 28                   (13) to enter into an agreement, including an agreement for  
29 cooperative or joint administration of any function or power with a

1 municipality, the state, or the United States;

2 (14) to sue and be sued.

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

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

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

21 Sec. 29.35.030. EMINENT DOMAIN. (a) A municipality may, only  
22 within its boundaries, exercise the powers of eminent domain and  
23 declaration of taking in the performance of a power or function of the  
24 municipality under the procedures set out in AS 09.55.250 - 09.55.460.  
25 In the case of a second class city, the exercise of the power of  
26 eminent domain or declaration of taking must be by ordinance that is  
27 submitted to the voters at the next general election or at a special  
28 election called for that purpose. A majority of the votes on the  
29 question is required for approval of the ordinance.

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

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

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

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

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

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

22 (3) award contracts for collection and disposal, or provide  
23 for the collection and disposal of garbage and solid waste by munici-  
24 pal officials and employees;

25 (4) pay for garbage and solid waste collection and disposal  
26 from available money;

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

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

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

4           (b) The governing body of a municipality may not prohibit a  
5 person holding a valid certificate from the Alaska Public Utilities  
6 Commission from continuing to collect and dispose of garbage, refuse,  
7 trash, waste material, or provide other related services in an area in  
8 the municipality if the certificate authorizes the collection and  
9 disposal of garbage, refuse, trash, or other waste material and pro-  
10 viding of other services in the area, and the certificate was orig-  
11 inally issued before the municipality provided similar services. A  
12 municipality may not provide for a garbage, refuse, trash, or other  
13 waste material collection and disposal service in an area to the  
14 extent it lies in an area granted to a garbage, refuse, trash, or  
15 other waste material carrier by a certificate issued by the Alaska  
16 Public Utilities Commission to the carrier until it has purchased the  
17 certificate, equipment and facilities of the carrier, or that portion  
18 of the certificate that would be affected, at fair market value. A  
19 municipality may exercise the right of eminent domain to acquire the  
20 certificate, equipment and facilities of the carrier, or that portion  
21 of the certificate that would be affected.

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

24           Sec. 29.35.060. FRANCHISES AND PERMITS. (a) The assembly  
25 acting for the area outside all cities in the borough and the council  
26 acting for the area in a city may grant franchises, including exclu-  
27 sive franchise privileges, to a person, corporation, organization, or  
28 utility not certificated by the Alaska Public Utilities Commission and  
29 may permit the use of streets and other public places by the franchise

1 holder under regulations prescribed by ordinance.

2 (b) Unless the grant is made on a competitive basis, the grant  
3 of an exclusive right to use a public street or right-of-way for more  
4 than five years to a utility or a transportation system not certifi-  
5 cated by the Alaska Public Utilities Commission shall be valid only if  
6 approved by a majority of the voters at an election.

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

9 Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for  
10 the area outside all cities in the borough and the council acting for  
11 the area in a city may regulate, fix, establish, and change the rates  
12 and charges imposed for a utility service provided to the municipality  
13 or its inhabitants by a utility that it is not subject to regulation  
14 under AS 42.05 unless that utility is exempted from regulation under  
15 AS 42.05.711(a) or (d) - (k).

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

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

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

24 Sec. 29.35.080. ALCOHOLIC BEVERAGES. (a) A municipality may  
25 regulate the barter, sale, importation, and consumption of alcoholic  
26 beverages in accordance with AS 04.11.480 - 04.11.506 and AS 04.21.-  
27 010.

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

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

4           Sec. 29.35.100. BUDGET AND CAPITAL PROGRAM. (a) The governing  
5 body shall establish the manner for the preparation and submission of  
6 the budget and capital program. After a public hearing, the governing  
7 body may approve the budget with or without amendments, and shall  
8 appropriate the money required for the approved budget.

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

12           Sec. 29.35.110. EXPENDITURE OF BOROUGH REVENUES. Borough reve-  
13 nues received through taxes collected on an areawide basis by the  
14 borough may be expended on general administrative costs and on area-  
15 wide functions only. Borough revenues received through taxes col-  
16 lected on a nonareawide basis may be expended on general administra-  
17 tive costs and functions that render service only to the area outside  
18 all cities in the borough.

19           Sec. 29.35.120. POST AUDIT. (a) The governing body shall  
20 provide for an annual independent audit of the accounts and financial  
21 transactions of the municipality or, in the case of a second class  
22 city, an audit or statement of annual income and expenditures. To  
23 make the audit the governing body shall designate a public accountant  
24 who has no personal interest, direct or indirect, in the fiscal af-  
25 fairs of the municipality. Copies of the audit shall be available to  
26 the public upon request.

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

29           Sec. 29.35.130. EMERGENCY SERVICES COMMUNICATIONS CENTERS. (a)

1 A municipality may establish an emergency services communications  
2 center with one or more other municipalities and one or more state,  
3 federal, or private agencies that provide emergency service communica-  
4 tions to the same geographic area. An emergency services communica-  
5 tions center established under this section may be organized and  
6 operated as a public nonprofit corporation under AS 10.20.

7 (b) An emergency services communications center under this  
8 section may be governed by a board of directors. A member of a board  
9 of directors of an emergency services communications center serves  
10 without compensation but is entitled to per diem and travel expenses.  
11 If an emergency services communications center is organized as a  
12 nonprofit corporation, a member of its board of directors may not be  
13 employed by the nonprofit corporation.

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

18 (1) combine or coordinate the existing emergency services  
19 communications programs of the participating municipalities and agen-  
20 cies;

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

23 (3) study the need for improvement in the timely delivery  
24 of emergency services to residents of the participating municipali-  
25 ties;

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

28 (5) apply for and accept federal, state, municipal, and  
29 private money, property, or assistance for use in providing the timely

1 delivery of emergency services;

2 (6) enter into contracts to carry out the provisions of  
3 this section;

4 (7) employ personnel necessary to carry out the provisions  
5 of this section.

6 (d) In this section

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

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

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

19 Sec. 29.35.145. REGULATION OF FIREARMS. (a) A municipality may  
20 not, except by ordinance ratified by the voters, restrict the right to  
21 own or possess firearms or transport unloaded firearms.

22 (b) This section applies to home rule and general law  
23 municipalities.

24 ARTICLE 2. MANDATORY AREAWIDE POWERS.

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

28 Sec. 29.35.160. EDUCATION. (a) Each borough constitutes a  
29 borough school district and establishes, maintains, and operates a

1 system of public schools on an areawide basis as provided in AS 14.-  
2 14.060. A military reservation in a borough is not part of the bor-  
3 ough school district until the military mission is terminated or until  
4 inclusion in the borough school district is approved by the Department  
5 of Education. However, operation of the military reservation schools  
6 by the borough school district may be required by the Department of  
7 Education under AS 14.14.110. If the military mission of a military  
8 reservation terminates or continued management and control by a re-  
9 gional educational attendance area is disapproved by the Department of  
10 Education, operation, management, and control of schools on the mili-  
11 tary reservation transfers to the borough school district in which the  
12 military reservation is located.

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

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

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

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

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

#### 26 ARTICLE 3. ADDITIONAL POWERS.

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

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

- 3 (1) provide transportation systems;
- 4 (2) provide water pollution control;
- 5 (3) provide air pollution control in accordance with  
6 AS 46.03.140 - 46.03.230;
- 7 (4) license day care facilities;
- 8 (5) license, impound, and dispose of animals.

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

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

- 16 (1) provide transportation systems;
- 17 (2) regulate the offering for sale, exposure for sale,  
18 sale, use or explosion of fireworks;
- 19 (3) license, impound, and dispose of animals;
- 20 (4) provide garbage, solid waste, and septic waste col-  
21 lection and disposal;
- 22 (5) provide air pollution control in accordance with  
23 AS 46.03.140 - 46.03.230;
- 24 (6) provide water pollution control;
- 25 (7) participate in federal or state loan programs for  
26 housing rehabilitation and improvement for energy conservation;
- 27 (8) provide for economic development;
- 28 (9) provide for the acquisition and construction of local  
29 service roads and trails under AS 19.30.111 - 19.30.251;

1 (10) establish an emergency services communications center  
2 under AS 29.35.130;

3 (11) subject to AS 28.01.010, regulate the licensing and  
4 operation of motor vehicles and operators.

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

7 (1) provide transportation systems;

8 (2) license, impound, and dispose of animals;

9 (3) provide air pollution control in accordance with  
10 AS 46.03.140 - 46.03.230;

11 (4) provide water pollution control;

12 (5) license day care facilities.

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

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

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

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

27 (c) A third class borough may acquire the power to provide for  
28 planning, platting, and land use regulation as provided in AS 29.40  
29 for first and second class boroughs, except the power may only be

1 exercised within a service area.

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

5 ARTICLE 4. CITY POWERS.

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

8 (b) On adoption of a borough ordinance to provide for areawide  
9 exercise of a power, no city may exercise the power unless the borough  
10 ordinance provides otherwise or the borough by ordinance ceases to  
11 exercise the power.

12 (c) A home rule city in a third class borough shall provide for  
13 planning, platting, and land use regulation as provided by AS 29.35.-  
14 180(b) for home rule boroughs. A first class city in a third class  
15 borough shall provide for planning, platting, and land use regulation  
16 as provided by AS 29.35.180(a) for first and second class boroughs. A  
17 second class city in a third class 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 Sec. 29.35.260. CITIES OUTSIDE BOROUGHES. (a) A city outside a  
22 borough may exercise a power not otherwise prohibited by law. A  
23 provision that is incorporated by reference to laws governing boroughs  
24 applies to home rule cities outside boroughs only if the provision is  
25 made applicable to home rule boroughs.

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

1 establish a system of public schools.

2 (c) A home rule city outside a borough shall provide for plan-  
3 ning, platting, and land use regulation as provided by AS 29.35.180(b)  
4 for home rule boroughs. A first class city outside a borough shall,  
5 and a second class city outside a borough may, provide for planning,  
6 platting, and land use regulation as provided by AS 29.35.180(a) for  
7 first and second class boroughs.

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

9 ARTICLE 5. ACQUISITION OF ADDITIONAL POWERS.

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

13 (b) A second class borough acquires an additional power by  
14 transfer of the power by a city or by holding an election on the ques-  
15 tion. For acquisition of an areawide power, the election shall be  
16 held areawide. For acquisition of a nonareawide power, the election  
17 shall be held nonareawide.

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

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

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

27 Sec. 29.35.320. INITIATION OF ACQUISITION OF POWER. (a) An  
28 election on the question of adding an areawide power in a first class  
29 borough or of adding an areawide or nonareawide power in a second

1 class borough may be initiated in two ways:

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

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

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

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

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

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

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

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

28 (b) If a power is proposed for exercise by a third class borough  
29 in a service area, only voters residing in the proposed service area

1 may vote.

2 (c) A vote on the question of adding an areawide power in a  
3 first or second class borough shall be tabulated in two separate  
4 classifications. One shall consist of all votes cast in all cities  
5 located in the borough. The other shall consist of all votes cast in  
6 the borough area outside all cities. If the majority of the votes  
7 cast in each classification is favorable, the borough shall assume the  
8 added power within 30 days after certification of the election re-  
9 sults.

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

15 (e) The borough mayor shall certify the election results to the  
16 department.

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

25 (b) The assembly may levy and collect special charges, taxes, or  
26 assessments including interest for the purpose of amortizing bonded  
27 indebtedness previously incurred by a city or service area for exer-  
28 cising an areawide power acquired by the borough. When a city or  
29 service area had previously incurred bonded indebtedness, all property

1 that was in the city or service area at the time the bonds were issued  
2 remains subject to taxation to pay the principal of and interest on  
3 the bonds.

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

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

10 Sec. 29.35.350. DEFINITION. In AS 29.35.200 - 29.35.350,  
11 "power" means the provision of a public facility or service, or the  
12 exercise of a regulatory power.

#### 13 ARTICLE 6. CONSTRUCTION OF POWERS.

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

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

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

#### 25 ARTICLE 7. SERVICE AREAS.

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

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

4 (1) the city agrees by ordinance; or

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

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

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

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

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

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

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

1 the voters residing in the service area; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (1) statements of policies, goals, and standards;

27 (2) a land use plan;

28 (3) a community facilities plan;

29 (4) a transportation plan; and

1 (5) recommendations for implementation of the comprehensive  
2 plan.

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

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

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

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

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

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

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

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

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

29 Sec. 29.40.050. APPEALS FROM ADMINISTRATIVE DECISIONS. (a) By

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

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

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

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

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

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

29 (2) dimensions and design of lots;

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

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

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

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

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

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

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

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

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

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

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

2           (1) initial point of survey;

3           (2) original or reestablished corners and their descrip-  
4 tions;

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

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

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

16           (b) The platting authority shall state in writing its reasons  
17 for disapproval of a plat. If the platting authority approves a plat,  
18 the plat shall be acknowledged and filed in accordance with AS 40.15.-  
19 010 - 40.15.020.

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

29           Sec. 29.40.130. NOTICE OF HEARING. The platting authority shall

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

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

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

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

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

1 the lots of the platted addition bordering on the area. If a public  
2 square is vacated, the title to it vests in a city if it lies inside  
3 the city, and in the borough if it lies inside the borough but outside  
4 all cities. If the property vacated is a lot, title vests in the  
5 rightful owner.

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

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

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

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

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

- 1                   (2) other boards or commissions;  
2                   (3) a hearing officer designated by the planning commission  
3 or platting authority.

4                   Sec. 29.40.180. VIOLATIONS. It is unlawful for the owner of  
5 land located in a subdivision to transfer, sell, offer to sell, or  
6 enter into a contract to sell land in a subdivision before a plat of  
7 the subdivision has been prepared, approved, and filed in accordance  
8 with this chapter. It is unlawful for a person to file a plat or  
9 other document depicting subdivided land in a public recorder's office  
10 unless the plat or document has been approved by the platting author-  
11 ity. For the violation of a provision of this chapter, a subdivision  
12 regulation adopted under this chapter, or a term, condition, or  
13 limitation imposed by a platting authority in the exercise of its  
14 powers under this chapter, a municipality may by ordinance prescribe a  
15 penalty not to exceed a fine of \$1,000 and imprisonment for 90 days.

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

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

28                   Sec. 29.40.200. SUBDIVISIONS OF STATE LAND. (a) The subdivi-  
29 sion requirements adopted under this chapter apply to a subdivision

1 plat of undeveloped state land for disposal under AS 38.05 or AS 38.08  
2 filed with the platting authority. Subdivision ordinances and regula-  
3 tions adopted after the platting authority is notified by the commis-  
4 sioner of natural resources of a proposed sale of subdivided state  
5 land under AS 38.05 or AS 38.08 do not apply to the state land in the  
6 proposed sale.

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

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

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

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

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

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

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

24 CHAPTER 45. MUNICIPAL TAXATION.

25 ARTICLE 1. MUNICIPAL PROPERTY TAX.

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

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

29 (2) a nonareawide property tax for functions limited to the

1 area outside cities;

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

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

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

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

13 "NOTICE TO TAXPAYER

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

17 PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE	
18 (AS 14.17)	\$
19 STATE AID FOR RETIREMENT OF SCHOOL CONSTRUC-	
20 TION DEBT (AS 14.11.100)	\$
21 MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE	
22 (AS 29.60.010 - 29.60.080)	\$
23 STATE AID FOR MISCELLANEOUS MUNICIPAL	
24 SERVICES (AS 29.60.100 - 29.60.180)	\$
25 TOTAL AID	\$

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

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
1		
2		
3	PUBLIC SCHOOL FOUNDATION PROGRAM	
4	ASSISTANCE	....MILLS
5	STATE AID FOR RETIREMENT OF	
6	SCHOOL CONSTRUCTION DEBT	....MILLS
7	MUNICIPAL TAX RESOURCE EQUALI-	
8	ZATION ASSISTANCE	....MILLS
9	STATE AID FOR MISCELLANEOUS	
10	MUNICIPAL SERVICES	....MILLS
11	TOTAL MILLAGE EQUIVALENT	....MILLS"

12 Notice shall be provided

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

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

19 (b) Compliance with the provisions of this section is a pre-  
 20 requisite to receipt of municipal tax resource equalization assistance  
 21 under AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipi-  
 22 pal services under AS 29.60.100 - 29.60.180. The department shall  
 23 withhold annual allocations under those sections until municipal  
 24 officials demonstrate that the requirements of this section have been  
 25 met.

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

28 (1) municipal, state, or federally owned property, except  
 29 that a private leasehold, contract, or other interest in the property

1 is taxable to the extent of the interest;

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

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

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

10 (5) money on deposit;

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

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

16 (b) In (a) of this section, "property used exclusively for  
17 religious purposes" includes the following property owned by a reli-  
18 gious organization:

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

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

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

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

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

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

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

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

1 assessment year for the property exempted shall be refunded to the  
2 claimant. The assessor shall require proof in the form the assessor  
3 considers necessary of the right to and amount of an exemption claimed  
4 under (e) of this section, and shall require a disabled veteran claim-  
5 ing an exemption under (e) of this section to provide evidence of the  
6 disability rating. The assessor may require proof under this section  
7 at any time.

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

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

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

21 (1) "disabled veteran" means a disabled person separated  
22 from the military service of the United States under a condition that  
23 is not dishonorable who is a resident of the state, whose disability  
24 was incurred or aggravated in the line of duty in the military service  
25 of the United States, and whose disability has been rated as 50 per-  
26 cent or more by the branch of service in which that person served or  
27 by the Veterans' Administration;

28 (2) "real property" includes but is not limited to mobile  
29 homes, whether classified as real or personal property for municipal

1 tax purposes.

2 (j) One motor vehicle per household owned by a resident 65 years  
3 of age or older on January 1 of the assessment year is exempt either  
4 from taxation on its assessed value or from the registration tax under  
5 AS 28.10.431. An exemption may be granted under this subsection only  
6 upon written application on a form prescribed by the Department of  
7 Public Safety. The state shall reimburse a municipality for tax reve-  
8 nues lost to it because of the exemption required by this subsection.  
9 Reimbursement to a municipality equals the amount of registration tax  
10 authorized under AS 28.10.431(b) for each vehicle exempted under this  
11 subsection.

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

14 (l) Two percent of the assessed value of a structure is exempt  
15 from taxation if the structure contains a fire protection system ap-  
16 proved under AS 18.70.081, in operating condition, and incorporated as  
17 a fixture or part of the structure. The exemption granted by this  
18 subsection is limited to

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

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

27 (m) For the purpose of determining property exempt under (a)(7)  
28 of this section, the following definitions apply to terms used in 43  
29 U.S.C. 1620(d) unless superseded by applicable federal law:

1           (1) "developed" means a purposeful modification of the  
2 property from its original state that effectuates a condition of  
3 gainful and productive present use without further substantial modifi-  
4 cation; surveying, construction of roads, providing utilities or other  
5 similar actions normally considered to be component parts of the  
6 development process, but that do not create the condition described in  
7 this paragraph, do not constitute a developed state within the meaning  
8 of this paragraph; developed property, in order to remove the exemp-  
9 tion, must be developed for purposes other than exploration, and be  
10 limited to the smallest practicable tract of the property actually  
11 used in the developed state;

12           (2) "exploration" means the examination and investigation  
13 of undeveloped land to determine the existence of subsurface nonrenew-  
14 able resources;

15           (3) "lease" means a grant of primary possession entered  
16 into for gainful purposes with a determinable fee remaining in the  
17 hands of the grantor; with respect to a lease that conveys rights of  
18 exploration and development, this exemption shall continue with re-  
19 spect to that portion of the leased tract that is used solely for the  
20 purpose of exploration.

21           (n) If property or an interest in property that is determined  
22 not to be exempt under (a)(7) of this section reverts to an undevel-  
23 oped state, or if the lease is terminated, the exemption shall be  
24 granted, subject to the provisions of (a)(7) and (m) of this section.

25           Sec. 29.45.040. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A  
26 resident of the state 65 years of age or older or a disabled veteran  
27 who rents a permanent place of abode is eligible for a tax equivalency  
28 payment from the state through the department.

29           (b) For purposes of determining the amount of a payment to an

1 eligible person, the department shall calculate at the rate of one  
2 percent per mill a property tax equivalent percentage for each munic-  
3 ipality that levies a property tax. The property tax equivalent per-  
4 centage applied to the annual rent charged to the applicant equals the  
5 property tax equivalency payment payable under this section.

6 (c) To obtain a tax equivalency payment the eligible resident  
7 must apply to the department for payment for the preceding year by  
8 January 15 of each year on forms and in the manner prescribed by the  
9 department. The department for good cause shown may waive an appli-  
10 cant's failure to make timely application for a tax equivalency pay-  
11 ment and accept the application as if timely filed. Each applicant  
12 shall submit with the application rental receipts or, if rental re-  
13 cepts are not available, other evidence satisfactory to the depart-  
14 ment for determination of the fact of payment of rent and the amount  
15 paid. A disabled veteran shall submit with the application evidence  
16 of the disability rating.

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

26 (e) In this section "disabled veteran" has the meaning given in  
27 AS 29.45.030(i).

28 Sec. 29.45.045. REIMBURSEMENT PAYMENTS. (a) A resident of the  
29 state 65 years of age or older or a disabled veteran who rents a

1 permanent place of abode is eligible for a reimbursement payment from  
2 the state through the department if the abode is located in a municipi-  
3 pality that

4 (1) does not levy and collect a property tax; and

5 (2) levies and collects a sales tax on rents paid for  
6 residential property.

7 (b) The amount of a reimbursement payment under this section  
8 equals the amount of sales taxes paid on the abode during the preced-  
9 ing year by the eligible resident.

10 (c) To obtain a reimbursement payment under this section an  
11 eligible resident must apply by January 15 of each year to the depart-  
12 ment for reimbursement of sales taxes paid for the preceding year.  
13 The application shall be on the form and filed as prescribed by the  
14 department. The department for good cause shown may waive an appli-  
15 cant's failure to make timely application for reimbursement and accept  
16 the application as if timely filed. Each applicant shall submit with  
17 the application rental receipts or, if rental receipts are not avail-  
18 able, other evidence satisfactory to the department for determination  
19 of the fact of payment of rent and the amount paid. A disabled  
20 veteran shall submit with the application evidence of the disability  
21 rating.

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

1 payment.

2 (e) In this section "disabled veteran" has the meaning given in  
3 AS 29.45.030(i)(1).

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

9 (b) A municipality may by ordinance

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

13 (2) classify and exempt from taxation

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

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

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

26 (3) exempt personal property from taxation;

27 (4) exempt business inventories from taxation;

28 (5) classify as to type and exempt or partially exempt any  
29 or all types of motor vehicles from taxation.

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

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

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

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

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

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

20 (d) Exemptions or exclusions from property tax that have been  
21 granted by a home rule municipality in addition to exemptions autho-  
22 rized or required by law, and that are in effect on September 10,  
23 1972, and not later withdrawn, are not affected by this chapter.

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

1 domain taking of fee simple title or less than fee simple title to the  
2 property, so that the property owner is compensated at a rate that  
3 does not reflect the easement grant.

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

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

26 Sec. 29.45.060. FARM OR AGRICULTURAL LAND. (a) Farm use land  
27 included in a farm unit and not dedicated or being used for nonfarm  
28 purposes shall be assessed on the basis of full and true value for  
29 farm use and may not be assessed as if subdivided or used for some

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

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

23 (c) In this section "farm use" means the use of land for profit  
24 for raising and harvesting crops, for the feeding, breeding, and  
25 management of livestock, for dairying, or another agricultural use, or  
26 any combination of these. To be farm use land, the owner or lessee  
27 must be actively engaged in farming the land, and derive at least 10  
28 percent of yearly gross income from the land. This section does not  
29 apply to land for which the owner has granted, and has outstanding, a

1 lease or option to buy the surface rights. A property owner wishing  
2 to file for farm use classification having no history of farm-related  
3 income may submit a declaration of intent at the time of filing the  
4 application with the assessor setting out the intended use of the land  
5 and the anticipated percentage of income. An applicant using this  
6 procedure shall file with the assessor before February 1 of the fol-  
7 lowing year a notarized statement of the percentage of gross income  
8 attributable to the land. Failure to make the filing required in this  
9 subsection forfeits the exemption.

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

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

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

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

28 (b) A municipality may levy and collect a tax on the full and  
29 true value of taxable property taxable under AS 43.56 as valued by the

1 Department of Revenue at a rate not to exceed that which produces an  
2 amount of revenue from the total municipal property tax equivalent to  
3 \$1,500 a year for each person residing in its boundaries.

4 (c) A municipality may levy and collect a tax on the full and  
5 true value of that portion of taxable property taxable under AS 43.56  
6 as assessed by the Department of Revenue which value, when combined  
7 with the value of property otherwise taxable by the municipality, does  
8 not exceed the product of 225 percent of the average per capita  
9 assessed full and true value of property in the state multiplied by  
10 the number of residents of the taxing municipality.

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

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

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

24 (b) A municipality, or combination of municipalities occupying  
25 the same geographical area, in whole or in part, may not levy taxes

26 (1) that will result in tax revenues from all sources ex-  
27 ceeding \$1,500 a year for each person residing within the municipal  
28 boundaries; or

29 (2) upon value that, when combined with the value of

1 property otherwise taxable by the municipality, exceeds the product of  
2 225 percent of the average per capita assessed full and true value of  
3 property in the state multiplied by the number of residents of the  
4 taxing municipality.

5 (c) The commissioner shall apportion the lawful levy and equi-  
6 tably divide the tax revenues on the basis of need, services per-  
7 formed, and other considerations in the public interest if two or more  
8 municipalities occupying the same geographical area, in whole or in  
9 part, attempt to levy a tax

10 (1) the combined levy of which would result in tax revenues  
11 from all sources exceeding \$1,500 a year for each person residing  
12 within the municipal 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 (d) For the purpose of (b) and (c) of this section, population  
19 shall be determined by the commissioner based on the latest statistics  
20 of the United States Bureau of the Census or on other reliable popula-  
21 tion data.

22 Sec. 29.45.100. NO LIMITATIONS ON TAXES TO PAY BONDS. The  
23 limitations provided for in AS 29.45.080 - 29.45.090 do not apply to  
24 taxes levied or pledged to pay or secure the payment of the principal  
25 and interest on bonds. Taxes to pay or secure the payment of princi-  
26 pal and interest on bonds may be levied without limitation as to rate  
27 or amount, regardless of whether the bonds are in default or in danger  
28 of default.

29 Sec. 29.45.103. TAXATION RECORDS. (a) Municipal records

1 dealing with assessment, valuation or taxation may be inspected by the  
2 State Assessor or a designee.

3 (b) If a municipality's assessment and valuation has been done  
4 by a private contractor, records concerning the municipality's valua-  
5 tion and assessment shall be made available to the State Assessor or a  
6 designee on request.

7 Sec. 29.45.105. ERRORS IN TAXATION PROCEDURES. (a) If a  
8 municipality receives a notice from the State Assessor that major  
9 errors have been found in its assessment, valuation or taxation proce-  
10 dures, the municipality shall correct its procedures before the begin-  
11 ning of the next fiscal year or file an appeal under (b) of this  
12 section.

13 (b) A municipality may appeal a notice from the State Assessor  
14 that it has made a major error in assessment, valuation or taxation  
15 procedures by filing an appeal with the commissioner within 30 days  
16 after receipt of notice of error.

17 (c) The commissioner, after consulting with the Alaska Associa-  
18 tion of Assessing Officers, shall render a decision within 60 days  
19 after the receipt of a request under (b) of this section. If the  
20 commissioner determines that a major error has been made in assess-  
21 ment, valuation or taxation procedures the commissioner shall notify  
22 the municipality of changes that must be made and the municipality  
23 shall correct its procedures before the beginning of the next fiscal  
24 year.

25 (d) If errors in its assessment, valuation or taxation proce-  
26 dures have resulted in a loss of revenue to the state, the municipal-  
27 ity shall reimburse the state for the amount of revenues lost.

28 Sec. 29.45.110. FULL AND TRUE VALUE. (a) The assessor shall  
29 assess property at its full and true value as of January 1 of the

1 assessment year, except as provided in this section, AS 29.45.060, and  
2 29.45.230. The full and true value is the estimated price that the  
3 property would bring in an open market and under the then prevailing  
4 market conditions in a sale between a willing seller and a willing  
5 buyer both conversant with the property and with prevailing general  
6 price levels.

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

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

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

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

26 Sec. 29.45.130. INDEPENDENT INVESTIGATION. (a) The assessor is  
27 not bound to accept a return as correct. The assessor may make an  
28 independent investigation of property returned or of taxable property  
29 on which no return has been filed. In either case, the assessor may

1 make the assessor's own valuation of the taxable property and this  
2 valuation is prima facie evidence of the value of the property.

3 (b) For investigation, the assessor or the assessor's agent may  
4 enter a premise during reasonable hours and may examine property on  
5 the premise. The assessor or the assessor's agent may examine all  
6 property records involved. A person shall, on request, furnish to the  
7 assessor or the assessor's agent every facility and assistance for the  
8 investigation. The assessor may seek a court order to compel entry  
9 and production of records needed for assessment purposes.

10 (c) An assessor may examine a person on oath. On request, the  
11 person shall submit to examination at a reasonable time and place  
12 selected by the assessor.

13 Sec. 29.45.140. VIOLATIONS. For knowingly failing to file a tax  
14 statement required by ordinance or knowingly making a false affidavit  
15 to a statement required by a tax ordinance relative to the amount,  
16 location, kind or value of property subject to taxation with intent to  
17 evade the taxation, a municipality may by ordinance prescribe a  
18 penalty not to exceed a fine of \$1,000 or imprisonment for 90 days.

19 Sec. 29.45.150. REEVALUATION. A systematic reevaluation of  
20 taxable real and personal property undertaken by the assessor, whether  
21 of specific areas in which real property is located or of specific  
22 classes of real or personal property to be assessed, shall be made  
23 only in accordance with a resolution or other act of the municipality  
24 directing a systematic reevaluation of all taxable property in the  
25 municipality over the shortest period of time practicable, as fixed in  
26 the resolution or act.

27 Sec. 29.45.160. ASSESSMENT ROLL. (a) The assessor shall pre-  
28 pare an annual assessment roll. The roll shall contain

29 (1) a description of all taxable property;

1           (2) the assessed value of all taxable property;  
2           (3) the names and addresses of persons with property sub-  
3           ject to assessment and taxation.

4           (b) The assessor may list real property by any description that  
5           may be made certain. Real property is assessed to the record owner.  
6           The district recorder shall at least monthly provide the assessor a  
7           copy of each recorded change of ownership showing the name and mailing  
8           address of the owner and the name and mailing address of the person  
9           recording the change of ownership. Other persons having an interest  
10          in the property may be listed on the assessment records with the  
11          owner. The person in whose name property is listed as owner is conclu-  
12          sively presumed to be the legal record owner. If the property owner  
13          is unknown, the property may be assessed to "unknown owner". An  
14          assessment is not invalidated by a mistake, omission, or error in the  
15          name of the owner, if the property is correctly described.

16          Sec. 29.45.170. ASSESSMENT NOTICE. (a) The assessor shall give  
17          each person named in the assessment roll a notice of assessment,  
18          showing the assessed value of the person's property. On each notice  
19          is printed a brief summary of the dates when taxes are payable, delin-  
20          quent, and subject to penalty and interest, and the dates when the  
21          board of equalization will sit.

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

27          Sec. 29.45.180. CORRECTIONS. (a) A person receiving an assess-  
28          ment notice shall advise the assessor of errors or omissions in the  
29          assessment of the person's property. The assessor may correct errors

1 or omissions in the roll before the board of equalization hearing.

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

5 Sec. 29.45.190. APPEAL. (a) A person whose name appears on the  
6 assessment roll or the agent or assigns of that person may appeal to  
7 the board of equalization for relief from an alleged error in valua-  
8 tion not adjusted by the assessor to the taxpayer's satisfaction.

9 (b) The appellant shall, within 30 days after the date of mail-  
10 ing of notice of assessment, submit to the assessor a written appeal  
11 specifying grounds in the form that the board of equalization may  
12 require. Otherwise, the right of appeal ceases unless the board of  
13 equalization finds that the taxpayer was unable to comply.

14 (c) The assessor shall notify an appellant by mail of the time  
15 and place of hearing.

16 (d) The assessor shall prepare for use by the board of equaliza-  
17 tion a summary of assessment data relating to each assessment that is  
18 appealed.

19 (e) A city in a borough may appeal an assessment to the borough  
20 board of equalization in the same manner as a taxpayer. Within five  
21 days after receipt of the appeal, the assessor shall notify the person  
22 whose property assessment is being appealed by the city.

23 Sec. 29.45.200. BOARD OF EQUALIZATION. (a) The governing body  
24 sits as a board of equalization for the purpose of hearing an appeal  
25 from a determination of the assessor, or it may delegate this author-  
26 ity to one or more boards appointed by it. An appointed board may be  
27 composed of not less than three persons, who may be members of the  
28 governing body, municipal residents, or a combination of members of  
29 the governing body and residents. The governing body shall by

1 ordinance establish the qualifications for membership.

2 (b) The board of equalization is governed in its proceedings by  
3 rules adopted by ordinance that are consistent with general rules of  
4 administrative procedure. The board may alter an assessment of a lot  
5 only pursuant to an appeal filed as to the particular lot.

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

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

12 (b) The appellant bears the burden of proof. The only grounds  
13 for adjustment of assessment are proof of unequal, excessive, im-  
14 proper, or under valuation based on facts that are stated in a valid  
15 written appeal or proven at the appeal hearing. If a valuation is  
16 found to be too low, the board of equalization may raise the assess-  
17 ment.

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

22 (d) An appellant or the assessor may appeal a determination of  
23 the board of equalization to the superior court as provided by rules  
24 of court applicable to appeals from the decisions of administrative  
25 agencies. Appeals are heard on the record established at the hearing  
26 before the board of equalization.

27 Sec. 29.45.220. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor  
28 shall include property omitted from the assessment roll on a supple-  
29 mentary roll, using the procedures set out in this chapter for the

1 original roll.

2 Sec. 29.45.230. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATU-  
3 RAL DISASTER. (a) The municipality may provide for assessment or  
4 reassessment and reduction of taxes for property destroyed, damaged,  
5 or otherwise reduced in value as a result of a natural disaster.

6 (b) An assessment or reassessment under this section may be made  
7 by the assessor only upon the receipt of a sworn statement of the tax-  
8 payer that losses exceed \$1,000. A reduction of taxes may be made  
9 only on losses in excess of \$1,000 for the remainder of the year  
10 following the disaster. On reassessment, the municipality shall  
11 recompute this tax and refund taxes that have already been paid.

12 (c) The municipality shall give notice of assessment or re-  
13 assessment under this section and shall hold an equalization hearing  
14 as provided in this chapter, except that a notice of appeal must be  
15 filed with the board of equalization within 10 days after notice of  
16 assessment or reassessment is given to the person appealing. Other-  
17 wise, the right of appeal ceases unless the board finds that the  
18 taxpayer is unable to comply.

19 (d) In enacting an ordinance or resolution authorized by this  
20 section the municipality may, consistent with this section, prescribe  
21 procedures, restrictions, and conditions of assessing or reassessing  
22 property and of remitting, refunding, or forgiving taxes.

23 (e) In this section "disaster" means a major disaster declared  
24 by the President of the United States under the provisions of 42  
25 U.S.C. sec. 1855 - 1855g (Federal Disaster Act of 1950), or other  
26 federal law, or a disaster declared by the governor under AS 26.-  
27 23.010 - 26.23.110.

28 Sec. 29.45.240. TAX LEVY AND RATE. (a) The power granted to a  
29 municipality to assess, levy, and collect a property tax shall be

1 exercised by means of an ordinance. The rate of levy, the date of  
2 equalization, and the date when taxes become delinquent shall be fixed  
3 by resolution.

4 (b) A municipality shall annually determine the rate of levy  
5 before June 15. By July 1 the tax collector shall mail tax statements  
6 setting out the levy, dates when taxes are payable and delinquent, and  
7 penalties and interest.

8 Sec. 29.45.250. RATES OF PENALTY AND INTEREST. (a) A penalty  
9 not to exceed 20 percent of the tax due may be added to all delinquent  
10 taxes, and interest not to exceed 15 percent a year shall accrue upon  
11 all unpaid taxes, not including penalty, from the due date until paid  
12 in full. A municipality may impose a penalty not to exceed 20 percent  
13 of the tax due upon the late return of personal property assessment  
14 forms. A penalty under this section may be imposed according to a  
15 formula that increases the amount of the penalty as the length of time  
16 increases during which payment is delinquent or assessment forms are  
17 not returned.

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

## 21 ARTICLE 2. ENFORCEMENT OF TAX LIENS.

22 Sec. 29.45.290. VALIDITY. Certified assessment and tax rolls  
23 are valid and binding on all persons, notwithstanding a defect, error,  
24 omission, or invalidity in the assessment rolls or proceedings per-  
25 taining to the assessment roll.

26 Sec. 29.45.300. TAX LIABILITY. (a) The owner of assessed per-  
27 sonal property is personally liable for the amount of taxes assessed  
28 against the property. The tax, together with penalty and interest,  
29 may be collected in a personal action brought in the name of the

1 municipality.

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

5 Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY  
6 DISTRAINT AND SALE. (a) A lien for personal property taxes may be  
7 enforced by distraint and sale of the property. The municipality  
8 shall provide the procedure for distraint and sale by ordinance. A  
9 seizure, levy, or distraint is not legal unless demand is first made  
10 of the person assessed for the amount of the tax, penalty, and inter-  
11 est, and a sale is not valid unless made at public auction no sooner  
12 than 15 days after notice is published. The seizure is made by virtue  
13 of a warrant issued by the municipal clerk to a peace officer.

14 (b) If the personal property sold is not sufficient to satisfy  
15 the tax, penalty, and interest, and costs of sale, the warrant may  
16 authorize the seizure of other personal property sufficient to satisfy  
17 the tax, penalty, interest, and costs of sale. If the property is  
18 sold for more money than is needed to satisfy the tax, the municipal-  
19 ity shall remit the excess to the former record owner upon presenta-  
20 tion of a proper claim. A claim for the excess filed after six months  
21 of the date of sale is forever barred.

22 Sec. 29.45.320. REAL PROPERTY TAX COLLECTION. (a) The munici-  
23 pality shall enforce delinquent real property tax liens by annual  
24 foreclosure, unless otherwise provided by ordinance.

25 (b) If the tax on property described in AS 29.45.070 or on a  
26 taxable interest in tax-exempt property is not paid when due, a muni-  
27 cipality may enforce the tax by a personal action against the delin-  
28 quent taxpayer brought in the district or superior court, in addition  
29 to other remedies available to enforce the lien.

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

2           (1) annually present a petition for judgment and a certi-  
3           fied copy of the foreclosure list for the previous year's delinquent  
4           taxes in the superior court for judgment;

5           (2) publish the foreclosure list for four consecutive weeks  
6           in a newspaper of general circulation distributed in the municipality  
7           or, if there is no newspaper of general circulation distributed in the  
8           municipality, post the list at three public places for at least 30  
9           days;

10          (3) within 10 days after the first publication or posting,  
11          mail to the last known owner of each property as the owner's name and  
12          address appear on the list a notice advising of the foreclosure pro-  
13          ceeding in which a petition for judgment of foreclosure has been filed  
14          and describing the property and the amount due as stated on the list.

15          (b) The list shall be arranged in alphabetical order as to the  
16          last name and shall include

17               (1) the last known owner;

18               (2) the property description as stated on the assessment  
19               roll;

20               (3) years and amounts of delinquency;

21               (4) penalty and interest due;

22               (5) a statement that the list is available for public  
23               inspection at the clerk's office;

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

26          (c) Completion of the requirements of (a) of this section con-  
27          stitutes and has the same force and effect as the filing of an indi-  
28          vidual and separate complaint and service of summons to foreclose a  
29          lien against each property described on the foreclosure list.

1           Sec. 29.45.340. CLEARING DELINQUENCIES. During the publication  
2 or posting of the foreclosure list and up to the time of transfer to  
3 the municipality a person may pay the taxes, together with the penal-  
4 ty, interest, and costs. The collector shall note payment on the  
5 foreclosure list.

6           Sec. 29.45.350. LIST TO LIENHOLDER. A holder of a mortgage or  
7 other lien on real property may request the clerk to send by certified  
8 mail notice of a foreclosure list that includes the real property.

9           Sec. 29.45.360. GENERAL FORECLOSURE. A municipality shall bring  
10 one general foreclosure proceeding in rem against the properties in-  
11 cluded in the foreclosure list. If the owner is unknown, the property  
12 is proceeded against as belonging to "unknown owner."

13           Sec. 29.45.370. ANSWER AND OBJECTION. A person having an inter-  
14 est in a lot on the foreclosure list may file an answer within 30 days  
15 after the date of last publication, specifying the person's objection.  
16 The court shall make its decision in summary proceedings. The fore-  
17 closure list is prima facie evidence that the assessment and levy of  
18 the tax is valid and that the tax is unpaid.

19           Sec. 29.45.380. JUDGMENT. The court shall in a proper case give  
20 judgment and decree that the tax liens be foreclosed. It is a several  
21 judgment against each lot and a lien on each lot.

22           Sec. 29.45.390. TRANSFER AND APPEAL. (a) Foreclosed properties  
23 are transferred to the municipality for the lien amount. When answers  
24 are filed the court may enter judgment against and order the transfer  
25 to the municipality of all other properties on the list pending deter-  
26 mination of the matters in controversy. The court shall hear and  
27 determine the issues raised by the complaint and answers in the same  
28 manner and under the same rules as it hears and determines other  
29 actions.

1           (b) The court clerk shall deliver a certified copy of the judg-  
2 ment and decree to the municipal clerk. The certified judgment and  
3 decree constitutes a transfer to the municipality.

4           (c) The judgment and decree stops objections to it that could  
5 have been presented before judgment and decree. Appeal from a judg-  
6 ment and decree of foreclosure, or from a final order in the proceed-  
7 ing, may be taken in the manner provided for appeals in civil actions.

8           Sec. 29.45.400. REDEMPTION PERIOD. Properties transferred to  
9 the municipality are held by the municipality for at least one year.  
10 During the redemption period a party having an interest in the prop-  
11 erty may redeem it by paying the lien amount plus penalties, interest,  
12 and costs, including all costs incurred under AS 29.45.440(a). Prop-  
13 erty redeemed is subject to all accrued taxes, assessments, liens, and  
14 claims as though it had continued in private ownership. Only the  
15 amount applicable under the judgment and decree must be paid in order  
16 to redeem the property.

17           Sec. 29.45.410. EFFECT. Receipt of redemption money by the  
18 municipality releases the judgment obtained under AS 29.45.380. The  
19 clerk or the clerk's designee shall record the redemption and issue a  
20 certificate containing a property description, the redemption amount,  
21 and the dates of judgment and decree of foreclosure. The clerk or the  
22 clerk's designee shall collect the recording fee at the time of re-  
23 demption and shall file the certificate with the record as part of the  
24 judgment roll.

25           Sec. 29.45.420. ADDITIONAL LIENS. If a property included in a  
26 foreclosure list is removed after payment of delinquencies or redemp-  
27 tion by another lienholder, the payment represented by receipt for  
28 payment constitutes an additional lien on the property, collectible by  
29 the lienholder in the same manner as the original lien.

1           Sec. 29.45.430. POSSESSION DURING REDEMPTION PERIOD. Foreclo-  
2           sure does not affect the former owner's right to possession during the  
3           redemption period. If waste is committed by the former owner or by  
4           anyone acting under the permission or control of the former owner, the  
5           municipality may declare an immediate forfeiture of the right to  
6           possession.

7           Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the  
8           expiration of the redemption period the clerk or the clerk's designee  
9           shall publish a redemption period expiration notice. The notice shall  
10          contain the date of judgment, the date of expiration of the period of  
11          redemption, and a warning that all properties ordered sold under the  
12          judgment, unless redeemed, shall be deeded to the municipality immedi-  
13          ately on expiration of the period of redemption and that every right  
14          or interest of a person in the properties will be forfeited forever to  
15          the municipality. The notice appears once a week for four consecutive  
16          weeks in a newspaper of general circulation distributed in the muni-  
17          cipality. If there is no newspaper of general circulation distributed  
18          in the municipality, the notice is posted in three public places for  
19          at least four consecutive weeks. The clerk shall send a copy of the  
20          notice by certified mail to each record owner of property against  
21          which a judgment of foreclosure has been taken and, if the assessed  
22          value of the property is more than \$10,000, to all holders of mort-  
23          gages or other liens of record on the property. The notice shall be  
24          mailed within five days after the first publication. The mailing  
25          shall be sufficient if mailed to the property owner and to the holder  
26          of a mortgage or recorded lien at the last address of record.

27                 (b) The right of redemption expires 30 days after the date of  
28                 the first notice publication.

29                 (c) Costs incurred in the determination of holders of mortgages

1 and other liens of record and costs of notice publication incurred by  
2 a municipality under (a) of this section are a lien on the property  
3 and may be recovered by the municipality.

4 Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) Unredeemed prop-  
5 erty in the area of the borough outside all cities is deeded to the  
6 borough by the clerk of the court. Unredeemed property in a city is  
7 deeded to the city subject to the payment by the city of unpaid bor-  
8 ough taxes and costs of foreclosure levied against the property before  
9 foreclosure. The deed shall be recorded in the recording district in  
10 which the property is located.

11 (b) Conveyance gives the municipality clear title, except for  
12 prior recorded tax liens of the United States and the state.

13 (c) If unredeemed property lies in a city and if the city has no  
14 immediate public use for the property but the borough does have an  
15 immediate public use, the city shall deed the property to the borough.  
16 If unredeemed property lies in the borough outside all cities and if  
17 the borough does not have an immediate public use for the property but  
18 a city does have an immediate public use, the borough shall deed the  
19 property to the city.

20 (d) No deed is invalid for irregularities, omissions, or defects  
21 in the proceedings under this chapter unless the former owner has been  
22 misled so as to be injured. Two years after the date of the deed, its  
23 validity is conclusively presumed and a claim of the former owner or  
24 other person having an interest in the property is forever barred.

25 Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTY.

26 (a) The municipality shall determine by ordinance whether foreclosed  
27 property deeded to the municipality shall be retained for a public  
28 purpose. The ordinance shall contain the legal description of the  
29 property, the address or a general description of the property

1 sufficient to provide the public with notice of its location, and the  
2 name of the last record owner of the property as the name appears on  
3 the assessment rolls.

4 (b) Tax-foreclosed property conveyed to a municipality by tax  
5 foreclosure and not required for a public purpose may be sold. Before  
6 the sale of tax-foreclosed property held for a public purpose, the  
7 municipality, by ordinance, shall determine that a public need does  
8 not exist. The ordinance shall contain the information required under  
9 (a) of this section.

10 (c) The clerk or the clerk's designee shall send a copy of the  
11 published notice of hearing of an ordinance to consider a determina-  
12 tion required under (a) or (b) of this section by certified mail to  
13 the former record owner of the property that is the subject of the  
14 ordinance. The notice shall be mailed within five days after its  
15 first publication and shall be sufficient if mailed to the last record  
16 owner of the property as the name appears on the assessment rolls of  
17 the municipality.

18 (d) The provisions of (c) of this section do not apply with  
19 respect to property that has been held by the municipality for a  
20 period of more than 10 years after the close of the redemption period.

21 Sec. 29.45.470. REPURCHASE BY RECORD OWNER. (a) The record  
22 owner at the time of tax foreclosure of property acquired by a muni-  
23 cipality, or the assigns of that record owner, may, within 10 years  
24 and before the sale or contract of sale of the tax-foreclosed property  
25 by the municipality, repurchase the property. The municipality shall  
26 sell the property for the full amount applicable to the property under  
27 the judgment and decree, with interest not to exceed 15 percent a year  
28 from the date of entry of the judgment of foreclosure to the date of  
29 repurchase, delinquent taxes assessed and levied as though it had

1 continued in private ownership, and costs of foreclosure and sale.

2 (b) After adoption of an ordinance providing for the retention  
3 of tax-foreclosed property by the municipality for a public purpose,  
4 the right of the former record owner to repurchase the property  
5 ceases.

6 Sec. 29.45.480. PROCEEDS OF TAX SALE. (a) On sale of fore-  
7 closed real or personal property the municipality shall divide the  
8 proceeds less cost of collection, between the borough and the city  
9 having unpaid taxes against the property. The division is in propor-  
10 tion to the respective municipal taxes against the property at the  
11 time of foreclosure.

12 (b) If tax-foreclosed real property that has been held by a  
13 municipality for less than 10 years after the close of the redemption  
14 period and never designated for a public purpose is sold at a tax-  
15 foreclosure sale, the former record owner is entitled to the portion  
16 of the proceeds of the sale that exceeds the amount of unpaid taxes,  
17 the amount equal to taxes that would have been assessed and levied  
18 after foreclosure if the property had continued in private ownership,  
19 penalty, interest, and costs to the municipality of foreclosing and  
20 selling the property. If the proceeds of the sale of tax-foreclosed  
21 property exceed the total of unpaid and delinquent taxes, penalty,  
22 interest, and costs, the municipality shall provide the former owner  
23 of the property written notice advising of the amount of the excess  
24 and the manner in which a claim for the balance of the proceeds may be  
25 submitted. Notice is sufficient under this subsection if mailed to  
26 the former record owner at the last address of record of the former  
27 record owner. On presentation of a proper claim, the municipality  
28 shall remit the excess to the former record owner. A claim for the  
29 excess filed after six months of the date of sale is forever barred.

1           Sec. 29.45.490. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a  
2 municipality takes title to tax-foreclosed property for a public pur-  
3 pose, the municipality shall satisfy unpaid taxes and assessments  
4 against the property held by other municipalities, with accrued inter-  
5 est but without penalty. If the amount required to satisfy the unpaid  
6 taxes and assessments exceeds the assessed value of the property, the  
7 municipality shall pay the other municipalities the assessed value,  
8 which shall be divided between the other municipalities in proportion  
9 to their respective taxes and assessments against the property at the  
10 time of foreclosure.

11           Sec. 29.45.500. REFUND OF TAXES. (a) If a taxpayer pays taxes  
12 under protest, the taxpayer may bring suit in the superior court  
13 against the municipality for recovery of the taxes. If judgment for  
14 recovery is given against the municipality, or, if in the absence of  
15 suit, it becomes obvious to the governing body that judgment for  
16 recovery of the taxes would be obtained if legal proceedings were  
17 brought, the municipality shall refund the amount of the taxes to the  
18 taxpayer with interest at eight percent from the date of payment plus  
19 costs.

20           (b) If, in payment of taxes legally imposed, a remittance by a  
21 taxpayer through error or otherwise exceeds the amount due, and the  
22 municipality, on audit of the account in question, is satisfied that  
23 this is the case, the municipality shall refund the excess to the tax-  
24 payer with interest at eight percent from the date of payment. A  
25 claim for refund filed one year after the due date of the tax is  
26 forever barred.

27           (c) The governing body may correct manifest clerical errors at  
28 anytime.

29                           ARTICLE 3. CITY PROPERTY TAX.

1           Sec. 29.45.550. CITIES OUTSIDE BOROUGHES. Home rule and first  
2 class cities outside boroughs may assess, levy, and collect a property  
3 tax. A property tax if levied must be assessed, levied, and collected  
4 as provided by AS 29.45.010 - 29.45.500.

5           Sec. 29.45.560. CITIES INSIDE BOROUGHES. Home rule and first  
6 class cities inside boroughs may levy a property tax. A property tax,  
7 if levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.-  
8 100, 29.45.250, 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The  
9 council shall by June 15 of each year present to the assembly a state-  
10 ment of the city's rate of levy unless a different date is agreed upon  
11 by the borough and city.

12           Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to  
13 home rule and general law municipalities.

14           Sec. 29.45.580. DIFFERENTIAL TAX ZONES. A city may by ordinance  
15 establish, alter, and abolish differential tax zones to provide and  
16 levy property taxes for services not provided generally in the city or  
17 a different level of service than that provided generally in the city.

18           Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS  
19 CITIES. A second class city may by referendum levy property taxes as  
20 provided for first class cities. However, levy by a second class city  
21 may not exceed one-half of one percent of the assessed value of the  
22 property taxed, except that the limit does not apply to a levy neces-  
23 sary to avoid a default upon payment of principal and interest of  
24 bonded or other indebtedness that is secured by a pledge to levy ad  
25 valorem or other taxes without limit to meet debt payments.

26           Sec. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A  
27 SECOND CLASS CITY. A petition for second class city incorporation may  
28 request that a property tax proposal be placed on the same ballot.  
29 The petition must state the proposed tax rate. The petition may

1 request that incorporation be dependent on the passage of the property  
2 tax proposition. If so, the incorporation proposition fails if the  
3 property tax fails.

4 ARTICLE 4. BOROUGH SALES AND USE TAX.

5 Sec. 29.45.650. SALES AND USE TAX. (a) A borough may levy and  
6 collect a sales tax not exceeding six percent on sales, rents, and on  
7 services provided in the borough. The sales tax may apply to any or  
8 all of these sources. Exemptions may be granted by ordinance.

9 (b) A borough levying a sales tax may also by ordinance levy a  
10 use tax on the storage, use, or consumption of tangible personal  
11 property in the borough. The use tax rate must equal the sales tax  
12 rate and the use tax shall be levied only on buyers.

13 (c) A person who furnishes proof, in the form required by the  
14 borough tax collector, that the person has paid a sales tax on the  
15 source on which a use tax is levied by the borough is required to pay  
16 the use tax only to the extent of the difference between the amount of  
17 the sales tax paid and the amount of the use tax levied by the bor-  
18 ough. This subsection applies to a sales tax levied in any taxing  
19 jurisdiction whether inside or outside the state.

20 (d) If the assembly charges interest on sales taxes not paid  
21 when due, the rate of interest may not exceed 15 percent a year on the  
22 delinquent taxes and shall be charged from the due date until paid in  
23 full. This subsection applies to home rule and general law municipal-  
24 ities.

25 (e) A borough may provide for the creation, recording, and  
26 notice of a lien on real or personal property to secure the payment of  
27 a sales and use tax, and the interest, penalties, and administration  
28 costs in the event of delinquency. When recorded, a lien authorized  
29 under this section has priority over other liens except those for

1 property taxes and special assessments.

2 Sec. 29.45.660. NOTICE OF SALES AND USE TAX. (a) If the bor-  
3 ough levies and collects only a sales tax and use tax, the assembly  
4 shall provide a notice substantially in the form set out in AS 29.45.-  
5 020. In providing notice under this subsection, the assembly shall  
6 substitute for the millage equivalency its estimate of the equivalent  
7 sales tax rate for each of the categories of financial assistance set  
8 out in AS 29.45.020. Notice shall be provided

9 (1) by publishing in a newspaper of general circulation in  
10 the borough a copy of the notice once each week for a period of three  
11 successive weeks, with publication to occur not later than 45 days  
12 after the final adoption of the borough's budget; or

13 (2) if there is no newspaper of general circulation in the  
14 borough, by posting a copy of the notice for at least 20 days in at  
15 least two public places in the borough, with posting to occur not  
16 later than 45 days after the final adoption of the borough's budget.

17 (b) Compliance with the provisions of this section is a prereq-  
18 uisite to receipt of municipal tax resource equalization assistance  
19 under AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipi-  
20 pal services under AS 29.60.100 - 29.60.180. The department shall  
21 withhold annual allocations under those sections until municipal  
22 officials demonstrate that the requirements of this section have been  
23 met.

24 Sec. 29.45.670. REFERENDUM, ADOPTION, AND MODIFICATION. A new  
25 sales and use tax or an increase in the rate of levy of a sales tax  
26 approved by ordinance does not take effect until ratified by a major-  
27 ity of the voters at an election.

28 ARTICLE 5. CITY SALES AND USE TAXES.

29 Sec. 29.45.700. POWER OF LEVY. (a) A city in a borough that

1 levies and collects areawide sales and use taxes may levy sales and  
2 use taxes on all sources taxed by the borough in the manner provided  
3 for boroughs, except that the assembly may by ordinance authorize a  
4 city to levy and collect sales and use taxes on other sources.

5 (b) A city in a borough that does not levy and collect sales and  
6 use taxes for areawide borough functions may levy and collect sales  
7 and use taxes in the manner provided for boroughs.

8 (c) A city outside a borough may levy and collect sales and use  
9 taxes in the manner provided for boroughs.

10 Sec. 29.45.710. COMBINING SALES AND USE TAX WITH INCORPORATION  
11 OF A SECOND CLASS CITY. A petition for incorporation of a second  
12 class city may request that a sales and use tax proposal be placed on  
13 the same ballot. The petition must state the proposed tax rate. The  
14 petition may request that incorporation be dependent on the passage of  
15 the tax proposition. If so, the incorporation proposition fails if  
16 the tax fails.

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

18 CHAPTER 46. SPECIAL ASSESSMENTS.

19 Sec. 29.46.010. ASSESSMENT AND PROPOSAL. The municipality may  
20 assess against the property of a state or federal governmental unit  
21 and private real property to be benefited by an improvement all or a  
22 portion of the cost of acquiring, installing, or constructing capital  
23 improvements. The state shall pay an assessment levied, except as  
24 otherwise provided by law and subject to its right of protest under  
25 AS 29.46.020(b). If a governmental unit other than the state benefit-  
26 ed by an improvement refuses to pay the assessment, it shall be denied  
27 the benefit of the improvement. An improvement proposal may be initi-  
28 ated by

29 (1) petition to the governing body of the owners of one-

1 half in value of the property to be benefited; or

2 (2) the governing body.

3 Sec. 29.46.020. PROCEDURE. (a) The municipality may prescribe  
4 by ordinance the procedures relating to creating special assessment  
5 districts, making local improvements, levying and collecting assess-  
6 ments, and financing improvements, including the following:

7 (1) a procedure for filing petitions;

8 (2) a survey and report by the mayor concerning the need  
9 for, desirable extent of, and estimated cost of each proposed local  
10 improvement;

11 (3) a public hearing on the necessity for the proposed  
12 local improvement;

13 (4) a resolution or ordinance determining to proceed or not  
14 to proceed with the proposed local improvement;

15 (5) a public hearing by the governing body on the special  
16 assessment roll for the proposed local improvement;

17 (6) published notice of each public hearing required by  
18 this section and mailing notice to each record owner of real property  
19 in the special assessment district;

20 (7) a resolution or ordinance confirming the special as-  
21 sessment roll for the proposed local improvement.

22 (b) If protests as to the necessity of a proposed local improve-  
23 ment are made by owners of property that will bear 50 percent or more  
24 of the estimated cost of the improvement, the governing body may not  
25 proceed with the improvement until the objections have been reduced to  
26 less than 50 percent, except on approval of not fewer than three-  
27 fourths of the governing body.

28 (c) To the extent that the municipality does not prescribe a  
29 procedure for special assessments as permitted by this section, the

1 municipality shall comply with the special assessment procedures set  
2 out in AS 29.46.030 - 29.46.100.

3 Sec. 29.46.030. CREATION OF DISTRICT. (a) When an improvement  
4 proposal is filed with the municipal clerk and presented to the gov-  
5 erning body, the municipality shall find by resolution or ordinance  
6 whether (1) the improvement requested is necessary and should be made,  
7 and (2) if by petition, the request has sufficient and proper peti-  
8 tioners. The findings under this section are conclusive.

9 (b) If the municipality approves an improvement proposal, it  
10 shall develop a proposed improvement plan including the total cost  
11 estimate and the percentage of the cost to be assessed against the  
12 benefited property. The improvement plan shall be filed with the  
13 municipal clerk.

14 (c) The governing body shall set a time for public hearing on  
15 the improvement plan and the period for filing objections to the plan.  
16 The governing body shall publish a notice of the hearing and of the  
17 period during which objections may be filed at least once a week for  
18 four consecutive weeks in a newspaper of general circulation if dis-  
19 tributed in the municipality and shall send notice by mail to every  
20 record owner of property in the special assessment district.

21 Sec. 29.46.040. RECORD OWNER. The person in whose name property  
22 is listed on the municipal property tax roll as owner is conclusively  
23 presumed to be the legal owner of record. If the owner is unknown,  
24 the assessment roll may designate "unknown owner".

25 Sec. 29.46.050. OBJECTIONS AND REVISION. (a) Objections to an  
26 improvement plan may be filed during a period of 60 days after publi-  
27 cation of notice. The municipality may by resolution or ordinance  
28 approve the plan and order the improvement subject to the limitation  
29 of (b) of this section.

1 (b) If objections are made in writing during the period set for  
2 objections by the owners of property bearing 50 percent or more of the  
3 estimated total cost of the improvement, the governing body may not  
4 proceed with the improvement unless it revises the plan to meet the  
5 objections and the objections are reduced to less than 50 percent. A  
6 revised plan shall be approved and adopted as an original plan in  
7 accordance with AS 29.46.030.

8 Sec. 29.46.060. ASSESSMENT ROLL. (a) At any time after ap-  
9 proval of an improvement plan, the governing body shall assess the  
10 authorized percentage of the cost against property in the district  
11 included in the plan in proportion to the benefit received.

12 (b) The special assessment roll shall contain property descrip-  
13 tions, names of record owners, and assessment amounts.

14 (c) The governing body shall fix a time to hear objections to  
15 the roll. The municipal clerk shall send an assessment and hearing  
16 notice by mail to each record owner of an assessed property not less  
17 than 15 days before the hearing.

18 Sec. 29.46.070. HEARING AND SETTLEMENT. After the public hear-  
19 ing, the governing body shall correct errors and inequalities in the  
20 roll. If an assessment is increased, a new hearing shall be set and  
21 notice published, except that a new hearing and notice is not required  
22 if all record owners of property subject to the increased assessment  
23 consent in writing to the increase. Objections to the increased  
24 assessment shall be limited to record owners of property on which the  
25 assessment was increased. When the roll is corrected, it shall be  
26 confirmed by resolution or ordinance.

27 Sec. 29.46.080. PAYMENT. (a) The governing body shall fix  
28 times of payment, penalties on delinquent payments, and the rate of  
29 interest on the unpaid balance of the assessment. Payment may be in

1 one sum or by installments. If payment is to be in one sum, payment  
2 may not be required sooner than 60 days after mailing of the assess-  
3 ment statement. The entire assessment may be prepaid without interest  
4 or penalty within 30 days after mailing of the assessment statement,  
5 and thereafter the assessment may be prepaid in whole or in part with  
6 interest to the payment date.

7 (b) Within 30 days after fixing the time of payment the municipi-  
8 pal clerk shall mail a statement to the record owner of each property  
9 assessed. The statement designates the property, the assessment  
10 amount, method of payment, rate of interest on the unpaid balance of  
11 the assessment, the time of delinquency, and penalties on delinquent  
12 payments. Within five days after the statements are mailed, the clerk  
13 shall have notice published that the statements have been mailed.

14 (c) Assessments are liens on the property assessed and are prior  
15 and paramount to all liens except municipal tax liens. They may be  
16 enforced as provided in AS 29.45.320 - 29.45.470 for enforcement of  
17 property tax liens.

18 Sec. 29.46.090. EXEMPTION. (a) The real property owned and  
19 occupied by a resident 65 years of age or over, or the spouse, widow,  
20 widower, or minor heir of the original applicant, on which is located  
21 only the permanent abode of the applicant that is a single-family  
22 residence, is exempt from (1) special sewer assessments levied by a  
23 municipality after September 2, 1975, and (2) special water assess-  
24 ments levied by a municipality after September 2, 1975. Only one  
25 exemption may be granted with respect to the same property, and, if  
26 two or more persons are eligible for an exemption with respect to the  
27 same property, the parties shall decide between or among themselves  
28 which shall receive the benefit of the exemption. Real property may  
29 not be exempted under this subsection that the municipality

1 determines, after notice and hearing to the parties concerned, has  
2 been conveyed to the applicant primarily for the purpose of obtaining  
3 the exemption. The determination of the municipality is appealable  
4 under AS 44.62.560 - 44.62.570.

5 (b) An exemption may not be granted under this section except  
6 upon written application for the exemption on a form prescribed by the  
7 state assessor for use by local assessors and in accordance with the  
8 following requirements:

9 (1) The claimant must file the initial application during  
10 the period of time between the date the assessment roll is confirmed  
11 and the time of payment fixed by the governing body. Within one year  
12 after the date the assessment roll is confirmed the governing body for  
13 good cause shown may waive the claimant's failure to make timely  
14 initial application for the exemption and authorize the assessor to  
15 accept the application as if timely filed.

16 (2) A claimant receiving the exemption must file with the  
17 assessor by March 15 of each subsequent year a separate application  
18 proving eligibility as of January 1 in order to retain the exemption.  
19 Within the same year the assessor for good cause shown may waive the  
20 claimant's failure to make timely application and approve the applica-  
21 tion as if timely filed.

22 (3) If an application is filed within the required time  
23 under this subsection and is approved by the governing body, the  
24 exemption shall be allowed in accordance with the provisions of this  
25 section. If a waiver under this subsection is granted and the appli-  
26 cation for exemption approved, the amount of any assessment, penalty,  
27 or interest that the claimant has already paid on the assessment shall  
28 be refunded to the claimant. The municipality may at any time require  
29 proof in the form considered necessary of the right and amount of an

5

1 exemption claimed under this section.

2 (c) The state shall reimburse a municipality for the sewer and  
3 water assessment revenues that it would receive but for the operation  
4 of this section. Reimbursement under this subsection is a lien in  
5 favor of the state against the property exempted to the extent of the  
6 assessment against the property exempted. When properly recorded, the  
7 lien is prior and superior to other liens against the property except  
8 for property taxes or other special assessments and may be enforced by  
9 lien foreclosure. The lien becomes immediately due and payable

10 (1) upon sale or other transfer of the property except to a  
11 spouse, widow, widower, or minor heir; however, if the property is  
12 transferred to a minor heir the lien becomes due and payable on the  
13 date the minor heir reaches the age of 25 years;

14 (2) when property exempted under (a)(1) or (2) of this  
15 section receives more than one sewer connection or more than one water  
16 connection; or

17 (3) when the claimant fails to prove eligibility under  
18 (b)(2) of this section.

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

21 (e) In this section

22 (1) "minor heir" means a person who, at the time of trans-  
23 fer of the property, has not attained the age of 19 years or who, if  
24 under 22 years of age, is a full-time student at an educational insti-  
25 tution or a member of the armed forces of the United States;

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

29 Sec. 29.46.100. REASSESSMENT. (a) The governing body shall

1 within one year correct any deficiency in a special assessment found  
2 by a court. Notice and hearing must conform to the initial assessment  
3 procedures.

4 (b) Payments on the initial assessment are credited to the prop-  
5 erty upon reassessment. The reassessment becomes a charge upon the  
6 property notwithstanding failure to comply with any provision of the  
7 assessment procedure.

8 Sec. 29.46.110. ALLOWABLE COSTS. (a) When a special assessment  
9 district is created, there may be included in the assessments

10 (1) all of the cost of acquiring, installing, making, or  
11 constructing the local improvement;

12 (2) the costs of all engineering and surveying to be done  
13 in connection with creating the district or improvement;

14 (3) the cost of mailing and publishing notices;

15 (4) interest on interim financing;

16 (5) the cost of legal services and other expenses incurred  
17 in the formation of the special assessment district;

18 (6) the cost of completing the improvement and financing  
19 the improvement, including the issuance of bonds.

20 (b) The total amount of the assessment roll may not exceed  
21 actual costs, but actual costs may include reasonable estimates of the  
22 costs to be incurred in connection with issuance of bonds.

23 Sec. 29.46.120. OBJECTION AND APPEAL. (a) The validity of an  
24 assessment may not be contested by a person who did not file with the  
25 municipal clerk a written objection to the assessment roll before its  
26 confirmation.

27 (b) The decision of the governing body on an objection may be  
28 appealed to the superior court within 30 days after the date of con-  
29 firmation of the assessment roll. If no objection is filed or appeal

1 taken within that time, the assessment procedure is considered valid  
2 in all respects.

3 Sec. 29.46.130. INTERIM FINANCING. (a) A municipality may  
4 provide by resolution or ordinance for the issuance of notes in pay-  
5 ment of the costs of a local improvement project, payable out of  
6 special assessments for the improvement. The notes shall bear inter-  
7 est at a rate or rates authorized by the resolution or ordinance, and  
8 shall be redeemed either in cash or bonds for the improvement project.

9 (b) Notes issued against assessments shall be claims against the  
10 assessments that are prior and superior to a right, lien or claim of a  
11 surety on the bond given to the municipality to secure the performance  
12 of its contract for a local improvement project, or to secure the  
13 payment of persons who have performed work or furnished materials  
14 under the contract.

15 (c) The municipal treasurer may accept notes against special  
16 assessments on conditions prescribed by the governing body in payment  
17 of

18 (1) assessments against which the notes were issued in  
19 order of priority;

20 (2) judgments rendered against property owners who have  
21 become delinquent in the payment of assessments; and

22 (3) certificates of purchase when property has been sold  
23 under execution or at tax sale for failure to pay the assessments.

24 Sec. 29.46.140. SPECIAL ASSESSMENT BONDS. (a) The municipality  
25 may by ordinance authorize the issuance and sale of special assessment  
26 bonds to pay all or part of the cost of an improvement in a special  
27 assessment district. The principal and interest of bonds issued shall  
28 be payable solely from the levy of special assessments against the  
29 property to be benefited. The assessments shall constitute a sinking

1 fund for the payment of principal and interest on the bonds. The  
2 benefited property may be pledged by the governing body to secure a  
3 payment.

4 (b) On default in a payment due on a special assessment bond, a  
5 bondholder may enforce payment of principal, interest, and costs of  
6 collection in a civil action in the same manner and with the same  
7 effect as actions for the foreclosure of mortgages on real property.  
8 Foreclosure shall be against all property on which assessments are in  
9 default. The period for redemption is the same as for a mortgage  
10 foreclosure on real property.

11 (c) Before the governing body may issue special assessment  
12 bonds, it shall establish a guarantee fund and appropriate to the fund  
13 annually a sum adequate to cover a deficiency in meeting payments of  
14 principal and interest on bonds if the reason for the deficiency is  
15 nonpayment of assessments when due. Money received from actions taken  
16 against property for nonpayment of assessments shall be credited to  
17 the guarantee fund.

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

19 CHAPTER 47. MUNICIPAL DEBT.

20 ARTICLE 1. REVENUE ANTICIPATION NOTES.

21 Sec. 29.47.010. BORROWING IN ANTICIPATION OF REVENUE. A muni-  
22 cipality that is authorized to incur indebtedness may borrow money to  
23 meet appropriations for any fiscal year in anticipation of the collec-  
24 tion of the revenues for that year, but all debt so contracted shall  
25 be paid before the end of the next fiscal year. Negotiable or nonne-  
26 gotiable revenue anticipation notes may be issued as evidence of the  
27 borrowing.

28 Sec. 29.47.020. ISSUANCE OF NOTES. A municipality may by ordi-  
29 nance or resolution authorize the issuance of revenue anticipation

1 notes. The governing body may delegate to its chief fiscal officer  
2 the power to issue the notes from time to time under the terms and  
3 conditions of the ordinance or resolution that provides for the manner  
4 of their sale.

5 Sec. 29.47.030. ISSUANCE OF NOTES IN ANTICIPATION OF STATE, FED-  
6 ERAL GRANTS. (a) A municipality, on adoption of a long-range capital  
7 improvement budget by ordinance or resolution, may by resolution  
8 provide for negotiable or nonnegotiable revenue anticipation notes in  
9 an amount not to exceed the total amount of any state or federal  
10 grants finally committed for these projects. The notes mature no  
11 later than the end of the next fiscal year. The notes may be for  
12 single or multiple projects outlined in the adopted capital improve-  
13 ment budget.

14 (b) If the state or federal grants for capital improvement pro-  
15 jects have not been paid to the municipality before maturity of the  
16 notes issued in anticipation of the receipt of the revenue, the gov-  
17 erning body may issue new notes in order to meet payment of the notes  
18 then maturing or may renew the outstanding revenue anticipation notes.  
19 New notes issued or renewals of outstanding revenue anticipation notes  
20 mature not later than the end of the next fiscal year.

21 Sec. 29.47.040. PRIORITY OF REPAYMENT. The payment of the  
22 principal and interest on revenue anticipation notes is payable from  
23 revenues, and their payment additionally shall be secured by a pledge  
24 of the full faith and credit of the municipality issuing them.

#### 25 ARTICLE 2. BOND ANTICIPATION NOTES.

26 Sec. 29.47.080. BOND ANTICIPATION BORROWING. A municipality may  
27 borrow money in anticipation of the sale of general obligation and  
28 revenue bonds if

29 (1) the general obligation bonds to be sold have been

1 authorized by ordinance and ratified by a majority vote at an elec-  
2 tion;

3 (2) the revenue bonds to be sold have been authorized by  
4 ordinance.

5 Sec. 29.47.090. ISSUANCE OF NOTES. The governing body shall  
6 issue negotiable or nonnegotiable notes for the amounts borrowed with  
7 a maturity date not to exceed one year from the date of issue. All  
8 notes and the interest on them are payable at fixed places on or  
9 before a fixed time from the proceeds of the sale of bonds in antici-  
10 pation of which the original note or notes were issued, unless the  
11 bonds have not been sold by the maturity date of the notes.

12 Sec. 29.47.100. ISSUANCE OF NEW NOTES. If the sale of the bonds  
13 has not occurred before the maturity of the notes issued in anticipa-  
14 tion of the sale, the governing body shall issue new notes in order to  
15 meet payment of the notes then maturing, or shall renew the outstand-  
16 ing bond anticipation notes. New notes issued or renewals of out-  
17 standing bond anticipation notes bear a maturity date not to exceed  
18 one year from the date of issue. Notes, new notes, and renewals of  
19 notes may not be outstanding for a total elapsed time of more than  
20 three years.

21 Sec. 29.47.110. REPAYMENT OF NOTES. Every note is payable from  
22 the proceeds of the sale of bonds that the notes anticipated or from  
23 the proceeds of the sale of new bond anticipation notes.

24 Sec. 29.47.120. SECURITY. (a) Notwithstanding other provisions  
25 of this chapter as to payment of notes, notes issued in anticipation  
26 of the sale of general obligation bonds and the interest on them are  
27 secured by the full faith and credit of the municipality. The muni-  
28 cipality may levy ad valorem taxes for payment without limitation of  
29 rate or amount.

1 (b) Notes issued in anticipation of the sale of revenue bonds  
2 and the interest on them are secured in the same manner as are the  
3 revenue bonds in anticipation of which the notes are issued.

4 Sec. 29.47.130. LIMITATION. The total amount of notes issued  
5 and outstanding may at no time exceed the total amount of bonds autho-  
6 rized to be issued.

7 Sec. 29.47.140. USE OF PROCEEDS. The proceeds from the sale of  
8 notes shall be used only for the purposes for which the proceeds from  
9 the sale of bonds may be used, or to meet payment of outstanding bond  
10 anticipation notes.

11 ARTICLE 3. GENERAL OBLIGATION BONDS.

12 Sec. 29.47.180. GENERAL OBLIGATION BONDS. A municipality may  
13 acquire, construct, improve, and equip capital improvements and issue  
14 negotiable or nonnegotiable general obligation bonds for these pur-  
15 poses.

16 Sec. 29.47.190. VOTE AND NOTICE OF EXISTING INDEBTEDNESS RE-  
17 QUIRED. (a) A municipality may incur general obligation bond debt  
18 only after a bond authorization ordinance is approved by a majority  
19 vote at an election. Any municipal voter may vote in the bond elec-  
20 tion, except as otherwise provided by law.

21 (b) Before a general obligation bond issue election, the govern-  
22 ing body shall have published a notice of the total existing bond  
23 indebtedness at least once a week for three consecutive weeks. The  
24 first notice shall be published at least 20 days before the date of  
25 the election. A notice shall include

26 (1) the current total general obligation bonded indebted-  
27 ness, including authorized but unsold bonds of the municipality;

28 (2) the cost of the debt service on the current indebted-  
29 ness;

1 (3) the total assessed value of property in the municipal-  
2 ity.

3 Sec. 29.47.200. PAYMENT. (a) The full faith and credit of a  
4 municipality are pledged for the payment of principal and interest on  
5 general obligation bonds. The municipality may levy ad valorem taxes  
6 for payment without limitation of rate or amount to pay or secure the  
7 payment of the principal and interest on bonds, regardless of whether  
8 the bonds are in default or in danger of default.

9 (b) General obligation bonds issued for acquiring, constructing,  
10 improving and equipping a municipally owned utility or other revenue-  
11 generating enterprise may be additionally secured by a pledge of the  
12 revenue derived from operation. Bonds so secured are not subject to a  
13 debt limitation imposed by a home rule charter. This subsection  
14 applies to home rule and general law municipalities.

15 ARTICLE 4. REVENUE BONDS.

16 Sec. 29.47.240. REVENUE BONDS. (a) A municipality may issue  
17 negotiable or nonnegotiable revenue bonds for a public enterprise or  
18 public corporation of the municipality where the only security is the  
19 revenue of the public enterprise or corporation.

20 (b) A municipality may issue its revenue bonds to finance the  
21 purchase of residential mortgage loans. The revenue bonds issued  
22 under this subsection are payable solely from the principal and inter-  
23 est of the mortgage loans and from other amounts pledged by the muni-  
24 cipality, except the pledge of revenues derived from taxes. Revenue  
25 bonds issued under this subsection do not constitute a general obli-  
26 gation of the municipality.

27 Sec. 29.47.250. NO ELECTION REQUIRED. An election is not re-  
28 quired to authorize the issuance and sale of revenue bonds, unless  
29 otherwise provided by ordinance.

1           Sec. 29.47.260. CONSTRUCTION. The prohibitions of AS 37.10.085  
2 do not apply to the issuance of revenue bonds or the use of proceeds  
3 from revenue bonds by a home rule or general law municipality.

4                           ARTICLE 5. REFUNDING BONDS.

5           Sec. 29.47.300. AUTHORIZATION. If a municipality has outstand-  
6 ing general obligation or revenue bonds and the governing body deter-  
7 mines that it would be financially advantageous to refund the bonds,  
8 the municipality may provide by ordinance or resolution for the issu-  
9 ance of negotiable or nonnegotiable

- 10                           (1) general obligation refunding bonds; or  
11                           (2) revenue refunding bonds.

12           Sec. 29.47.310. EFFECT OF REFUNDING BONDS. The refunding bonds  
13 may take up and refund all or part of outstanding bonds at or before  
14 their maturity or redemption date. The governing body may include  
15 various series and issues of bonds in a single issue of refunding  
16 bonds.

17           Sec. 29.47.320. NO ELECTION REQUIRED. An election is not re-  
18 quired to authorize the issuance and sale of refunding bonds. Their  
19 issuance may be authorized and all proceedings with reference to them  
20 prescribed by ordinance. However, when it is desirable to use general  
21 obligation bonds to refund a revenue bond issue, the governing body  
22 shall call an election on the question.

23           Sec. 29.47.330. PAYMENT OF REFUNDING BONDS. General obligation  
24 refunding bonds are payable according to AS 29.47.200. Revenue re-  
25 funding bonds are payable according to AS 29.47.240.

26           Sec. 29.47.340. SALE OF REFUNDING BONDS. General obligation or  
27 revenue refunding bonds may, at the discretion of the governing body,  
28 be exchanged for the bonds being refunded, or may be sold at public or  
29 private sale. They may be issued and delivered at any time before the

1 date of maturity or redemption of the refunded bonds.

2 ARTICLE 6. MISCELLANEOUS PROVISIONS.

3 Sec. 29.47.390. OTHER MUNICIPAL FINANCING. (a) A municipality  
4 may authorize by ordinance or resolution the issuance of negotiable or  
5 nonnegotiable revenue bonds to finance any project that serves a  
6 public purpose, and the bonds shall be secured and payable from any  
7 source except revenues, including tax revenue, of the municipality.

8 (b) Bonds issued under this section are not a debt or liability  
9 of the municipality and do not create or constitute an indebtedness,  
10 liability, or obligation of the municipality, nor do they constitute a  
11 pledge of faith, credit, or taxing power of the municipality. Each  
12 bond must contain on its face a statement that the municipality is not  
13 obligated to pay the principal or the interest on the bonds except  
14 from those sources indicated, and that neither the faith and credit  
15 nor the taxing power of the municipality is pledged to the payment of  
16 principal or interest on the bond.

17 (c) A municipality may

18 (1) loan the proceeds of the bonds issued under this sec-  
19 tion;

20 (2) pledge, mortgage or assign money, leases, agreements,  
21 property, or other assets of the project being financed;

22 (3) enter into covenants and agreements concerning bonds  
23 issued under this section that the municipality determines to be de-  
24 sirable;

25 (4) provide for any matter that affects the security of the  
26 bonds.

27 (d) In this section

28 (1) "bonds" means bonds, notes, or other evidence of in-  
29 debtedness;

1                   (2)       "project" includes commercial, manufacturing,  
2 agricultural, industrial, residential housing, recreation, tourism,  
3 and medical projects and programs.

4                   Sec. 29.47.400. SALE. Bonds and notes issued under this chapter  
5 may be sold at either public or private sale by the municipality in  
6 the manner and at the price it determines.

7                   Sec. 29.47.410. FORMS AND TERMS. The municipality may by ordi-  
8 nance or resolution fix the date, denominations, maturities, rate or  
9 rates of interest, redemption terms, registration privileges, manner  
10 of execution, signatures required, purchase price, manner of sale, and  
11 other requirements for issuing bonds or notes under this chapter. If  
12 an official whose signature appears on the bonds or coupons ceases to  
13 be an official before delivery of the bonds, the signature of the  
14 former official is valid as if the former official had remained in  
15 office until delivery.

16                   Sec. 29.47.420. INTEREST RATE. The interest rate payable on a  
17 bond or note issued under this chapter shall be determined by the  
18 municipality and is not subject to the usury rate limitations of  
19 AS 45.45.010.

20                   Sec. 29.47.430. REDEMPTION BEFORE MATURITY. A bond or note  
21 issued under this chapter may be made subject to redemption before  
22 maturity as stated in the authorization or in the bond or note.

23                   Sec. 29.47.440. BOROUGH INDEBTEDNESS. (a) A borough may incur  
24 indebtedness

25                   (1) on an areawide basis for areawide functions; or

26                   (2) on a nonareawide basis for functions performed only in  
27 the borough area outside all cities; or

28                   (3) on a service area basis for functions performed only in  
29 a service area.

1 (b) Payment of debt principal and interest as well as other  
2 costs shall be derived from the area incurring the debt under (a)(2)  
3 or (a)(3) of this section, except that the full faith and credit of  
4 the entire borough may be pledged to guarantee payment of principal  
5 and interest.

6 (c) If the bonded debt to be incurred by a borough is an area-  
7 wide debt, the vote is areawide. If the full faith and credit of the  
8 entire borough is pledged for the payment of the debt of the borough  
9 area outside all cities or of a service area, an areawide election is  
10 held and the proposition must pass both areawide and in the area that  
11 will benefit from the improvement. If the bonded indebtedness to be  
12 incurred is limited to the borough area outside all cities, the vote  
13 is limited to voters outside all cities. If the indebtedness to be  
14 incurred is limited to a service area, the vote is limited to voters  
15 in the service area. Only the full faith and credit of the area  
16 voting on the indebtedness is pledged for the payment of the debt.

17 (d) The indebtedness of a municipality reclassified under  
18 AS 29.04.040 - 29.04.060 is not affected by reclassification. All  
19 property in a municipality that is reclassified remains subject to  
20 taxation to amortize bonded or other indebtedness affecting the muni-  
21 cipality and authorized on the effective date of reclassification.

22 Sec. 29.47.450. SERVICE AREA DEBT. The indebtedness of a ser-  
23 vice area acquired under AS 29.47.440 remains the indebtedness of the  
24 area that incurred the debt, notwithstanding a subsequent court deter-  
25 mination that the service area was not validly formed under law or by  
26 virtue of a defect in the proceedings creating the service area. All  
27 property in the service area remains subject to taxation to pay the  
28 bonded indebtedness.

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

## 1 CHAPTER 55. MUNICIPAL PROGRAMS.

2 Sec. 29.55.010. CREATION OF LOCAL HISTORICAL DISTRICT COMMIS-  
3 SIONS. The governing body of a municipality may establish a local  
4 historical district commission or designate the planning commission or  
5 itself to serve as the historical district commission.

6 Sec. 29.55.020. ESTABLISHMENT OF HISTORICAL DISTRICTS. (a) In  
7 addition to existing municipal authority providing for the preserva-  
8 tion, protection, and maintenance of historic sites, the local histor-  
9 ical district commission, in consultation with the Historic Sites  
10 Advisory Committee in the Department of Natural Resources, may estab-  
11 lish historical districts within the boundaries of the municipality.

12 (b) A historical district shall be a reasonably compact area of  
13 historical significance in which two or more structures important in  
14 state or national history, and related by physical proximity or his-  
15 torical association, are located. For purposes of this section,  
16 "structures important in state or national history" means properties  
17 recommended by historical district commissions that are listed in the  
18 National Register of Historic Places or are characteristic of the  
19 Russian-American period before October 18, 1867, the early territorial  
20 period before 1930, or early Native heritage, reflecting the indige-  
21 nous characteristics of Native culture in Alaska. On recommendation  
22 of the governing body of a municipality and the Historic Sites Advi-  
23 sory Committee, the Department of Natural Resources may by regulation  
24 formulate additional criteria for the establishment of historical  
25 districts not inconsistent with this subsection.

26 (c) The establishment of a historical district under this sec-  
27 tion shall be consistent with any applicable comprehensive plan for  
28 the municipality.

29 \* Sec. 16. AS 29 is amended by adding a new chapter to read:



1 control, including revenues derived from parks and recreation  
2 services, mass transit, offstreet parking, and garbage and solid  
3 waste disposal services;

4 (D) special assessments received during the preceding  
5 fiscal year; and

6 (E) payments received by a municipality from a utility  
7 that are in place of taxes levied and collected by the municipal-  
8 ity;

9 (2) excludes

10 (A) revenue derived from the levy and collection of  
11 municipal taxes and appropriated for the operating expenses and  
12 debt service of utilities;

13 (B) revenue from interest earned on investments and  
14 from the sale and lease of land or equipment; and

15 (C) all other revenue from whatever service derived.

16 Sec. 29.60.020. DETERMINATION OF POPULATION. For purposes of  
17 AS 29.60.010 - 29.60.080, the population of a taxing unit shall be  
18 determined annually by the latest figures of the United States Bureau  
19 of the Census or other population data that in the judgment of the  
20 department is reliable.

21 Sec. 29.60.030. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a)  
22 The department may require a municipality to return a certification,  
23 signed by the municipal treasurer or manager and the mayor, that pro-  
24 vides an estimate of the locally generated revenue received by the  
25 municipality during the preceding fiscal year.

26 (b) By October 15 of each year, the department shall make an  
27 initial determination of the millage rate equivalent of each taxing  
28 unit to be used for computing and distributing equalization entitle-  
29 ments for the current fiscal year under AS 29.60.010 - 29.60.080. The

1 department shall base the initial determination on the estimates in  
2 the certification returned by a municipality under (a) of this sec-  
3 tion.

4 (c) As early as possible, but not later than December 15 of each  
5 year, the department shall make a final determination of the millage  
6 rate equivalent of each taxing unit to use to compute and distribute  
7 equalization entitlements under AS 29.60.010 - 29.60.080. The depart-  
8 ment shall base the determination on audits, financial statements and  
9 other financial reports prepared and submitted by a municipality. The  
10 department shall adjust the locally generated revenue reported by a  
11 municipality to exclude the municipal revenue claimed that does not  
12 qualify for inclusion in or recognition as locally generated revenue  
13 for municipal purposes under AS 29.60.010(c)(1). The adjustment shall  
14 be made by deducting from total revenue claimed by the municipality  
15 the amount of the department's estimate of revenue that is not recog-  
16 nized for municipal purposes.

17 (d) The full and true assessed property value shall be deter-  
18 mined by the department in the manner provided for the computation of  
19 state aid to education under AS 14.17.140. When the determination of  
20 locally generated revenue includes revenue of a utility received under  
21 AS 29.60.010(c)(1)(E), the full and true assessed property value shall  
22 include the computed assessed value of the utility, determined by  
23 dividing the amount of the payment in place of taxes made by the  
24 utility by the millage rate that would apply to the utility if the  
25 utility were subject to levy and collection of taxes under AS 29.45.

26 (e) In addition to the computation for municipalities that levy  
27 and collect a property tax, the department shall determine an esti-  
28 mated full and true assessed property value under (d) of this section  
29 for

1           (1) each municipality that is a school district and that  
2 does not levy and collect a property tax;

3           (2) each second class city with a population of 750 or more  
4 persons; however, a computation is not required under this paragraph  
5 more often than once during a period of three successive calendar  
6 years; and

7           (3) all other second class cities, by determining the  
8 average per capita full and true assessed property value of all cities  
9 having a population of less than 750 persons in which an assessment  
10 has been completed by a municipality or for which a determination is  
11 not made under (1) or (2) of this subsection.

12           (f) The department shall annually compute a statewide average  
13 per capita full and true assessed property value.

14           Sec. 29.60.040. REPORTS. A payment of an equalization entitle-  
15 ment may not be made to a municipality under AS 29.60.010 - 29.60.080  
16 until the municipality has submitted its certificate of estimated  
17 revenue and its financial report to the department for the fiscal year  
18 preceding the year for which the equalization entitlement is sought,  
19 together with a budget for the municipality's current fiscal year.  
20 The financial report shall include a listing of general revenue col-  
21 lected from taxes levied and assessed and any other revenue that, in  
22 the opinion of the municipal officials, is eligible for inclusion in  
23 computations of the locally generated revenue of the taxing unit.

24           Sec. 29.60.050. LIMITATION ON COMPUTATION AND USE OF PAYMENTS.

25           (a) An equalization entitlement generated by the tax levy of a taxing  
26 unit may be used only for authorized expenditures of that taxing unit,  
27 but up to 15 percent of the payment of an equalization entitlement  
28 generated by areawide revenue of a municipality may be used by the  
29 municipality for areawide or nonareawide purposes at the discretion of

1 its governing body. This subsection applies to home rule and general  
2 law municipalities.

3 (b) An equalization entitlement determined with reference to  
4 revenue other than revenue obtained from the levy and collection of  
5 taxes may be used for areawide or nonareawide purposes, at the discre-  
6 tion of the governing body.

7 Sec. 29.60.060. TAX EQUALIZATION ACCOUNT. The tax equalization  
8 account is established. Money to carry out the provisions of AS 29.-  
9 60.010 - 29.60.080 shall be allocated by the department to the ac-  
10 count. The amount allocated to the account shall be fully distributed  
11 by the department as payments to municipalities to fulfill each share  
12 authorized under AS 29.60.010. The amount allocated to the account  
13 shall be distributed by the department pro rata among eligible munici-  
14 palities.

15 Sec. 29.60.070. ADMINISTRATION. (a) The department may adopt  
16 regulations necessary to implement AS 29.60.010 - 29.60.080. The  
17 regulations shall include, among other provisions,

18 (1) procedures and filing dates for submitting certifica-  
19 tion and financial reports;

20 (2) procedures for obtaining information required to com-  
21 pute and determine the municipality's millage rate equivalent; and

22 (3) procedures by which the department shall notify a  
23 municipality in writing of the reasons for a proposed disallowance or  
24 adjustment of any factor bearing upon the determination of the muni-  
25 cipality's entitlement and by which the municipality will be provided  
26 reasonable time in which to respond or to challenge the department's  
27 determination.

28 (b) The department shall make reasonable efforts to advise and  
29 assist municipalities in collecting information and completing reports

1 necessary for the determination of entitlements under AS 29.60.010 -  
2 29.60.080.

3 (c) The department shall, by regulation, classify for inclusion  
4 or exclusion as a component of a municipality's millage rate equiva-  
5 lent under AS 29.60.010 any tax revenue appropriated for a utility not  
6 included in the definition set out in AS 29.60.080(2).

7 Sec. 29.60.080. DEFINITIONS. In AS 29.60.010 - 29.60.080

8 (1) "taxing unit" means a municipality and

9 (A) in a borough or unified municipality, a service  
10 area or the entire area outside cities;

11 (B) in a city, a differential tax zone;

12 (2) "utility" means electric, water, sewer, gas heat, tele-  
13 phone, or refuse and garbage collection service.

14 ARTICLE 2. STATE AID FOR MISCELLANEOUS PURPOSES.

15 Sec. 29.60.100. REVENUE SHARING PAYABLE. In addition to the  
16 equalization entitlements paid under AS 29.60.010 - 29.60.080, during  
17 each fiscal year the department shall pay aid

18 (1) to a municipality or other eligible recipient that has  
19 the power to provide the services described in AS 29.60.110 - 29.60.-  
20 130 and exercises the power in the manner required by AS 29.60.100 -  
21 29.60.180;

22 (2) to an unincorporated community under AS 29.60.140.

23 Sec. 29.60.110. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The  
24 department shall pay to a municipality that has power to provide for  
25 road maintenance and exercises that power, \$2,500 a mile for each mile  
26 of road, street, or highway maintained by the municipality, excluding  
27 (1) the official state highway system, (2) roads, streets, or highways  
28 not dedicated to public use, (3) roads, streets, or highways main-  
29 tained under the local service road program (AS 19.30.111 -

1 19.30.251), and (4) alleyways, in accordance with regulations adopted  
2 by the Department of Transportation and Public Facilities. A payment  
3 may not be made under this subsection for maintenance of a road that  
4 is not used by automotive equipment.

5 (b) A frozen waterway and a connection from an inhabited area to  
6 a waterway that may be safely used for public transportation by auto-  
7 motive equipment and is so used during a portion of a year is eligible  
8 for a payment of \$1,500 per mile if the waterway and connection are  
9 maintained during the period of use by a municipality or combination  
10 of municipalities. The department, after consultation with the De-  
11 partment of Transportation and Public Facilities, shall determine  
12 which waterways and connections qualify and, where the waterways or  
13 connections lie outside the corporate limits of a municipality, which  
14 municipalities shall receive the payments under this subsection,  
15 unless the municipalities involved have agreed in writing to a partic-  
16 ular distribution.

17 Sec. 29.60.120. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE  
18 RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The department  
19 shall pay

20 (1) to a municipality that has the power to provide hospi-  
21 tal facilities and services and that exercises that power, \$1,000 per  
22 bed for each bed actually used for patient care, limited to the number  
23 of beds provided for in the construction design of the hospital, or  
24 \$250,000 a hospital for those hospitals with 10 or more beds, or  
25 \$50,000 a hospital for those hospitals with less than 10 beds, as the  
26 municipality may elect; money received under this paragraph may be  
27 used only for hospitals and shall be apportioned among qualifying  
28 hospitals as the municipality determines;

29 (2) on the basis set out in (1) of this subsection to a

1 municipality for a nonprofit hospital not operated by a municipality  
2 if the municipality first certifies to the department that the non-  
3 profit hospital is in compliance with all standards for hospitals that  
4 have been adopted by the municipality; money may not be paid on behalf  
5 of a nonprofit hospital without this certification; payments to the  
6 municipality shall be transferred to the nonprofit hospital in accor-  
7 dance with the basis by which the payment was generated by the hospi-  
8 tal, and shall be applied to the annual cost of operation and mainte-  
9 nance of the hospital or for the provision of health care service at  
10 the hospital as the directors of the hospital determine;

11 (3) to a municipality in which a licensed health facility  
12 is operated, \$2,000 per bed for each bed actually used for patient  
13 care, limited to the number of beds provided for in the construction  
14 design of the health facility, or \$8,000 per health facility as the  
15 municipality determines.

16 (b) A hospital may not receive payment under both (a)(1) and  
17 (a)(2) of this section.

18 (c) Money received by a municipality under (a)(3) of this sec-  
19 tion shall be used for expenses of health services or operation and  
20 maintenance of health facilities as the municipality determines.

21 (d) Before money may be distributed under this section, the com-  
22 missioner of health and social services shall certify to the commis-  
23 sioner of community and regional affairs that any accumulation of  
24 assets by nonprofit corporations or other recipients under this sec-  
25 tion is dedicated irrevocably to a public purpose.

26 (e) Subsections (a) and (c) of this section apply to home rule  
27 and general law municipalities.

28 (f) In this section

29 (1) "health facility"

1 (A) means a facility that is licensed or certified by  
2 the state or approved under regulations adopted by the department  
3 and that is owned or operated or both by a municipality or by a  
4 nonprofit corporation or other nonprofit sponsor;

5 (B) includes a public health center, maternity home,  
6 community mental health center, facility for the mentally or  
7 physically handicapped, nursing home, convalescent center,  
8 domestic violence or sexual assault shelter qualified to receive  
9 a grant or contract under AS 18.66, or alcohol or drug abuse  
10 facility that meets standards established under AS 47.37;

11 (C) excludes a facility operated or wholly supported  
12 by the state or the federal government;

13 (2) "hospital" means a licensed hospital determined by the  
14 Department of Health and Social Services to be a general or special  
15 hospital; the term excludes a facility operated or wholly supported by  
16 the state or the federal government.

17 Sec. 29.60.130. STATE AID TO VOLUNTEER FIRE DEPARTMENTS NOT IN  
18 ORGANIZED MUNICIPALITY. (a) The department shall pay to a volunteer  
19 fire department registered with the state fire marshal and serving an  
20 area not in an organized municipality a sum for protection purposes  
21 equal to \$10 per capita for the population served by the fire depart-  
22 ment, as determined by the state fire marshal.

23 (b) A grant shall be made under (a) of this section to facili-  
24 tate the organization of a volunteer fire department in an area not in  
25 an organized municipality, upon application of the proposed fire  
26 protection group to the state fire marshal and upon approval of appli-  
27 cations according to standards of organization and service prescribed  
28 by regulations adopted by the state fire marshal.

29 Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a)

1 The department shall pay to each unincorporated community an entitle-  
2 ment of \$25,000 each fiscal year to be used for a public purpose. The  
3 department with advice from the Department of Law shall determine  
4 whether there is in each unincorporated community an incorporated  
5 nonprofit entity or a Native village council that will agree to re-  
6 ceive and spend the entitlement. If there is more than one qualified  
7 entity in an unincorporated community, the department shall pay the  
8 money under the entitlement to the entity that the department finds  
9 most qualified to receive and spend the money. The department may not  
10 pay money under an entitlement to a Native village council unless the  
11 council waives immunity from suit for claims arising out of activities  
12 of the council related to the entitlement. A waiver of immunity from  
13 suit under this subsection must be on a form provided by the Depart-  
14 ment of Law. If there is no qualified incorporated nonprofit entity  
15 or Native village council in an unincorporated community that is  
16 willing to receive money under an entitlement, the entitlement for  
17 that unincorporated community may not be paid. Neither this sub-  
18 section nor any action taken under it enlarges or diminishes the  
19 governmental authority or jurisdiction of a Native village council.

20 (b) In this section "unincorporated community" means a place in  
21 the unorganized borough that is not incorporated as a city and in  
22 which 25 or more persons reside as a social unit.

23 Sec. 29.60.150. POPULATION DETERMINATION. For purposes of  
24 AS 29.60.100 - 29.60.180, population shall be determined by the latest  
25 figures of the United States Bureau of the Census or other population  
26 data that in the judgment of the department is reliable.

27 Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments  
28 to a municipality or other eligible recipient under AS 29.60.110 -  
29 29.60.130 shall reflect area cost-of-living differentials. Payments

1 shall be based on the sum of per capita, per mile and per bed or  
2 facility grants due each municipality or other recipient multiplied by  
3 the appropriate area cost-of-living differential. The area cost-of-  
4 living differential for each recipient shall be determined annually by  
5 election district under the provisions of AS 39.27.030. Application  
6 of the area cost-of-living differential may not result in distribution  
7 of an amount less than the amount of the payment determined without  
8 reference to application of this section.

9 (b) The election districts used to establish area cost-of-living  
10 differentials under (a) of this section are those designated by the  
11 proclamation of reapportionment and redistricting of December 7, 1961,  
12 and retained for the house of representatives by proclamation of the  
13 governor September 3, 1965.

14 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscella-  
15 neous services account is established. Money to carry out the provi-  
16 sions of AS 29.60.100 - 29.60.180 shall be allocated by the department  
17 to the account in accordance with AS 29.60.280. If amounts in the  
18 account are insufficient to pay each municipality's or other recip-  
19 ient's share authorized under AS 29.60.100 - 29.60.180, the amounts  
20 that are available shall be distributed pro rata among eligible muni-  
21 cipalities and other recipients.

22 Sec. 29.60.180. REGULATIONS. The department shall adopt regula-  
23 tions necessary to carry out the purposes of AS 29.60.100 - 29.60.180.  
24 The regulations shall include minimum standards required to qualify a  
25 municipality or other recipient for payments for each service. The  
26 department may require a municipality or other recipient to submit a  
27 performance report adequate to demonstrate to the department that a  
28 service for which payment is requested under AS 29.60.100 - 29.60.180  
29 was performed by the municipality or other recipient and meets minimum

1 standards of service prescribed by regulation.

2 ARTICLE 3. ADMINISTRATION OF STATE AID PROGRAMS.

3 Sec. 29.60.280. ALLOCATION AND DISTRIBUTION. (a) Each year,  
4 the department shall allocate money appropriated to the accounts  
5 established in AS 29.60.060, 29.60.170, and former AS 29.90.020 in the  
6 amounts determined by the legislature.

7 (b) Money in the miscellaneous services account established in  
8 AS 29.60.170 that exceeds the amount required to fully fund distribu-  
9 tions authorized by AS 29.60.100 - 29.60.180 shall be reallocated to  
10 the tax equalization account established in AS 29.60.060 and distri-  
11 buted according to the provisions of AS 29.60.010 - 29.60.080.

12 (c) Money in the hospital and health facility construction  
13 assistance account established in former AS 29.90.020 that exceeds the  
14 amount required to fully fund distributions authorized by sec. 9, ch.  
15 95, SLA 1983 shall be reallocated to the tax equalization account  
16 established in AS 29.60.060 and distributed according to the provi-  
17 sions of AS 29.60.010 - 29.60.080.

18 Sec. 29.60.290. QUALIFICATION FOR MINIMUM PAYMENT. (a) A  
19 municipality qualifying for an entitlement under AS 29.60.010 - 29.-  
20 60.080 or 29.60.100 - 29.60.180 shall receive a minimum payment of  
21 \$25,000 plus an area cost-of-living differential for each fiscal year  
22 if

23 (1) the municipality has conducted a regular election  
24 during the fiscal year preceding the year for which payment of an  
25 entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 -  
26 29.60.180 and has reported the results of the election to the commis-  
27 sioner;

28 (2) regular meetings of the governing body are held in the  
29 municipality during the fiscal year preceding the year for which

1 payment of an entitlement is authorized by AS 29.60.010 - 29.60.080 or  
2 29.60.100 - 29.60.180 and a record of the proceedings is maintained;

3 (3) a municipal budget has been adopted for the fiscal year  
4 during which payment of an entitlement is authorized by AS 29.60.010 -  
5 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement  
6 for the preceding fiscal year has been prepared and furnished to the  
7 department in accordance with AS 29.20.640(a); and

8 (4) local ordinances adopted by the municipality have been  
9 codified in accordance with AS 29.25.050.

10 (b) The area cost-of-living differential payable to each munici-  
11 pality under this section shall be determined annually by election  
12 district under the provisions of AS 39.27.030. Except as provided in  
13 AS 29.60.300, application of the area cost-of-living differential may  
14 not result in a payment that is less than the minimum payment deter-  
15 mined under (a) of this section. For purposes of this subsection, the  
16 election districts used are those designated by the proclamation of  
17 reapportionment and redistricting of December 7, 1961, and retained  
18 for the house of representatives by proclamation of the governor  
19 September 3, 1965.

20 (c) The department shall pay to each municipality eligible to  
21 receive a minimum payment under this section an amount equal to the  
22 difference between the minimum payment determined under (a) and (b) of  
23 this section and the sum of the amounts payable for the same fiscal  
24 year under AS 29.60.010 - 29.60.080 and 29.60.100 - 29.60.180.

25 (d) A payment under this section may be prorated and reduced  
26 under AS 29.60.300.

27 (e) Payments under this section shall be made from the money  
28 allocated to the tax equalization account established in AS 29.60.060.

29 Sec. 29.60.300. PRORATION OF PAYMENTS. (a) Payments under

1 AS 29.60.290 and 29.60.010 - 29.60.180 shall equal the amount allo-  
2 cated to the tax equalization account (AS 29.60.060), adjusted in  
3 accordance with AS 29.60.280.

4 (b) Adjustments of payments shall be determined by prorating  
5 amounts payable under AS 29.60.290 and amounts payable under AS 29.-  
6 60.010 - 29.60.180 by a factor that, when applied, reduces all pay-  
7 ments in equal proportion so that payment under AS 29.60.290 and  
8 payments under AS 29.60.010 - 29.60.180 equal the amount allocated to  
9 the tax equalization account established in AS 29.60.060.

10 ARTICLE 4. MUNICIPAL ASSISTANCE.

11 Sec. 29.60.350. MUNICIPAL ASSISTANCE FUND. (a) There is estab-  
12 lished in the department the municipal assistance fund. The legisla-  
13 ture may appropriate to the municipal assistance fund during each  
14 fiscal year an amount equal to or greater than 30 percent of the  
15 income tax revenue received by the state under AS 43.20.011(e) for the  
16 previous fiscal year.

17 (b) The department shall distribute money from the municipal  
18 assistance fund to each municipality on an annual basis as provided in  
19 AS 29.60.360 and 29.60.370. A municipality may not receive payment  
20 until it submits to the department a resolution approved by the gov-  
21 erning body of the municipality that requests the money. Distribution  
22 of money from the municipal assistance fund to a municipality with a  
23 fiscal year beginning on January 1 shall be made on February 1 of the  
24 state fiscal year for which the appropriation to the fund is made.  
25 Distribution of money from the municipal assistance fund to all other  
26 municipalities shall be made on June 1 of the state fiscal year for  
27 which the appropriation to the fund is made. A municipality that  
28 incorporates after December 31 of a state fiscal year is not eligible  
29 for a distribution under this section until the following state fiscal

1 year.

2           Sec. 29.60.360. BASE AMOUNT OF ASSISTANCE. (a) The base amount  
3 to be distributed from the municipal assistance fund to each municipi-  
4 pality for the fiscal year shall be the amount received by the municipi-  
5 pality during fiscal year 1978 under AS 43.70.080. A city incor-  
6 porated within a borough after June 30, 1977, shall receive as a base  
7 amount a share of the amount distributed to the borough in which it is  
8 located based on the ratio of population in the city to the total  
9 population in the borough. A city incorporated outside a borough  
10 after June 30, 1977, shall receive as a base amount the amount re-  
11 ceived by the city in the state most closely approximating it in  
12 population at the time of its incorporation. A borough incorporated  
13 after June 30, 1977, shall receive as a base amount the amount re-  
14 ceived by the borough in the state most closely approximating it in  
15 population at the time of its incorporation.

16           (b) If the amount appropriated to the municipal assistance fund  
17 by the legislature during a fiscal year is insufficient for distri-  
18 bution of the full base amount to each municipality, the department  
19 shall prorate the amount available for distribution on the basis of  
20 amounts received during the fiscal year 1978 under AS 43.70.080.

21           Sec. 29.60.370. INCREASED ASSISTANCE. (a) If the amount in the  
22 municipal assistance fund at the time of distribution exceeds the base  
23 amount to be distributed under AS 29.60.360, the excess amount shall  
24 be distributed to each municipality on the basis of population.  
25 Population for the purpose of this section shall be as certified by  
26 the commissioner of community and regional affairs. In determining  
27 the population of a borough, the population of all cities in the  
28 borough shall be deducted from the total population of the borough.

29           (b) The intent of (a) of this section is that a municipality

1 that levies property taxes reduce those levies in reasonable propor-  
2 tion to the amount of increased state aid received by the municipal-  
3 ity. The governing body of each municipality shall furnish a notice  
4 with each tax statement describing its use of this increased state  
5 aid.

6 ARTICLE 5. COMMUNITY FACILITIES GRANTS.

7 Sec. 29.60.400. GRANTS FOR COMMUNITY FACILITIES. (a) Within  
8 the limits of appropriations for the purpose the Department of Com-  
9 merce and Economic Development shall make matching grants in accor-  
10 dance with the provisions of AS 29.60.410 - 29.60.440 to municipal-  
11 ities or their nonprofit designees equal to

12 (1) 50 percent of the estimated reasonable costs of con-  
13 struction of municipal civic, convention, and community recreation  
14 centers; and

15 (2) 50 percent of the cost of feasibility studies relating  
16 to the construction of municipal civic, convention, and community  
17 recreation centers.

18 (b) A grant may be made under this section only to a municipal-  
19 ity with the power to implement the study or project for which the  
20 grant is authorized or to its nonprofit designee. A grant for only  
21 one study and one project may be awarded to a municipality or its  
22 designee under this section.

23 (c) In this section "costs of construction" means, in addition  
24 to costs directly related to a project, the sum of all costs of fi-  
25 nancing and carrying out the project, including the costs of all  
26 necessary studies, surveys, plans and specifications, architectural,  
27 engineering or other special services, acquisition of real property,  
28 site preparation and development, purchase, construction, recon-  
29 struction and improvement of real property and the acquisition of

1 machinery and equipment necessary to the project; an allocable portion  
2 of the administrative and operating expenses of the grantee; and the  
3 cost of financing the project, including interest on bonds issued to  
4 finance the project, the cost of indemnity and surety bonds, premiums  
5 on insurance, legal fees, fees and expenses of trustees, depositaries,  
6 financial advisors, and the costs associated with the issuance of  
7 bonds. It does not include the cost of feasibility studies.

8 Sec. 29.60.410. GRANT PROCEDURES. (a) An application for a  
9 grant under AS 29.60.400 shall be made in a form prescribed by the  
10 commissioner of commerce and economic development.

11 (b) A grant shall be allotted in accordance with an agreement  
12 made between the commissioner of commerce and economic development on  
13 behalf of the state and the grantee. The agreement may include any  
14 provision agreed upon by the parties and shall include in substance  
15 the following provisions:

16 (1) estimates of reasonable costs of the study or project  
17 as approved by the commissioner after consultation with the Department  
18 of Transportation and Public Facilities;

19 (2) a schedule of disbursements of money from the grant if  
20 the commissioner determines that the grant money is not to be dis-  
21 bursed in one sum;

22 (3) agreement by the grantee

23 (A) to proceed with and complete the proposed study or  
24 project expeditiously;

25 (B) not to discontinue operation or dispose of all or  
26 part of a community facility for which it receives a grant with-  
27 out the approval of the commissioner;

28 (C) to apply for and make reasonable efforts to secure  
29 federal assistance that may be available for the study or

1 project, subject to any conditions the commissioner may require  
2 to maximize the amounts of that assistance available for all  
3 projects in the state;

4 (D) to provide for payment of the grantee's share of  
5 the cost of the study or project;

6 (E) that, if federal assistance for a study or project  
7 becomes available to the grantee that was not included in the  
8 calculation of the amount of the grant, the value of the federal  
9 assistance shall be subtracted from the total value of the proj-  
10 ect and the balance shall be equally divided between the grantee  
11 and the state;

12 (4) alteration or modification of an approved study or  
13 project;

14 (5) alteration or modification of an existing facility that  
15 would have qualified for a grant at the time of initial construction  
16 if AS 29.60.400 - 29.60.440 had been in effect;

17 (6) remedies in case of failure to perform the agreement or  
18 noncompliance with regulations adopted under AS 29.60.420.

19 (c) The commissioner of commerce and economic development shall  
20 require in negotiations and in each grant agreement that continued  
21 maintenance of the community facility is the responsibility of the  
22 municipality. The municipality must show the feasibility of continu-  
23 ing to maintain the facility before state money may be authorized for  
24 a grant.

25 Sec. 29.60.420. POWERS AND DUTIES OF THE COMMISSIONER. (a) The  
26 commissioner of commerce and economic development shall provide an  
27 annual report to the legislature about grants made under AS 29.60.400.

28 (b) The commissioner of commerce and economic development shall  
29 adopt regulations to carry out the purposes of AS 29.60.400 -

1 29.60.440.

2 Sec. 29.60.430. ALLOCATION OF MONEY. If the amount of money  
3 appropriated by the legislature for grants under AS 29.60.400 is not  
4 adequate to satisfy amounts required for approved grant applications,  
5 money shall be allocated on the basis of priority established by  
6 regulations of the Department of Commerce and Economic Development.

7 Sec. 29.60.440. LIMITATION. AS 29.60.400 - 29.60.440 does not  
8 require that a recipient of a grant for a feasibility study must  
9 proceed with construction of the project, regardless of whether the  
10 project is determined to be feasible.

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

12 CHAPTER 65. GENERAL GRANT LAND.

13 Sec. 29.65.010. DETERMINATION OF ENTITLEMENT OF BOROUGHES AND  
14 UNIFIED MUNICIPALITIES. (a) The general grant land entitlement of  
15 each of the municipalities in this section is the amount set out  
16 opposite each:

- 17 (1) Municipality of Anchorage - 44,893 acres;  
18 (2) City and Borough of Juneau - 19,584 acres;  
19 (3) City and Borough of Sitka - 10,500 acres;  
20 (4) Bristol Bay Borough - 2,898 acres;  
21 (5) Fairbanks North Star Borough - 112,000 acres;  
22 (6) Haines Borough - 2,800 acres;  
23 (7) Kenai Peninsula Borough - 155,780 acres;  
24 (8) Ketchikan Gateway Borough - 11,593 acres;  
25 (9) Kodiak Island Borough - 56,500 acres;  
26 (10) Matanuska-Susitna Borough - 355,210 acres;  
27 (11) North Slope Borough - 89,850 acres.

28 (b) This section is a continuation of the provisions of former  
29 AS 29.18.201 and does not grant additional entitlements.

1           Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR CITIES.     (a)  
2     The general grant land entitlement of a city formerly eligible to  
3     receive general grant land under the provisions of former AS 29.18.190  
4     and 29.18.200 is 10 percent of the maximum total acreage of vacant,  
5     unappropriated, unreserved land in the boundaries of each city at any  
6     time between the initial date of eligibility under former AS 29.18.190  
7     and 29.18.200 and July 1, 1978. Within six months after July 1, 1978,  
8     the director shall determine the entitlement for each city eligible to  
9     receive general grant land under former AS 29.18.202 and certify that  
10    entitlement to the city.

11           (b) This section is a continuation of the provisions of former  
12    AS 29.18.203 and does not grant additional entitlements to cities  
13    incorporated before January 1, 1986.

14           Sec. 29.65.030. DETERMINATION OF ENTITLEMENT FOR NEWLY INCOR-  
15    PORATED MUNICIPALITIES. (a) The general grant land entitlement of a  
16    municipality incorporated after July 1, 1978, is 10 percent of the  
17    total acreage of vacant, unappropriated, unreserved land within the  
18    boundaries of the municipality on the date of its incorporation.

19           (b) Within six months after the date of incorporation of a muni-  
20    cipality that is incorporated after July 1, 1978, the director shall  
21    determine the entitlement of each municipality eligible to receive  
22    general grant land under (a) of this section and certify the entitle-  
23    ment to the municipality.

24           (c) This section is a continuation of the provisions of former  
25    AS 29.18.203 and does not grant additional entitlements to  
26    municipalities incorporated before January 1, 1986.

27           Sec. 29.65.040. STATUS OF ENTITLEMENTS.     (a) After July 1,  
28    1978, general grant land entitlements provided in former AS 29.18.201  
29    and former AS 29.18.202 are vested property rights that must be

1 fulfilled as provided in AS 29.65.050 or 29.65.080.

2 (b) General grant land entitlements provided by AS 29.65.030 are  
3 property rights that vest on the date of incorporation of the munici-  
4 pality. The entitlement must be fulfilled as provided in AS 29.65.-  
5 050.

6 (c) Land may be selected or nominated for selection by a munici-  
7 pality to satisfy a general grant land entitlement under former  
8 AS 29.18.201 and 29.18.202 at any time before October 1, 1980. How-  
9 ever, if a municipal selection or nomination or a part of a municipal  
10 selection or nomination is rejected by the director, the municipality  
11 may, not later than 90 days after receipt of the rejection, select  
12 additional state land as necessary to satisfy its entitlement.

13 (d) Land may be selected by a municipality to satisfy a general  
14 grant land entitlement under AS 29.65.030 at any time within one year  
15 after the director certifies the entitlement to the municipality.

16 (e) The time limitations imposed by (c) and (d) of this section  
17 for exercising a vested general grant land entitlement do not apply to

18 (1) the portion of an entitlement that cannot be satisfied  
19 by that date because of a shortage of land suitable for residential,  
20 commercial, and industrial purposes that is vacant, unappropriated,  
21 unreserved land;

22 (2) payments for land deficiency under AS 29.65.080;

23 (3) the portion of an entitlement that cannot be satisfied  
24 because the land selected by a municipality has been selected by a  
25 party entitled to select land owned by the United States or the state;  
26 or

27 (4) the portion of an entitlement that cannot be satisfied  
28 because the land nominated for selection by the municipality is not  
29 tentatively approved for patent to the state.

1           Sec. 29.65.050. FULFILLMENT OF LAND ENTITLEMENTS.   (a)   The  
2 acreage of each municipality's land selections for which patent has  
3 been issued before July 1, 1978, shall be credited toward fulfillment  
4 of the entitlement of that municipality.

5           (b) All approved selections under former AS 29.18.190 and 29.-  
6 18.200 for which patent has not been issued to a municipality on  
7 July 1, 1978, shall be reviewed by the director within nine months  
8 after July 1, 1978. Any approved selection of land that was vacant,  
9 unappropriated, or unreserved on the date of selection is valid as of  
10 the date of the approval under former AS 29.18.190 and 29.18.200, and  
11 a patent shall be issued to the municipality within three months after  
12 approval by the director of a plat of survey. The acreage shall be  
13 credited toward fulfillment of the municipality's entitlement. A  
14 municipality is not entitled to receive patent under this chapter to  
15 more than its entitlement determined under AS 29.65.010 - 29.65.030.  
16 Any prior approval by the director of municipal selections for land  
17 that was not vacant, unappropriated, or unreserved on the date of  
18 selection shall be rescinded, and patent may not be issued except when  
19 disposal to a third party by sale or lease has occurred. Transfers of  
20 land to municipalities under this chapter are subject to AS 38.05.321.  
21 Classification actions as reflected on the land status records of the  
22 Department of Natural Resources are determinative of land classifica-  
23 tion status for purposes of this chapter.

24           (c) The director shall approve each selection for patent within  
25 nine months of its selection by a municipality, and a patent shall be  
26 issued to the municipality for land selected in satisfaction of a  
27 general grant land entitlement vested under AS 29.65.010 - 29.65.030  
28 within three months after approval by the director of a plat of sur-  
29 vey.

1           Sec. 29.65.060. SCHOOL AND MENTAL HEALTH LAND.   (a)   If an  
2 entitlement determined under AS 29.65.010 or 29.65.020 results in a  
3 per capita entitlement for the municipality of less than one and  
4 one-half acre, the municipality may select vacant school or mental  
5 health land in the municipality in partial fulfillment of its land  
6 entitlement under this chapter. School or mental health land may be  
7 selected notwithstanding the fact that this land is not unappropriated  
8 and unreserved within the meaning of this chapter and under former  
9 AS 29.18.190 and 29.18.200, but each selection of school or mental  
10 health land by a municipality must be vacant, unappropriated, or  
11 unreserved land as defined in this chapter, except that it need not be  
12 general grant land.

13           (b) The acreage of school, university or mental health land, if  
14 any, in a municipality may not be included in the determination of  
15 entitlement under AS 29.65.010 or 29.65.020.

16           (c) Land conveyed under this section will be credited against a  
17 municipality's remaining land entitlement under this chapter.

18           (d) Within six months after approval of a municipal selection of  
19 school or mental health land, the director shall identify state  
20 general grant land of approximately equal value to the land requested  
21 by the municipality and shall propose the replacement land for the  
22 concurrence of the appropriate board. If a proposal by the director  
23 is rejected by the board, the director shall meet with the board as  
24 often as necessary to determine the type and amount of equal value  
25 replacement land that would be required to obtain the board's concur-  
26 rence, and shall propose the replacement land for consideration by the  
27 board. The replacement land shall thereafter be managed for the pur-  
28 poses for which the land selected by the municipality was acquired by  
29 the Territory and State of Alaska.

1 (e) The notice provisions of AS 38.05.945 apply to the designa-  
2 tion of other general grant land as school, university or mental  
3 health land in replacement of land selected under this section. The  
4 provisions of AS 38.50 do not apply to such designations under this  
5 section.

6 (f) For purposes of determining the per capita entitlement under  
7 (a) of this section, the population of a municipality shall be the  
8 population determined by the commissioner under former AS 43.18.010  
9 for the program year beginning July 1, 1978, for a municipality whose  
10 entitlement was determined under former AS 29.18.201 or 29.18.202.

11 Sec. 29.65.070. SELECTION AND CONVEYANCE PROCEDURE. (a) If  
12 land selected by a municipality is unsurveyed at the time of approval,  
13 the director shall survey, or may approve the municipality's survey  
14 of, the exterior boundaries of an approved selection without interior  
15 subdivision, and shall issue patent in terms of the exterior boundary  
16 survey. The cost of the survey shall be borne by the municipality.  
17 If land selected by a municipality has been surveyed at the time of  
18 its selection, the boundaries shall conform to the public land subdivi-  
19 sions established by the approved survey.

20 (b) The director may approve municipal selections of land that  
21 have been tentatively approved or patented to the state by the federal  
22 government but may not issue patent to a municipality until the land  
23 has first been patented to the state. After approval of a selection  
24 by the director, but before patent to a municipality, the municipality  
25 may execute conditional leases and make conditional sales only with  
26 the consent of the director. Conditional sales and conditional leases  
27 made before July 1, 1978, do not require the consent of the director.

28 (c) Nothing in this chapter affects a valid existing claim,  
29 location, or entry under the laws of the state or the United States

1 whether for homestead, mineral, right-of-way, or other purposes.  
2 Nothing in this chapter affects the rights of an owner, claimant,  
3 locater, or entryman to the full use and enjoyment of the land so  
4 occupied.

5 Sec. 29.65.080. PAYMENT FOR LAND DEFICIENCY. (a) The Alaska  
6 municipal land account is established in the general fund for the  
7 following purposes:

8 (1) providing payment to the boroughs and unified muni-  
9 cipalities designated in AS 29.65.010 for a deficiency of land phys-  
10 ically suitable for residential, commercial, or industrial purposes;  
11 or

12 (2) providing payment to the boroughs and unified muni-  
13 cipalities designated in AS 29.65.010 for certain general grant lands  
14 selected by the state and conveyed to a Native corporation under the  
15 provisions of the Alaska Native Claims Settlement Act.

16 (b) A municipality shall receive payment for its land deficiency  
17 from the municipal land account. A municipality is eligible to re-  
18 ceive payment for land deficiency if, after July 1, 1980, the amount  
19 of land selected by a municipality that is physically suitable for  
20 residential, commercial, or industrial purposes amounts to less than  
21 one-third acre per capita. Any entitlement under AS 29.65.010 that is  
22 less than one-third acre per capita will, for the purposes of this  
23 subsection, be considered a land deficiency. An unselected remaining  
24 entitlement will, for the purpose of deficiency payment under this  
25 subsection, be considered as land physically suitable for residential,  
26 commercial, or industrial purposes. A municipality eligible under  
27 this subsection is entitled to receive a payment for land deficiency  
28 equal to \$1,000 per acre for a number of acres equal to the difference  
29 between one-third of the population of the municipality less the

1 number of acres physically suitable for residential, commercial or  
2 industrial purposes that has been selected by the municipality. For  
3 the purpose of this subsection, the population of the municipality  
4 shall be the population determined in accordance with AS 29.65.060(f).  
5 No payment may be made to a municipality under this subsection in  
6 excess of \$9,000,000.

7 (c) If a municipality selected vacant, unappropriated, unre-  
8 served land on or before December 18, 1971, to which the state had  
9 received tentative approval or patent, and that land was also selected  
10 by a Native corporation organized under the Alaska Native Claims  
11 Settlement Act (P.L. 92-203), and title to that land is ultimately  
12 vested in that Native corporation, the municipality may, at its op-  
13 tion, request payment for land deficiency from the municipal land  
14 account. The acceptance of payment under this subsection by a muni-  
15 cipality constitutes a relinquishment of any other right, title, or  
16 claim to the land by that municipality. The total payment to a muni-  
17 cipality under this subsection may not exceed \$1,000 per acre to a  
18 maximum of 8,000 acres.

19 (d) The governor shall annually submit to the legislature a  
20 request for an appropriation to the municipal land account for the  
21 municipalities that have elected to receive payments under (b) or (c)  
22 of this section. The request for appropriation shall distinguish  
23 between amounts necessary to make payments for land deficiency under  
24 (b) of this section and those required to make payments for land  
25 deficiency under (c) of this section.

26 (e) For purposes of fulfilling entitlements under this section,  
27 the legislature is authorized to appropriate

28 (1) not more than \$4,000,000 per fiscal year, and not more  
29 than \$12,000,000 in total, for the purpose of paying entitlements

1 under (b) of this section;

2 (2) not more than \$1,000,000 per fiscal year, and not more  
3 than \$8,000,000 in total, for the purpose of paying entitlements under  
4 (c) of this section.

5 (f) If an annual appropriation is not sufficient to meet the  
6 amount due to all municipalities that have elected to accept payment  
7 for land deficiency under (b) or (c) of this section, the governor  
8 shall apportion the appropriation among the municipalities in propor-  
9 tion to the payment calculated for each municipality for that year.  
10 When a distribution of payments is made under (c) of this section, the  
11 remaining entitlement of a municipality to which payment is made shall  
12 be reduced in an amount equal to the number of acres for which payment  
13 was received. An appropriation made under this section is in addition  
14 to other grants and entitlements authorized to eligible municipali-  
15 ties.

16 (g) Payments authorized by this section may not be made to a  
17 municipality eligible for an entitlement under AS 29.65.020 or 29.65.-  
18 030.

19 (h) Payments made under this section shall be used by a muni-  
20 cipality that levies property taxes to reduce the levy in proportion  
21 to the amount of state payments received by the municipality for a  
22 given fiscal year. The governing body of each municipality shall  
23 furnish a notice with the tax statement describing the effect on  
24 property tax levies of payments received under this section.

25 Sec. 29.65.090. AUTHORIZATION FOR LAND EXCHANGES. The director,  
26 and a municipality are authorized to exchange land or interests in  
27 land when it is in the public interest. Land or interests in land  
28 exchanged under this section must be of approximately equal value,  
29 including the nonmonetary value of public benefits. Exchange

1 procedures shall comply with applicable law and municipal ordinances.  
2 The notice and review provisions of AS 38.05.945 apply to exchanges of  
3 land under this section. The provisions of AS 38.50 do not apply to  
4 exchanges of land under this section.

5 Sec. 29.65.100. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Con-  
6 sistent with the best interests of the state, if a municipality does  
7 not contain and cannot reasonably acquire sufficient nonfederal land  
8 within its boundaries to meet its legitimate needs for public or  
9 private settlement or development, it is the policy of the state to  
10 select federal land reasonably necessary to meet the needs of the  
11 municipality and to make the land selected available to the municipal-  
12 ity under AS 38.05.810 or (b) of this section.

13 (b) The state may contract with a municipality to act as its  
14 agent in an auction of state land under applicable statutes. When a  
15 municipality acts as the agent of the state in an auction, the munici-  
16 pality may retain from the proceeds of the auction the capital and  
17 other expenses that the director determines to be necessary and  
18 reasonable.

19 (c) Nothing in this chapter limits or impairs the authority of  
20 the director to transfer land to municipalities, without limit or  
21 consideration, for public purposes in accordance with AS 38.05.810.  
22 If there is a remaining entitlement of the municipality, land trans-  
23 ferred under AS 38.05.810 shall be credited toward fulfillment of the  
24 entitlement.

25 Sec. 29.65.110. ELECTION OF BENEFITS. (a) A municipality that  
26 on July 1, 1978, was engaged in litigation, or that becomes engaged in  
27 litigation, regarding a claim to state land under former AS 29.18.190  
28 or 29.18.200 shall elect either to obtain the benefits provided in  
29 this chapter or to pursue the litigation and waive any claim to

1 entitlement under this chapter. An election shall be made by filing a  
2 motion for dismissal with prejudice in the court in which the litiga-  
3 tion is pending. If the claim involves a municipality identified in  
4 AS 29.65.010, the municipality shall file its motion for dismissal  
5 within 60 days after July 1, 1978. If a claim involves a city eligi-  
6 ble to receive an entitlement under AS 29.65.020, the city shall file  
7 its motion for dismissal within 60 days after receiving the certifi-  
8 cate of entitlement provided by the director under AS 29.65.020.  
9 Failure of the municipality to file a motion for dismissal during the  
10 time period provided in this subsection is considered a waiver of  
11 entitlement under this chapter.

12 (b) A municipality that was eligible to file land selections  
13 under former AS 29.18.190 or 29.18.200 and that does not enter into  
14 litigation over a claim to rights under those sections before the  
15 expiration of the time period within which it could make an election  
16 under (a) of this section is considered to have elected to receive  
17 benefits under this chapter and to have waived any claim that might  
18 have been raised under former AS 29.18.190 or 29.18.200.

19 (c) The provisions of this chapter do not affect the rights of a  
20 party to litigation regarding former AS 29.18.190, 29.18.200 or  
21 29.18.420 maintained by a municipality that has elected not to obtain  
22 the benefits provided by this chapter.

23 Sec. 29.65.120. ADMINISTRATION. The commissioner of natural  
24 resources may adopt regulations in accordance with the Administrative  
25 Procedure Act (AS 44.62) necessary to carry out the purposes of this  
26 chapter.

27 Sec. 29.65.130. DEFINITIONS. In this chapter, unless the con-  
28 text otherwise requires,

29 (1) "approved selection" means a municipal land selection

1 that has been approved in writing by the director for transfer by  
2 patent to a municipality;

3 (2) "director" means the director of lands, Department of  
4 Natural Resources;

5 (3) "general grant land"

6 (A) means land patented or tentatively approved to the  
7 state from the United States under sec. 6(a) or (b) of the Alaska  
8 Statehood Act;

9 (B) does not include university land;

10 (4) "mental health land" means land granted under Title II,  
11 sec. 202 of P.L. 84-830, as amended before or after July 1, 1978;

12 (5) "municipal land selection" means a request by a munici-  
13 pality, filed in writing with the director under authority of former  
14 AS 29.18.190 and 29.18.200 or under this chapter for vacant, unappro-  
15 priated, unreserved general grant land within its municipal boundaries  
16 in partial fulfillment of its municipal entitlement;

17 (6) "patent" means a document, issued by the director to a  
18 municipality for a previously approved selection, that conveys and  
19 quitclaims all the right, title, and interest of the state without  
20 reservation or condition except as may be required by law;

21 (7) "remaining entitlement" means the general grant land  
22 entitlement determined in accordance with this chapter, reduced by the  
23 total acreage of approved selections, including both patented and un-  
24 patented parcels;

25 (8) "school land" means those rectangular sections 16 and  
26 36 within each township surveyed on or before January 3, 1959, and  
27 confirmed and transferred to the State of Alaska upon its admission  
28 under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other  
29 land designated solely for school revenues;

1           (9) "university land" has the meaning given in  
2 AS 38.05.365;

3           (10) "vacant, unappropriated, unreserved land" means general  
4 grant land as defined in (3) of this section, excluding minerals as  
5 required by sec. 6(i) of the Alaska Statehood Act, that

6                   (A) has not been set aside by statute for one or more  
7 particular uses or purposes;

8                   (B) has not been approved for patent to a municipality  
9 under this chapter or former AS 29.18.190 and 29.18.200; or

10                   (C) is unclassified or, if classified under AS 38.05.-  
11 300, is classified for agricultural, grazing, commercial, indus-  
12 trial, private recreational, residential, utility, or open-to-  
13 entry purposes, or is classified in accordance with an agreement  
14 between a municipality and the state providing for state manage-  
15 ment of land of the municipality.

16           Sec. 29.65.140. APPLICATION. This chapter applies to home rule  
17 and general law municipalities.

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

19                   CHAPTER 71. GENERAL PROVISIONS.

20           Sec. 29.71.010. ADVERSE POSSESSION. A municipality may not be  
21 divested of title to real property by adverse possession.

22           Sec. 29.71.020. DEDICATION OF MUNICIPAL PROPERTY. Dedication of  
23 streets, rights-of-way, easements or other areas for public use may  
24 not be construed to require the municipality to maintain, improve or  
25 provide for municipal services in the area dedicated and the dedica-  
26 tion does not impose any liability on the municipality for the condi-  
27 tion of the area dedicated.

28           Sec. 29.71.030. TAXATION OF MUNICIPALITIES. No state law or  
29 regulation may assess or tax, or be construed to assess or tax, a

1 municipality unless the law or regulation expressly provides that the  
2 municipality is to be assessed or taxed by the particular law or  
3 regulation.

4 Sec. 29.71.800. DEFINITIONS. In this title, unless otherwise  
5 provided or the context otherwise requires,

6 (1) "areawide" means throughout a borough, both inside and  
7 outside all cities in the borough;

8 (2) "assembly" means the governing body of a borough;

9 (3) "borough" means a general law borough or a home rule  
10 borough;

11 (4) "city" means a general law first or second class city  
12 or a home rule city;

13 (5) "commissioner" means the commissioner of community and  
14 regional affairs;

15 (6) "consolidation" means dissolution of two or more muni-  
16 cipalities and their incorporation as a new municipality;

17 (7) "council" means the governing body of a city;

18 (8) "department" means the Department of Community and  
19 Regional Affairs;

20 (9) "election" means a regular or special municipal elec-  
21 tion and does not include a state election;

22 (10) "governing body" means the legislative body of a muni-  
23 cipality that is the assembly of a borough or the council of a city;

24 (11) "majority" means a simple majority;

25 (12) "merger" means dissolution of a municipality and its  
26 absorption by another municipality;

27 (13) "municipality" means a political subdivision incor-  
28 porated under the laws of the state that is a home rule or general law  
29 city, a home rule or general law borough, or a unified municipality;

1           (14) "nonareawide" means throughout the area of a borough  
2 outside all cities in the borough;

3           (15) "owner" or "record owner" means the owner of record or  
4 purchaser of record as shown in the records of the district recorder;

5           (16) "personal property" means tangible property other than  
6 real property, such as merchandise, stock in trade, machinery, equip-  
7 ment, furniture, fixtures, vehicles, boats, and aircraft;

8           (17) "property" means real and personal property;

9           (18) "published" means appearing at least once in a news-  
10 paper of general circulation distributed in the municipality or, if  
11 there is no newspaper of general circulation distributed in the muni-  
12 cipality, posting in three public places for at least five days;

13           (19) "real property" means land and improvements, all pos-  
14 sessory rights and privileges appurtenant to the property, and in-  
15 cludes personal property affixed to the land or improvements;

16           (20) "regular election" means the municipal election held on  
17 the first Tuesday of October annually, or on a different date or  
18 interval of years provided by ordinance or charter;

19           (21) "special election" means a municipal election and does  
20 not include a regular election or a state election;

21           (22) "street" includes streets, avenues, boulevards, roads,  
22 lanes, alleys, and other ways;

23           (23) "subdivision"

24           (A) means the division of a parcel of land into two or  
25 more lots or other divisions for the purpose of sale or building  
26 development, includes resubdivision, and relates to the process  
27 of subdividing or to the land subdivided;

28           (B) does not include cadastral plats, cadastral con-  
29 trol plats, open-to-entry plats, or remote parcel plats created

1 by or on behalf of the state regardless of whether these plats  
2 include easements or other public dedications;

3 (24) "unified municipality" means a municipality unified in  
4 accordance with AS 29.06.190 - 29.06.410;

5 (25) "voter" means a United States citizen who is qualified  
6 to vote in state elections, has been a resident of the municipality  
7 for 30 days immediately preceding the election, is registered to vote  
8 in state elections, and is not disqualified under art. V of the state  
9 constitution.

10 \* Sec. 19. AS 01.10.060 is amended by adding a new paragraph to read:

11 (15) "municipality" means a political subdivision incor-  
12 porated under the laws of the state that is a home rule or general law  
13 city, a home rule or general law borough, or a unified municipality.

14 \* Sec. 20. AS 04.21.010(c) is amended to read:

15 (c) A municipality may not impose taxes on alcoholic beverages  
16 except

17 (1) property taxes on alcoholic beverage inventories; [AND]

18 (2) sales taxes on alcoholic beverage sales on alcoholic  
19 beverage sales if sales taxes are imposed on other sales within  
20 the municipality; and

21 (3) sales taxes on alcoholic beverages that were in effect  
22 before July 1, 1985.

23 \* Sec. 21. AS 05.35.040 is amended to read:

24 Sec. 05.35.040. POWER OF MUNICIPALITY. A municipality may own,  
25 maintain and employ a facility constructed under AS 05.35.010 -  
26 05.35.070. The exercise of this power on an areawide basis is at the  
27 option of the borough and is not subject to the restrictions on ac-  
28 quiring additional areawide powers in AS 29.35.300 - 29.35.330  
29 [AS 29.33.250 - 29.33.290].

1 \* Sec. 22. AS 09.45.845 is amended to read:

2 Sec. 09.45.845. VACATING OF STREETS IN WHOLE OR IN PART. The  
3 vacating of streets in whole or in part by the voluntary action of a  
4 municipality, for the purpose of making it possible for the court to  
5 mitigate the hardships suffered by individuals because of the change  
6 in land boundaries caused by the act of God, consisting of an earth-  
7 slide, can be accomplished by the offer of the municipality expressed  
8 in the complaint followed by the court's approval of it in the action  
9 authorized in AS 09.45.800 - 09.45.880, without other formalities.  
10 This provision is a special emergency substitute for the provisions  
11 contained in AS 29.40.120 - 29.40.160 [AS 29.33.200 - 29.33.240].

12 \* Sec. 23. AS 09.55.275 is amended to read:

13 Sec. 09.55.275. REPLAT APPROVAL. No agency of the state or  
14 municipality may acquire property located within a municipality exer-  
15 cising the powers conferred by AS 29.35.180 or 29.35.260(c) that  
16 [AS 29.33.150 - 29.33.245 WHICH] results in a boundary change unless  
17 the agency or municipality first obtains from the municipal platting  
18 authority preliminary approval of a replat showing clearly the loca-  
19 tion of the proposed public streets, easements, rights-of-way, and  
20 other taking of private property. Final approval of replat shall be  
21 similarly obtained. However, if a state agency clearly demonstrates  
22 an overriding state interest, a waiver to the approval requirements of  
23 this section may be granted by the governor. The platting authority  
24 shall treat applications for replat made by state or local govern-  
25 mental agencies in the same manner as replat petitions originated by  
26 private landowners.

27 \* Sec. 24. AS 09.65.070(e)(1) is amended to read:

28 (1) "municipality" has the meaning given in AS 01.10.060  
29 and [MEANS A HOME RULE BOROUGH OR CITY, A GENERAL LAW BOROUGH OR CITY

1 OF ANY CLASS, A UNIFIED MUNICIPALITY ESTABLISHED UNDER AS 29.68.240 -  
2 29.68.440, OR A MUNICIPALITY ESTABLISHED BY MERGER OR CONSOLIDATION  
3 UNDER AS 29.68.030 - 29.68.110; THE TERM] includes a public corpora-  
4 tion established by a municipality;

5 \* Sec. 25. AS 14.08.071(b) is amended to read:

6 (b) Except for the first election of regional school members  
7 under (a) of this section, elections [ELECTION] shall be held annually  
8 on the first Tuesday in October. Elections shall be supervised by the  
9 director of elections in the office of the lieutenant governor, but  
10 shall be administered within second class cities as part of the regular  
11 municipal election. The lieutenant governor shall adopt [PROMULGATE]  
12 regulations for the conduct of the election of regional school board  
13 members comparable, as far as practicable, to those prescribed for  
14 election of school board members under AS 14.12 and AS 29.20.300  
15 [AS 29.28] except that the majority election requirements of AS 29.-  
16 26.060 [AS 29.28.040] do not apply to, nor may the regulations require  
17 runoff elections for, the first election of regional school board  
18 members under (a) of this section or, if a school board by resolution  
19 so requests, to subsequent elections in the regional educational  
20 attendance area served by that school board.

21 \* Sec. 26. AS 14.08.081 is amended to read:

22 Sec. 14.08.081. RECALL. The members of a regional school board  
23 are subject to recall in accordance with AS 29.26.240 - 29.26.360  
24 [AS 29.28.130 - 29.28.250], except that the director of the division  
25 of elections shall perform the functions of a municipal clerk, and the  
26 lieutenant governor shall perform the functions of the assembly or  
27 council under those sections.

28 \* Sec. 27. AS 14.12.030(c) is amended to read:

29 (c) The [NOTWITHSTANDING THE] provisions of (a) and (b) of this

1 section do not apply if [, WHERE] the [BOROUGH] assembly serves as the  
2 school board of the borough school district [UNDER AS 29.41.020 THE  
3 NUMBER OF MEMBERS OF THE ASSEMBLY-SCHOOL BOARD SHALL BE DETERMINED IN  
4 THE MANNER PRESCRIBED BY AS 29.23.020].

5 \* Sec. 28. AS 14.12.110 is amended to read:

6 Sec. 14.12.110. SINGLE BODY AS ASSEMBLY AND SCHOOL BOARD. Not-  
7 withstanding the provisions of this chapter or other law, a single  
8 body may serve as both the [BOROUGH] assembly and [BOROUGH] school  
9 board in the manner provided for third class boroughs under AS 29.20.-  
10 300(b) [AS 07.17.030], if

11 (1) an [A BOROUGH] ordinance for that purpose is approved  
12 by the assembly and ratified by a referendum of a majority of the  
13 qualified borough voters voting on the question at a regular or spe-  
14 cial election; [,] and

15 (2) [IF] the public school population within the borough is  
16 500 pupils or less.

17 \* Sec. 29. AS 14.14.020 is amended to read:

18 Sec. 14.14.020. BOND REQUIRED. Before the officer responsible  
19 for custody [OF], investment, or management of school district money  
20 enters upon the duties of office, the district, or the municipality if  
21 the treasury is centralized, shall obtain a bond with sufficient  
22 sureties in an amount equal to the money that may come into the offi-  
23 cer's official custody, but not to exceed \$50,000. The bond shall be  
24 conditioned on the officer's honest and faithful disbursement and  
25 accounting of all money that may come into the official custody of the  
26 officer. The bond shall be filed with the clerk of the school board.  
27 This section does not apply to an officer who has been bonded under  
28 AS 29.20.610 [AS 29.23.520].

29 \* Sec. 30. AS 14.14.050(d) is amended to read:

1           (d) The school board shall not make the audit if an audit that  
2           [WHICH] satisfies the requirements of this section and that [WHICH] is  
3           filed and posted as required by this section [,] is made according to  
4           AS 29.35.110 [AS 29.48.220].

5           \* Sec. 31. AS 14.17.140(a) is amended to read:

6           (a) The Department of Community and Regional Affairs, in consul-  
7           tation with the assessor for each district, shall determine the full  
8           value of the taxable real and personal property in each district.  
9           Exemptions granted under AS 43.25 shall be honored. If there is no  
10          local assessor or current local assessment for a district, then the  
11          Department of Community and Regional Affairs shall make the deter-  
12          mination of full value from information available. In making the  
13          determination, the Department of Community and Regional Affairs shall  
14          be guided by AS 29.45.110 [AS 29.53.060]. The determination of full  
15          value shall be made before October 1 and sent by certified mail,  
16          return receipt requested, before that date to the president of the  
17          school board in each district. Duplicate copies shall be sent to the  
18          commissioner. The governing body of the municipality that [BOROUGH OR  
19          CITY WHICH] is the district may obtain judicial review of the deter-  
20          mination by filing a motion in the superior court of the judicial  
21          district in which the district is located within 30 days after receipt  
22          of the determination. The superior court may modify the determination  
23          of the Department of Community and Regional Affairs only upon a find-  
24          ing of abuse of discretion or upon a finding that there is no substan-  
25          tial evidence to support the determination.

26          \* Sec. 32. AS 15.13.010(a) is amended to read:

27          (a) This chapter applies in every election for governor, lieu-  
28          tenant governor, a member of the state legislature, a delegate to a  
29          constitutional convention, or judge seeking electoral confirmation.

1 It also applies to every candidate for election to a municipal office  
2 in a municipality [CITY OR BOROUGH] with a population of more than  
3 1,000 inhabitants according to the latest United States census figures  
4 or estimates of population certified as correct for administrative  
5 purposes by the Department of Community and Regional Affairs. A  
6 municipality may exempt its elected municipal officers from the re-  
7 quirements of this chapter if a majority of the voters voting on the  
8 question at a [ANY] regular election, as defined by AS 29.71.800(20)  
9 [AS 29.78.010(14)], or a special municipality-wide election called for  
10 that purpose, vote to exempt its elected municipal officers from the  
11 requirements of this chapter. The question of exemption from the  
12 requirements of this chapter may be submitted by the governing body  
13 [CITY COUNCIL OR BOROUGH ASSEMBLY] by ordinance or by initiative  
14 election [ORDINANCE]. Nothing in this chapter prohibits a municipal-  
15 ity from regulating by ordinance campaign contributions and expendi-  
16 tures.

17 \* Sec. 33. AS 15.13.120(f)(3) is amended to read:

18 (3) AS 29.20.170 [AS 29.23.060(c)], if the candidate is a  
19 candidate for the borough assembly;

20 \* Sec. 34. AS 15.13.120(f)(4) is amended to read:

21 (4) AS 29.20.280 [AS 29.23.130(f)], if the candidate is a  
22 candidate for borough mayor;

23 \* Sec. 35. AS 15.13.120(f)(5) is amended to read:

24 (5) AS 29.20.170 [AS 29.23.210(b)], if the candidate is a  
25 candidate for city council;

26 \* Sec. 36. AS 15.13.120(f)(6) is amended to read:

27 (6) AS 29.20.280 [AS 29.23.255], if the candidate is a  
28 candidate for city mayor;

29 \* Sec. 37. AS 15.56.110(b)(2) is amended to read:

1                   (2) a member of the borough assembly [ASSEMBLYMAN] under  
2                   AS 29.20.170(6) [AS 29.23.060(c)];  
3 \* Sec. 38. AS 15.56.110(b)(3) is amended to read:  
4                   (3) a borough mayor under AS 29.20.280(6) [AS 29.23.130-  
5                   (f)];  
6 \* Sec. 39. AS 15.56.110(b)(4) is amended to read:  
7                   (4) a member of the city council [COUNCILMAN] under AS 29.-  
8                   20.170(6) [AS 29.23.210(b)];  
9 \* Sec. 40. AS 15.56.110(b)(5) is amended to read:  
10                   (5) a city mayor under AS 29.20.280(6) [AS 29.23.255];  
11 \* Sec. 41. AS 16.20.036(g) is amended to read:  
12                   (g) The establishment of a refuge under this section does not  
13                   impair or alter existing rights of a municipality [BOROUGH OR CITY] to  
14                   state land selected [SELECT STATE LAND] under former AS 29.18.190 -  
15                   29.18.200.  
16 \* Sec. 42. AS 16.20.038(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. 43. AS 18.26.250(2) is amended to read:  
22                   (2) municipality [MUNICIPAL CORPORATION OR POLITICAL SUB-  
23                   DIVISION OF THE STATE AS THE TERMS ARE USED IN AS 29];  
24 \* Sec. 44. AS 18.80.290(d) is amended to read:  
25                   (d) The governing [LEGISLATIVE] body of a general law or home  
26                   rule municipality has the authority under AS 29.20.320 [AS 29.48.035]  
27                   to grant to local commissions powers and duties similar to those  
28                   exercised by the Alaska Human Rights Commission under the provisions  
29                   of this chapter [ACT].

1 \* Sec. 45. AS 19.30.241(2) is amended to read:

2 (2) "home rule city" means a city as defined in AS 29.04.-  
3 010 [AS 29.08.010];

4 \* Sec. 46. AS 19.30.241(3) is amended to read:

5 (3) "local government" means an organized borough of any  
6 class, a unified municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.-  
7 440], a home rule city, or a first class city [OF THE FIRST CLASS];

8 \* Sec. 47. AS 19.30.260 is amended to read:

9 Sec. 19.30.260. PURPOSE. The purpose of AS 19.30.260 - 19.30.-  
10 320 is to facilitate funding for the upgrading, reconstruction, re-  
11 habilitation, or paving of existing subdivision roads within a road  
12 maintenance service area established under AS 29.35.450 [AS 29.63] or  
13 under a home rule charter.

14 \* Sec. 48. AS 19.30.280(a) is amended to read:

15 (a) After establishing a road maintenance service area under  
16 AS 29.35.450 [AS 29.63], or under a home rule charter, a municipality  
17 may apply to the department for a grant as money is available for road  
18 improvements, subject to regulations adopted by the department to  
19 carry out the provisions of AS 19.30.260 - 19.30.320. The department  
20 shall require a municipality to submit a five-year plan for the up-  
21 grading, reconstructing, rehabilitating, or paving of maintenance  
22 service area roads for approval before October 1 of each fiscal year.

23 \* Sec. 49. AS 26.23.230(5) is amended to read:

24 (5) "political subdivision" means a home rule or general  
25 law borough or city [, WHETHER HOME RULE OR OTHERWISE,] including a  
26 unified municipality [MUNICIPALITIES UNIFIED UNDER AS 29.68.240 -  
27 29.68.440], an unincorporated village, or other unit of local govern-  
28 ment;

29 \* Sec. 50. AS 28.15.051(d) is amended to read:

1 (d) The department may issue a special driver's permit to a  
2 person who is at least 14 years of age with the consent of the per-  
3 son's parents or guardians for the purpose of driving a motor-driven  
4 cycle. This permit may be issued upon application and successful  
5 completion of all prescribed tests and fees, and is valid for the same  
6 period of time as a driver's license. The permit is not valid in a  
7 municipality that [WHICH] by ordinance prohibits the driving of a  
8 motor-driven cycle by a person under the age of 16 years; a borough  
9 may adopt the ordinance on a nonareawide basis only, unless the power  
10 to adopt it on an areawide basis is acquired under AS 29.35.300 -  
11 29.35.330 or former AS 29.33.250 - 29.33.290.

12 \* Sec. 51. AS 38.04.020(b)(1) is amended to read:

13 (1) land nominated for selection or selected by a muni-  
14 cipality to satisfy a general grant land entitlement under AS 29.65 or  
15 former AS 29.18.201 - 29.18.213;

16 \* Sec. 52. AS 38.04.020(e)(4) is amended to read:

17 (4) preliminary feasibility studies, engineering design  
18 work, right-of-way acquisition, and construction of access roads and  
19 capital improvements required by municipal subdivision ordinance or  
20 regulation of the platting authority [BOARD UNDER AS 29.33.150];

21 \* Sec. 53. AS 38.04.021(a) is amended to read:

22 (a) A municipality may apply for financial assistance for the  
23 execution of a land disposal program of general grant land entitle-  
24 ments received from the state under AS 29.65 or former AS 29.18.201 -  
25 29.18.213 by submitting a request to the commissioner for inclusion in  
26 the request submitted to the legislature under AS 38.04.020(e). A  
27 municipality may request financial assistance for expenses of survey-  
28 ing land, designing subdivision plats, installing improvements re-  
29 quired by municipal ordinance or regulation of the local platting

1 authority [BOARD], and other reasonable direct costs of land disposal.

2 \* Sec. 54. AS 38.04.021(d) is amended to read:

3 (d) A grant made under this section may not exceed five times  
4 the amount of money appropriated by a first class city, a borough, or  
5 a unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440] for  
6 the disposal of municipal land in the current fiscal year unless the  
7 commissioner exempts the municipality from this subsection.

8 \* Sec. 55. AS 38.04.021(e)(2) is amended to read:

9 (2) a first class city, a borough, or a unified municipal-  
10 ity that [UNIFIED UNDER AS 29.68.240 - 29.68.440 WHICH] is exempted by  
11 the commissioner under (d) of this section.

12 \* Sec. 56. AS 38.04.900(b) is amended to read:

13 (b) A municipality has standing to petition the commissioner for  
14 the adoption of a regulation, or for the amendment or repeal of an  
15 existing regulation, or to appeal a decision of the commissioner with  
16 respect to classification, management, or disposal of land made under  
17 authority of a regulation adopted under (a) of this section with  
18 respect to state land outside the corporate boundaries of the muni-  
19 cipality to protect any interest which the municipality is authorized  
20 to regulate outside its boundaries under AS 29.35.020 [AS 29.48.037].

21 \* Sec. 57. AS 38.05.127(d) is amended to read:

22 (d) Upon application by a municipality or an affected owner of  
23 land, the department may vacate, release, modify, or relocate an ease-  
24 ment and right-of-way for public access to or along navigable or  
25 public waters reserved by the department in a patent issued under  
26 AS 29.65 or former AS 29.18.011 - 29.18.460, [AS 29.18] if the commis-  
27 sioner determines the action is consistent with the public interest.

28 \* Sec. 58. AS 38.05.290(b) is amended to read:

29 (b) Consistent with the best interests of the state, in the

1 selection of general grant land it is the policy of the state to make  
2 available the maximum land area from which municipalities may fulfill  
3 land entitlements under AS 29.65 or former AS 29.18.201 - 29.18.213.

4 \* Sec. 59. AS 38.05.321(b) is amended to read:

5 (b) State land classified as agricultural land that [WHICH] has  
6 been selected by a municipality under former AS 29.18.190 - 29.18.200  
7 or former AS 29.18.205(e) may be approved by the director for patent  
8 under AS 29.65.050(c) [AS 29.18.205(f)]; however, only rights in the  
9 land for agricultural purposes may be transferred and all other inter-  
10 ests in the land will remain with the state. Agricultural land ap-  
11 proved for patent to a municipality [UNDER AS 29.18.205(f)] shall be  
12 credited, acre for acre, toward fulfillment of that municipality's  
13 entitlement under AS 29.65.010 - 29.65.030 or former AS 29.18.201 -  
14 29.18.203. If the director later determines it to be in the best  
15 interests of the state to transfer some or all of the additional  
16 rights in that approved or patented agricultural land, those rights  
17 shall pass without consideration to the municipality in which the land  
18 is located. The notice and review provisions of AS 38.05.945 are  
19 applicable to conveyance of rights under this section.

20 \* Sec. 60. AS 38.05.321(c) is amended to read:

21 (c) The provisions of this section do not apply to

22 (1) [TO] state land classified as agricultural land that  
23 has been selected by a municipality under the provisions of former  
24 AS 29.18.190 - 29.18.200 if the selection is an approved selection  
25 before April 1, 1978 and is otherwise valid under AS 29.65.050(b) or  
26 former AS 29.18.205(b); or

27 (2) a quitclaim of the interest of the state to the federal  
28 government under AS 38.05.035(b)(9).

29 \* Sec. 61. AS 38.09.080 is amended to read:

1           Sec. 38.09.080. LAND WITHIN MUNICIPALITIES. (a) If a municipi-  
2           pality has filed a selection of state lands under AS 29.65 or former  
3           AS 29.18.201 - 29.18.213 with the commissioner, the state land se-  
4           lected may not be designated for homestead entry; if the commissioner  
5           determines that land selected by a municipality is not available for  
6           patent to the municipality under AS 29.65 or former AS 29.18.201 -  
7           29.18.213, the state land is available for designation by the commis-  
8           sioner for homestead entry under AS 38.09.010.

9           (b) The disposal of homestead entry land is subject to local  
10          planning, recording, or subdivision requirements established under  
11          AS 29.35.180 [AS 29.33] and AS 40.15.

12       \* Sec. 62. AS 39.50.145 is amended to read:

13           Sec. 39.50.145. PARTICIPATION BY MUNICIPALITIES. A municipality  
14           may exempt its municipal officers from the requirements of this chap-  
15           ter if a majority of the voters voting on the question at a [ANY]  
16           regular election, as defined by AS 29.71.800(20) [AS 29.78.010(14)],  
17           or a special municipality-wide election, vote to exempt its municipal  
18           officers from the requirements of this chapter. The question of  
19           exemption from the requirements of this chapter may be submitted by  
20           the city council or borough assembly by ordinance or by initiative  
21           election [ORDINANCE].

22       \* Sec. 63. AS 39.50.200(a)(7) is amended to read:

23           (7) "municipal officer" includes a borough or city mayor,  
24           borough assemblyman, city councilman, school board member, elected  
25           utility board member, city or borough manager, members of a city or  
26           borough planning or zoning commission within a home rule or general  
27           law city or borough, or [INCLUDING BUT NOT LIMITED TO] a unified muni-  
28           cipality [UNDER AS 29.68];

29       \* Sec. 64. AS 40.15.075 is amended to read:

1           Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH AND THIRD  
2 CLASS BOROUGHS. The division of lands is the platting authority in  
3 the area outside organized boroughs and outside cities in the unor-  
4 ganized borough and in the third class borough for only the purposes  
5 of hearing and acting on petitions for the change or vacation of plats  
6 and shall execute this function substantially in conformity with the  
7 provisions of AS 29.40.130 - 29.40.160 [AS 29.33.210 - 29.33.240].  
8 Costs of publication and mailing [AS WELL AS OTHER COSTS] authorized  
9 in AS 29.40.130 [AS 29.33.210] shall be paid to the division by the  
10 petitioner. The Department of Natural Resources shall adopt reason-  
11 able regulations governing the exercise of the authority conferred by  
12 this section upon the division of lands.

13 \* Sec. 65. AS 40.15.200 is amended to read:

14           Sec. 40.15.200. APPLICATION TO STATE AND POLITICAL SUBDIVI-  
15 SIONS. All subdivisions of land made by the state, its agencies,  
16 instrumentalities and political subdivisions are subject to the provi-  
17 sions of this chapter and AS 29.40.070 - 29.40.160 [AS 29.33.150 -  
18 29.33.240], or home rule ordinances or regulations governing subdivi-  
19 sions, and shall comply with ordinances and other local regulations  
20 adopted under this chapter and AS 29.40.070 - 29.40.160 or former  
21 AS 29.33.150 - 29.33.240, or under home rule authority, in the same  
22 manner and to the same extent as subdivisions made by other land-  
23 owners.

24 \* Sec. 66. AS 41.35.180(5) is amended to read:

25           (5) consult with local historical district commissions re-  
26 garding the establishment of historical districts under AS 29.55.010 -  
27 29.55.020 [AS 29.48.108 - 29.48.110] and the approval of project  
28 alterations under AS 45.98.040; recommend, if appropriate, the formu-  
29 lation of additional criteria for the designation of historical

1 districts under AS 29.55.020(b) [AS 29.48.110(b)]; approve plans for  
2 and evaluate the suitability of specific structures for purposes of  
3 loan eligibility and continuance under the historical district  
4 revolving loan fund (AS 45.98); and consult with the Department of  
5 Commerce and Economic Development relative to the adoption of  
6 regulations for historical district loans under AS 45.98.

7 \* Sec. 67. AS 41.98.175(d) is amended to read:

8 (d) In (a) of this section "municipalities" includes cities or  
9 organized boroughs of any class and unified municipalities exercising  
10 powers to initiate projects described in AS 41.98.170 and acquire  
11 parks and open space land, as otherwise authorized by law [, AND  
12 INCLUDES BUT IS NOT LIMITED TO UNIFIED MUNICIPALITIES ORGANIZED UNDER  
13 AS 29.68.240 - 29.68.440].

14 \* Sec. 68. AS 42.05.711(1) is amended to read:

15 (1) A person, utility, or cooperative that is exempt from regu-  
16 lation under AS 42.05.711(a) or (d) - (k) is not subject to regulation  
17 by a municipality under AS 29.35.060 and 29.35.070 [AS 29.48.060 -  
18 29.48.090].

19 \* Sec. 69. AS 43.56.010(b) is amended to read:

20 (b) A municipality may levy and collect a tax under AS 29.45.080  
21 [AS 29.53.045] at the rate of taxation that applies to other property  
22 taxed by the municipality. The tax shall be levied at a rate no  
23 higher than the rate applicable to other property taxable by the  
24 municipality. No municipality may exempt from taxation property  
25 authorized to be taxed under this chapter. Exemptions shall be lim-  
26 ited to those in AS 29.45.030, 29.45.050, [AS 29.53.020 AND AS 29.53.-  
27 025] and AS 43.56.020.

28 \* Sec. 70. AS 43.56.010(c) is amended to read:

29 (c) If the total value of assessed property of a municipality

1 taxing under AS 29.45.080(c) [AS 29.53.045(c)] exceeds the product of  
2 225 percent of the average per capita assessed full and true value of  
3 property in the state (to be determined by the department and reported  
4 to each municipality by January 15 of each year) multiplied by the  
5 number of residents of the taxing municipality, the department shall  
6 designate the portion of the tax base against which the local tax may  
7 be applied. [FOR PURPOSES OF THIS SUBSECTION THE AVERAGE PER CAPITA  
8 ASSESSED FULL AND TRUE VALUE OF PROPERTY IN THE STATE SHALL BE CALCU-  
9 LATED WITHOUT REGARD TO THE ASSESSED VALUE OF TAXABLE PROPERTY UNDER  
10 AS 43.58.]

11 \* Sec. 71. AS 43.56.010(d) is amended to read:

12 (d) A tax paid to a municipality under AS 29.45.080 or former  
13 AS 29.53.045 on or before June 30 of the tax year shall be credited  
14 against the tax levied under (a) of this section for that tax year.  
15 If, however, a tax is not paid to a municipality until after June 30  
16 of the taxable year, the department upon application shall refund to  
17 the taxpayer the amount of tax paid to the municipality under AS 29.-  
18 45.080 or former AS 29.53.045. The credit or refund of taxes paid to  
19 a municipality may not exceed the total amount of tax levied by the  
20 department upon the taxpayer for the tax year, under (a) of this  
21 section.

22 \* Sec. 72. AS 43.56.060(a) is amended to read:

23 (a) The department shall assess property for the tax levied  
24 under AS 43.56.010(b) and AS 29.45.080 [AS 29.53.045] on property used  
25 or committed by contract or other agreement for use for the pipeline  
26 transportation of gas or unrefined oil or for the production of gas or  
27 unrefined oil at its full and true value as of January 1 of the as-  
28 sessment year.

29 \* Sec. 73. AS 43.75.130(1) is amended to read:

1 (1) to each unified municipality [UNIFIED UNDER AS 29.68.-  
2 240 - 29.68.440,] and to each city located in the unorganized borough,  
3 50 percent of the amount of tax revenue collected in the municipality  
4 from taxes levied by AS 43.75;

5 \* Sec. 74. AS 44.33.403(2)(A) is amended to read:

6 (A) has the authority under AS 29.35 [AS 29.41 OR  
7 AS 29.48] to provide and maintain a cultural facility;

8 \* Sec. 75. AS 44.47 is amended by adding new sections to read:

9 ARTICLE 12. BOROUGH FEASIBILITY STUDIES.

10 Sec. 44.47.700. BOROUGH FEASIBILITY STUDIES. (a) The commis-  
11 sioner may contract for studies of the feasibility of establishing  
12 boroughs in the unorganized borough. A study may be conducted under  
13 this section only if

14 (1) appropriations are available for that purpose; and

15 (2) the study is requested by a person residing in the area  
16 to be studied or by a city located in the area to be studied.

17 Sec. 44.47.710. REQUESTS FOR STUDIES. A request for a study of  
18 the feasibility of establishing a borough in the unorganized borough  
19 shall be submitted to the commissioner in writing and shall include

20 (1) a description of the boundaries of the area of the pro-  
21 posed study; and

22 (2) an indication of local interest in the proposed study  
23 consisting of either

24 (A) a petition requesting the study containing the  
25 signatures and addresses of five percent of the voters residing  
26 in the area of the proposed study based on the number of voters  
27 who voted in the area in the last statewide election; or

28 (B) resolutions requesting the study adopted by the  
29 governing bodies of at least five percent of the cities within

1 the area of the proposed study.

2 Sec. 44.47.720. BOUNDARIES. The boundaries of an area studied  
3 shall conform to the boundaries indicated in the request for the study  
4 under AS 44.47.710 unless the commissioner, after a public hearing  
5 held in the area of the proposed study, determines that the boundaries  
6 should be altered. In determining the boundaries of an area to be  
7 studied, the commissioner shall consider

8 (1) the standards applicable to the incorporation of bor-  
9 oughs under AS 29.05.030;

10 (2) boundaries of regional corporations established under  
11 43 U.S.C. 1606;

12 (3) census divisions of the state used for the 1980 census;

13 (4) boundaries of the regional educational attendance areas  
14 established under AS 14.08.031; and

15 (5) boundaries of coastal resource service areas organized  
16 under AS 46.40.110 - 46.40.210.

17 Sec. 44.47.730. CONTRACTS. (a) The commissioner shall contract  
18 for a study of the feasibility of establishing a borough in the unor-  
19 ganized borough by following the procedures set out in AS 36.98. The  
20 commissioner shall include terms in the contract that provide for

21 (1) public participation in the preparation of the study;

22 (2) completion of the study not later than June 30 of the  
23 third year after the year the contract is executed.

24 (b) A study under this section shall include

25 (1) a recommendation for or against incorporation of a bor-  
26 ough containing all or part of the area studied;

27 (2) an evaluation of the economic development potential of  
28 the area studied;

29 (3) an evaluation of capital facility needs of the area

1 studied;

2 (4) an evaluation of demographic, social, and environmental  
3 factors affecting the area studied;

4 (5) an evaluation of the relationships among regional  
5 educational attendance areas, coastal resource service areas, and  
6 other regional entities responsible for providing services in the area  
7 studied;

8 (6) an evaluation of the relationships between the existing  
9 cities within the area studied and regional entities responsible for  
10 providing services in the area; and

11 (7) specific recommendations for

12 (A) organization of a home rule or general law borough  
13 government if one is recommended;

14 (B) changes in organization of cities in the area  
15 studied; or

16 (C) the improvement of the delivery of services to the  
17 public by the state in the area studied.

18 \* Sec. 76. AS 44.83.162(m) is amended to read:

19 (m) For purposes of (c) of this section, the number of residents  
20 of the community equals the number of residents of the community  
21 determined by the Department of Community and Regional Affairs in  
22 accordance with AS 29.60.020 [AS 29.88.015].

23 \* Sec. 77. AS 44.85.270(i) is amended to read:

24 (i) All references to the "reserve fund" in this section include  
25 special accounts within the reserve fund which may be created by the  
26 authority to secure the payment of particular bonds, including, with-  
27 out limitation, bonds issued by the capital city established under  
28 AS 29.14.010 [AS 29.18.510]. The commissioner of revenue may lend  
29 surplus money in the general fund to the authority for deposit to any

1 account in the reserve fund in an amount equal to the required debt  
2 service reserve. The loans shall be made on such terms and conditions  
3 as may be agreed upon by the commissioner of revenue and the author-  
4 ity, including, without limitation, terms and conditions providing  
5 that the loans need not be repaid until the obligations of the corpo-  
6 ration secured and to be secured by the account in the reserve fund  
7 are no longer outstanding.

8 \* Sec. 78. AS 44.85.410(3)(A) is amended to read:

9 (A) a general obligation bond that [WHICH] is a direct  
10 and general obligation of a political subdivision of the state,  
11 all the taxable property within which is subject to taxation to  
12 pay the bond, note or evidence of debt, and the interest without  
13 limitation, as to rate or amount generally to the extent permit-  
14 ted by law or to avoid a default as provided for second class  
15 cities under AS 29.45.590 [AS 29.53.410]; or

16 \* Sec. 79. AS 44.85.410(3)(D) is amended to read:

17 (D) a bond of a borough issued as a general obligation  
18 of a service area under AS 29.47.440 or former AS 29.58.340; [.]

19 \* Sec. 80. AS 45.98.020 is amended to read:

20 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and  
21 plan approval by a local historical district commission established  
22 under AS 29.55.010 or former AS 29.48.108 and the recommendation of a  
23 majority of the members of the Historic Sites Advisory Committee, the  
24 Department of Commerce and Economic Development may make loans to a  
25 person, firm, business or municipality subject to applicable laws for  
26 the restoration, improvement, rehabilitation, or maintenance of a  
27 structure that [WHICH] is

28 (1) within the boundaries of a historical district estab-  
29 lished under AS 29.55.020 or former AS 29.48.110;

1 (2) identified as important in state or national history as  
2 provided for in AS 29.55.020(b) or former AS 29.48.110(b); and

3 (3) another building or structure within a historical dis-  
4 trict, and suitable for superficial modification so that it can con-  
5 form to the period or motif of the surrounding buildings or structures  
6 that are the reason for the area's designation as a historical dis-  
7 trict.

8 \* Sec. 81. AS 46.03.210(a) is amended to read:

9 (a) A municipality with a population in excess of 1,000 may,  
10 within five years from August 5, 1969, establish and administer within  
11 its jurisdiction an air pollution control program. Organized boroughs  
12 may establish an air pollution control program on an areawide basis,  
13 and the exercise of powers with respect to the program is not subject  
14 to the restrictions on acquiring additional areawide powers specified  
15 in AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.290]. Local pro-  
16 grams shall

17 (1) provide by ordinance for requirements compatible with  
18 those imposed by the provisions of AS 46.03.140 and 46.03.170 and  
19 applicable regulations;

20 (2) provide for the enforcement of the requirements imposed  
21 through appropriate administrative and judicial processes;

22 (3) provide for a local administrative organization, staff,  
23 and other resources necessary to effectively carry out the purposes of  
24 the program; and

25 (4) be approved by the department as being satisfactory to  
26 meet the requirements of AS 46.03.140 - 46.03.170 and the applicable  
27 regulations.

28 \* Sec. 82. AS 46.11.040(3)(A) is amended to read:

29 (A) is constructed under an exception to the municipal

1 building code granted because the exception will result in in-  
2 creased energy efficiency [UNDER AS 29.33.080(g)]; or

3 \* Sec. 83. AS 46.11.900(8) is amended to read:

4 (8) "state financial assistance" means a loan, grant,  
5 guarantee, insurance, payment, rebate, subsidy, or other form of state  
6 assistance (other than aid under AS 29.60 [AS 29.88, AS 29.89, AS 29.-  
7 90, AS 29.95,] and AS 43.18) including the purchase by a state agency  
8 of a loan to finance the construction of a new residential, commer-  
9 cial, or industrial building;

10 \* Sec. 84. AS 46.35.200(3) is amended to read:

11 (3) "local government" means a city or borough including a  
12 unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440];

13 \* Sec. 85. AS 46.40.140(h) is amended to read:

14 (h) Members of coastal resource service area boards are subject  
15 to recall on the same grounds and in the same manner as provided for  
16 recall of municipal officials in AS 29.26.240 - 29.26.350 [AS 29.28.-  
17 130 - 29.28.250]. The lieutenant governor functions in place of the  
18 assembly or council and municipal clerk for receipt and review of  
19 recall petitions and the conduct of recall elections.

20 \* Sec. 86. AS 46.40.210(2)(A) is amended to read:

21 (A) unified municipalities [ESTABLISHED UNDER AS 29.-  
22 68.240 - 29.68.440];

23 \* Sec. 87. AS 47.35.010(b) is amended to read:

24 (b) The department shall, within 90 days after receiving a  
25 written request that it do so, delegate its powers relating to nur-  
26 series under this section and under AS 47.35.040 - 47.35.060 to a  
27 municipality that [WHICH] has adopted an ordinance providing for day  
28 care licensing under home rule powers or as authorized under AS 29.-  
29 35.200 - 29.35.210 [AS 29.48.035(a)(20)]. A municipality to which

1 these powers have been delegated may waive or modify any regulation or  
2 standard established by the department under the authority of AS 47.-  
3 35.010 - 47.35.080 as it applies to nurseries or the application of  
4 any such regulation or standard as it applies to a particular day care  
5 licensee but must notify the department of any waiver.

6 \* Sec. 88. The following laws are repealed: AS 04.11.400(c); AS 04.-  
7 21.080(b)(11); AS 14.56.065(b), 14.56.180(3); AS 15.13.130(6); AS 18.55.-  
8 950(10); AS 19.20.015(f); AS 24.55.330(3); AS 28.40.100(a)(10); AS 29.08;  
9 AS 29.13; AS 29.18; AS 29.23; AS 29.28; AS 29.33; AS 29.38; AS 29.41;  
10 AS 29.43; AS 29.48; AS 29.53; AS 29.58; AS 29.63; AS 29.68; AS 29.73;  
11 AS 29.78; AS 29.88; AS 29.89; AS 29.95; AS 30.15.070(3); AS 30.30.170(2);  
12 AS 35.15.120(3); AS 42.06.630(6); AS 43.20.016; AS 43.56.210(8); AS 44.-  
13 07.360(8); AS 44.33.417(6); AS 44.47.310(5); and AS 44.85.410(4).

14 \* Sec. 89. A right or liability of a municipality existing on  
15 January 1, 1986, is not affected by the enactment of this Act. Ordinances  
16 and regulations in effect on January 1, 1986, remain in effect unless they  
17 conflict with provisions of this Act. Ordinances and regulations in effect  
18 on January 1, 1986, that conflict with provisions of this Act remain in  
19 effect for 180 days after January 1986. The terms of elected or appointed  
20 municipal officials in office on January 1986, are not affected by this  
21 Act, and their terms expire as provided before January 1, 1986.

22 \* Sec. 90. This Act takes effect January 1, 1986.