

5-0163A  
Referred: Community & Regional Affairs,  
Judiciary and Finance

1 IN THE SENATE BY BINKLEY

2 SENATE BILL NO. 50

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to dissolution of a municipality."

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

8 \* Section 1. AS 29.06.470(a) is amended to read:

9 (a) Except as provided in (b) of this section, voters of a  
10 municipality may petition for dissolution when the municipality is  
11 free of debt, or, if in debt, each of its creditors is satisfied with  
12 a method of repayment and

13 (1) it no longer meets the minimum standards prescribed for  
14 incorporation by AS 29.05, or former AS 29.18.030 if it is a third  
15 class borough; [OR]

16 (2) the municipality ceases to use each of its mandatory  
17 powers; or

18 (3) dissolution is approved in an advisory election held on  
19 the question by the municipality proposed to be dissolved.

20 \* Sec. 2. AS 29.06.520 is repealed and reenacted to read:

21 Sec. 29.06.520. SUCCESSION. (a) The Local Boundary Commission  
22 shall provide for the distribution of assets and liabilities of a  
23 municipality upon its dissolution. Assets and liabilities may be  
24 distributed to the state, another municipality, a nonprofit corpora-  
25 tion formed under the laws of the state, or a Native council organized  
26 under 25 U.S.C. 476.

27 (b) In determining how to distribute the assets of a municipali-  
28 ty upon its dissolution, the Local Boundary Commission shall consider  
29 the manner in which the assets will be best used to continue to

- 1 provide services to the area of the dissolved municipality. Prefer-
- 2 ence in the distribution of the assets shall be given to the state,
- 3 another municipality or a nonprofit corporation.