

**SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 1  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY REPRESENTATIVE LARSON**

**Introduced: 3/1/91**

**Referred: Community & Regional Affairs, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the incorporation of boroughs, to annexation of certain areas, and to  
2 the committee on municipalities; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* **Section 1. COMMITTEE ON MUNICIPALITIES.** (a) A committee on municipalities is  
5 established in the Department of Community and Regional Affairs consisting of the commissioner of  
6 community and regional affairs or the commissioner's designee, the chair of the local boundary  
7 commission or the chair's designee, and the following members appointed by the governor:

8 (1) a member of the senate;

9 (2) a member of the house of representatives;

10 (3) an employee or official of a borough or unified municipality;

11 (4) an employee or official of a city in the unorganized borough;

12 (5) a member of a regional educational attendance area school board;

13 (6) a resident of an unincorporated community in the unorganized borough who is a

14 member of a local governing body organized under 25 U.S.C. 476 or a traditional village council of a

1 Native village that meets the requirements of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 -  
2 1628); and

3 (7) a representative of the Alaska Municipal League.

4 (b) Members are not entitled to receive compensation, but the members appointed under (a)(3) -  
5 (7) of this section are entitled to per diem and travel expenses authorized for boards and commissions  
6 under AS 39.20.180.

7 (c) The commissioner of community and regional affairs or the commissioner's designee shall  
8 serve as committee chair. The committee shall consider means to eliminate or reduce disincentives and  
9 enhance incentives for the formation of boroughs. The committee shall also consider ways to ensure  
10 greater equity in the distribution of financial aid to all municipalities. The committee shall submit a  
11 report of its findings and recommendations to the legislature and to the local boundary commission by  
12 January 1, 1994. The Department of Community and Regional Affairs shall make copies of the report  
13 available to all municipalities.

14 (d) The committee terminates upon submission of its report under (c) of this section.

15 \* Sec. 2. BOUNDARY STUDY. (a) The local boundary commission shall conduct a boundary study  
16 of the unorganized borough to determine

17 (1) which regions meet the standards set out in AS 29.05.031 for borough incorporation;  
18 and

19 (2) which areas should be annexed to existing boroughs or unified municipalities.

20 (b) In conducting the boundary study, the local boundary commission shall consult with existing  
21 municipalities, regional educational attendance areas, and coastal resource service areas. The commission  
22 shall conduct at least one public hearing in each region found to have met the standards for borough  
23 incorporation and in each area the commission determines should be annexed. The study must be  
24 completed by May 1, 1994.

25 \* Sec. 3. ANNEXATION OR BOROUGH FORMATION. (a) After completing the boundary study,  
26 the local boundary commission shall notify the director of elections of each region the commission  
27 determines should be incorporated as a borough and each area the commission determines should be  
28 annexed. Within 30 days after notification, the director of elections shall order an election in each  
29 region and area to determine whether the voters desire borough incorporation or annexation in  
30 accordance with the boundary study. The elections shall be held before December 1, 1994.

31 (b) The director of elections shall supervise each election in the general manner prescribed by

1 the Alaska Election Code (AS 15). The state shall pay all election costs.

2 (c) The director of elections shall certify the election results. If an annexation is approved, the  
3 annexation is effective when the election results are certified. If a borough incorporation is approved,  
4 incorporation is effective in accordance with sec. 7 of this Act.

5 (d) If an annexation is disapproved, the local boundary commission may submit the proposal for  
6 annexation to the legislature under AS 44.47.567 - 44.47.583. If a borough incorporation is disapproved,  
7 the commission may submit the proposal for incorporation to the legislature during the first 10 days of  
8 the First Regular Session of the Eighteenth Alaska State Legislature. A proposal for borough  
9 incorporation may be disapproved by a concurrent resolution adopted by a majority of the members of  
10 each house within 45 days after the proposal is submitted to the legislature. If it is not disapproved,  
11 borough incorporation becomes effective in accordance with sec. 7 of this Act.

12 \* Sec. 4. PROVISIONAL HOME RULE CHARTER. (a) By March 1, 1995, the Department of  
13 Community and Regional Affairs shall prepare a provisional home rule charter for the boroughs to be  
14 incorporated under this Act. The charter must provide that each new borough exercise only those powers  
15 a home rule borough must exercise by law.

16 (b) The voters of a region scheduled for incorporation under sec. 3(c) or (d) of this Act may  
17 petition the department for an amendment to the provisional charter for that new borough. If the  
18 department determines that at least 15 percent of the number of voters who voted in the last general  
19 election in the region have signed the petition, the department shall submit the proposed amendment to  
20 the director of elections.

21 \* Sec. 5. CHARTER COMMISSION. (a) If a borough incorporation is approved under sec. 3(c)  
22 of this Act, the director of elections shall schedule a charter commission election in the region to be held  
23 by March 1, 1995. Any person who has been qualified to vote in the region for at least one year  
24 immediately preceding the date set for the charter commission election may become a charter  
25 commission candidate by notifying the director of elections. The notification must be received by the  
26 director at least 30 days before the election date. If at least seven candidates have not notified the  
27 director by the deadline, no charter commission election may be held. If an election is held, the seven  
28 candidates receiving the highest number of votes immediately organize as a charter commission.

29 (b) The Department of Community and Regional Affairs shall provide staff and administrative  
30 assistance to each charter commission organized under this section. Charter commission members serve  
31 without compensation, but are entitled to per diem and travel expenses authorized for boards and

1 commissions under AS 39.20.180.

2 (c) The charter commission shall prepare a proposed home rule charter. The charter must be  
3 signed by a majority of the commission members and filed with the director of elections. The  
4 commission shall hold at least one public hearing on the charter before signing and filing it. The  
5 director of elections shall submit the proposed charter to the voters at an election held before the first  
6 Tuesday in October 1995. If the charter is approved, it becomes effective on the first Monday following  
7 certification of the election of initial borough officials.

8 (d) If no charter is prepared and approved by the voters under this section, the provisional  
9 charter prepared under sec. 4 of this Act, together with any proposed amendments adopted at the election  
10 of initial officials, operates as the charter for the new borough.

11 \* Sec. 6. ELECTION OF INITIAL OFFICIALS. On or before the first Tuesday in October 1995,  
12 the director of elections shall hold an election of initial borough officials under AS 29.05.120 in each  
13 borough scheduled for incorporation under this Act. Unless a borough has already adopted a charter  
14 under sec. 5 of this Act, any proposed amendments to the provisional charter of the borough received  
15 by the director under sec. 4(b) of this Act shall be submitted to the voters at the election of initial  
16 borough officials.

17 \* Sec. 7. INCORPORATION OF NEW BOROUGHES. (a) A region is incorporated as a home rule  
18 borough on the first Monday following certification of the election held under sec. 6 of this Act. The  
19 home rule charter adopted under sec. 5 of this Act or the provisional home rule charter prepared by the  
20 Department of Community and Regional Affairs under sec. 4 of this Act, together with any charter  
21 amendments approved by the voters, operates as the charter for the new borough.

22 (b) AS 29.05.140 and 29.05.190 - 29.05.210 apply to boroughs incorporated under this section.

23 \* Sec. 8. This Act takes effect immediately under AS 01.10.070(c).