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Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
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Juneau, Alaska 99811

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REPRESENTATIVE MILO H. FRITZ, M.D.
Chairman, House Community & Regional Affairs Interim Committee

would like to gratefully acknowledge the following people who helped make this report possible.

COMMUNITY AND REGIONAL AFFAIRS COMMITTEE STAFF:

Shirley Dreas, Committee Assistant
Eve Fox, Committee Interim Secretary
Dave Schade, Committee Interim Assistant

Special thanks also for the technical advice of:

Joe Brewer, Counsel to House Judiciary Committee

Ginny Chitwood, Alaska Municipal League

Tamara Cook, Legislative Legal Department

Bob Harris, Director, City of Wasilla



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Juneau, AK 99811

Dear Fellow Legislators:

During the First Session of the Thirteenth Alaska State Legislature, the House Community and Regional Affairs Committee held extensive hearings on HB172, the Municipal Code revision. Eight amendments have received Committee approval. Some other amendments have been proposed to the Committee for consideration early in the Second Session.

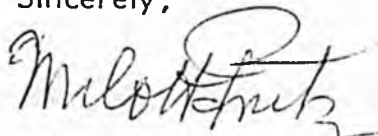
HB172 has many complex issues within its scope. The House Community and Regional Affairs Interim Committee has prepared a report covering this legislation and its history. The main purpose of this report is to give a concise overview of the bill and its issues.

The previous veto by Gov. Hammond of similar legislation was brought about by the addition of many well intentioned, but problematical amendments from the Floor. The current bill, HB172, does not contain any of those amendments. Many people believe that HB172 makes major alterations to Title 29. In fact, the major revisions to Title 29 have been passed thru separate legislation in the 1st Session of the 13th Legislature. At this time, HB172 is an editing and clarifying bill to aid the municipalities of the State in accurately interpreting Title 29.

It is the Committee's desire to give each legislator adequate time to suggest any changes during the Committee process. This report features the progression of the bill and the proposals to be considered by the Committee. Any other ideas, comments and suggestions should be directed to the Community and Regional Affairs Committee as soon as conveniently possible. It is the feeling of the Interim House Community and Regional Affairs Committee Chairman that any other major amendments should be dealt with in separate legislation.

The House Community and Regional Affairs staff has devoted much time to the preparation of this report. I hope it is beneficial to you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Milo H. Fritz". The signature is written in dark ink and is positioned above the typed name.

Representative Milo H. Fritz, M.D.
Interim Chairman
House Community and Regional Affairs Committee



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TITLE 29

HISTORY

When our constitution was adopted in 1956, its provisions for local government were the most advanced in the nation. Title 29 of the Alaska Statutes, "Municipal Government" is the codification of session laws pertaining to Municipalities and sets forth the authority and responsibilities of local governments. Title 29 is divided into chapters dealing with local government's functions and services.

Although updated in 1972, it was not until the beginning of 1980 that Senate Concurrent Resolution 66 authorized the Alaska legislature to revise the municipal government statute. A Policy Advisory Group, composed of municipal officials, 2 Senators, 2 Representatives and assisted by a Technical Group of municipal attorneys and a city clerk, was formed to assist in interpreting provisions of the law and in revising specific statutes. Policy decisions were finalized by the Policy Advisory Group. The Group developed two basic guidelines, the simplification of the title's organization and the achievement of maximum flexibility in the structure and functioning requirements of local government.

Simplifying Title 29 meant clarifying how those powers were to be assumed and administered. In addition, to meet the desire for more flexibility in carrying out day-to-day administrative and procedural responsibilities, the Group found that less technical assistance in defining local government's structure and procedure would be required by local governments once the revision is adopted. Furthermore, it was recommended that the capability of the Department of Community and Regional Affairs be expanded to provide technical assistance to match the future demand for the Department's services.

The public, in testimony, asked for a variety of proposals; demanding more local direction of state programs, the granting of municipal rights and powers to Native governments along with the desire for self-governing regional organizations. State agencies proposed that local governments consider taking over "local" agency programs. Local governments were concerned with two things: the increasing or decreasing costs due to decentralization; and, if those programs could be responsibly administered.

Rural residents of Alaska were concerned over the multiplication of agencies and organizations formed to respond to state and federal program requirements. These may include a city council, Indian Reorganization Act Council, village corporation board and subcommittees, membership in various non-profit organizations (formed to provide health services, regional housing authorities) and regional Coastal Resource Service Areas and Regional Education Attendance Areas, etc. Some rural residents felt that the creation of separate single-purpose service areas led to a fragmenting of local control. Others believed that service areas would be the best vehicle for additional public services in the unorganized borough.

The Group proposed revisions for Title 29 addressing many of the difficulties of administering mandated state and federal programs. The third draft of a proposed revision of Title 29 was approved and submitted to the Legislature for consideration (S.D.#1).

During the 12th Legislature, SB180 and HB170 provided revisions and improvements to the municipal code. These changes were accomplished with overwhelming cooperation among legislators, state and local government officials and staff. The bills received numerous committee hearings, addressing the major concerns expressed by the public and state agencies. Major amendments, made on the Floor of the House during the hectic final hours of the Session, caused Governor Jay Hammond to veto the bill (S.D.#2).

A list of the reasons Gov. Hammond used to support his veto follows. Asterisks (*) will refer you to the method in which the concerns are presently being handled, either through separate legislation or through HB172 amendments. Material within parenthesis (S.D.#) will refer you to support documents.

- 1). An amendment redefining "population" permitted the counting of workers at isolated areas to recognize seasonal employees. The results would significantly impact local services (S.D.#1).

HB42*, presently under consideration by the Senate Finance Committee, relates to the determination of population for purposes of calculating amounts of state aid (S.D.#3). The language states that no person may be included in the population count of more than one taxing unit. The population of a taxing unit, including any military reservation that is part of the taxing unit, shall be determined annually by the latest figures of the U. S. Census Bureau. Gov. Hammond requested the Department of Community and Regional Affairs to draft regulations for state assistance to local governments compensating more equitably those communities impacted by seasonal, temporary and isolated workers (S.D.#2).

- 2). Under a proposed definition of "developed", a provision exempting forest land from municipal property taxation contains a definition of developed by reference to Federal law that posed substantial problems of interpretation and impact. The Department of Law advised that the definition of "developed" would probably induce costly and unnecessary litigation.

Bond Council advised Gov. Hammond that the bill could impede local government General Obligation bond programs in progress and significantly harm the credit ratings of virtually all Alaskan communities (S.D.#2).

This concern was addressed in separate legislation, SB260* (S.D.#4), Chapter 97, 1983 Session Laws, see proposed amendment #10.

- 3). One section affected a major change in public utility regulatory philosophy, reversing the direction chosen with deregulation in 1980. Gov. Hammond questioned re-regulating public utilities at the municipal level unless arguments are raised to change them. Further, he recommended that this concern be addressed in a separate piece of legislation (S.D.#2).

This concern was addressed in separate legislation, HB274*, Chapter 30, 1983 Session Laws, see proposed amendment #10 (S.D.#5).

Although, there were other concerns Gov. Hammond listed, the three above were the most important. SB1 (S.D.#8) was prefiled in the Senate. Later, Governor Sheffield introduced HB172 (S.D.#6) thru the Rules Committee to parallel the Senate bill (S.D.#7).

SYNOPSIS OF CHAPTERS

The following is a brief synopsis of the chapters in Title 29 as written in HB172.

CHAPTER 4 deals with the classification of municipalities.

Municipalities are divided into two classes, Home Rule and General Law. Home Rule Municipalities have all legislative powers not prohibited by law. General law municipalities have specific powers conferred by law. There are five classes of general law municipalities. Chapter 4 also delineates the process for reclassification of a municipality.

CHAPTER 5 deals with incorporation.

Article I sets forth the requirements necessary for incorporation; minimum number of people, adequate size, and adequate financial resources.

Article II sets forth the procedures necessary to become incorporated, providing for a service area to integrate into the new municipality within two years of incorporation. A legal challenge to the formation of a municipality must occur within six months after the date of incorporation.

Article III establishes transitional assistance, setting forth the amounts that a new or reclassifying municipality receives as a grant to help defray costs. It establishes an Organizational Grant Fund in the Department of Community and Regional Affairs and requires the Department to provide organizational assistance to the municipality in developing its tax structure.

CHAPTER 6 deals with the alteration of municipalities.

Article I provides for name changes to a municipality.

Article II establishes the procedures for annexation and detachment.

Article III establishes the procedures for merger and consolidation.

Article IV relates to unification of municipalities, establishment of

Charter Commission procedures for proposal of a home rule charter and voter approval. It defines election of members, organization and procedures of the commission and other necessary provisions. The powers of a unified municipality are those powers not prohibited by law and given to a home rule borough.

Article V establishes the method of dissolution.

CHAPTER 10 defines the organization and powers of home rule municipalities.

Article I provides for the establishment of a new charter and requires the Department of Community and Regional Affairs to prepare a model charter for the charter commission to use. A provision in the charter for initiative and referendum procedures is also required. Article 1 sets forth the events which follow rejection of the charter by the voters.

Article II sets forth the limitations placed on home rule municipalities. This article provides that the Home Rule municipalities abide by the itemized sections of Title 29.

CHAPTER 20 sets the guidelines for municipal officers and employees.

Article I requires the municipality to adopt a conflict of interest ordinance which requires that all meetings of municipal bodies be public in adherence with AS 44.62.310 and that the public be provided with the opportunity to be heard.

Article II establishes the governing bodies. The legislative authority in a borough will be vested in the assembly. The legislative authority of a city will be in the council. It requires equal representation as set by the Constitution of the United States. It establishes the forms of representation to be proposed to the voters. The procedures for recomposition and reapportionment are established along with composition requirements. There are some restrictions as to the qualifications the municipality places on the members. The minimum procedures of the governing bodies are 1 meeting per month, 24 hour notice for

special meetings, a quorum being a majority of the total membership and the requirement of all members voting.

Article III establishes that the municipal executive is the Mayor. If the municipality has not established a city manager type of government, the mayor is also the manager of the city. This section provides the right of veto to the mayor with certain exceptions. Qualifications for office, election procedures, absences and vacancies are provided.

Article IV regulates boards and commissions with provisions for school boards and utility boards and allowance of other boards and commissions necessary to the operation of the local government.

Article V which covers other officials and employees, provides that the municipal clerk, attorney, treasurer, and police chief are appointed by the chief executive with approval by the governing body, unless by ordinance another system of selection is designated. This article provides for the duties of the offices, and allows a municipality to develop departments and a personnel classification system.

Article VI covers the adoption and use of a manager plan of government, including the procedures for election of a plan, appointment of a manager, and the powers and duties of the manager.

Article VII contains miscellaneous provisions. It establishes that before taking office, all municipal officials will in writing affirm an oath of office. It requires bonding and certain reports.

CHAPTER 25 covers municipal enactments.

Certain actions must be done by ordinance, including dealing with departments, issues dealing with or requiring a fine or other penalty, issues dealing with taxes, other major business type dealings, etc. The ordinance procedure to be followed includes public notice five days in advance, a public hearing, official action being taken and written copies being available to the public. Upon finding that a fact supported emergency exists, ordinances can be adopted to meet the emergency. The ordinance, which can be passed at its introductory meeting, must be passed by three quarters of the governing body or

by all members present. Copies of the emergency ordinance must be made available to the public. An emergency ordinance, effective for a period of 60 days, may not be used to levy taxes, extend a franchise or to regulate rates charged by a public utility. A municipality must establish a code of regulations and must codify each ordinance passed. Resolutions must be placed on permanent file. Penalties for a violation of municipal ordinances may not be greater than those imposed for a Class B misdemeanor. Actions may be brought by the municipality or by an aggrieved person. Penalties, authorized under Chapter 26, may not be imposed if copies of the ordinance are not made available at cost or less to the public.

CHAPTER 26 deals with elections.

Article I deals with regular and special elections providing for administration of the elections, the nomination process, 20 days notice of an election and voter qualification. A person can hold more than one office, but may not hold simultaneously the seat of borough mayor and assembly member or of city mayor and city council. Unless otherwise provided for by ordinance in a first class city, a runoff election is required for the office of mayor or member of governing body or school board if a candidate does not receive over 40% of the total votes cast. A run off election is required for an "at large" seat if no candidate receives a number of votes greater than 40% of the total votes cast, divided by the number of seats to be filled. An election must be contested before or during the first canvas of the ballots. Court action must be initiated within 10 days, or the election results are conclusive and valid.

Article II provides for initiatives and referendums. 10 voters of a municipality may file an initiative or referendum petition application with the municipal clerk. The clerk shall certify the application if it does not conflict with AS 29.26.100, includes a single subject, is a legislative matter and is enforceable as a matter of law. Within two weeks after certification, the municipal clerk must prepare a petition containing a summary of the ordinance or resolution, the complete

version sought by the sponsors and other administrative information. Petition signatures are to be collected in pen or indelible pencil within 60 days after the clerk issues the petition. In municipalities of 7500 people or less, a petition must be signed by a number equal to 25% of the voters who voted in the last regular election. A number equal to 15% of the votes cast, in a city with 7500 people or more, must be collected. The petition will be submitted as a single instrument and the municipal clerk has ten days to certify the sufficiency of the petition or identify the areas which are insufficient. If the petition is rejected, the sponsors have 10 days to file additional signatures. Then, the clerk has another 10 days to certify the petition. If the petition is again rejected, it is filed as a public record. A protest of a rejection must be filed within 7 days to the mayor and brought before the governing body at the next regular meeting. Failure of a petition does not preclude a new petition, but a petition on similar material may not be filed for six months. The initiative vote must be held at the next regular election or at a special election, not before 45 days or later than 75 days after certification. An ordinance or resolution may not be changed, repealed, or enacted within one year of the effective date of an initiative.

Article III addresses the procedure for recall of an elected official who has held office for at least 120 days. The application for a recall petition will be filed with the municipal clerk and shall contain the signatures and addresses of 10 municipal voters, the address that all correspondence will be sent to and the statement of reasons for recall in 200 words or less. If the petition application is determined to meet the requirements of AS 29.26.260, the clerk will prepare a recall petition with the name of the person to be recalled, the reasons for recall as stated in the original petition application and other administrative information. The signature requirements are identical to Article II except that the petition must contain a number of signatures equal to 35% of the number of people who voted for that office. The sufficiency of the petition must be determined by the clerk within 10 days. If there are more than 180 days before the end of said term and the total of valid and invalid signatures is equal to or greater

than the required number, the sponsors have an additional ten days to gather the necessary additional signatures. Article II sets the new recall time limits, election time limits, the recall ballot form and how successors will be selected to vacant offices.

CHAPTER 35 deals with municipal powers and duties.

Article I sets forth the general powers of a municipality. All municipalities have the power to provide for operation of its departments and facilities. Those powers include setting salaries of the elected and appointed officials. General provisions provide for the ability to tax, enforce ordinances, prescribe penalties, deal in real and personal property, expend funds for public purpose, regulate municipal rights-of-way, facilities or services, borrow money, acquire certain memberships, enter into agreements with other governmental agencies and sue or be sued. In certain instances, a municipality is allowed to have extraterritorial jurisdiction over certain facilities or services. Municipalities can exercise eminent domain, use emergency disaster powers, provide garbage and solid waste services and require use thereof. A city may not prohibit a person with a valid Alaska Public Utilities permit from continuing that service. Before providing the same services, a city must purchase the permit and equipment of a carrier. Article I provides for franchises and permits, limited public utility regulation, control over alcoholic beverages, rules for land transactions, budget and capital programs, expenditure of borough revenues, establishment and operation of emergency services communication centers. An annual independent audit of each municipality's finances is required.

Article II sets forth mandatory areawide powers. Each borough constitutes a school district. A school district will be established, maintained and operated in all areas, except military reservations. All boroughs shall assess and collect all taxes levied within its boundaries. The borough must return all city taxes collected to the city. First and second class boroughs must provide for platting, planning

and land use regulation in accordance with AS 29.40. Home rule boroughs are required to provide for planning, platting and land use regulation.

Article III establishes additional powers, giving a first class borough power to establish on a non-area wide basis all powers not prohibited by law. First class boroughs are given the ability to establish certain areawide powers including the provision of transportation systems, water pollution control, air pollution control, licensing of day care centers and the licensing, impoundment, and disposal of animals. Second class boroughs are given the power to exercise certain areawide powers and any non-areawide power not prohibited by law that is approved by a majority of the voters living in the borough. Third class boroughs are restricted to areawide powers of tax assessment and collection and education. Other powers can be exercised within service areas only.

Article IV establishes city powers. A city, within a borough, may exercise any power not otherwise prohibited by law. No city may exercise a power being exercised by the local borough. Home rule and first class cities, in a third class borough, may be required to exercise land use planning and regulation. Cities, outside a borough, may exercise a power not prohibited by law. A home rule or first class city, outside a borough, is a school district and shall provide for land use regulation and planning.

Article V allows acquisition of additional powers. Powers are transferred by a city to a borough or by areawide election. A number of voters filing a petition or the assembly proposing the acquisition of the power initiates official action. Within 30 days, the assembly must have one public hearing and evaluate the ability of the borough to exercise that power. Within 60 days after the borough's findings, an election must be ordered. The election process is detailed, with the specific requirement that the city and outside areas be tallied separately. Both groups must vote favorably. The power will be assumed within 30 days of a favorable election. The specific effects of acquiring an areawide power are detailed.

Article VI shows the construction of powers. A liberal construction

shall be given to all powers and functions given by Title 29. Also, unless limited by law, all powers necessary for the implementation of powers and functions conferred in Title 29 may be exercised.

Article VII allows for the establishment of service area controlled by ordinance. A city can be included in an areawide service area if the city passes an ordinance to that effect or if both city and non-city voters approve in an election. The controlling board may be elected or appointed. The levying of taxes and issuance of bonds is allowed but must be approved by the assembly. Article VI states what powers may be established in different classes of boroughs. Owners of real property may consent, in writing, to establishment of a service area in a place where no voters reside.

Article VIII is the miscellaneous provision defining "power" as the provision of a public facility and service, or the exercise of a regulatory power.

CHAPTER 40 provides for the functions of planning, platting and land use regulation for any first or second class borough.

The borough may transfer any of its powers to a city, but can unilaterally revoke the transfer. A planning commission must be established with the duties of preparing a proposed comprehensive plan and measures necessary to implement the comprehensive plan once it is established. The commission must be apportioned to reflect the population living in first class and home rule cities. The makeup of the comprehensive plan is outlined with the requirement of periodic overall review included. In accordance with the comprehensive plan, the assembly is required to adopt or amend provisions governing the use and occupancy of land. By ordinance, the assembly must provide for the appeal of an administrative decision, but are allowed to decide who will handle the appeal and how it will be handled. Chapter 40 requires an appeal of the second decision to be directed to the superior court which will handle an administrative appeal based on the record established by the first reviewer. By ordinance, the assembly must adopt platting regulations and a platting authority must be established

to administer subdivision regulations and other prescribed duties. An abbreviated plat procedure must be established for a plat that meets certain requirements. A waiver of platting requirements is required if the abbreviated plat requirements are met and only lots five acres or larger. The platting procedure is established with a specific time frame of 60 days being used. A recorded plat may not be altered, except on petition from the state, the borough, a public utility or the owners of a majority of the land affected. A notice of hearing with certain required information must be posted and a platting authority hearing held before a decision can be made. Addressed is the requirement of recording, handling of the title of vacated areas and the delegation of authority by the platting commission. A person who violates a land use regulation or requirement is guilty of a Class B misdemeanor. A civil action can be brought against a person who violates a section of the land use chapter. An injunction must be given by the superior court when a violation or a threatened violation occurs. Subdivisions of state land can not be required to meet capital requirements of a platting authority.

CHAPTER 45 authorizes municipal taxation.

Article I allows a unified municipality to levy a property tax. Boroughs are allowed to levy a property tax for services provided. The municipality must publish a notice to taxpayers explaining the amount of State municipal assistance programs received. Article I also deals with 7 classes of exemptions. All household furniture of the head of a household is now exempt. The new title will allow property of an auxiliary of a nonbusiness organization to be exempt. Lots adjacent to a structure used for religious purposes are no longer exempt. The exemption for 65 years or older persons' residences must be applied for in writing no later than January 31 unless a delayed date of March 31 has been adopted by ordinance. The governing body may waive the time required for a good cause. The State of Alaska will reimburse the municipalities for revenues lost by these exemptions. The law requires property tax equivalency payments to renters 65

years or older. The section dealing with 43 U.S.C. 1620(d) was changed by SB 260 (S.D. #4). A municipality may provide some optional exemptions, including the allowance of an exemption of property taxes for a residence with a \$10,000 maximum amount. Other exemptions, exclusions, and classifications may be given if certain requirements are met. The requirement which did not allow taxation based on tonnage of a vessel to exceed prescribed amounts has been eliminated. Farm or agricultural use land shall be assessed on the full value of farm use (see Amendment #7). Exemption of greenhouses has been deleted. Taxes must be paid for the preceding 7 years if the land is sold or converted to uses incompatible with agriculture. Mobile homes established to a location will be classified as real property. An oil and gas production tax will be levied by one of two methods in A.S. 29.45.080. Taxes are limited to a maximum of \$1500 per year per person within the municipality or the product of 225% of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality. There are no limitations on taxes to pay the principal and interest on bonds. Assessments will be made at full and true value. Inventories may be valued as of January 1 or by the average monthly method of assessment. Each person having ownership or interest in property may be required to submit a prescribed form to the assessor. The assessor has the right to do an on premises independent investigation and may require a person to answer questions under oath. It is a class B misdemeanor to take actions with the intent of tax evasion. Re-evaluations made by the tax assessor will be done in accordance with a resolution or other directive of the municipality in a systematic manner. The assessor must annually prepare an assessment role with the description of all taxable property, assessed value of said property and the name and addresses of all property owners. The assessor is required to provide each owner a notice of assessed value of the property, the dates taxes are due, delinquent, subject to penalty and interest and the dates when the board of equalization will sit. The assessor may make corrections with the land owner having 30

days to appeal the amended assessment to the board. Article I provides for the makeup and operation of the board of equalization. A municipality may readjust assessments on property when a disaster zone is declared by the President of the United States or by the Governor of the State of Alaska. The tax levy and rate must be set by ordinance. The annual rate of levy must be determined before June 15. A penalty not to exceed 20 % of the tax due may be added, interest not to exceed 15 % per year shall accrue until the date the amounts are paid in full. A tax liability is a personal liability. A property tax lien is paramount to all other liens.

Article II provides for the enforcement of tax liens. The certified assessment and tax roles are valid and binding. The municipality may collect the tax in a personal action. The procedure for distraint and sale of property must be made by ordinance. A demand of payment to the property owner and the sale of the property by auction are required to make a sale legal and valid. If the property sold is insufficient to satisfy the debt, other personal property may be seized up to the amount of the debt. Excess funds from a sale of seized property must be paid to the former owner of record upon receipt of a proper claim within six months of the date of sale. Article II establishes that all real property tax liens shall be enforced by annual foreclosure. The procedures of foreclosure are given with the information necessary for administration of the process. The subjects covered in the rest of Article II are the foreclosure list, clearing delinquencies, list to lienholder, general foreclosure, answer and objection, judgment, transfer and appeal, redemption period, effect, additional liens, possession during the redemption period, expiration, deed to borough or city, disposition and sale of foreclosed property, repurchase by record owner, proceeds of tax sale, payment of taxes upon public utilization, and refund of taxes. These sections have had a few changes. A person with a lien on part of a piece of property can no longer redeem that part without redeeming the total property. The receipt of the redemption payment releases the judgement held by the municipality. It does not release all claims of the municipality against the property. The clerk is allowed to delegate the

publication of the redemption period expiration notice and the notice of hearing. The clerk would have been required to send a copy of the notice to holders of liens if the property was valued over \$100,000. Committee Amendment #4 lowers the dollar amount to a \$20,000 value. The last change is the allowance of a municipality to refund taxes that in the municipality's judgement would be required to be refunded by a court upon litigation. The governing body is permitted to correct manifest clerical errors.

Article III delineates the cities property taxing power. Home rule and first class cities, outside a borough, may levy taxes as provided by AS 29.45.010 - 29.45.500. Home rule and first class cities, within boroughs, may levy a property tax as provided by statute in section 560. Differential tax zones are allowed to pay for services not generally provided in the city. A second class city may levy property taxes, with a maximum limit of $\frac{1}{2}$ of 1% of the property's assessed value, except when the taxes are used to repay bonded indebtedness. A ballot proposition to establish a second class city can include the proposition of a stated property tax. The petition may have the binding request that incorporation be dependent on the passage of a property tax proposition.

Article IV provides for borough sales and use tax. A borough may levy and collect a sales tax not exceeding 6% on sales, rents and services within the borough. If the borough levies a sales tax, it may also levy a use tax equal to the sales tax. The use tax will be levied only on buyers. The interest rate on delinquent amounts of sales or use tax may not exceed 15%. A notice of a sales and use tax must be given before the municipality can receive municipal assistance and revenue sharing. A sales or use tax, or an increase in either, must be approved by a majority of the voters.

Article V provides for city sales and use tax. The city may tax on all sources taxed by the borough and can also tax other sources authorized by the borough assembly. A sales and use tax may be incorporated in a petition for a second class city. If a petition asks for incorporation dependent on passage of a sales and use tax and the tax fails, the incorporation also fails.

CHAPTER 46 sets forth special assessments.

An assessment proposal, to the governing body, may be made by a petition from the owners having $\frac{1}{2}$ of the property in value. An assessment proposal, also, may be made by the governing body. The procedure will be set by the municipality following certain requirements stated in Chapter 46. Objections must be filed within 60 days of publication of notice. If 50% or more of the owners of record object in writing during the period set, the improvement can not proceed until the objections are reduced to less than 50%. If, after the hearing and errors and inequities in the assessment roll are done, the assessment must be increased, a new hearing must be held. The procedures for payments, exemptions and the effect of liens is delineated. The State of Alaska will reimburse a municipality for any revenue lost due to Section 80, Chapter 46. The allowable costs of a special assessment district are outlined. The total amount of the assessment roll may not exceed actual costs, but actual costs may include reasonable estimates of the costs incurred in connection with issuances of bonds. An objection and appeal can only be made by an owner who objected in writing to the proposed district within 30 days of the confirmation date of the assessment roll. A municipality may provide, by resolution or ordinance, for the issuance of notes for interim financing. Special assessment bonds may be authorized, by ordinance or resolution, to pay all or part of the cost of an improvement. A guarantee fund must be established in an amount adequate to cover a deficiency in meeting payments of principal and interest before the issuance of special improvement bonds.

CHAPTER 47 deals with municipal debt.

Article I deals with revenue anticipation notes. Any municipality may borrow money to meet appropriations in anticipation of receiving the necessary funds, with the requirement that the note be paid by the end of the next fiscal year. Notes must be authorized by ordinance and resolution under the terms described. Notes in anticipation of State or Federal grants may be made under the described method.

The payment of anticipation notes is from revenues and shall be secured by a pledge of the full faith and credit of the municipality issuing them.

Article II allows bond anticipation notes. A municipality can issue bond anticipation notes if the general obligation bonds have been authorized by ordinance and approved by the voter or if revenue bonds have been authorized by ordinance. Notes for amounts borrowed can not exceed one year. The notes are payable from proceeds of bond sales or from issuance of new notes. The total amount of notes outstanding may not exceed the amount of bonds authorized. The proceeds of the notes may only be used for the purposes of the bonds authorized.

Article III regulates general obligation bonds. General obligation bonds may be issued to raise revenue for capital projects. An election must be held to approve a bond authorization ordinance. A public notice shall be issued 20 days before the election. The notice will include the current general obligation bonded indebtedness, the cost of the debt service, and the total assessed value of property in the municipality. The full faith and credit of the municipality is pledged for the payment of principal and interest.

Article IV regulates revenue bonds. Revenue bonds may be issued to raise revenue for a public enterprise or public corporation. Revenue bonds can be used to finance the purchase of residential mortgage loans. No elections are required and revenue bonds are excluded from the application of the prohibition against a political subdivision of the state making a subscription to the capital stock of a corporation, lending its credit for the use of a corporation, or borrowing money for the use of a corporation.

Article V authorizes the refunding of bonds, both general obligation and revenue bonds by ordinance or resolution. All or part of the bonds can be redeemed with no requirement of an election.

Article VI contains miscellaneous provisions. A municipality may authorize revenue bonds for any project which meets a public need. The payment of these bonds may only be from bond revenue, and the city does not pledge its faith and credit. The municipality sets the terms

and conditions by ordinance and can set the interest rate without limitation to AS 45.45.010. Borough indebtedness is on an areawide basis for areawide functions and on a non-areawide basis for non-areawide services.

CHAPTER 55 provides for municipal programs.

The governing body of a municipality may establish a local historical district or designate the planning commission or itself as the historical district commission. A historical district shall be of a reasonably compact area containing two or more structures important in state or national history, and related by physical proximity or historical association. The establishment of a historical district under this section shall be consistent with any applicable comprehensive plan for the municipality.

CHAPTER 60 establishes state programs.

Article I is a continuation of the municipal tax resource equalization. The equalization entitlement computed for a taxing unit is based on population, the units ability to generate revenue and the amount of taxes paid. A formula of the entitlement = $P \times R$ where P = population and R = the millage rate equivalent. The population must be determined annually by the latest figures of the United States Bureau of Census or equally reliable figures. The determination of the millage rate must be initially made by the department, with the final determination no later than December 15. The millage rate is determined according to factors established in article 1. The payments may not be made until the required reports of the estimated revenue and financial report are submitted. A limitation on the computation and use of payments, the administrative authority and necessary definitions are also included in this article.

Article II provides state aid for miscellaneous purposes. State aid for roads is set at \$2500 per mile of road properly maintained by the municipality and \$1500 per mile for designated ice roads. State aid for health facilities and hospitals is set at \$50,000 for facilities with less

than 10 beds and \$250,000 for 10 beds or more. State aid to volunteer fire departments registered with the state fire marshal serving in an unorganized area will receive an amount equal to \$10 per person served. State aid to unincorporated communities is set at \$25,000 per year. A cost of living differential will be reflected in payments to the above Article II programs. The miscellaneous services account is established to carry out the provisions of A.S. 29.60.100 - 29.60.180 and the authority for the necessary regulations given.

Article III providing state aid for hospital and health facility construction was repealed and changed by SB-85 (S.D.18) (see Amendment #10).

Article IV sets administration of state aid programs. Each year the amounts determined by the legislature will be allocated to the accounts established in Chapter 60. The qualifications for minimum payments are set forth along with the procedure for handling proration of payments.

Article V establishes the municipal assistance fund. The legislature may appropriate an amount equal to or greater than 30 percent of the income tax revenue. The money must be distributed to the municipalities on an annual basis with a base amount being the amount the municipality or a like municipality received in FY78. Any amount above the base will be distributed on population. Population will be determined by the Commissioner of the Department of Community Regional Affairs. The intent of municipal assistance above the base amount is to reduce the tax burden of the municipal taxpayer. Article V provides the general provisions. The definition of a health facility and of a hospital are given.

CHAPTER 65 deals with the general land grants.

It has not been changed from the current Title 29. The determination of the entitlement of municipalities is given. A city is entitled to 10% of the maximum total vacant, unappropriated land. The requirements, procedures and actions necessary to obtain a land grant from the State of Alaska, or from school, university, or mental health land, and/or to

receive payments for land deficiency are in this Chapter. This Chapter authorizes land exchanges in the public interest. A municipality must decide if they will continue litigation of claims under former AS 29.18.190 and 29.18.200 or obtain the benefits given by this Chapter. The Commissioner of the Department of Natural Resources may adopt the necessary regulations.

CHAPTER 71 establishes the general provisions of Title 29.

A municipality may not be divested of title to real property by adverse possession. Dedication of streets, rights-of-way, easements or other public use areas does not require the city to maintain, improve, or provide services and does not impose a liability. A municipality may not be taxed by the State unless expressly provided for by law. The necessary terms are defined as to general context. No agency may acquire property which will change municipal boundaries unless the platting authority approves a replat. Elections shall be held on the first Tuesday in October. The elections shall be supervised by the Director of Elections in the Lt. Governor's office. The Lt. Governor shall adopt regulations for the conduct of elections of the regional school board members as comparable to the election of other school board members as possible. The rural school boards are subject to recall and the director of the division of elections shall perform the duties of municipal clerk. A single body can act as both the assembly and school board if certain conditions are met. A bond is required before an officer responsible for a school districts money can take office. The Department of Community and Regional Affairs will prepare a determination of the full value of taxable real and personal property in each district by October 1. There are also many sections which are reworded to conform to the new numbering of HB172.

Article XII establishes the ability of the Commissioner of the Department of Community and Regional Affairs to contract for a feasibility study of establishing boroughs in the unorganized borough. It requires that an appropriation be made for that purpose and that a request come from an individual living in the area to be studied. How to request the study, the boundary requirements and how contracts will be handled is delineated.

AMENDMENTS

The following is a list that presents a brief explanation of the amendments that were discussed and that received approval from the House Committee on Community and Regional Affairs during the 1983 legislative session. The following amendments 1 through 10, cover the concerns brought out from the proposals previously conducted by the Hammond Administration as well as progressively bringing further clarity and flexibility to Title 29.

AMENDMENT #1 - clarifies the participation of a municipal employee or official in instances where the employee or official has substantial financial interest that may constitute a conflict of interest. Other items on the amendment are grammatical changes and general house keeping changes to further clarify the language (S.D.#9). *passed*

AMENDMENT #2 - removes the requirement of determining the "sufficiency of grounds" for a recall election. It replaces "providing legal grounds" with "providing reasons for" and amends the percentage amount of signatures required to constitute a recall election from 25% to 35% (S.D.#10). *DNP*

AMENDMENT #3 - defines the intent of eminent domain process. As written, the statement may have not met the intent of allowing municipalities to exercise the right of eminent domain to acquire specific certificates or properties (S.D.#11). *passed*

AMENDMENT #4 - lowers the minimum value of property to be foreclosed upon without notification to the owner by certified mail to \$20,000.00 from the proposed limit of \$100,000.00 (S.D.#12). Presently, property of any value must be notified. *passed*

AMENDMENT #5 - specifies the date that Chapter 45 of Title 29 as written in House Bill 172 will go into effect. The amendment will avoid the possibility of a split tax year and will provide lead time for municipal planning and department assistance for mandated state and federal programs (S.D.#13). *passed*

AMENDMENT #6 - This amendment did not receive committee approval (S.D. #14).

dnp

AMENDMENT #7 - deletes "greenhouses" from being considered under a special lower assessment for property taxes on farm use land. The special taxing provisions for farm use land is designed to help farmers resist pressures to sub-divide their land (S.D.#15).

passed

AMENDMENT #8 - deals with required tax exemptions which contain new language that defines "developed" for the implementation of a required federal tax program. This concern was addressed and resolved in Senate Bill 260 (S.D.#16).

dnp

AMENDMENT #9 - relates to the Alaska Public Utilities Commission. The net effect of the amendment is to prohibit municipalities from regulating utilities unless the type of regulation proposed or the particular utility is not subject to regulation by the Alaska Public Utilities Commission (S.D.#17). Please review HB274 (S.D.#5) which dealt with this issue.

dnp.

PROPOSED AMENDMENTS FOR CONSIDERATION DURING 1984 SESSION

AMENDMENT #10 - Legal Services is preparing this amendment, by request of the Chairman, to be considered by the Committee on Community and Regional Affairs during the 1984 legislative session. It will encompass all legislation that was signed into law during the 1983 session that pertains to Title 29. This action is necessary in order to reflect changes made to Title 29 that are not now incorporated in the revision bill.

Three separate pieces of legislation became law. SB85 relates to the certificate of need program and construction funding for health facilities (S.D.#18).

Senate Bill 260 which provides for the definition of "developed" as it relates to lands that are exempt from taxation as stated by federal law (S.D.#4). House Bill 274 would exempt a utility which furnishes cable television from the provisions of the Alaska Public Utilities Commission Act (AS 42.05.010 thru AS 42.05.721) with the exception of provisions requiring a certificate of public convenience and necessity (AS 42.05.221 thru AS 42.05.281), unless 25 percent of the subscribers petition the commission for regulation (S.D.#5).

AMENDMENT #11 - "special hospitals" to be included in definition of health facilities - AS 29.60.800(2), page 169, line 3 of House Bill 172. That section as currently drafted discriminates against special hospitals by excluding them from hospital revenue sharing. Since these facilities are required to be built to acute hospital standards and function as an acute facility with a specialty license, language to resolve this discrepancy may read as follows:

AS 29.60.800(2),

"hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general or special hospital; the term excludes a facility operated or wholly supported by the state of the federal government (S.D.#19).

The following amendment is the differences between House Bill 172 and CS Senate Bill 1 at present. If adopted, both bills would be in line.

AMENDMENT #12 - page 33, after line 28, insert new line (26) 29.3-5.060 (franchise and permits) and renumber following paragraphs accordingly.

page 77, after line 6, add a new subsection - (c) this section applies to home rule and general law municipalities.

page 77, line 9, after "regulate" delete [,] and add a utility service and"

page 77, line 12 after "is" delete [not] and after AS 42.05, delete [and] and add "or"

page 77, line 14 delete [(2)...law.] and add (2) municipal regulation is prohibited by AS 42.05.711 (k) or other law.

page 77, line 17-20, delete subsection (c) and add a new subsection (c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose, the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

page 77, lines 21-22, delete subsection (d) and add a new subsection (d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges established under this section shall be reasonable and permit a fair return on invested capital.

page 77, Sec. 29.35.070, add new subsection (e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

page 77, Sec. 29.35.070, add a new subsection (f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

page 77, Sec. 29.35.070, add a new subsection (g) This section applies to home rule and general law municipalities.

page 195, line 22, add Sec. 62. AS 42.05.711 is amended by adding a new subsection (k) A public utility that is exempt or partially exempt under this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a municipality. This subsection does not apply to a public utility exempt under (b) of this section.

Renumber the following sections accordingly.

page 107, line 29, after "borough" delete [including...period;]

page 61, line 10, after "(3) delete [is] and add "has been
after "elections" add for at least 30 days immediately
preceding the municipal election; and

page 14, lines 17-26, after "action." add The standards and procedures established under this subsection that apply to detachment shall be the same as the standards and procedures that apply to annexation, except that the standards and procedures that apply to detachment must include provisions for equitable prorated payment of debts acquired by the municipality before the detachment.

page 14, line 19 after (1) add, subject to (2) and (3) of this subsection,

page 14, line 23 after "annexed" delete [by ordinance ...approval] and add or detached by ordinance without an election;

page 14, line 24 after "annexed" add or detached

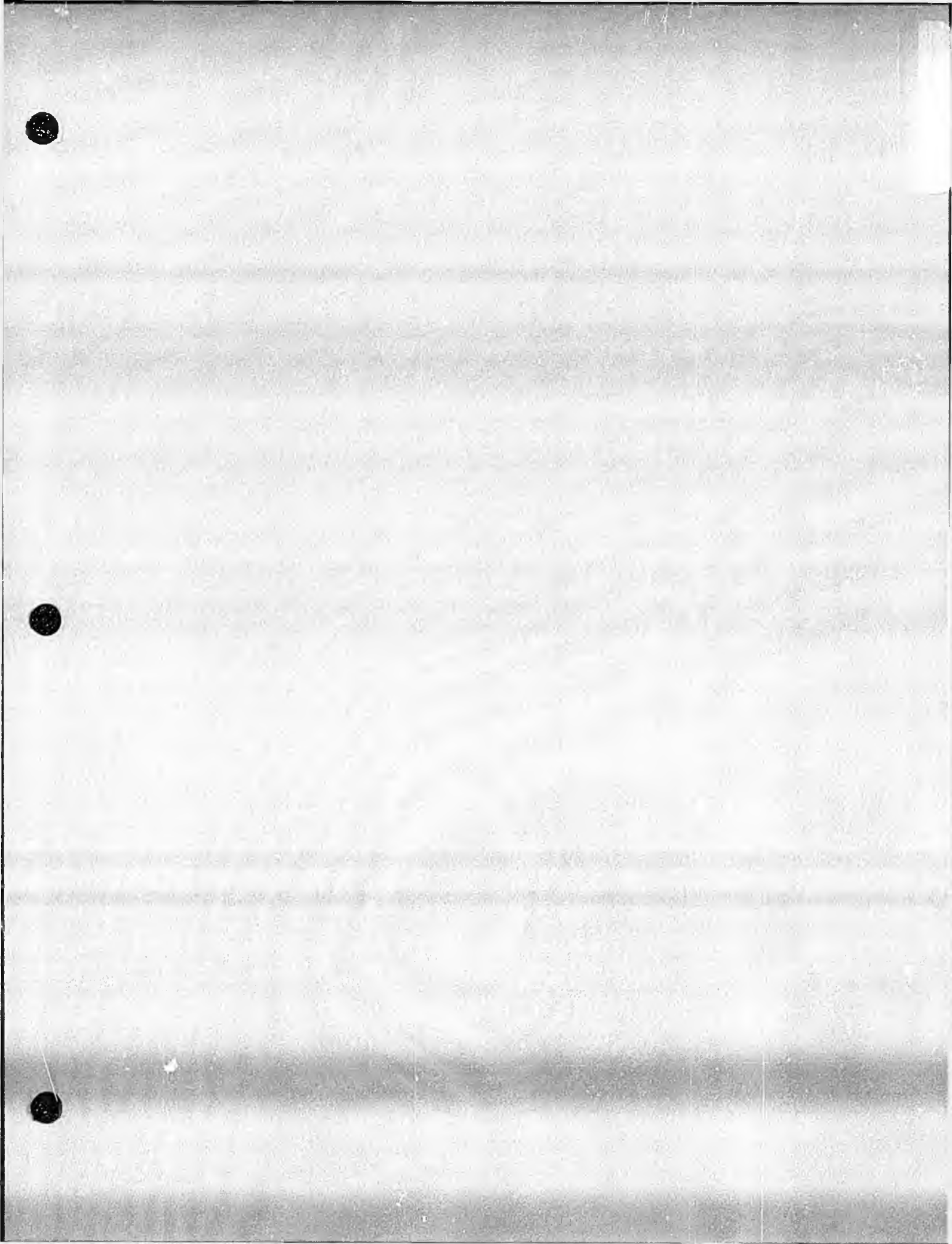
page 14, after subsection (3) add a new subsection (4) within 90 days after receipt of a petition for annexation or detachment, the Local Boundary Commission shall make a decision on the petition. (S.D.#20)

AMENDMENT #13 - Change effective dates to present year.

END

passed

AMENDMENT #14 - DNP



February 16, 1981

Monday

No. 10



Official Business

Alaska State Legislature

Senate

SB
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MEMORANDUM

12 February 1981

TO: Representative Hugh Malone
Chairman, Legislative Council

FROM: Senator Arliss Sturgulewski
Chairman, Title 29 Revision Policy Advisory Group

As chair of the Title 29 Policy Advisory Group, I am pleased to submit a bill revising Title 29 of the Alaska statutes. This revision of the municipal government statutes was mandated last year by SCR 66 "Directing the Alaska Legislative Council to revise AS 29 (Municipal Government)". Under this resolution, a thirteen member Policy Advisory Group was appointed to oversee the revision process. In addition to four legislative members; Senator Bob Mulcahy, Representative Charles Parr, Representative Margaret Branson, and myself, nine members represented various levels of local government and geographic areas of the state.

This proposed bill represents a tremendous volume of work completed within a limited time frame. However, the revision of Title 29 has been thoroughly and carefully considered in spite of this time constraint. This is due in large measure to the real concern about local government shared by all members of the Policy Advisory Group. Excellent assistance was provided by a Technical Group composed of two Advisory Group members, municipal attorneys, and a city clerk. This Technical Group was formed to assist the legislative legal staff and the Advisory Group in interpreting provisions of the law and in revising specific statutes. Policy decisions were made by the Policy Advisory Group.

Since the first organizational meeting in August 1980, three complete redrafts of Title 29 have been prepared and reviewed. The legislative Legal Services staff, under the direction of Billy Berrier, is due special recognition for the tremendous amount of staff work provided to the Policy Advisory Group, especially Ms. Tamara Brandt Cook, who was responsible for the successive drafts of Title 29.

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180

Public testimony was received during the monthly meetings of the Policy Advisory Group from representatives of local government, Native organizations and state agencies. Numerous presentations were made to interested organizations, including a work session at the Alaska Federation of Natives annual meeting, participation at the annual Alaska Municipal League conference and numerous presentations to various interest groups.

A complete report of all changes proposed in Title 29, as well as an explanation of those sections that were deleted from the final bill, has been prepared. This section-by-section analysis will be submitted to respective Senate and House committees of first referral.

The Policy Advisory Group voted unanimously to recommend this bill to the Legislature for passage. While, overall, the committee is satisfied with this bill, it necessarily represents compromises on issues of local government structure by all members of the group. The Policy Advisory Group provided for the submission of minority reports with the Title 29 bill. One minority report was received, and is being submitted with the proposed bill.

The Policy Advisory Group, in its initial meetings, developed two basic guidelines for its revision of Title 29. These can be characterized as the simplification of the title's organization and the achievement of maximum flexibility in the structure and functioning of local government. Simplification of the organization of Title 29 will make it easier for everyone involved with, or interested in municipal government to understand the state's municipal code. Simplification included the clarification of the range of local governmental powers and how these powers can be assumed.

Flexibility in carrying out local administrative and procedural responsibilities meant reducing unnecessary statutory directives on local actions. The Policy Advisory Group recommended the deletion of a number of technical requirements on how local governments were to undertake day-to-day functions. These provisions included requirements for specifying a particular date for council and assembly meetings, the form of local ordinances, specific election dates and procedures, and so on.

However, in meeting the public's desire for more flexibility in the functioning of local government, the Policy Advisory Group was well aware that they were in effect eliminating a model for governmental activities that could be used by newly formed municipalities. Although it does not appear in the proposed revision of Title 29, the Policy Advisory Group found that more technical assistance in defining local government's structure and procedure will be required by local governments once the revision of Title 29 is adopted. To this end, the committee recommends that the capability of the Department of Community and Regional Affairs to provide expanded technical assistance be evaluated and matched to the future demand for the Department's services.

The mandate given the Policy Advisory Group was to prepare a revision of Title 29 for submission to the Legislature. With the submission of this bill, the Policy Advisory Group has fulfilled their mandate. However, there were a number of major policy issues brought before the Policy Advisory Group that could not be addressed within the scope of the revision of Title 29. I would like to outline some of these major issues which the Policy Advisory Group feels will merit further consideration by the Legislature.

The major policy issue beyond the scope of the Title 29 revision was the widespread demand for more local control, both over local matters and over state and federal programs affecting communities. The public brought a variety of proposals before the Policy Advisory Group, from demands for more local direction of state programs, to the granting of municipal rights and powers to Native governments; to the desire for self-governing regional organizations that would be something other than boroughs or unified municipalities. Major policy issues relating to these proposals include the constitutional and statutory basis of such self-governing organizations; questions of representation that must meet federal Supreme Court mandates; and problems of designing mechanisms that will enable the diverse range of local governments to effectively influence state and federal programs.

In testimony before the Policy Advisory Group, two state agencies proposed that local governments consider taking over those agency programs that were primarily local in nature. While responding to the desire for more local control over their programs, neither agency had a clear idea of the cost or manpower requirements such decentralization would place on local governments. As a result, it was not possible to determine whether the total costs of these programs would increase with decentralization, when staff and program costs would be duplicated among several local governments. An important question to be answered by the Legislature, is how much the state is willing to pay to meet the demands for local control. Local governments will need support to carry out statutory mandates. Is the Legislature willing to provide more support to local governments than it presently provides state agencies?

A common problem faced by rural residents is the multiplication of agencies and organizations formed to respond to state and federal program requirements. There was a general call for coordinating and streamlining requirements that now result, in some cases, in up to 10 local boards and organizations. These may include a city council, IRA council, village corporation board and subcommittees, membership in various non-profit organizations (formed to provide health services, state and federal contract construction services, BIA funded social services, regional housing authorities, and so on) and regional Coastal Resource Service Areas and Regional Education Attendance Areas and so on.

Comments on the "pros" and "cons" of the service area concept and its use were brought to the Policy Advisory Group. Some rural residents expressed a strong feeling that the creation of separate single-purpose service areas led to a fragmenting of local control. Others felt that service areas would be the best vehicle for additional public services in the unorganized borough. In any event, the creation of additional single-purpose service areas, to be superimposed on the existing system of RIAs, Coastal Resources Service Areas and Aquaculture Districts, needs to be given serious thought. This is especially true in light of the constitutional intent of a simplified system of local government. Or, put in another way, should the Legislature create a multi-layered type of governmental system in the unorganized borough that is considered undesirable within an organized city or borough?

In short there is a widespread and growing concern in all areas of the state about the nature and structure of local government. The proposed revision of Title 29 addresses many of the difficulties of organized local governments, and will hopefully make it easier for areas to incorporate and function as municipalities. In addition to this revision the legislature will be faced with a number of questions on the very substance and purpose of local government and local self-determination that go far beyond the recommended revision of Title 29. In order to answer these public concerns, the Legislature will have to be prepared to reassess the constitutional and philosophical foundations of local government in Alaska.

I see the revision of Title 29 as the first step in this reevaluation of the structure and function of local government in our state. When our constitution was adopted in 1956, its provisions for local government were the most advanced in the nation. As with the update of the municipal code in 1972, the present effort to revise Title 29 reflects a continuing commitment to developing a healthy, flexible, and most functional system of local government possible to meet Alaska's needs.

In closing, I would like to request that this memorandum be made a part of the Journal Supplement upon submission of this bill.

Attachments:

- Minority Report
- Policy Group Members List
- Technical Group Members List

CHARLIE PARR
ALASKA LEGISLATURE

S. R. Box 30399
Fairbanks, Alaska 99701
456-5029

Pouch V
Juneau, Alaska 99811
465-4908

January 21, 1981

Senator Arliss Sturgulewski
Chairman
Title 29 Revision Commission
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

As we discussed during the Title 29 Revision Commission meeting of January 17-18, 1981, I wish to submit a minority report.

In general, I agree with the direction taken, and in some instances do not consider issues of sufficient import to justify taking written exception. I think it speaks well for the Commission that mine will probably be the only minority report, and that I can confine myself to two issues.

It was a pleasure to work with you.

Sincerely,


Charles H. Parr

TITLE 29 REVISION COMMISSION

Minority Report

At the first meeting of the Commission I laid out what appeared to me to be two general directions in which work should proceed:

- 1 - The garage mechanic, housewife, or other average citizen, when elected to the city council or borough assembly, should be able to read the Code and understand it.
- 2 - After ensuring that the Code contained provisions which would guarantee democratic rights common to all citizens of the State, we should "take the strings off" the municipalities as much as possible.

In my view, the Commission's work went a long way toward reaching this first goal. Although the Code is still somewhat confusing, it is much improved in organization and a number of passages with convoluted syntax have been removed.

I do not agree with the Commission's recommendation for abolition of the third class borough. No one has, in my judgment, presented compelling arguments for depriving citizens of this local government alternative. The third class borough at the present time offers a form of local government which is less demanding than that of the first and second class borough, and yet it has powers other than education. It may exercise these powers on a service area basis.

Apparently the crux of the matter is the fact that the third class borough is not required to exercise planning and zoning functions and this is anathema to the professional planners in our midst. I can find no other justification for their opposition.

The second point on which I wish to disassociate myself from the Commission's majority recommendations is that of State compliance with local subdivision regulation. It is common knowledge that the present administration, by its refusal to release land into private ownership, held down the safety valve on the steam boiler and caused the Beirne initiative explosion. We were rescued from the (probably) devastating effects of the initiative by the Supreme Court ruling that it was an appropriation and therefore unconstitutional. In an attempt to release some pressure from the "boiler", the Legislature has established the land disposal program and is insistent that sufficient land be made available to prevent a future such initiative which might meet constitutional tests.

If the State must meet subdivision requirements, several things will happen:

- 1 - The land disposal program will be delayed as necessary roads, and perhaps other improvements, must be constructed and pass municipal inspection before the land can be disposed of.
- 2 - The cost of improvements will be high and the State will be faced with a large subsidy for each parcel disposed of. If this large subsidy is not to be made, the parcels of land will be priced out of reach of many of the persons who would like to have them (especially young couples getting started).
- 3 - Subdivision standards vary from place to place. The State will be, in effect, favoring those municipalities which have higher subdivision standards. This could well lead to municipalities upgrading their standards in order to receive more from the State.

The whole issue of what the State should do in land disposal will be before the legislature this year and a number of major policy decisions need to be made. I do not consider it appropriate to make such decisions in what was intended to be a non-policy revision of Title 29.


Charles H. Parr

TITLE 29 REVISION POLICY ADVISORY GROUP

Senator Arliss Sturgulewski
Chairman

Senator Bob Mulcahy

Representative Charles Parr

Representative Margaret Branson

Ted Berns
Attorney, Municipality of Anchorage

Terry Cook
City Council, City of Alakanuk

Marilyn Dimmick
Borough Assembly, Kenai Peninsula Borough

James Kohler
City Manager, City of Yakutat

Ronald Larson,
Mayor, Matanuska-Susitna Borough

Gene Moore
City Manager, City of Kotzebue

Jonathan Solomon
Mayor, City of Fort Yukon

Donna Sherby
City Clerk, City of Cordova

Russell Walker
Attorney, City and Borough of Ketchikan

TITLE 29 REVISION TECHNICAL ADVISORY GROUP

Ted Berns
Attorney, Municipality of Anchorage

Russell Walker
Attorney, City and Borough of Ketchikan

Ailan Tesche
Attorney, Matanuska-Susitna Borough

Richard Garnett, III
Attorney, Kodiak Borough

John Messenger
Bond Counsel, Preston, Thorgrimson, Ellis, Holman &
Fletcher

Jim Nordale
Attorney, Fairbanks North Star Borough

Gerald Lee Sharp
Attorney, City and Borough of Juneau

JoAnne Shanley
City Clerk, City of Seward

TITLE 29 REVISION EX-OFFICIO MEMBERS

Ginny Chitwood
Executive Director, Alaska Municipal League

Palmer McGarther
Director, Division of Local Government Assistance
Department of Community and Regional Affairs

Phil Smith
Director, RuralCAP



SB 535 (Cont.)

changing court rules. However, even if a two-thirds vote was necessary, the Senate's vote to concur in the House amendments was not affected by the subsequent failure to adopt the rule changes. The vote to concur passed by the required 11 votes, and that vote was to adopt the identical bill that had passed the House. Under Rule 39(e) the failure of the Senate to take a separate vote on the rule change simply meant only that secs. 43 and 44 (and potentially their respective companionos -- 18 and 40) are now "void and without effect."

The issue that is presented is very similar to one which has arisen when one house votes to concur in amendments made by the other house, but then fails to adopt, for example, an immediate effective date included in the bill by a two-thirds vote as required by Rule 39(f). The procedure specified in Rule 39 (e) pertaining to votes on court rule changes is virtually identical to the language in Rule 39 (f) pertaining to votes on special effective date clauses. There is ample authority in support of the rule that a failure to adopt a special effective date by a two-thirds vote after concurring in a bill by a majority vote means that the bill has been adopted with an ordinary 90-day effective date. This authority rests on a construction of the effective date as not being a material factor influencing the favorable vote. This rule should apply by analogy to the failure of the Senate to vote separately on the rule change provisions in this bill. Consequently, I have concluded that HCS CSSB 535 (Jud) am II has been adopted by the legislature but without the effect of changing the court rules cited in sec. 43 and 44.

Sincerely,

/s/Jay S. Hammond
Jay S. Hammond
Governor

SB 180 VETOED

July 15, 1982

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under Article II, Sec. 15, of the Alaska Constitution, I have vetoed HCS CSSB 180 (Jud) am II, relating to municipal government.

SB 180 (Cont.)

I regret having to take this action for several reasons. Certainly, the bill contains many meritorious revisions and improvements to the municipal code. These were the product of an arduous undertaking accomplished after three years of unprecedented cooperation among legislators, state and local government officials and staff. Further, there are some concepts contained within questionably designed and inadequately considered amendments which I believe should be addressed responsibly by the next legislature. While perhaps none of these amendments is individually sufficiently flawed to warrant a veto of the entire measure, a combination of them creates significant problems that have incurred greater collective public opposition than has almost any other legislative action in my entire political experience. It's for these reasons that I have regretfully concluded that it is simply not in the best public interest to permit this bill to become law.

For example, the amendment redefining "population" and permitting the counting of workers at "isolated job sites" appropriately recognizes that the influx of seasonal employees can significantly impact local services for which there is now no readjustment provided under revenue sharing statutes. However, I am advised by counsel that the manner in which this matter is handled in SB 180 seriously jeopardizes the resolution reached by the state with the U.S. Census Bureau and could incur substantial losses in federal funding to both state and local governments. While I believe some redistribution of state funds is warranted to assist communities most impacted by seasonal and temporary influxes of population, (whether they be "isolated" communities or otherwise), I am concerned with the potential inequity created by this amendment. The vagueness of the term "isolated job site," I am advised, could result in endless litigation no matter what clarifying efforts might be made through regulation. This questionable feature, coupled with prospective revenue losses to the state treasury ascribed to it by the Department of Revenue in their request for veto, are but two of several causes for concern.

I as well favor the basic policy decision of the Legislature that forest values above ground, (just as mineral values beneath it), should be accorded different status for purposes of municipal taxation. However, the provision exempting forest lands from municipal property taxation contains a definition by reference that poses substantial problems of interpretation and impact according to all concerned state agencies. I am advised by the Department of Law, for example, that the definition problem alone would probably induce costly and unnecessary litigation.

Perhaps more importantly, bond counsel advises that the bill would gravely impede local government general obligation bond programs in progress and significantly harm the credit ratings of virtually all Alaska communities. This feature is perhaps the most damaging potentially of all the questionable features contained in SB 180 and, in the view of most financial consultants, would alone warrant veto. I

SB 180 (Cont.)

am certainly in no position to second guess and override them in this conclusion. They assert the resulting adverse effect of this feature is likely to be a decline in market value of outstanding issues and an increase in the costs for new financing. Potential impact on the state's bond bank is, of course, of equal concern.

Additionally, the Department of Natural Resources has expressed major concerns over the manner in which this amendment might apply, despite their agreement with the avowed basic philosophical intent of the amendment's sponsors. They point to the Oregon forest value taxing policies as a far preferable approach to meet that objective. Accordingly, I have directed that legislation be drafted which would more appropriately address this matter.

Another problem rests in the attempt to clarify statutory references regarding tax exemptions of undeveloped Alaska Native Claims Settlement Act lands. Agencies have raised unanswered questions as to whether the language is indeed clarified. Moreover, a retroactivity feature of this provision casts serious "public purpose" doubts upon the legality of the proposed solution.

The amendment prohibiting local governments from passing ordinances relating to firearms has been violently objected to by some law enforcement people. It causes me concern as well because of my reluctance to permit state government to impede the ability of local communities to govern in a manner deemed by themselves most responsive to their unique needs.

Objected to by many others requesting veto is the further intrusion into the conduct of local government business represented by amendment 13. This would expand the initiative and referendum process to include local administrative matters. Those requesting veto assert that actions of the governing body elected by the public should be subject of initiative and referendum; but that ongoing daily administrative matters should be subjected to the usual review and oversight inherent in the concept of a governing body of elected officials held accountable for actions of those whom they employ. For state government to impose its will in such matters upon local governments without far more public debate than was accorded this amendment, appears to me to be yet another undue incursion of "Big Brother" into local matters.

Another section affects a major change in public utility regulatory philosophy, and reverses the direction chosen with deregulation in 1980. In urging veto a multitude of agencies and utilities pled for further public hearings and agency consideration before so drastic a change be contemplated. Again, if this alone were the measure's greatest flaw, I perhaps would not have vetoed it. However, in conjunction with a multitude of other alleged defects and public confidence eroding features, it adds one more reason for my action.

SB 180 (Cont.)

A final problem is one related to language, not concept. This provision allows municipalities to use the group insurance concept for the purpose of pooling their workers compensation liabilities and claims handling. The language appears to mandate board adoption of regulations permitting a municipal employer group to recede under any circumstances. It seems only prudent that qualifications be stipulated so that municipalities requesting approval for group self insurance status are subject to the same regulatory criteria as any other self-insured employer.

The subject legislation has produced more controversy and debate than any other to emerge from the 12th Legislature. Because I find some issues addressed in the amendments, as well as the municipal code revisions, to be desirable, I am taking specific steps to encourage the 13th Legislature to address these issues. Accordingly, I have directed that legislation be drafted which would accomplish the municipal code revisions effective prior to the floor amendments. This would address the problem areas in a manner both acceptable to me and, I believe, to most legislators.

I have also directed that legislation be prepared to address the forest lands and taxation issues in a more acceptable manner to accommodate the appropriate intent of these amendments' sponsors.

I have also directed legislation be prepared to address the workers compensation provisions allowing local governments to use the group self-insurance concept for the purpose of pooling their workers compensation liabilities and claim handling.

Further, I'm directing the Department of Community and Regional Affairs to draft regulations on the provisions of state assistance to local governments in a manner which compensates more equitably those communities impacted by seasonal, temporary and isolated workers. Minimally, I would hope that in the short term we could at least "hold harmless" the North Slope Borough, which otherwise stands to lose about \$2 million in revenues from the amount they received last year. All other municipalities would receive, I'm told, increases. Accordingly, I would hope that all other municipalities, which rose in violent protest over the prospects of revenue losses to themselves were SB 180 to become law, would be equally concerned about revenue losses incurred by other municipalities through this measure's veto.

I do not intend to submit legislation re-regulating public utilities at the municipal level unless some valid arguments can be presented for this change.

The legislative package presented to the 13th Legislature will, of course, be that of the future governor. Therefore, I cannot guarantee that all these proposals will come before the House and Senate. However, several key legislators who are likely to return assure me of their dedication towards

SB 180 (Cont)

address of these matters.

Despite the bill's problems, I was at first inclined to go along with policy decisions rendered by the Legislature in their passage of 180. After all, by so doing I could assure these issues would be addressed next session if as serious as opponents were contending. However, a growing crescendo of public opposition, virtually unanimous staff and agency veto recommendations, plus pleas from some legislators who now wish to do penance for having voted for the measure, cause me to conclude that while a veto does a disservice to the legitimate concerns of some communities and interests, permitting the bill to become law could incur even more disservice to all others. Finally, as one of two senators who will assuredly return next session, let me urge you, Mr. President, to place this crucial issue high upon your agenda.

Sincerely,

/s/ Jay S. Hammond
Jay S. Hammond
Governor

Message of July 21 was received July 22 stating the Governor has signed the following bill and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HB 156

SENATE CS FOR CS FOR HOUSE BILL NO. 156 (Fin) am Senate
Relating to public contracts; and providing
for an effective date.

Chapter 144, SLA 1982

INDEX OF VETOED AND REDUCED BILLS RECEIVED AFTER ADJOURNMENT:

BILLS VETOED BY THE GOVERNOR

	Page
CCS SB 42 G.O. bonds for water, sewer, and solid waste	1741-43
HCS CSSB 180 (Jud) am House Municipal government	1788-92
2d HCS SB 205 (Fin) G.O. bonds for transportation facilities	1741-43
HCS CSSB 252 (Fin) am House Grants for water supply, sewer & solid waste	1759-60
HCS CSSB 327 (Fin) am House Parole of offenders	1760-61

CCS SB 365 G.O. bonds for education facilities	1741-43
CCS SB 831 Insurance	1745-46
SB 834 am House Guide Licensing & Control Board	1768
CS SB 835 (Fin) am House National Petroleum Reserve	1769
CCS SB 876 G.O. bonds for U of A	1741-43
CCS SB 887 G.O. bonds correctional & court facilities	1741-43
CCS HB 339 Adoption of administrative regulations	1772
SCS CSHB 844 (Hess) am Senate Financing of health facility improvements	1739

REDUCED BILLS

CS SB 746 (Fin) am House Special and supplemental appropriations	1773-76
SCS HB 148 (Fin) Operating & capital expenses of the state government	1748-56
HB 348 am Senate Avalanche warning system	1766-67
SCS CSHB 643 (Fin) re-engrossed Repealing, amending, extending lapse dates appropriations	1776-80

This final supplement of the Senate Journal completes the record of legislation for the Second Session of the Twelfth State Legislature.

Peggy Mulligan
Peggy Mulligan
Secretary of the Senate
July 1982



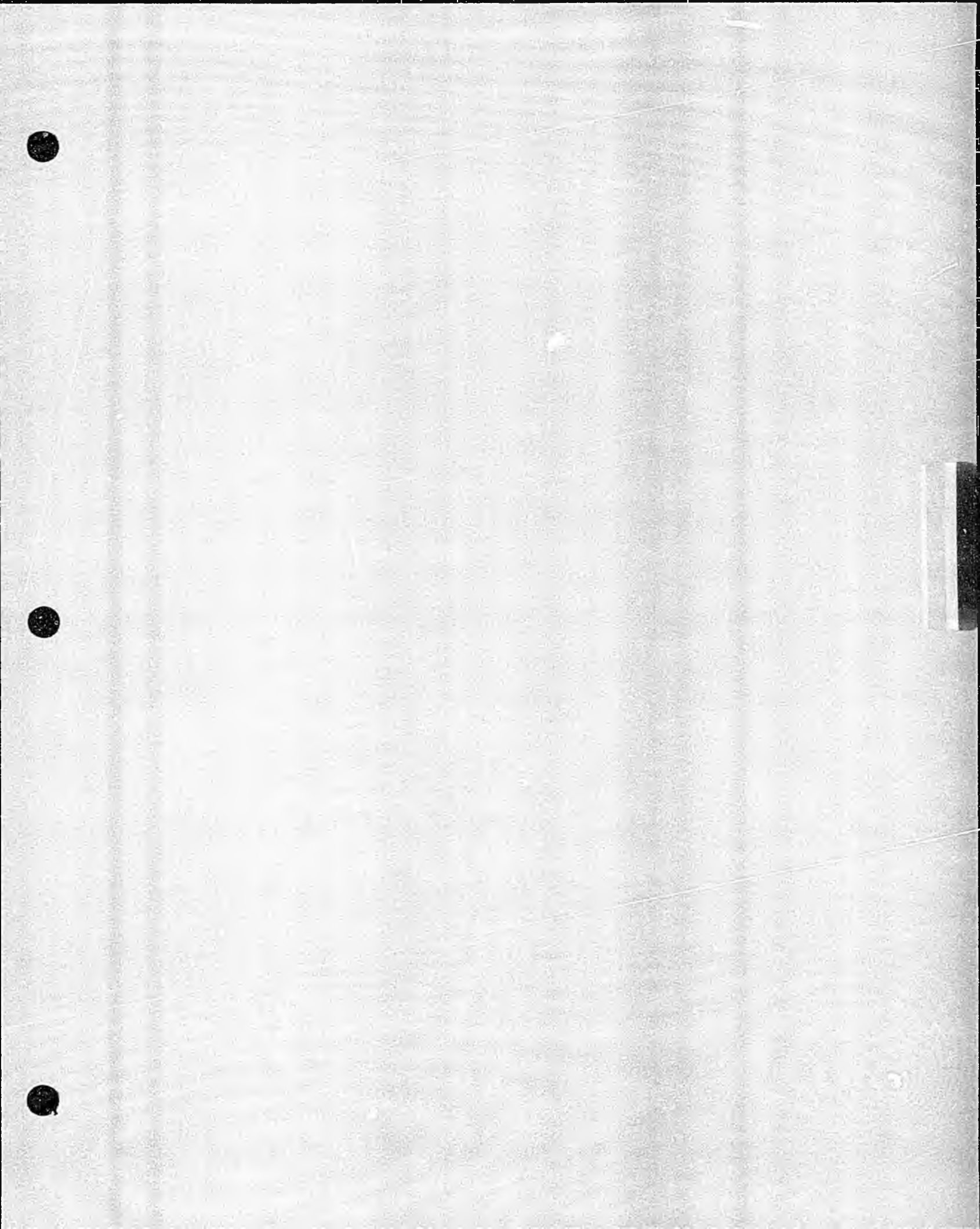
Offered: 4/11/83
Referred: Rules

Original sponsors: Lacher and Larson

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 42 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA -
4 THIRTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to the determination of population
7 for purposes of calculating amounts of state aid; and
8 providing for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 29.88.015 is amended to read:
11 Sec. 29.88.015. DETERMINATION OF POPULATION. (a) For purposes
12 of AS 29.88, the population of a taxing unit shall be determined
13 annually by the latest figures of the United States Bureau of the
14 Census or by another method of determining the actual [OTHER] popu-
15 lation based on current criteria of the United States Bureau of the
16 Census that [DATA WHICH], in the judgment of the department, is
17 equally reliable.
18 (b) The population of the taxing unit includes all persons who
19 usually reside within the taxing unit and the population of any mili-
20 tary reservation that [WHICH] is a part of the taxing unit. No person
21 may be included in the population of more than one taxing unit.
22 * Sec. 2. AS 29.89.060 is amended to read:
23 Sec. 29.89.060. POPULATION DETERMINATION. (a) For purposes of
24 AS 29.89, population shall be determined by the latest figures of the
25 United States Bureau of the Census or other reliable population data,
26 including current criteria of the United States Bureau of the Census,
27 [BUT NOT LIMITED TO] public school enrollment figures, public utility
28 connection, registered voters or certified employment payrolls.
29 * Sec. 3. AS 29.89.060 is amended by adding a new subsection to read:

1 (b) The population of an area for which a population determina-
2 tion is made under this section includes all persons who usually
3 reside within the area and the population of any military reservation
4 that is a part of the area. A person may not be included in the
5 population of more than one area for which a population determination
6 is made under this section.

7 * Sec. 4. This Act takes effect July 1, 1983.



6

Chapter 97

(2) "exploration" means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources;

(3) "lease" means a grant of primary possession entered into for gainful purposes with a determinable fee remaining in the hands of the grantor; with respect to a lease that conveys rights of exploration and development, this exemption shall continue with respect to that portion of the leased tract that is used solely for the purpose of exploration.

(1) If property or an interest in property that is determined not to be exempt under (a)(9) of this section reverts to an undeveloped state, or if the lease is terminated, the exemption shall be granted, subject to the provisions of (a)(9) and (k) of this section.

* Sec. 3. This Act takes effect January 1, 1984.



LAWS OF ALASKA

1983

Source

SB 260 am H

Chapter No.

97

AN ACT

Relating to exemption from municipal property taxation of certain property exempt from taxation under federal law; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 11

Permitted to Become Law Without Signature
Actual Effective Date: January 1, 1984

AN ACT

Relating to exemption from municipal property taxation of certain property exempt from taxation under federal law; and providing for an effective date.

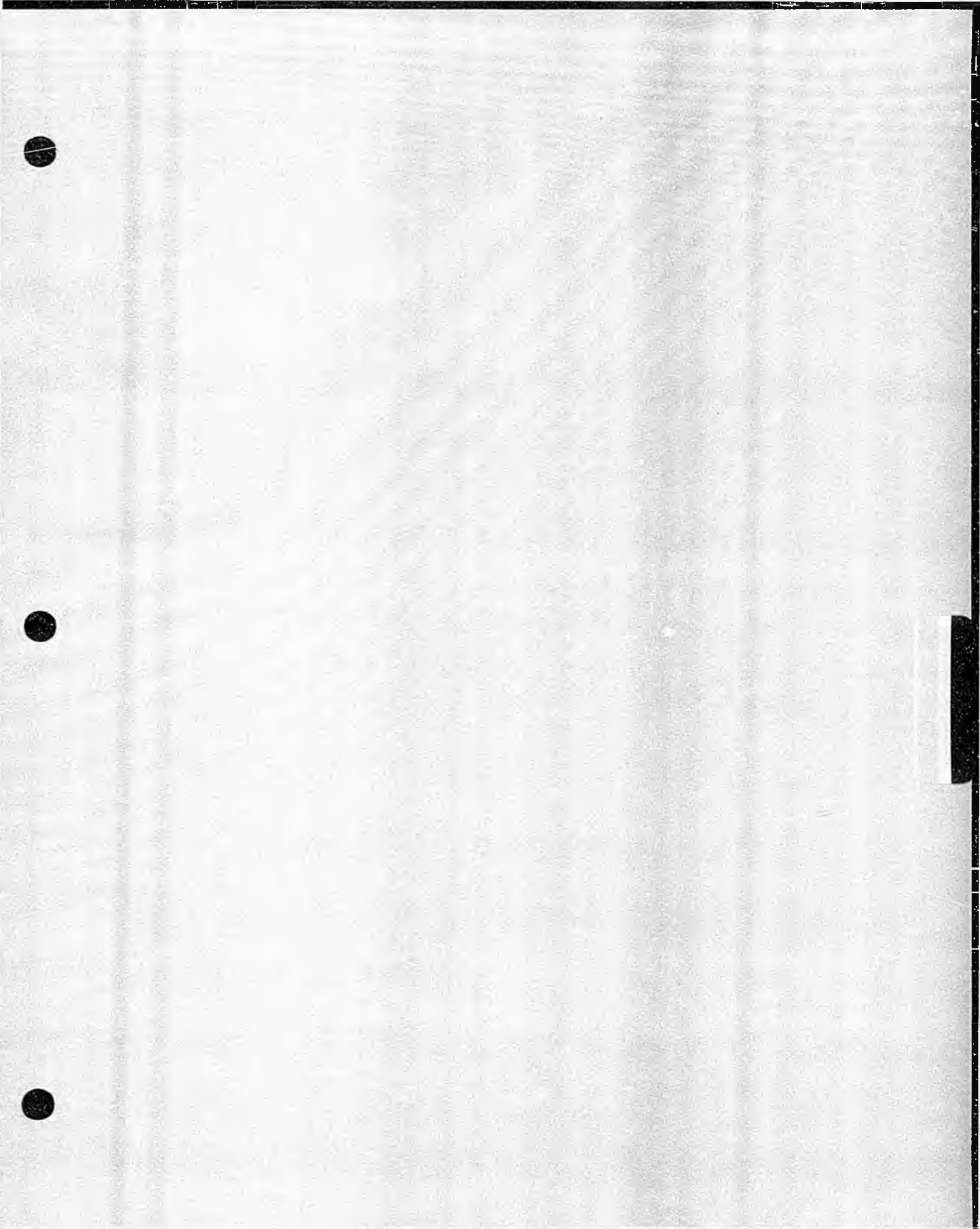
* Section 1. AS 29.53.020(a) is amended by adding a new paragraph to read:

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

* Sec. 2. AS 29.53.020 is amended by adding new subsections to read:

(k) For the purpose of determining property exempt under (n)(9) of this section, the following definitions apply to terms used in 43 U.S.C. 1620(d) unless superseded by applicable federal law:

(1) "developed" means a purposeful modification of the property from its original state that effectuates a condition of gainful and productive present use without further substantial modification; surveying, construction of roads, providing utilities or other similar actions normally considered to be component parts of the development process, but which do not create the condition described in this paragraph, do not constitute a developed state within the meaning of this paragraph; developed property, in order to remove the exemption, must be developed for purposes other than exploration, and be limited to the smallest practicable tract of the property actually used in the developed state;



Chapter 30

AN ACT

Relating to the regulation of public utilities; and providing for an effective date.

* Section 1. AS 42.05.711 is amended by adding new subsections to read:

(k) A utility which furnishes cable television service is exempt from the provisions of this chapter other than AS 42.05.221 - 42.05.281 unless 25 percent of the subscribers petition the commission for regulation.

(l) A person, utility, or cooperative that is exempt from regulation under AS 42.05.711(a) or (d) - (k) is not subject to regulation by a municipality under AS 29.48.060 - 29.48.090.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-10.070(c).



LAWS OF ALASKA

1983

Source

HB 274

Chapter No.

30

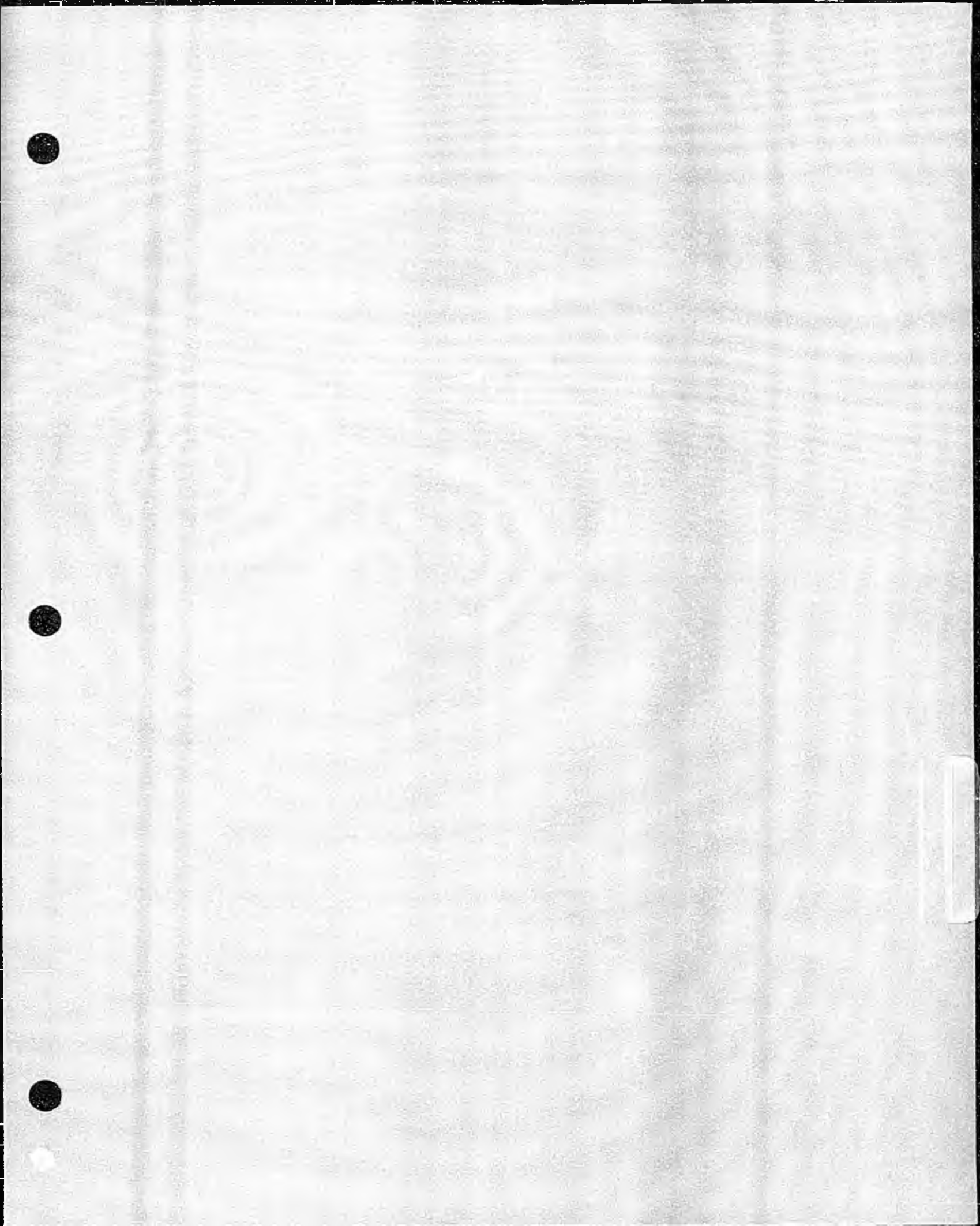
AN ACT

Relating to the regulation of public utilities; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9.

Approved by the Governor: June 29, 1983
Actual Effective Date: June 30, 1983



Introduced: 2/7/83
Referred: Community & Regional
Affairs and Judiciary

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 172

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal government; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 29.03 is amended by adding a new section to read:

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

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

14 CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

15 Sec. 29.04.010. HOME RULE. A home rule municipality is a
16 municipal corporation and political subdivision. It is a city or a
17 borough that has adopted a home rule charter, or it is a unified
18 municipality. A home rule municipality has all legislative powers not
19 prohibited by law or charter.

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

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

- 25 (1) first class boroughs;
26 (2) second class boroughs;
27 (3) third class boroughs;
28 (4) first class cities;
29 (5) second class cities.

1 Sec. 29.04.040. RECLASSIFICATION OF SECOND CLASS CITIES. (a) A
2 second class city may be reclassified as a first class city by holding
3 an election on the question, if the department determines from the
4 best figures available that the population of the city has reached 600
5 permanent residents.

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

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

11 (2) the council may propose reclassification.

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

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

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

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

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

3 Sec. 29.04.060. RECLASSIFICATION OF THIRD CLASS BOROUGHES. (a)
4 A third class borough may reclassify as a first or second class bor-
5 ough in the manner provided by AS 29.35.320 - 29.35.330 for the addi-
6 tion of an areawide power by a first or second class borough, except
7 the petition or proposal requests reclassification instead of request-
8 ing addition of a power. At the time of voting on reclassification of
9 a third class borough to first or second class status, voters shall
10 vote also on whether the borough shall on reclassification retain a
11 combined assembly and school board or elect a separate assembly and
12 board as otherwise provided for first and second class boroughs.

13 (b) If a combined assembly and school board are approved at the
14 reclassification election, the assembly serving at the time of the
15 election continues to serve as the assembly and board on voter ap-
16 proval of reclassification and until terms of assembly members expire
17 as provided before reclassification. If a separate assembly and
18 school board are approved at the reclassification election, a school
19 board shall be elected in conformity with AS 14.12.030 - 14.12.100 at
20 the next regular election, if it occurs within 90 days of the date of
21 the reclassification election, or otherwise at a special election
22 within 90 days of the date of the reclassification election. Expira-
23 tion dates of terms of school board members elected at a special
24 election must coincide with the date of the regular election. Until a
25 board is elected and qualified, the assembly continues to serve as the
26 board.

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

28 CHAPTER 05. INCORPORATION.

29 ARTICLE 1. REQUIREMENTS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 ARTICLE 2. PROCEDURE.

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

20 (1) class;

21 (2) name;

22 (3) boundaries;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 department shall publish notice of the meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 municipality in which the service area was formerly located.

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

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

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

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

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

24 ARTICLE 3. TRANSITIONAL ASSISTANCE.

25 Sec. 29.05.180. ORGANIZATION GRANTS TO CITIES. (a) To defray
26 the cost of transition to city government and to provide for interim
27 government operations, each city incorporated after July 1, 1983 is
28 entitled to an organization grant of \$50,000 for the first full or
29 partial fiscal year after incorporation.

1 (b) To defray the cost of reclassification, each second class
2 city in the unorganized borough incorporated before July 1, 1983 that
3 reclassifies as a home rule or first class city after July 1, 1983 is
4 entitled to an organization grant equal to \$50,000 for the first full
5 or partial fiscal year after reclassification.

6 (c) A city entitled to an organization grant under (a) or (b) of
7 this section is entitled to a second organization grant of \$25,000.
8 The Department of Community and Regional Affairs shall disburse the
9 second organization grant within 30 days after the beginning of the
10 city's second fiscal year after incorporation or reclassification, or
11 as soon after that time as money is appropriated and available for the
12 purpose.

13 (d) The Department of Community and Regional Affairs shall
14 disburse an organization grant under (a) and (b) of this section
15 within 30 days after certification of the incorporation election or
16 the reclassification election, or as soon after certification as money
17 is appropriated and available for the purpose.

18 Sec. 29.05.190. ORGANIZATION GRANTS TO BOROUGHES. (a) For the
19 purpose of defraying the cost of transition to borough government and
20 to provide for interim governmental operations, each borough incorpo-
21 rated after July 1, 1983, is entitled to organization grants as fol-
22 lows:

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

25 (2) \$200,000 for the borough's second fiscal year; and

26 (3) \$100,000 for the borough's third fiscal year.

27 (b) The department shall disburse the first organization grant
28 to a borough within 30 days after certification of the incorporation
29 election favoring incorporation of a borough, or as soon after that as

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

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

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

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

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

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

20 Sec. 29.05.210. TRANSITIONAL ASSISTANCE TO BOROUGHES. (a)
21 Within 30 days after the date of incorporation of a borough incorpo-
22 rated after July 1, 1983, the department shall determine the popula-
23 tion of the borough.

24 (b) The department shall provide assistance to each borough in-
25 corporated after July 1, 1983, in

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

29 (2) determining the initial property tax assessment roll if

1 the borough has adopted a property tax, including contracting for
2 appraisals of property needed to complete the initial assessment.

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

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

6 CHAPTER 06. ALTERATION OF MUNICIPALITIES.

7 ARTICLE 1. CHANGE OF NAME.

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

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

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

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

1 ARTICLE 2. ANNEXATION AND DETACHMENT.

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

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

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

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

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

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

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

1 Sec. 29.06.050. ANNEXATION OF MILITARY RESERVATIONS. A military
2 reservation may be annexed to a municipality in the same manner as
3 prescribed for other territory under AS 29.06.040. If a city in a
4 borough annexes a military reservation under this section, the area
5 encompassing the military reservation automatically is annexed to the
6 borough in which the city is located.

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

9 ARTICLE 3. MERGER AND CONSOLIDATION.

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

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

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

18 (2) the local option method specified in AS 29.06.100 -
19 29.06.160.

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

25 (b) The petition includes

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

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

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

1 (4) maps, documents, and other information that shows that
2 the proposed municipality meets the standards for municipal incorpora-
3 tion.

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

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

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

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

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

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

27 Sec. 29.06.140. ELECTION. (a) The Local Boundary Commission
28 shall immediately notify the director of elections of its acceptance
29 of a merger or consolidation petition. Within 30 days after

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

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

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

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

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

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

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

28 ARTICLE 4. UNIFICATION OF MUNICIPALITIES.

29 Sec. 29.06.190. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A

1 borough and all cities in the borough may unite to form a single unit
2 of home rule government by complying with AS 29.06.190 - 29.06.410.

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

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

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

12 "PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICA-
13 TION CHARTER. We, the undersigned, qualified voters of the borough do
14 hereby petition that the following proposition be placed before the
15 voters as provided by law: 'Shall a charter commission be formed (and
16 charter commission members be elected as elsewhere provided on this
17 ballot) to prepare, adopt and submit to the voters for their approval
18 or rejection a proposed charter uniting the borough and all cities
19 within it as a single unit of home rule government having the powers,
20 duties and functions of a unified municipality as authorized by law?

21 Yes [] No []'

22 Inside First Outside First

23 Class or Class or

24 Signature Address Home Rule City [] Home Rule City []"

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

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

29 (2) the number of voters residing in home rule or first

1 class cities in the borough equal to 25 percent of the votes cast in
2 all home rule and first class cities in the borough in the last regu-
3 lar borough election.

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

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

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

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

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

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

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

1 least 10 percent of the number of votes cast from that area in the
2 last regular borough election, whichever is less.

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

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

10 Sec. 29.06.260. QUALIFICATIONS OF CANDIDATES. A person is eli-
11 gible to be nominated as a candidate for the charter commission if
12 that person was a voter of the area from which election is sought for
13 at least one year immediately preceding the date the nomination peti-
14 tion is filed.

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

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

26 (c) All costs incurred in conducting an election under AS 29.-
27 06.190 - 29.06.410 shall be paid by the borough.

28 Sec. 29.06.280. REQUIREMENTS FOR APPROVAL OF FORMATION AND
29 ELECTION OF CHARTER COMMISSION. (a) The votes on the question of

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

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

11 Sec. 29.06.290. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

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

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

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

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

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

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

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

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

12 (1) provision for

13 (A) adjustment of existing bonded indebtedness and
14 other obligations in a manner that will assure a fair and equit-
15 able burden of taxation for debt service, subject to AS 29.06.-
16 380;

17 (B) the establishment of service areas;

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

23 (D) reapportionment of districts if they are estab-
24 lished;

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

28 (F) the transfer or other disposition of property and
29 other rights, claims, assets, and franchises of the

- 1 municipalities to be unified under the charter;
- 2 (G) exercise of the rights of initiative and referen-
- 3 dum;
- 4 (2) a method of amending the charter;
- 5 (3) the date on which the charter, if approved at the
- 6 charter election, is effective;
- 7 (4) designation of the proposed unified municipality's
- 8 official name;
- 9 (5) other charter provisions that may be included in a home
- 10 rule charter.

11 Sec. 29.06.330. PUBLIC HEARINGS. Both before and after drafting

12 the proposed home rule charter, the charter commission shall hold a

13 public hearing in each area represented on the assembly. Other public

14 hearings may be held by the commission as it considers necessary.

15 Sec. 29.06.340. FILING OF PROPOSED CHARTER. Upon the adoption

16 of a proposed home rule charter by the charter commission, the charter

17 shall be signed by at least a majority of the total membership of the

18 commission and shall be filed with the borough clerk. A copy of the

19 charter with signatures affixed shall also be filed with the clerk of

20 each city in the borough.

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

22 Within 10 days after filing the proposed home rule charter, the bor-

23 ough clerk shall have it published. In addition, the clerk shall have

24 a copy of the proposed charter posted in at least three public places

25 in each city and each unincorporated community in the borough. Copies

26 of the proposed charter shall be made available by the assembly to the

27 public at both the office of the borough clerk and the office of the

28 clerk of each city in the borough. The clerk shall have notice of the

29 publication, posting, and availability of the proposed charter

1 published.

2 Sec. 29.06.360. ELECTION ON CHARTER. (a) The proposed home
3 rule charter adopted by the charter commission shall be submitted to
4 the voters at a borough election held within 60 days of the date of
5 publication and posting of the proposed charter. The borough clerk
6 shall prepare the ballots for use in the election and shall give
7 notice of the election by radio and television in a manner intended to
8 apprise the entire borough population of the election. The election
9 shall be conducted under procedures applicable to regular elections.

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

12 (c) If a majority of the votes in the area of the borough out-
13 side all home rule or first class cities, and a majority of the votes
14 in all home rule and first class cities in the borough are cast in
15 favor of the proposed charter, the charter is ratified. If the char-
16 ter is ratified, election results shall be certified to the commission
17 and two copies of the charter shall be filed with

- 18 (1) the lieutenant governor;
19 (2) the commissioner of the department;
20 (3) the district recorder for the area of the borough;
21 (4) the clerk of the borough;
22 (5) the clerk of each city in the borough.

23 (d) If a proposed charter is rejected, the charter commission
24 shall prepare, adopt, and submit another proposed charter to the
25 voters at a borough election held within one year after the date of
26 the first charter election. If the second proposed charter is also
27 rejected, the charter commission shall be dissolved and the question
28 of unification shall be treated as if it had never been proposed or
29 approved.

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

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

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

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

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

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

2 (2) granted to a home rule borough.

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

5 ARTICLE 5. DISSOLUTION.

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

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

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

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

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

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

26 (b) The petition must include

27 (1) the name of the municipality;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 CHAPTER 10. HOME RULE MUNICIPALITIES.

24 ARTICLE 1. CHARTERS.

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

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

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

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

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

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

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

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

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

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

1 constitution.

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

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

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

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

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

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

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

- 16 (1) the lieutenant governor -- two copies;
- 17 (2) the department -- two copies;
- 18 (3) the district recorder -- one copy;
- 19 (4) the municipal clerk -- one copy.

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

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

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

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

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

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

23 ARTICLE 2. HOME RULE LIMITATIONS.

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

29 (1) AS 29.05.140 (transition)

- 1 (2) AS 29.06.010 (change of municipal name)
- 2 (3) AS 29.06.040 - 29.06.060 (annexation and detachment)
- 3 (4) AS 29.06.090 - 29.06.170 (merger and consolidation)
- 4 (5) AS 29.06.190 - 29.06.420 (unification of municipali-
- 5 ties)
- 6 (6) AS 29.06.450 - 29.06.530 (dissolution)
- 7 (7) AS 29.10.100 (charter amendment)
- 8 (8) AS 29.20.010 (conflict of interest)
- 9 (9) AS 29.20.020 (meetings public)
- 10 (10) AS 29.20.050 (legislative power)
- 11 (11) AS 29.20.060 - 29.20.120 (assembly composition and
- 12 apportionment)
- 13 (12) AS 29.20.140 (qualifications of members of governing
- 14 bodies)
- 15 (13) AS 29.20.150 (term of office)
- 16 (14) AS 29.20.220 (executive power)
- 17 (15) AS 29.20.630 (prohibitions)
- 18 (16) AS 29.20.640 (reports)
- 19 (17) AS 29.25.010(a)(10) (municipal exemption on contractor
- 20 bond requirements)
- 21 (18) AS 29.25.050 (codification)
- 22 (19) AS 29.25.060 (resolutions)
- 23 (20) AS 29.26.030 (notice of elections)
- 24 (21) AS 29.26.050 (voter qualification)
- 25 (22) AS 29.26.240 - 29.26.360 (recall)
- 26 (23) AS 29.35.020 (extraterritorial jurisdiction)
- 27 (24) AS 29.35.030 (eminent domain)
- 28 (25) AS 29.35.050 (garbage and solid waste services)
- 29 (26) AS 29.35.070 (public utilities)

- 1 (27) AS 29.35.080 (alcoholic beverages)
2 (28) AS 29.35.120 (post audit)
3 (29) AS 29.35.150(b) (effect of areawide exercise of
4 borough powers)
5 (30) AS 29.35.160 (education)
6 (31) AS 29.35.170(b) (assessment and collection of taxes)
7 (32) AS 29.35.180(b) (land use regulation)
8 (33) AS 29.35.250 (cities inside boroughs)
9 (34) AS 29.35.260 (cities outside boroughs)
10 (35) AS 29.35.340 (acquisition of areawide power)
11 (36) AS 29.40.160(a) - (c) (title to vacated areas)
12 (37) AS 29.40.200 (subdivisions of state land)
13 (38) AS 29.45.010 - 29.45.570 (property taxes)
14 (39) AS 29.45.650(c) and (d) (sales and use tax)
15 (40) AS 29.46.090 (exemption from special assessment)
16 (41) AS 29.47.200(b) (security for bonds)
17 (42) AS 29.47.260 (construction)
18 (43) AS 29.60.050(a) (limitation on computation and use of
19 payment)
20 (44) AS 29.60.120(a) and (c) (state aid for health facili-
21 ties and hospitals)
22 (45) AS 29.60.230 (state aid for hospital and health facil-
23 ity construction)
24 (46) AS 29.65.010 - 29.65.140 (general grant land)

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

26 CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

27 ARTICLE 1. CONFLICT OF INTEREST AND PUBLIC MEETINGS.

28 Sec. 29.20.010. CONFLICT OF INTEREST. (a) Each municipality

29 shall adopt a conflict of interest ordinance that provides that

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

4 (2) the presiding officer shall rule on a request to be
5 excused from a vote; and

6 (3) the decision of the presiding officer on a request to
7 be excused from a vote may be overridden by the majority vote of the
8 governing body.

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

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

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

17 ARTICLE 2. GOVERNING BODIES.

18 Sec. 29.20.050. LEGISLATIVE POWER. (a) The legislative power
19 of a borough is vested in the assembly. The legislative power of a
20 city is vested in the council.

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

23 Sec. 29.20.060. ASSEMBLY COMPOSITION AND APPORTIONMENT. (a)
24 Assembly composition and apportionment shall be consistent with the
25 equal representation standards of the Constitution of the United
26 States.

27 (b) The assembly of a newly incorporated borough is, after
28 incorporation and until the adoption of an ordinance providing for a
29 change in composition or apportionment, composed of the number of

1 members and apportioned as set out in the incorporation petition
2 approved by the voters. If the borough is already incorporated, the
3 assembly shall be composed and apportioned in a manner that is consis-
4 tent with the requirements of this section and prescribed by charter
5 or ordinance.

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

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

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

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

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

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

20 (1) election of members of the assembly at large by the
21 voters throughout the borough;

22 (2) election of members of the assembly by district, in-
23 cluding

24 (A) election at large by the voters throughout the
25 borough, but with a requirement that a candidate live in an
26 election district established by the borough for election of
27 assembly members; or

28 (B) election from election districts established by
29 the borough for the election of assembly members by the voters of

1 a district;

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

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

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

11 (1) composition of the assembly;

12 (2) the form of assembly representation that received the
13 most votes; and

14 (3) if applicable, the apportionment of assembly seats in
15 accordance with the form of representation that received the most
16 votes.

17 (e) This section does not apply to a

18 (1) unified municipality;

19 (2) home rule borough if the home rule charter contains
20 procedures for changing assembly composition and form of representa-
21 tion.

22 Sec. 29.20.080. ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT. (u)
23 Not later than two months after the official report of a federal de-
24 cennial census, the assembly shall determine and declare by resolution
25 whether the existing apportionment of the assembly meets the standards
26 of AS 29.20.060. If the assembly submits to the voters a form of
27 representation that includes election of assembly members under
28 AS 29.20.070(b)(2) or (b)(3) the assembly shall submit with the propo-
29 sition a proposed plan of apportionment that corresponds to the form

1 of representation proposed. The assembly shall describe the plan of
2 apportionment in the ballot proposition, and may present the plan in
3 any manner that it believes accurately describes the apportionment
4 that is proposed under the form of representation. If the assembly
5 determines that its existing apportionment meets the standards of
6 AS 29.20.060, the assembly may include the existing apportionment as a
7 proposed plan of apportionment of assembly seats that corresponds to a
8 form of representation that is proposed.

9 (b) The assembly shall provide, by ordinance, for a change in an
10 existing apportionment of the assembly whenever it determines that the
11 apportionment does not meet the standards of AS 29.20.060. At the
12 same time, the assembly may, by ordinance, change the composition of
13 the assembly.

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

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

26 (e) Within six months after a determination by the assembly
27 under (b) or (c) of this section that the current apportionment does
28 not meet the standards of AS 29.20.060 the assembly shall adopt an
29 ordinance providing for reapportionment and submit the ordinance to

1 the voters. If, at the end of the six-month time period, an ordinance
2 providing for reapportionment has not been approved by the voters, the
3 commissioner shall provide for the reapportionment in accordance with
4 the standards of AS 29.20.060 by preparing an order of reapportionment
5 and delivering the order to the borough mayor.

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

21 (b) The commissioner shall review the petition and may make the
22 determination requested. The commissioner shall provide copies of the
23 determination to the persons petitioning for appeal and to borough
24 officials not later than 60 days after the commissioner receives the
25 petition.

26 (c) If the commissioner determines that the proposed reappor-
27 tionment ordinance approved by the voters does not meet the standards
28 of AS 29.20.060, or if the commissioner determines that the decision
29 of the assembly that the standards of AS 29.20.060 do not require a

1 change of apportionment is not correct, the commissioner shall, by
2 order, direct the assembly to prepare a reapportionment ordinance that
3 meets the standards of AS 29.20.060 and submit the ordinance to the
4 voters.

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

12 (e) If at the end of the time period provided under (d) of this
13 section an ordinance providing for reapportionment has not been ap-
14 proved by the voters, the commissioner shall provide for the reappor-
15 tionment of the assembly in accordance with the standards of AS 29.-
16 20.060 by preparing an order of reapportionment and delivering the
17 order to the borough mayor.

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

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

22 (1) a plan of reapportionment approved by the voters under
23 AS 29.20.080(a);

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

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

29 (4) a reapportionment order of the commissioner made under

1 AS 29.20.090(c);

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

4 (6) a reapportionment order of the commissioner made under
5 AS 29.20.090(e).

6 Sec. 29.20.110. EFFECTIVE DATE OF APPORTIONMENT. (a) A change
7 in assembly apportionment or composition under AS 29.20.080 or 29.20.-
8 090 is effective beginning with the first regular election for members
9 of the assembly that is held more than 60 days after the later of

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

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

14 (b) The provisions of (a) of this section do not apply to a
15 borough in which a change in assembly composition or apportionment is
16 subject to review and approval or determination of nonobjection by the
17 Attorney General of the United States under the Voting Rights Act of
18 1965, as amended (42 U.S.C. 1971 - 1974). A change in assembly compo-
19 sition or apportionment subject to review under the Voting Rights Act
20 of 1965, as amended, is effective beginning with the first regular
21 election for members of the assembly that is held more than 60 days
22 after

23 (1) receipt by the assembly of approval by the Attorney
24 General of the United States of the proposed change in the composition
25 or apportionment of the assembly;

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

28 (3) the last day on which the Attorney General of the
29 United States may review a proposed change in the composition or

1 apportionment of the assembly.

2 Sec. 29.20.120. APPLICABILITY OF APPORTIONMENT PROVISIONS. The
3 provisions of AS 29.20.080 - 29.20.110 do not apply to a

4 (1) unified municipality;

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

7 Sec. 29.20.130. CITY COUNCIL COMPOSITION. Each first class city
8 has a council of six members elected by the voters at large. Each
9 second class city has a council of seven members elected by the voters
10 at large. The council of a first or second class city may by ordi-
11 nance provide for election of members other than on an at-large basis
12 for all members.

13 Sec. 29.20.140. QUALIFICATIONS. (a) A borough voter is eligi-
14 ble to be a member of the assembly and a city voter is eligible to be
15 a member of the council. A member of the governing body who ceases to
16 be a voter in the municipality immediately forfeits his office.

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

20 (c) A municipality may by ordinance establish district residency
21 requirements for members of its governing body. A member of the
22 governing body who represents a district and who becomes a resident of
23 another district in the municipality continues to serve until the next
24 regular election unless provided otherwise by ordinance.

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

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

1 Sec. 29.20.150. TERM OF OFFICE. (a) A member of the governing
2 body is elected for a three-year term and until his successor qual-
3 ifies, unless a different term not exceeding four years is prescribed
4 by home rule charter or ordinance.

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

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

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

14 Sec. 29.20.160. PROCEDURES OF GOVERNING BODIES. (a) The assem-
15 bly shall elect from among its members a presiding officer and a
16 deputy presiding officer to serve at the pleasure of the members,
17 except that in a borough that has adopted a manager form of government
18 under AS 29.20.460 - 29.20.520 the mayor serves as presiding officer.
19 In a city the mayor serves as presiding officer. If the presiding
20 officer is not present or if the presiding officer is personally
21 disqualified, the deputy presiding officer shall preside.

22 (b) A governing body shall hold at least one regular meeting
23 each month unless otherwise provided by ordinance. If a majority of
24 the members are given at least 24 hours oral or written notice and
25 reasonable efforts are made to notify all members, a special meeting
26 of the governing body may be held at the call of the presiding officer
27 or at least one-third of the members. A special meeting may be con-
28 ducted with less than 24 hours notice if all members are present or if
29 absent members have waived in writing the required notice. Waiver of

1 notice can be made before or after the special meeting is held. A
2 waiver of notice shall be made a part of the journal for the meeting.

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

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

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

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

19 Sec. 29.20.170. VACANCIES. The governing body may provide by
20 ordinance the manner in which a vacancy occurs in any elected office
21 except the office of mayor or school board member. Unless otherwise
22 provided by ordinance, the governing body shall declare an elective
23 office, other than the office of mayor or school board member, vacant
24 when the person elected

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

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

29 (3) resigns and the resignation is accepted;

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

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

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

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

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

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

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

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

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

25 ARTICLE 3. MUNICIPAL EXECUTIVE AND ADMINISTRATOR.

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

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

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

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

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

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

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

29 (b) Residency requirements for the office of mayor not exceeding

1 three years may be prescribed by ordinance.

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

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

11 Sec. 29.20.260. EXECUTIVE ABSENCE. The borough mayor, subject
12 to assembly approval, shall designate a person to act as mayor during
13 the borough mayor's temporary absence or disability. If a manager
14 plan has been adopted, the assembly shall designate by resolution a
15 borough administrative official to act as manager during the manager's
16 absence or disability.

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

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

27 (c) The veto does not extend to

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

29 (2) actions of the governing body sitting as the board of

1 equalization or the board of adjustment;

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

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

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

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

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

11 (3) resigns and the resignation is accepted;

12 (4) is physically or mentally unable to perform the duties
13 of office;

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

16 (6) is convicted of a felony or misdemeanor described in
17 AS 15.56;

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

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

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

22 (b) A vacancy in the office of mayor occurring six months before
23 a regular election shall be filled by the governing body. The person
24 appointed serves until the next regular election when a successor is
25 elected to serve the balance of the term. If a member of the govern-
26 ing body is appointed mayor, the member shall resign the seat on the
27 governing body. If a vacancy occurs more than six months before a
28 regular election, the governing body shall call a special election to
29 fill the unexpired term.

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

6 ARTICLE 4. BOARDS AND COMMISSIONS.

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

13 (b) The assembly is the school board for a third class borough.
14 The mayor is the presiding officer of the assembly and president of
15 the school board. However, the mayor may not veto an action of the
16 school board.

17 Sec. 29.20.310. UTILITY BOARDS. (a) The governing body of a
18 municipality operating a public utility may provide by ordinance for a
19 utility board of five members and define the board's powers and
20 duties.

21 (b) As determined by ordinance, members of a utility board are
22 either appointed by the mayor and confirmed by the governing body or
23 are elected at a regular election. The term of a utility board member
24 is two years and until a successor is selected and qualifies. How-
25 ever, the governing body may by ordinance provide for a different term
26 not to exceed four years. The current term of an elected incumbent
27 may not be altered.

28 (c) Vacancies on a utility board are filled by the mayor.
29 Executive appointments shall be confirmed by the governing body. A

1 person appointed to fill a vacancy on a utility board serves until the
2 expiration of the term for which appointed and until a successor is
3 elected and qualifies.

4 (d) Unless otherwise provided by ordinance, a utility board
5 shall

6 (1) choose its chairman and secretary;

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

9 (3) formulate and enforce the general rules and policies of
10 the utility.

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

14 (b) Members of boards and commissions, except for members of the
15 board of adjustment and assembly members serving on the board of
16 equalization, are appointed by the mayor and confirmed by the govern-
17 ing body.

18 ARTICLE 5. OTHER OFFICIALS AND EMPLOYEES.

19 Sec. 29.20.360. APPOINTMENT OF OFFICIALS. Unless otherwise pro-
20 vided by ordinance, the municipal clerk, attorney, treasurer, and
21 police chief are appointed by the chief administrator. Unless other-
22 wise provided by ordinance, an official described in this section
23 serves at the pleasure of the appointing authority and, if appointed
24 by the chief administrator, must be confirmed by the governing body.

25 Sec. 29.20.370. MUNICIPAL ATTORNEY. The municipal attorney is
26 the legal advisor of the governing body, the school board, and the
27 other officials of the municipality. The municipal attorney repre-
28 sents the municipality as attorney in civil and criminal proceedings.
29 The school board may hire independent counsel when in its judgment

1 independent counsel is needed.

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

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

5 (2) attend meetings of the governing body and keep the
6 journal;

7 (3) arrange publication of notices, ordinances, and resolu-
8 tions;

9 (4) maintain and make available for public inspection an
10 indexed file containing municipal ordinances, resolutions, rules,
11 regulations, and codes;

12 (5) attest deeds and other documents;

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

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

19 Sec. 29.20.390. MUNICIPAL TREASURER. (a) Except as provided in
20 AS 14.14.060, the treasurer is the custodian of all municipal funds.
21 The treasurer shall keep an itemized account of money received and
22 disbursed. The treasurer shall pay money on vouchers drawn against
23 appropriations.

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

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

28 (b) Each municipal department is administered by a department
29 head. With the consent of the governing body, the mayor may serve as

1 head of one or more departments or a single administrator may serve as
2 head of two or more departments.

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

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

12 ARTICLE 6. MANAGER PLAN.

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

19 (1) 25 percent if the municipality has fewer than 7,500
20 persons;

21 (2) 15 percent if the municipality has 7,500 persons or
22 more.

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

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

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

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

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

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

16 (1) appoint, suspend, or remove municipal employees and
17 administrative officials, except as provided otherwise in this title
18 and AS 14.14.065;

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

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

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

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

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

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

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

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

19 ARTICLE 7. MISCELLANEOUS PROVISIONS.

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

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

28 Sec. 29.20.620. COMPENSATION FOR ELECTED OFFICIALS. The govern-
29 ing body shall by ordinance provide a method of determining the

1 salaries of elected officials. The salary of the mayor may not be re-
2 duced durin, the term of office of the mayor, unless during the term a
3 manager plan is adopted. An elected official may not receive com-
4 pensation for service to the municipality in addition to the salary
5 received as an elected official, unless otherwise provided by ordi-
6 nance. Per diem payments or reimbursements for expenses are not
7 compensation under this section.

8 Sec. 29.20.630. PROHIBITIONS. (a) Subject to AS 14.14.140, a
9 state employee or school district employee may not be denied the right
10 to serve as an elected municipal official because of employment by the
11 state or a school district. For purposes of this section a school
12 district employee is not a municipal employee.

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

15 Sec. 29.20.640. REPORTS. (a) A municipality shall file with
16 the department

17 (1) maps and descriptions of all annexed or detached ter-
18 ritory;

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

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

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

24 (5) a summary of the optional property tax exemptions
25 authorized together with the estimate of the revenues lost to the
26 municipality by operation of each of the exemptions.

27 (b) Compliance with the provisions of this section is a prereq-
28 uisite to receipt of municipal tax resource equalization assistance
29 under AS 29.60.010 - 29.60.080 and state aid for miscellaneous

1 municipal services under AS 29.60.100 - 29.60.180. If a municipality
2 does not comply with this section, the department shall withhold the
3 allocations until the required reports are filed.

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

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

7 CHAPTER 25. MUNICIPAL ENACTMENTS.

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

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

12 (2) provide for a fine or other penalty, or establish rules
13 or regulations for violation of which a fine or other penalty is im-
14 posed;

15 (3) provide for the levying of taxes;

16 (4) make appropriations, including supplemental appropria-
17 tions or transfer of appropriations;

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

19 (6) adopt, modify, or repeal the comprehensive plan, land
20 use and subdivision regulations, building and housing codes, and the
21 official map;

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

24 (8) designate the borough seat;

25 (9) provide for the retention or sale of tax-foreclosed
26 property;

27 (10) exempt contractors from compliance with general re-
28 quirements relating to payment and performance bonds in the construc-
29 tion or repair of municipal public works projects within the

1 limitations set out in AS 36.25.025; this paragraph applies to home
2 rule and general law municipalities.

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

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

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

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

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

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

17 (4) copies of the ordinance shall be available to all
18 persons present at the hearing, or the ordinance shall be read in
19 full;

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

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

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

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

28 Sec. 29.25.030. EMERGENCY ORDINANCES. (a) To meet a public
29 emergency the governing body may adopt an emergency ordinance

1 effective on adoption. Each emergency ordinance shall contain a
2 finding by the governing body that an emergency exists and a statement
3 of the facts upon which the finding is based. An emergency ordinance
4 may be adopted, amended and adopted, or rejected at the meeting at
5 which it is introduced. The affirmative vote of all members present,
6 or the affirmative vote of three-fourths of the total membership,
7 whichever is less, is required for adoption of an emergency ordinance.
8 The governing body shall print and make available copies of adopted
9 emergency ordinances.

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

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

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

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

28 (b) Within three years after incorporation of a municipality,
29 the municipal clerk or the clerk's designee shall have prepared a

1 general codification of all municipal ordinances of general applica-
2 bility having the force and effect of law. The municipal code shall
3 be revised and printed at least every five years, unless the code is
4 kept current by regular supplements.

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

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

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

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

17 Sec. 29.25.060. RESOLUTIONS. (a) The governing body shall
18 provide for the maintenance of a permanent file of resolutions that
19 have been adopted.

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

22 Sec. 29.25.070. PENALTIES. (a) For the violation of an ordi-
23 nance, a municipality may by ordinance prescribe penalties not to
24 exceed those imposed for a class B misdemeanor.

25 (b) The municipality or an aggrieved person may institute a
26 civil action against a person who violates an ordinance. In addition
27 to injunctive and compensatory relief, a civil penalty not to exceed
28 \$1,000 may be imposed for each violation. An action to enjoin a
29 violation may be brought notwithstanding the availability of any other

1 remedy. On application for injunctive relief and a finding of a
2 violation or a threatened violation, the superior court shall grant
3 the injunction. Each day that a violation of an ordinance continues
4 constitutes a separate violation.

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

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

9 CHAPTER 26. ELECTIONS.

10 ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

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

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

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

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

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

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

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

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

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

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

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

13 (b) Voter registration by the municipality may not be required.
14 However, a municipality may by ordinance require that a person be
15 registered to vote in state elections in the precinct in which that
16 person seeks to vote in municipal elections.

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

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

22 (1) mayor; or

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

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

1 (c) Unless otherwise provided by ordinance, a runoff election
2 shall be held within three weeks after the date of certification of
3 the election for which a runoff is required, and notice of the runoff
4 election shall be published at least five days before the election
5 date. The runoff election shall be between the two candidates receiv-
6 ing the greatest number of votes for the seat.

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

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

15 (c) Unless otherwise provided by ordinance, the governing body
16 shall declare the election results at the first meeting to canvass the
17 election, record the results in the minutes of that meeting, and
18 authorize the results to be certified.

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

24 (e) A person may not appeal or seek judicial review of an elec-
25 tion for any cause unless the person is a municipal voter, has ex-
26 hausted all administrative remedies before the governing body, and has
27 commenced, within 10 days after the governing body has declared the
28 election results, an action in the superior court in the judicial
29 district in which the municipality is located. If court action is not

1 commenced within the 10-day period, the election and election results
2 are conclusive and valid.

3 ARTICLE 2. INITIATIVE AND REFERENDUM.

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

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

18 (1) is not restricted by AS 29.26.100;

19 (2) includes only a single subject;

20 (3) relates to a legislative rather than to an administra-
21 tive matter; and

22 (4) would be enforceable as a matter of law.

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

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

29 (1) a summary of the ordinance or resolution to be

1 initiated or the ordinance or resolution to be referred;

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

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

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

7 (5) spaces for each signature, the printed name of each
8 signer, the date each signature is affixed, and the residence and
9 mailing addresses of each signer;

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

15 (7) space for indicating the total number of signatures on
16 the petition.

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

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

22 Sec. 29.26.130. SIGNATURE REQUIREMENTS. (a) The signatures on
23 an initiative or referendum petition shall be secured within 60 days
24 after the clerk issues the petition. The statement provided under
25 AS 29.26.120(a)(6) shall be signed and dated by the sponsor. Signa-
26 tures shall be in ink or indelible pencil.

27 (b) The clerk shall determine the number of signatures required
28 on a petition and inform each sponsor. A petition shall be signed by
29 a number of voters based on the number of votes cast at the last

1 regular election held before the date the petition was issued equal to

2 (1) 25 percent of the votes cast if a municipality has
3 fewer than 7,500 persons; or

4 (2) 15 percent of the votes cast if a municipality has
5 7,500 persons or more.

6 (c) Illegible signatures shall be rejected by the clerk unless
7 accompanied by a legible printed name. Signatures not accompanied by
8 a legible residence address shall be rejected.

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

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

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

16 (2) if the petition is insufficient, identify the insuffi-
17 ciency and notify the sponsors at the address provided under AS 29.-
18 26.110(a) by certified mail.

19 (b) A petition that is insufficient may be supplemented with
20 additional signatures obtained and filed within 10 days after the date
21 on which the petition is rejected.

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

27 Sec. 29.26.150. PROTEST. If the municipal clerk certifies an
28 initiative or referendum petition is insufficient, a signer of the
29 petition may file a protest with the mayor within seven days after the

1 certification. The mayor shall present the protest at the next regu-
2 lar meeting of the governing body. The governing body shall hear and
3 decide the protest.

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

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

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

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

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

26 Sec. 29.26.180. REFERENDUM ELECTION. (a) Unless the ordinance
27 or resolution is repealed, when a petition seeks a referendum vote the
28 clerk shall submit the matter to the voters at the next election
29 occurring no sooner than 45 days after certification of the petition.

1 If no election occurs within 75 days of certification of a petition,
2 the governing body shall hold a special election within 75 days, but
3 not sooner than 45 days after certification.

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

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

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

16 Sec. 29.26.190. EFFECT. (a) An ordinance or resolution may not
17 be repealed or amended within one year after its effective date if
18 adopted in an initiative election or if adopted after a petition that
19 contains substantially the same measure has been filed.

20 (b) If an ordinance or resolution is repealed in a referendum
21 election or by the governing body after a petition that contains sub-
22 stantially the same measure has been filed, substantially similar
23 legislation may not be enacted by the governing body for a period of
24 one year.

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

29 ARTICLE 3. RECALL.

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

5 Sec. 29.26.250. GROUNDS FOR RECALL. Grounds for recall are mis-
6 conduct in office, incompetence, or failure to perform prescribed
7 duties.

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

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

13 (2) the address to which all correspondence relating to the
14 petition may be sent;

15 (3) a statement in 200 words or less of the grounds of the
16 recall stated with particularity.

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

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

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

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

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

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

29 (5) spaces for each signature, the printed name of each

1 signer, the date of each signature, and the residence and mailing
2 addresses of each signer;

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

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

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

12 Sec. 29.26.280. SIGNATURE REQUIREMENTS. (a) The signatures on
13 a recall petition shall be secured within 60 days after the date the
14 clerk issues the petition. The statement provided under AS 29.26.-
15 270(a)(6) shall be completed and signed by the sponsor. Signatures
16 shall be in ink or indelible pencil.

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

28 (c) Illegible signatures shall be rejected by the clerk unless
29 accompanied by a legible printed name. Signatures not accompanied by

1 a legible residence address shall be rejected.

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

4 Sec. 29.26.290. SUFFICIENCY OF PETITION. (a) The copies of a
5 recall petition shall be assembled and filed as a single instrument.
6 A petition may not be filed within 180 days before the end of the term
7 of office of the official sought to be recalled. Within 10 days after
8 the date a petition is 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 26.260(a)(2) by certified mail.

13 (b) A petition that is insufficient may be supplemented with
14 additional signatures obtained and filed within 10 days after the date
15 on which the petition is rejected if

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

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

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

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

29 Sec. 29.26.310. SUBMISSION. If a recall petition is sufficient,

1 the clerk shall submit it to the governing body at the next regular
2 meeting or at a special meeting held before the next regular meeting.

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

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

11 (c) If a vacancy occurs in the office after a sufficient recall
12 petition is filed with the clerk, the recall question may not be sub-
13 mitted to the voters. The governing body may not appoint to the same
14 office an official who resigns after a sufficient recall petition is
15 filed naming him.

16 Sec. 29.26.330. FORM OF RECALL BALLOT. A recall ballot shall
17 contain

18 (1) the grounds of recall as stated in 200 words or less on
19 the recall petition;

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

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

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

28 (b) If an official is not recalled at the election, an applica-
29 tion for a petition to recall the same official may not be filed

1 sooner than six months after the election.

2 Sec. 29.26.350. SUCCESSORS. (a) If an official is recalled
3 from the governing body, the office of that official is filled in
4 accordance with AS 29.20.180. If all members of the governing body
5 are recalled, the governor shall appoint three qualified persons to
6 the governing body. The appointees shall appoint additional members
7 to fill remaining vacancies in accordance with AS 29.20.180.

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

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

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

22 (e) Nominations for a successor may be filed until seven days
23 before the last date on which a first notice of the election must be
24 given. Nominations may not be filed before the certification of the
25 recall election.

26 Sec. 29.26.360. APPLICATION. AS 29.26.240 - 29.26.360 apply to
27 home rule and general law municipalities.

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

29 CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

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ARTICLE 1. GENERAL POWERS.

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

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

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

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

(4) to require periodic and special reports from a municipal department to be submitted through the mayor;

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

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

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

(8) to acquire, manage, control, use, and dispose of real and personal property, whether the property is situated inside or outside the municipal boundaries; this power includes the power of a borough to expend, for any purpose authorized by law, money received from the disposal of land in a service area established under AS 29.35.450;

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

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

- 1 (11) to borrow money and issue evidences of indebtedness;
2 (12) to acquire membership in an organization that promotes
3 legislation for the good of the municipality;
4 (13) to enter into an agreement, including an agreement for
5 cooperative or joint administration of any function or power with a
6 municipality, the state, or the United States;
7 (14) to sue and be sued.

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

19 (b) A municipality may adopt an ordinance to protect its water
20 supply and watershed, and may enforce the ordinance outside its bound-
21 aries. Before this power may be exercised inside the boundaries of
22 another municipality, the approval of the other municipality must be
23 given by ordinance.

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

26 Sec. 29.35.030. EMINENT DOMAIN. (a) A municipality may exer-
27 cise the powers of eminent domain and declaration of taking in the
28 performance of a power or function of the municipality under the
29 procedures set out in AS 09.55.250 - 09.55.460.

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 wastes 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 muni-
24 cipal 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 determine
20 fair market value.

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

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

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

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

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

14 (2) not otherwise prohibited by law.

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

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

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

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

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

29 Sec. 29.35.090. MUNICIPAL PROPERTY. The governing body shall by

1 ordinance establish a formal procedure for acquisition and disposal of
2 land and interests in land by the municipality.

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

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

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

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

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

28 Sec. 29.35.130. EMERGENCY SERVICES COMMUNICATIONS CENTERS. (a)
29 A municipality may establish an emergency services communications

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

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

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

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

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

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

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

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

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

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

5 (d) In this section

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

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

12 ARTICLE 2. MANDATORY AREAWIDE POWERS.

13 Sec. 29.35.150. SCOPE OF AREAWIDE POWERS. (a) A borough shall
14 exercise the powers as specified and in the manner specified in
15 AS 29.35.150 - 29.35.180 on an areawide basis.

16 (b) A city may not exercise an areawide power once that power is
17 being exercised by a borough. This subsection applies to home rule
18 and general law municipalities.

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

1 Education, operation, management, and control of schools on the mili-
2 tary reservation transfers to the borough school district in which the
3 military reservation is located.

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

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

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

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

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

17 ARTICLE 3. ADDITIONAL POWERS.

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

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

23 (1) provide transportation systems;
24 (2) provide water pollution control;
25 (3) provide air pollution control in accordance with
26 AS 46.03.140 - 46.03.240;

27 (4) license day care facilities;
28 (5) license, impound, and dispose of animals.

29 (c) In addition to powers conferred by (b) of this section, a

1 first class borough may, on an areawide basis, exercise a power not
2 otherwise prohibited by law if the power has been acquired in accor-
3 dance with AS 29.35.300.

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

7 (1) provide transportation systems;

8 (2) regulate the offering for sale, exposure for sale,
9 sale, use or explosion of fireworks;

10 (3) license, impound, and dispose of animals;

11 (4) provide garbage, solid waste, and septic waste col-
12 lection and disposal;

13 (5) provide air pollution control in accordance with
14 AS 46.03.140 - 46.03.240;

15 (6) provide water pollution control;

16 (7) participate in federal or state loan programs for
17 housing rehabilitation and improvement for energy conservation;

18 (8) provide for economic development;

19 (9) provide for the acquisition and construction of local
20 service roads and trails under AS 19.30.111 - 19.30.251;

21 (10) establish an emergency services communications center
22 under AS 29.35.130.

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

25 (1) provide transportation systems;

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

27 (3) provide air pollution control in accordance with
28 AS 46.03.140 - 46.03.240;

29 (4) provide water pollution control;

1 (5) license day care facilities.

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

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

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

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

16 (c) A third class borough may acquire under AS 29.35.300(b) the
17 power to provide for planning, platting, and land use regulation as
18 provided in AS 29.40 for first and second class boroughs, except the
19 power may only be exercised within a service area.

20 (d) A third class borough may acquire under AS 29.35.300(b) any
21 power not otherwise prohibited by law, except the power may only be
22 exercised within a service area.

23 ARTICLE 4. CITY POWERS.

24 Sec. 29.35.250. CITIES INSIDE BOROUGHHS. (a) A city inside a
25 borough may exercise any power not otherwise prohibited by law.

26 (b) On adoption of a borough ordinance to provide for areawide
27 exercise of a power, no city may exercise the power unless the borough
28 ordinance provides otherwise or the borough by ordinance ceases to
29 exercise the power.

1 (c) A home rule city in a third class borough shall provide for
2 planning, platting, and land use regulation as provided by AS 29.35.-
3 180(b) for home rule boroughs. A first class city in a third class
4 borough shall provide for planning, platting, and land use regulation
5 as provided by AS 29.35.180(a) for first and second class boroughs. A
6 second class city in a third class borough may provide for planning,
7 platting, and land use regulation as provided by AS 29.35.180(a) for
8 first and second class boroughs.

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

10 Sec. 29.35.260. CITIES OUTSIDE BOROUGHS. (a) A city outside a
11 borough may exercise a power not otherwise prohibited by law. A
12 provision that is incorporated by reference to laws governing boroughs
13 applies to home rule cities outside boroughs only if the provision is
14 made applicable to home rule boroughs.

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

20 (c) A home rule city outside a borough shall provide for plan-
21 ning, platting, and land use regulation as provided by AS 29.35.180(b)
22 for home rule boroughs. A first class city outside a borough shall,
23 and a second class city outside a borough may, provide for planning,
24 platting, and land use regulation as provided by AS 29.35.180(a) for
25 first and second class boroughs.

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

27 ARTICLE 5. ACQUISITION OF ADDITIONAL POWERS.

28 Sec. 29.35.300. ADDITIONAL POWERS. (a) A first class borough
29 acquires an additional areawide power by transfer of the power by a

1 city or by holding an areawide election on the question.

2 (b) A second class borough acquires an additional power by
3 transfer of the power by a city or by holding an election on the ques-
4 tion. For acquisition of an areawide power, the election shall be
5 held areawide. For acquisition of a nonareawide power, the election
6 shall be held nonareawide.

7 (c) A third class borough acquires an additional power to exer-
8 cise in a service area in accordance with AS 29.35.490(b) and (c).

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

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

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

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

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

24 (b) An election on the question of adding a power in a third
25 class borough for exercise in service areas may be initiated in tw
26 ways:

27 (1) a number of voters equal to 15 percent of the number of
28 votes cast at the preceding regular election in a proposed service
29 area in which the power is sought to be exercised may file a petition

1 with the assembly; or

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

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

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

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

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

24 (c) If a majority of the votes cast on the question of adding a
25 nonareawide power in a first or second class borough or a power to be
26 exercised in service areas in a third class borough is favorable, the
27 borough shall assume the added power within 30 days after certifica-
28 tion of the election results.

29 (d) The borough mayor shall certify the election results to the

1 department.

2 Sec. 29.35.340. EFFECT OF ACQUIRING AN AREAWIDE POWER. (a) On
3 acquisition of an areawide power the first or second class borough
4 succeeds to all of the rights, powers, and duties of any city or
5 service area with respect to that power. The borough succeeds to
6 claims, franchises, and other contractual obligations, liability for
7 bonded and all other indebtedness, and to all of the right, title, and
8 interest in the real and personal property held by a city or service
9 area for the exercise of the power.

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

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

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

24 ARTICLE 6. CONSTRUCTION OF POWERS.

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

28 Sec. 29.35.410. EXTENT OF POWERS. Unless otherwise limited by
29 law, a municipality has and may exercise all powers and functions

1 necessarily or fairly implied in or incident to the purpose of all
2 powers and functions conferred in this title.

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

7 ARTICLE 7. SERVICE AREAS.

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

15 (1) the city agrees by ordinance; or

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

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

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

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

1 issuance of bonds are subject to assembly approval.

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

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

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

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

16 (b) If the exercise of the power is approved by a majority of
17 the voters residing in the service area, a third class borough may
18 exercise in a service area any power that may be acquired by a second
19 class borough under AS 29.35.300(b).

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

1 ARTICLE 8. MISCELLANEOUS PROVISIONS.

2 Sec. 29.35.700. DEFINITION. In AS 29.35.200 - 29.35.340 "power"
3 means the provision of a public facility or service, or the exercise
4 of a regulatory power.

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

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

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

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

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

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

29 (b) In addition to the duties prescribed by ordinance, the

1 planning commission shall

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

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

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

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

14 (2) a land use plan;

15 (3) a community facilities plan;

16 (4) a transportation plan; and

17 (5) recommendations for implementation of the comprehensive
18 plan.

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

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

29 (1) zoning regulations restricting the use of land and

1 improvements by geographic districts;

2 (2) land use permit requirements designed to encourage or
3 discourage specified uses and construction of specified structures, or
4 to minimize unfavorable effects of uses and the construction of struc-
5 tures;

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

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

10 (1) special conditions that require the variance are caused
11 by the person seeking the variance;

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

14 (3) the variance is sought solely to relieve pecuniary
15 hardship or inconvenience.

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

26 (b) By ordinance the assembly may provide for appointment of a
27 hearing officer, or for the composition, appointment, and terms of
28 office of a board of adjustment or other body established to hear
29 appeals from administrative actions. The assembly may define proper

1 parties and prescribe evidentiary rules, standards of review, and
2 remedies available to the hearing officer, board of adjustment, or
3 other body.

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

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

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

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

16 (2) dimensions and design of lots;

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

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

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

29 (b) The assembly may by ordinance provide for an administrative

1 official to act as the platting authority with regard to abbreviated
2 plats.

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

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

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

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

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

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

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

18 (1) initial point of survey;

19 (2) original or reestablished corners and their descrip-
20 tions;

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

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

25 Sec. 29.40.110. PLAT PROCEDURE. (a) The platting authority
26 shall approve or disapprove a plat within 60 days after it is filed,
27 or shall return it to the applicant for modification or correction.
28 Unless the applicant for plat approval consents to an extension of
29 time, the plat is considered approved and a certificate of approval

1 shall be issued by the platting authority on demand if the platting
2 authority fails to act within 60 days.

3 (b) The platting authority shall state in writing its reasons
4 for disapproval of a plat. If the platting authority approves a plat,
5 the plat shall be acknowledged and filed in accordance with AS 40.15.-
6 010 - 40.15.020.

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

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

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

27 (b) Vacation of a city street may not be made without the con-
28 sent of the council. Vacation of a street in the borough area outside
29 all cities may not be made without the consent of the assembly. The

1 governing body shall have 30 days from the decision of the platting
2 authority in which to veto a vacation of a street. If no veto is
3 received by the platting authority within the 30-day period, consent
4 is considered to have been given to the vacation.

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

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

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

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

1 (d) The council of a second class city located outside a borough
2 may vacate streets, alleys, crossings, sidewalks, or other public ways
3 that may have been previously dedicated or established when the coun-
4 cil finds that the streets, alleys, crossings, sidewalks, or other
5 public ways are no longer necessary for the public welfare, or when
6 the public welfare will be enhanced by the vacation. If the council
7 determines that all or a portion of the area vacated under this sub-
8 section should be devoted to another public purpose, title to the area
9 vacated and held for another public purpose does not vest as provided
10 in (a) of this section but remains in the city.

11 Sec. 29.40.170. DELEGATIONS. The planning commission and the
12 platting authority may, as authorized by ordinance, delegate powers to
13 hear and decide cases under this chapter, including, but not limited
14 to, delegations to

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

17 (2) other boards or commissions;

18 (3) a hearing officer designated by the planning commission
19 or platting authority.

20 Sec. 29.40.180. VIOLATIONS. It is unlawful for the owner of
21 land located in a subdivision to transfer, sell, offer to sell, or
22 enter into a contract to sell land in a subdivision before a plat of
23 the subdivision has been prepared, approved, and filed in accordance
24 with this chapter. It is unlawful for a person to file a plat or
25 other document depicting subdivided land in a public recorder's office
26 unless the plat or document has been approved by the platting author-
27 ity. A person convicted of violating a provision of this chapter, a
28 subdivision regulation adopted under this chapter, or a term, condi-
29 tion, or limitation imposed by a platting authority in the exercise of

1 its powers under this chapter is guilty of a class B misdemeanor.

2 Sec. 29.40.190. REMEDIES. (a) The municipality or an aggrieved
3 person may institute a civil action against a person who violates a
4 provision of this chapter, a subdivision regulation adopted under this
5 chapter, or a term, condition, or limitation imposed by a platting
6 authority. In addition to other relief, a civil penalty not to exceed
7 \$1,000 may be imposed for each violation. An action to enjoin a
8 violation may be brought notwithstanding the availability of any other
9 remedy. Upon application for injunctive relief and a finding of a
10 violation or threatened violation, the superior court shall grant the
11 injunction.

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

14 Sec. 29.40.200. SUBDIVISIONS OF STATE LAND. (a) The subdivi-
15 sion requirements adopted under this chapter apply to a subdivision
16 plat of undeveloped state land for disposal under AS 38.05 or AS 38.08
17 filed with the platting authority. The platting authority may not
18 disapprove the subdivision plat on the basis of requirements for
19 capital improvements on or to state land included in the subdivision
20 plat. Subdivision ordinances and regulations adopted after the plat-
21 ting authority is notified by the commissioner of natural resources of
22 a proposed sale of subdivided state land under AS 38.05 or AS 38.08 do
23 not apply to the state land in the proposed sale.

24 (b) The platting authority must approve and sign a subdivision
25 plat of state land within 60 days after its receipt from the commis-
26 sioner of natural resources unless the platting authority

27 (1) determines that the plat does not comply with subdivi-
28 sion requirements other than those requiring capital improvements to
29 state land; and

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

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

8 (d) Notwithstanding any other provision of law, the provisions
9 of this section apply to all disposals of land under AS 38.05 or
10 AS 38.08.

11 (e) Nothing in this section relieves the Department of Natural
12 Resources of its obligation to provide legal access to a subdivision.

13 (f) As used in this section, "capital improvements" includes but
14 is not limited to access roads, other physical improvements, and their
15 design and engineering.

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

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

19 CHAPTER 45. MUNICIPAL TAXATION.

20 ARTICLE 1. MUNICIPAL PROPERTY TAX.

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

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

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

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

28 (b) A home rule or first class city may levy a property tax
29 subject to AS 29.45.550 - 29.45.560. A second class city may levy a

1 property tax subject to AS 29.45.590.

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

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

8 "NOTICE TO TAXPAYER

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

12	PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE	
13	(AS 14.17)	\$
14	STATE AID FOR RETIREMENT OF SCHOOL CONSTRUC-	
15	TION DEBT (AS 43.18.100)	\$
16	MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE	
17	(AS 29.60.010 - 29.60.080)	\$
18	STATE AID FOR MISCELLANEOUS MUNICIPAL	
19	SERVICES (AS 29.60.100 - 29.60.180)	\$
20	TOTAL AID	\$

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

24	MILLAGE EQUIVALENT	
25	PREVIOUS YEAR	THIS YEAR
26	PUBLIC SCHOOL FOUNDATION PROGRAM	
27	ASSISTANCEMILLS
28	STATE AID FOR RETIREMENT OF	
29	SCHOOL CONSTRUCTION DEBTMILLS

1	MUNICIPAL TAX RESOURCE EQUALI-		
2	ZATION ASSISTANCEMILLSMILLS
3	STATE AID FOR MISCELLANEOUS		
4	MUNICIPAL SERVICESMILLSMILLS
5	TOTAL MILLAGE EQUIVALENTMILLSMILLS"

6 Notice shall be provided

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

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

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

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

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

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

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

29 (4) property of a nonbusiness organization or its auxiliary

1 composed entirely of persons with 90 days or more of active service in
2 the armed forces of the United States whose conditions of service and
3 separation were other than dishonorable;

4 (5) money on deposit;

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

8 (7) real property or interests in real property that are
9 exempt from taxation under 43 U.S.C. 1620(d), as amended, as more
10 fully provided in (m) and (n) of this section.

11 (b) "Property used exclusively for religious purposes" includes
12 the following property owned by a religious organization:

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

15 (2) a structure, its furniture, and its fixtures used
16 solely for public worship, charitable purposes, religious administra-
17 tive offices, religious education, or a nonprofit hospital;

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

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

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

28 (e) The real property owned and occupied as a permanent place of
29 abode by a resident 65 years of age or over is exempt from taxation of

1 the assessed value of the real property. Real property may not be
2 exempted under this subsection that the assessor determines, after
3 notice and hearing to the parties concerned, has been conveyed to the
4 applicant primarily for the purpose of obtaining the exemption. The
5 determination of the assessor is appealable under AS 44.62.560 and
6 44.62.570.

7 (f) An exemption may not be granted under (e) of this section
8 except upon written application for the exemption on a form prescribed
9 by the state assessor for use by local assessors. The claimant must
10 file the application no later than January 15, or a date provided by
11 ordinance that is not later than March 31, of the assessment year for
12 which the exemption is sought. The governing body of the municipality
13 for good cause shown may waive during a year the claimant's failure to
14 make timely application for exemption for that year and authorize the
15 assessor to accept the application as if timely filed. The claimant
16 must file a separate application for each assessment year in which the
17 exemption is sought. If an application is filed within the required
18 time and is approved by the assessor, the assessor shall allow an
19 exemption in accordance with the provisions of this section. If a
20 failure to file by January 15, or a date provided by ordinance that is
21 not later than March 31, of the assessment year has been waived as
22 provided in this subsection and the application for exemption is
23 approved, the amount of tax that the claimant has already paid for the
24 assessment year for the property exempted shall be refunded to the
25 claimant. The assessor may at any time require proof in the form the
26 assessor considers necessary of the right and amount of an exemption
27 claimed under (e) of this section.

28 (g) The state shall reimburse a borough or city, as appropriate,
29 for the real property tax revenues lost to it by the operation of (e)

1 of this section. However, reimbursement will be made to a municipal-
2 ity for revenue lost to it only to the extent that the loss exceeds an
3 exemption that was granted by the municipality, or that on proper
4 application by an individual would have been granted under AS 29.45.-
5 050(a).

6 (h) Except as provided in (g) of this section, nothing in (e) -
7 (j) of this section affects similar exemptions from property taxes
8 granted by a municipality on September 10, 1972, or prevents a munici-
9 pality from granting similar exemptions by ordinance as provided in
10 AS 29.45.050.

11 (i) In (e) - (i) of this section "real property" includes but is
12 not limited to mobile homes, whether classified as real or personal
13 property for municipal tax purposes.

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

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

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

1 subsection is limited to

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

5 (2) an amount equal to two percent of the value of the
6 structure based on the assessment as of January 1 of the year immedi-
7 ately following the installation of the fire protection system if the
8 fire protection system becomes a fixture of the structure after
9 January 1, 1981.

10 (m) The tax exemption required by 43 U.S.C. 1620(d), as amended,
11 shall be implemented according to the following conditions and inter-
12 pretations:

13 (1) "developed" means a purposeful modification of the
14 property from its original state that effectuates a condition of
15 gainful or productive present use without further substantial modifi-
16 cation; surveying, construction of roads, providing utilities or other
17 similar actions normally considered to be component parts of the
18 development process, but which do not create the condition described
19 in this paragraph, do not constitute a developed state within the
20 meaning of this paragraph; developed property, in order to remove the
21 exemption, must be developed for purposes other than exploration, and
22 be limited to the smallest practicable tract of the property actually
23 used in the developed state;

24 (2) "exploration" means the examination and investigation
25 of undeveloped land to determine the existence of subsurface nonrenew-
26 able resources;

27 (3) "lease" means a grant of primary possession entered
28 into for gainful purposes with a determinable fee remaining in the
29 hands of the grantor; with respect to a lease that conveys rights of

1 exploration and development, this exemption shall continue with re-
2 spect to that portion of the leased tract that is used solely for the
3 purpose of exploration.

4 (n) If the property or interest in the property reverts to an
5 undeveloped state, or if the lease is terminated, the exemption shall
6 be reinstated, subject to the provisions of (m) of this section.

7 Sec. 29.45.040. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A
8 resident of the state 65 years of age or older who rents a permanent
9 place of abode is eligible for tax equivalency payments from the state
10 through the department.

11 (b) For purposes of determining payments to eligible persons,
12 the department shall calculate at the rate of one percent per mill a
13 property tax equivalent percentage for each municipality that levies a
14 property tax. The property tax equivalent percentage applied to the
15 annual rent charged to the applicant equals the property tax equiva-
16 lency payment payable under this section.

17 (c) To obtain tax equivalency payments the eligible resident
18 must apply to the department for payment for the preceding year by
19 January 15 of each year on forms and in the manner prescribed by the
20 department. Each applicant shall submit with the application rental
21 receipts or, if rental receipts are not available, other evidence
22 satisfactory to the department for determination of the fact of pay-
23 ment of rent and the amount paid.

24 (d) If two or more persons occupy a residence as tenants, not
25 all of whom are eligible for tax equivalency payments under this
26 section, the assessor shall determine equitable partial payments to be
27 made to the eligible tenants. However, tax equivalency payments to an
28 eligible applicant may not be reduced because the spouse is less than
29 65 years of age. If all occupants in a residence are eligible for tax

1 equivalency payments under this section, the occupants shall decide
2 between and among themselves which shall receive payment.

3 Sec. 29.45.050. OPTIONAL EXEMPTIONS AND EXCLUSIONS. (a) A
4 municipality may exclude or exempt or partially exempt residential
5 property from taxation by ordinance ratified by the voters at an
6 election. An exclusion or exemption authorized by this section may
7 not exceed the assessed value of \$10,000 for any one residence.

8 (b) A municipality may by ordinance

9 (1) classify boats and vessels for the purposes of taxation
10 and may establish the assessed valuation of boats and vessels on the
11 basis of their registered or certificated net tonnage;

12 (2) classify and exempt from taxation

13 (A) the property of an organization not organized for
14 business or profit-making purposes and used exclusively for
15 community purposes if the income derived from rental of that
16 property does not exceed the actual cost to the owner of the use
17 by the renter;

18 (B) historic sites, buildings, and monuments;

19 (C) land of a nonprofit organization used for agricul-
20 tural purposes if rights to subdivide the land are conveyed to
21 the state and the conveyance includes a covenant restricting use
22 of the land to agricultural purposes only; rights conveyed to the
23 state under this subparagraph may be conveyed by the state only
24 in accordance with AS 38.05.069(c);

25 (3) exempt personal property from taxation.

26 (c) The provisions of (a) of this section notwithstanding,

27 (1) a borough may, by ordinance, adjust its property tax
28 structure in whole or in part to the property tax structure of a city
29 in the borough, including but not limited to, excluding personal

1 property from taxation, establishing exemptions, and extending the
2 redemption period;

3 (2) a home rule or first class city has the same power to
4 grant exemptions or exclude property from borough taxes that it has as
5 to city taxes if

6 (A) the exemptions or exclusions have been adopted as
7 to city taxes; and

8 (B) the city appropriates to the borough sufficient
9 money to equal revenues lost by the borough because of the exemp-
10 tions or exclusions, the amount to be determined annually by the
11 assembly;

12 (3) a city in a borough may, by ordinance, adjust its prop-
13 erty tax structure in whole or in part to the property tax structure
14 of the borough, including but not limited to exempting or partially
15 exempting property from taxation.

16 (d) Exemptions or exclusions from property tax that have been
17 granted by a home rule municipality in addition to exemptions autho-
18 rized or required by law, and that are in effect on September 10,
19 1972, and not later withdrawn, are not affected by this chapter.

20 (e) A municipality may by ordinance classify and exempt or par-
21 tially exempt from taxation privately owned land, wet land and water
22 areas for which a scenic, conservation, or public recreation use ease-
23 ment is granted to a governmental body. To be eligible for a tax
24 exemption, or partial exemption, the easement must be in perpetuity.
25 However, the easement is automatically terminated before an eminent
26 domain taking of fee simple title or less than fee simple title to the
27 property, so that the property owner is compensated at a rate that
28 does not reflect the easement grant.

29 (f) A municipality may by ordinance exempt from taxation all or

1 part of the increase in assessed value of improvements to real prop-
2 erty if an increase in assessed value is directly attributable to
3 alteration of the natural features of the land, or new maintenance,
4 repair, or renovation of an existing structure, and if the alteration,
5 maintenance, repair, or renovation, when completed, enhances the
6 exterior appearance or aesthetic quality of the land or structure. An
7 exemption may not be allowed under this subsection for the construc-
8 tion of an improvement to a structure if the principal purpose of the
9 improvement is to increase the amount of space for occupancy or non-
10 residential use in the structure or for the alteration of land as a
11 consequence of construction activity. An exemption provided in this
12 subsection may continue for up to four years from the date the im-
13 provement is completed, or from the date of approval for the exemption
14 by the local assessor, whichever is later.

15 (g) A municipality may by ordinance exempt from taxation all or
16 part of the increase in assessed value of improvements to a single-
17 family dwelling if the principal purpose of the improvement is to
18 increase the amount of space for occupancy. An exemption provided in
19 this subsection may continue for up to two years from the date the
20 improvement is completed, or from the date of approval of an applica-
21 tion for the exemption by the local assessor, whichever is later.

22 Sec. 29.45.060. FARM OR AGRICULTURAL LAND AND GREENHOUSES. (a)
23 Farm use land included in a farm unit and not dedicated or being used
24 for nonfarm purposes shall be assessed on the basis of full and true
25 value for farm use and may not be assessed as if subdivided or used
26 for some other nonfarm purpose. A farm use greenhouse, whether clas-
27 sified as real or personal property for municipal tax purposes, shall
28 be assessed on the basis of full and true value for farm use. The
29 assessor shall maintain records valuing the land or greenhouse for

1 both full and true value and farm use value. If the land or green-
2 house is sold, leased, or otherwise disposed of for uses incompatible
3 with farm use or converted to a use incompatible with farm use by the
4 owner, the owner is liable to pay an amount equal to the additional
5 tax at the current mill levy together with eight percent interest for
6 the preceding seven years, as though the land or greenhouse had not
7 been assessed for farm use purposes. Payment by the owner shall be
8 made to the state to the extent of its reimbursement for revenue loss
9 under (e) of this section for the preceding seven years. The balance
10 of the payment shall be made to the municipality.

11 (b) An owner of farm use land or a farm use greenhouse must, to
12 secure the assessment under this section, apply to the assessor before
13 May 15 of each year in which the assessment is desired. The applica-
14 tion shall be made upon forms prescribed by the state assessor for the
15 use of the local assessor, and shall include information that may
16 reasonably be required to determine the entitlement of the applicant.
17 If the land or greenhouse is leased for farm use purposes, the appli-
18 cant shall furnish to the assessor a copy of the lease bearing the
19 signatures of both lessee and lessor along with the completed applica-
20 tion. The applicant shall furnish the assessor a copy of the lease
21 covering the period for which the exemption is requested.

22 (c) In this section "farm use" means the use of land or a green-
23 house for profit for raising and harvesting crops or ornamental
24 plants, for the feeding, breeding, and management of livestock, for
25 dairying, or another agricultural use, or any combination of these.
26 To be farm use land, the owner or lessee must be actively engaged in
27 farming the land, and derive at least 10 percent of yearly gross
28 income from the land. To be a farm use greenhouse, the owner or
29 lessee must derive at least 10 percent of yearly gross income from the

1 greenhouse or from the greenhouse together with other commercial
2 greenhouses or farm use land. This section does not apply to land for
3 which the owner has granted, and has outstanding, a lease or option to
4 buy the surface rights. A property owner wishing to file for farm use
5 classification having no history of farm-related income may submit a
6 declaration of intent at the time of filing the application with the
7 assessor setting out the intended use of the land or greenhouse and
8 the anticipated percentage of income. An applicant using this proce-
9 dure shall file with the assessor before February 1 of the following
10 year a notarized statement of the percentage of gross income attribut-
11 able to the land or greenhouse. Failure to make the filing required
12 in this subsection forfeits the exemption.

13 (d) In the event of a crop failure by an act of God the previous
14 year, the owner or lessee may submit an affidavit affirming that 10
15 percent of gross income for the past three years was from farming.

16 (e) Subject to legislative appropriations for the purpose, the
17 state shall reimburse a borough or city, as appropriate, for the prop-
18 erty tax revenues lost to it by the operation of this section.

19 Sec. 29.45.070. MOBILE HOMES. Mobile homes, trailers, house
20 trailers, trailer coaches and similar property used or intended to be
21 used for residential, office, or commercial purposes and attached to
22 the land or connected to water, gas, electric, or sewage facilities
23 are classified as real property for tax purposes unless expressly
24 classified as personal property by ordinance. This section does not
25 apply to house trailers and mobile homes that are unoccupied and held
26 for sale by persons engaged in the business of selling mobile homes.

27 Sec. 29.45.080. TAX ON OIL AND GAS PRODUCTION AND PIPELINE PROP-
28 ERTY. (a) A municipality may levy and collect taxes on property
29 taxable under AS 43.56 only by using one of the methods set out in (b)

1 or (c) of this section.

2 (b) A municipality may levy and collect a tax on the full and
3 true value of property taxable under this chapter and under AS 43.56
4 as valued by the Department of Revenue at a rate not to exceed that
5 which produces an amount of revenue from the total municipal property
6 tax equivalent to \$1,500 a year for each person residing in its bound-
7 aries.

8 (c) A municipality may levy and collect a tax on the full and
9 true value of that portion of property taxable under this chapter and
10 under AS 43.56 as assessed by the Department of Revenue which value,
11 when combined with the value of property otherwise taxable by the
12 municipality, does not exceed the product of 225 percent of the aver-
13 age per capita assessed full and true value of property in the state
14 multiplied by the number of residents of the taxing municipality. For
15 purposes of this subsection, the average per capita assessed full and
16 true value of property in the state shall be calculated without regard
17 to the assessed value of taxable property under AS 43.58.

18 (d) By February 1 of each assessment year a taxing municipality
19 must inform the Department of Revenue which method of taxation the
20 municipality will use.

21 (e) For purposes of this section, population shall be determined
22 by the commissioner based on the latest statistics of the United
23 States Bureau of the Census or on other reliable population data, and
24 the commissioner shall advise each municipality of its population by
25 January 15 of each year.

26 Sec. 29.45.090. TAX LIMITATION. (a) A municipality may not,
27 during a year, levy and tax for any purpose in excess of three percent
28 of the assessed value of property in the municipality. All property
29 on which a tax is levied shall be taxed at the same rate during the

1 year.

2 (b) A municipality, or combination of municipalities occupying
3 the same geographical area, in whole or in part, may not levy taxes

4 (1) that will result in tax revenues from all sources ex-
5 ceeding \$1,500 a year for each person residing within the municipal
6 boundaries; or

7 (2) upon value that, when combined with the value of prop-
8 erty otherwise taxable by the municipality, exceeds the product of 225
9 percent of the average per capita assessed full and true value of
10 property in the state multiplied by the number of residents of the
11 taxing municipality.

12 (c) The commissioner shall apportion the lawful levy and equi-
13 tably divide the tax revenues on the basis of need, services per-
14 formed, and other considerations in the public interest if two or more
15 municipalities occupying the same geographical area, in whole or in
16 part, attempt to levy a tax

17 (1) the combined levy of which would result in tax revenues
18 from all sources exceeding \$1,500 a year for each person residing
19 within the municipal boundaries; or

20 (2) upon value that, when combined with the value of prop-
21 erty otherwise taxable by the municipality, exceeds the product of 225
22 percent of the average per capita assessed full and true value of
23 property in the state multiplied by the number of residents of the
24 taxing municipality.

25 (d) For the purpose of (b) and (c) of this section, population
26 shall be determined by the commissioner based on the latest statistics
27 of the United States Bureau of the Census or on other reliable popula-
28 tion data. For purposes of (b) and (c) of this section, the average
29 per capita assessed full and true value of property in the state shall

1 be calculated without regard to the assessed value of taxable property
2 under AS 43.58.

3 Sec. 29.45.100. NO LIMITATIONS ON TAXES TO PAY BONDS. The
4 limitations provided for in AS 29.45.080 - 29.45.090 do not apply to
5 taxes levied or pledged to pay or secure the payment of the principal
6 and interest on bonds. Taxes to pay or secure the payment of princi-
7 pal and interest on bonds may be levied without limitation as to rate
8 or amount, regardless of whether the bonds are in default or in danger
9 of default.

10 Sec. 29.45.110. FULL AND TRUE VALUE. (a) The assessor shall
11 assess property at its full and true value as of January 1 of the
12 assessment year, except as provided in this section, AS 29.45.060, and
13 29.45.230. The full and true value is the estimated price that the
14 property would bring in an open market and under the then prevailing
15 market conditions in a sale between a willing seller and a willing
16 buyer both conversant with the property and with prevailing general
17 price levels.

18 (b) Assessment of business inventories may be based on the
19 average monthly method of assessment rather than the value existing on
20 January 1. The method used to assess business inventories shall be
21 prescribed by the governing body.

22 (c) In the case of cessation of business during the tax year,
23 the municipality may provide for reassessment of business inventories
24 using the average monthly method of assessment for the tax year rather
25 than the value existing on January 1 of the tax year, and for reduc-
26 tion and refund of taxes. In enacting an ordinance authorized by this
27 section, the municipality may prescribe procedures, restrictions, and
28 conditions of assessing or reassessing business inventories and of
29 remitting or refunding taxes.

1 Sec. 29.45.120. RETURNS. (a) The municipality may require each
2 person having ownership or control of or an interest in property to
3 submit a return in the form prescribed by the assessor, based on prop-
4 erty values existing on January 1, except as otherwise provided in
5 this chapter.

6 (b) The assessor may, by written notice, require a person to
7 provide additional information within 30 days.

8 Sec. 29.45.130. INDEPENDENT INVESTIGATION. (a) The assessor is
9 not bound to accept a return as correct. The assessor may make an
10 independent investigation of property returned or of taxable property
11 on which no return has been filed. In either case, the assessor may
12 make the assessor's own valuation of the taxable property and this
13 valuation is prima facie evidence of the value of the property.

14 (b) For investigation, the assessor or the assessor's agent may
15 enter a premise during reasonable hours and may examine property on
16 the premise. The assessor or the assessor's agent may examine all
17 property records involved. A person shall, on request, furnish to the
18 assessor or the assessor's agent every facility and assistance for the
19 investigation. The assessor may seek a court order to compel entry
20 and production of records needed for assessment purposes.

21 (c) An assessor may examine a person on oath. On request, the
22 person shall submit to examination at a reasonable time and place
23 selected by the assessor.

24 Sec. 29.45.140. VIOLATIONS. A person who knowingly fails to
25 file a statement required by ordinance or who knowingly makes a false
26 affidavit to a statement required by a tax ordinance relative to the
27 amount, location, kind or value of property subject to taxation with
28 intent to evade the taxation, is guilty of a class B misdemeanor.

29 Sec. 29.45.150. REEVALUATION. A systematic reevaluation of

1 taxable real and personal property undertaken by the assessor, whether
2 of specific areas in which real property is located or of specific
3 classes of real or personal property to be assessed, shall be made
4 only in accordance with a resolution or other act of the municipality
5 directing a systematic reevaluation of all taxable property in the
6 municipality over the shortest period of time practicable, as fixed in
7 the resolution or act.

8 Sec. 29.45.160. ASSESSMENT ROLL. (a) The assessor shall pre-
9 pare an annual assessment roll. The roll shall contain

10 (1) a description of all taxable property;

11 (2) the assessed value of all taxable property;

12 (3) the names and addresses of persons with property sub-
13 ject to assessment and taxation.

14 (b) The assessor may list real property by any description that
15 may be made certain. Real property is assessed to the record owner.
16 The district recorder shall at least monthly provide the assessor a
17 copy of each recorded change of ownership showing the name and mailing
18 address of the owner and the name and mailing address of the person
19 recording the change of ownership. Other persons having an interest
20 in the property may be listed on the assessment records with the
21 owner. The person in whose name property is listed as owner is conclu-
22 sively presumed to be the legal record owner. If the property owner
23 is unknown, the property may be assessed to "unknown owner". An
24 assessment is not invalidated by a mistake, omission, or error in the
25 name of the owner, if the property is correctly described.

26 Sec. 29.45.170. ASSESSMENT NOTICE. (a) The assessor shall give
27 each person named in the assessment roll a notice of assessment,
28 showing the assessed value of the person's property. On each notice
29 is printed a brief summary of the dates when taxes are payable,

1 delinquent and subject to penalty and interest, and the dates when
2 the board of equalization will sit.

3 (b) Sufficient assessment notice is given if mailed by first
4 class mail 30 days before the equalization hearings. If the address
5 is not known to the assessor, the notice may be addressed to the
6 person at the post office nearest the property. Notice is effective
7 on the date of mailing.

8 Sec. 29.45.180. CORRECTIONS. (a) A person receiving an assess-
9 ment notice shall advise the assessor of errors or omissions in the
10 assessment of the person's property. The assessor may correct errors
11 or omissions in the roll before the board of equalization hearing.

12 (b) If errors found in the preparation of the assessment roll
13 are adjusted, the assessor shall mail a corrected notice allowing 30
14 days for appeal to the board of equalization.

15 Sec. 29.45.190. APPEAL. (a) A person whose name appears on the
16 assessment roll or the agent or assigns of that person may appeal to
17 the board of equalization for relief from an alleged error in valua-
18 tion not adjusted by the assessor to the taxpayer's satisfaction.

19 (b) The appellant shall, within 30 days after the date of mail-
20 ing of notice of assessment, submit to the assessor a written appeal
21 specifying grounds in the form that the board of equalization may
22 require. Otherwise, the right of appeal ceases unless the board of
23 equalization finds that the taxpayer was unable to comply.

24 (c) The assessor shall notify an appellant by mail of the time
25 and place of hearing.

26 (d) The assessor shall prepare for use by the board of equaliza-
27 tion a summary of assessment data relating to each assessment that is
28 appealed.

29 (e) A city in a borough may appeal an assessment to the borough

1 board of equalization in the same manner as a taxpayer. Within five
2 days after receipt of the appeal, the assessor shall notify the person
3 whose property assessment is being appealed by the city.

4 Sec. 29.45.200. BOARD OF EQUALIZATION. (a) The governing body
5 sits as a board of equalization for the purpose of hearing an appeal
6 from a determination of the assessor, or it may delegate this author-
7 ity to one or more boards appointed by it. An appointed board may be
8 composed of not less than three persons, who may be members of the
9 governing body, municipal residents, or a combination of members of
10 the governing body and residents. The governing body shall by ordi-
11 nance establish the qualifications for membership.

12 (b) The board of equalization is governed in its proceedings by
13 rules adopted by ordinance that are consistent with general rules of
14 administrative procedure. The board may alter an assessment of a lot
15 only pursuant to an appeal filed as to the particular lot.

16 (c) Notwithstanding other provisions in this section, a deter-
17 mination of the assessor as to whether property is taxable under law
18 may be appealed directly to the superior court.

19 Sec. 29.45.210. HEARING. (a) If an appellant fails to appear,
20 the board of equalization may proceed with the hearing in the absence
21 of the appellant.

22 (b) The appellant bears the burden of proof. The only grounds
23 for adjustment of assessment are proof of unequal, excessive, im-
24 proper, or under valuation based on facts that are stated in a valid
25 written appeal or proven at the appeal hearing. If a valuation is
26 found to be too low, the board of equalization may raise the assess-
27 ment.

28 (c) The board of equalization shall certify its actions to the
29 assessor within seven days. Except as to supplementary assessments,

1 the assessor shall enter the changes and certify the final assessment
2 roll by June 1.

3 (d) An appellant or the assessor may appeal a determination of
4 the board of equalization to the superior court as provided by rules
5 of court applicable to appeals from the decisions of administrative
6 agencies. Appeals are heard on the record established at the hearing
7 before the board of equalization.

8 Sec. 29.45.220. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor
9 shall include property omitted from the assessment roll on a supple-
10 mentary roll, using the procedures set out in this chapter for the
11 original roll.

12 Sec. 29.45.230. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATU-
13 RAL DISASTER. (a) The municipality may provide for assessment or
14 reassessment and reduction of taxes for property destroyed, damaged,
15 or otherwise reduced in value as a result of a natural disaster.

16 (b) An assessment or reassessment under this section may be made
17 by the assessor only upon the receipt of a sworn statement of the tax-
18 payer that losses exceed \$1,000. A reduction of taxes may be made
19 only on losses in excess of \$1,000 for the remainder of the year
20 following the disaster. On reassessment, the municipality shall
21 recompute this tax and refund taxes that have already been paid.

22 (c) The municipality shall give notice of assessment or re-
23 assessment under this section and shall hold an equalization hearing
24 as provided in this chapter, except that a notice of appeal must be
25 filed with the board of equalization within 10 days after notice of
26 assessment or reassessment is given to the person appealing. Other-
27 wise, the right of appeal ceases unless the board finds that the
28 taxpayer is unable to comply.

29 (d) In enacting an ordinance or resolution authorized by this

1 section the municipality may, consistent with this section, prescribe
2 procedures, restrictions, and conditions of assessing or reassessing
3 property and of remitting, refunding, or forgiving taxes.

4 (e) In this section "disaster" means a major disaster declared
5 by the President of the United States under the provisions of the
6 Federal Disaster Act of 1950, Title 42, United States Code, sec.
7 1855-1855g, or other federal law, or a disaster declared by the gover-
8 nor under AS 26.23.010 - 26.23.110.

9 Sec. 29.45.240. TAX LEVY AND RATE. (a) The power granted to a
10 municipality to assess, levy, and collect a property tax shall be
11 exercised by means of an ordinance. The rate of levy, the date of
12 equalization, and the date when taxes become delinquent shall be fixed
13 by resolution.

14 (b) A municipality shall annually determine the rate of levy
15 before June 15. By July 1 the tax collector shall mail tax statements
16 setting out the levy, dates when taxes are payable and delinquent, and
17 penalties and interest.

18 Sec. 29.45.250. RATES OF PENALTY AND INTEREST. (a) A penalty
19 not to exceed 20 percent of the tax due may be added to all delinquent
20 taxes, and interest not to exceed 15 percent a year shall accrue upon
21 all unpaid taxes, not including penalty, from the due date until paid
22 in full. A municipality may impose a penalty not to exceed 20 percent
23 of the tax due upon the late return of personal property assessment
24 forms. A penalty under this section may be imposed according to a
25 formula that increases the amount of the penalty as the length of time
26 increases during which payment is delinquent or assessment forms are
27 not returned.

28 (b) If a taxpayer is given the right to pay the tax in two in-
29 stallments, penalty and interest on an unpaid installment accrues from

1 the date the installment becomes due.

2 ARTICLE 2. ENFORCEMENT OF TAX LIENS.

3 Sec. 29.45.290. VALIDITY. Certified assessment and tax rolls
4 are valid and binding on all persons, notwithstanding a defect, error,
5 omission, or invalidity in the assessment rolls or proceedings per-
6 taining to the assessment roll.

7 Sec. 29.45.300. TAX LIABILITY. (a) The owner of assessed per-
8 sonal property is personally liable for the amount of taxes assessed
9 against the property. The tax, together with penalty and interest,
10 may be collected in a personal action brought in the name of the
11 municipality.

12 (b) Property taxes, together with penalty and interest, are a
13 lien upon the property assessed, and the lien is prior and paramount
14 to all other liens or encumbrances against the property.

15 Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY
16 DISTRAINT AND SALE. (a) A lien for personal property taxes may be
17 enforced by distraint and sale of the property. The municipality
18 shall provide the procedure for distraint and sale by ordinance. A
19 seizure, levy, or distraint is not legal unless demand is first made
20 of the person assessed for the amount of the tax, penalty, and inter-
21 est, and a sale is not valid unless made at public auction no sooner
22 than 15 days after notice is published. The seizure is made by virtue
23 of a warrant issued by the municipal clerk to a peace officer.

24 (b) If the personal property sold is not sufficient to satisfy
25 the tax, penalty, and interest, and costs of sale, the warrant may
26 authorize the seizure of other personal property sufficient to satisfy
27 the tax, penalty, interest, and costs of sale. If the property is
28 sold for more money than is needed to satisfy the tax, the municipal-
29 ity shall remit the excess to the former record owner upon

1 presentation of a proper claim. A claim for the excess filed after
2 six months of the date of sale is forever barred.

3 Sec. 29.45.320. REAL PROPERTY TAX COLLECTION. (a) The municipi-
4 pality shall enforce delinquent real property tax liens by annual
5 foreclosure, unless otherwise provided by ordinance.

6 (b) If the tax on property described in AS 29.45.070 or on a
7 taxable interest in tax-exempt property is not paid when due, a muni-
8 cipality may enforce the tax by a personal action against the delin-
9 quent taxpayer brought in the district or superior court, in addition
10 to other remedies available to enforce the lien.

11 Sec. 29.45.330. FORECLOSURE LIST. (a) A municipality shall

12 (1) annually present a petition for judgment and a certi-
13 fied copy of the foreclosure list for the previous year's delinquent
14 taxes in the superior court for judgment;

15 (2) publish the foreclosure list for four consecutive weeks
16 in a newspaper of general circulation distributed in the municipality
17 or, if there is no newspaper of general circulation distributed in the
18 municipality, post the list at three public places for at least 30
19 days;

20 (3) within 10 days after the first publication or posting,
21 mail to the last known owner of each property as the owner's name and
22 address appear on the list a notice advising of the foreclosure pro-
23 ceeding in which a petition for judgment of foreclosure has been filed
24 and describing the property and the amount due as stated on the list.

25 (b) The list shall be arranged in alphabetical order as to the
26 last name and shall include

27 (1) the last known owner;

28 (2) the property description as stated on the assessment
29 roll;

- 1 (3) years and amounts of delinquency;
2 (4) penalty and interest due;
3 (5) a statement that the list is available for public
4 inspection at the clerk's office;
5 (6) a statement that the list has been presented to the
6 superior court with a petition for judgment and decree.

7 (c) Completion of the requirements of (a) of this section con-
8 stitutes and has the same force and effect as the filing of an indi-
9 vidual and separate complaint and service of summons to foreclose a
10 lien against each property described on the foreclosure list.

11 Sec. 29.45.340. CLEARING DELINQUENCIES. During the publication
12 or posting of the foreclosure list and up to the time of transfer to
13 the municipality a person may pay the taxes, together with the penal-
14 ty, interest, and costs. The collector shall note payment on the
15 foreclosure list.

16 Sec. 29.45.350. LIST TO LIENHOLDER. A holder of a mortgage or
17 other lien on real property may request the clerk to send by certified
18 mail notice of a foreclosure list that includes the real property.

19 Sec. 29.45.360. GENERAL FORECLOSURE. A municipality shall bring
20 one general foreclosure proceeding in rem against the properties in-
21 cluded in the foreclosure list. If the owner is unknown, the property
22 is proceeded against as belonging to "unknown owner".

23 Sec. 29.45.370. ANSWER AND OBJECTION. A person having an inter-
24 est in a lot on the foreclosure list may file an answer within 30 days
25 of the date of last publication, specifying the person's objection.
26 The court shall make its decision in summary proceedings. The fore-
27 closure list is prima facie evidence that the assessment and levy of
28 the tax is valid and that the tax is unpaid.

29 Sec. 29.45.380. JUDGMENT. The court shall in a proper case give

1 judgment and decree that the tax liens be foreclosed. It is a several
2 judgment against each lot and a lien on each lot.

3 Sec. 29.45.390. TRANSFER AND APPEAL. (a) Foreclosed properties
4 are transferred to the municipality for the lien amount. When answers
5 are filed the court may enter judgment against and order the transfer
6 to the municipality of all other properties on the list pending deter-
7 mination of the matters in controversy. The court shall hear and
8 determine the issues raised by the complaint and answers in the same
9 manner and under the same rules as it hears and determines other
10 actions.

11 (b) The court clerk shall deliver a certified copy of the judg-
12 ment and decree to the municipal clerk. The certified judgment and
13 decree constitutes a transfer to the municipality.

14 (c) The judgment and decree stops objections to it that could
15 have been presented before judgment and decree. Appeal from a judg-
16 ment and decree of foreclosure, or from a final order in the proceed-
17 ing, may be taken in the manner provided for appeals in civil actions.

18 Sec. 29.45.400. REDEMPTION PERIOD. Properties transferred to
19 the municipality are held by the municipality for at least one year.
20 During the redemption period a party having an interest in the prop-
21 erty may redeem it by paying the lien amount plus penalties, interest,
22 and costs, including all costs incurred under AS 29.45.440(a). Prop-
23 erty redeemed is subject to all accrued taxes, assessments, liens, and
24 claims as though it had continued in private ownership. Only the
25 amount applicable under the judgment and decree must be paid in order
26 to redeem the property.

27 Sec. 29.45.410. EFFECT. Receipt of redemption money by the
28 municipality releases the judgment obtained under AS 29.45.380. The
29 clerk or the clerk's designee shall record the redemption and issue a

1 certificate containing a property description, the redemption amount,
2 and the dates of judgment and decree of foreclosure. The clerk or the
3 clerk's designee shall collect the recording fee at the time of re-
4 demption and shall file the certificate with the record as part of the
5 judgment roll.

6 Sec. 29.45.420. ADDITIONAL LIENS. If a property included in a
7 foreclosure list is removed after payment of delinquencies or redemp-
8 tion by another lienholder, the payment represented by receipt for
9 payment constitutes an additional lien on the property, collectible by
10 the lienholder in the same manner as the original lien.

11 Sec. 29.45.430. POSSESSION DURING REDEMPTION PERIOD. Foreclo-
12 sure does not affect the former owner's right to possession during the
13 redemption period. If waste is committed by the former owner or by
14 anyone acting under the permission or control of the former owner, the
15 municipality may declare an immediate forfeiture of the right to
16 possession.

17 Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the
18 expiration of the redemption period the clerk or the clerk's designee
19 shall publish a redemption period expiration notice. The notice shall
20 contain the date of judgment, the date of expiration of the period of
21 redemption, and a warning that all properties ordered sold under the
22 judgment, unless redeemed, shall be deeded to the municipality immedi-
23 ately on expiration of the period of redemption and that every right
24 or interest of a person in the properties will be forfeited forever to
25 the municipality. The notice appears once a week for four consecutive
26 weeks in a newspaper of general circulation distributed in the muni-
27 cipality. If there is no newspaper of general circulation distributed
28 in the municipality, the notice is posted in three public places for
29 at least four consecutive weeks. The clerk shall send a copy of the

1 notice by certified mail to each record owner of property against
2 which a judgment of foreclosure has been taken and, if the assessed
3 value of the property is more than \$100,000, to all holders of mort-
4 gages or other liens of record on the property. The notice shall be
5 mailed within five days after the first publication. The mailing
6 shall be sufficient if mailed to the property owner and to the holder
7 of a mortgage or recorded lien at the last address of record.

8 (b) The right of redemption expires 30 days after the date of
9 the first notice publication.

10 (c) Costs incurred in the determination of holders of mortgages
11 and other liens of record and costs of notice publication incurred by
12 a municipality under (a) of this section are a lien on the property
13 and may be recovered by the municipality.

14 Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) Unredeemed prop-
15 erty in the area of the borough outside all cities is deeded to the
16 borough by the clerk of the court. Unredeemed property in a city is
17 deeded to the city subject to the payment by the city of unpaid bor-
18 ough taxes and costs of foreclosure levied against the property before
19 foreclosure. The deed shall be recorded in the recording district in
20 which the property is located.

21 (b) Conveyance gives the municipality clear title, except for
22 prior recorded tax liens of the United States and the state.

23 (c) If unredeemed property lies in a city and if the city has no
24 immediate public use for the property but the borough does have an
25 immediate public use, the city shall deed the property to the borough.
26 If unredeemed property lies in the borough outside all cities and if
27 the borough does not have an immediate public use for the property but
28 a city does have an immediate public use, the borough shall deed the
29 property to the city.

1 (d) No deed is invalid for irregularities, omissions, or defects
2 in the proceedings under this chapter unless the former owner has been
3 misled so as to be injured. Two years after the date of the deed, its
4 validity is conclusively presumed and a claim of the former owner or
5 other person having an interest in the property is forever barred.

6 Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTY.

7 (a) The municipality shall determine by ordinance whether foreclosed
8 property deeded to the municipality shall be retained for a public
9 purpose. The ordinance shall contain the legal description of the
10 property, the address or a general description of the property suffi-
11 cient to provide the public with notice of its location, and the name
12 of the last record owner of the property as the name appears on the
13 assessment rolls.

14 (b) Tax-foreclosed property conveyed to a municipality by tax
15 foreclosure and not required for a public purpose may be sold. Before
16 the sale of tax-foreclosed property held for a public purpose, the
17 municipality, by ordinance, shall determine that a public need does
18 not exist. The ordinance shall contain the information required under
19 (a) of this section.

20 (c) The clerk or the clerk's designee shall send a copy of the
21 published notice of hearing of an ordinance to consider a determina-
22 tion required under (a) or (b) of this section by certified mail to
23 the former record owner of the property that is the subject of the
24 ordinance. The notice shall be mailed within five days after its
25 first publication and shall be sufficient if mailed to the last record
26 owner of the property as the name appears on the assessment rolls of
27 the municipality.

28 (d) The provisions of (c) of this section do not apply with
29 respect to property that has been held by the municipality for a

1 period of more than 10 years after the close of the redemption period.

2 Sec. 29.45.470. REPURCHASE BY RECORD OWNER. (a) The record
3 owner at the time of tax foreclosure of property acquired by a muni-
4 cipality, or the assigns of that record owner, may, within 10 years
5 and before the sale or contract of sale of the tax-foreclosed property
6 by the municipality, repurchase the property. The municipality shall
7 sell the property for the full amount applicable to the property under
8 the judgment and decree, with interest not to exceed 15 percent a year
9 from the date of entry of the judgment of foreclosure to the date of
10 repurchase, delinquent taxes assessed and levied as though it had
11 continued in private ownership, and costs of foreclosure and sale.

12 (b) After adoption of an ordinance providing for the retention
13 of tax-foreclosed property by the municipality for a public purpose,
14 the right of the former record owner to repurchase the property
15 ceases.

16 Sec. 29.45.480. PROCEEDS OF TAX SALE. (a) On sale of fore-
17 closed real or personal property the municipality shall divide the
18 proceeds less cost of collection, between the borough and the city
19 having unpaid taxes against the property. The division is in propor-
20 tion to the respective municipal taxes against the property at the
21 time of foreclosure.

22 (b) If tax-foreclosed real property that has been held by a
23 municipality for less than 10 years after the close of the redemption
24 period and never designated for a public purpose is sold at a tax-
25 foreclosure sale, the former record owner is entitled to the portion
26 of the proceeds of the sale that exceeds the amount of unpaid taxes,
27 the amount equal to taxes that would have been assessed and levied
28 after foreclosure if the property had continued in private ownership,
29 penalty, interest, and costs to the municipality of foreclosing and

1 selling the property. If the proceeds of the sale of tax-foreclosed
2 property exceed the total of unpaid and delinquent taxes, penalty,
3 interest, and costs, the municipality shall provide the former owner
4 of the property written notice advising of the amount of the excess
5 and the manner in which a claim for the balance of the proceeds may be
6 submitted. Notice is sufficient under this subsection if mailed to
7 the former record owner at the last address of record of the former
8 record owner. On presentation of a proper claim, the municipality
9 shall remit the excess to the former record owner. A claim for the
10 excess filed after six months of the date of sale is forever barred.

11 Sec. 29.45.490. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a
12 municipality takes title to tax-foreclosed property for a public pur-
13 pose, the municipality shall satisfy unpaid taxes and assessments
14 against the property held by other municipalities, with accrued inter-
15 est but without penalty. If the amount required to satisfy the unpaid
16 taxes and assessments exceeds the assessed value of the property, the
17 municipality shall pay the other municipalities the assessed value,
18 which shall be divided between the other municipalities in proportion
19 to their respective taxes and assessments against the property at the
20 time of foreclosure.

21 Sec. 29.45.500. REFUND OF TAXES. (a) If a taxpayer pays taxes
22 under protest, the taxpayer may bring suit in the superior court
23 against the municipality for recovery of the taxes. If judgment for
24 recovery is given against the municipality, or, if in the absence of
25 suit, it becomes obvious to the governing body that judgment for
26 recovery of the taxes would be obtained if legal proceedings were
27 brought, the municipality shall refund the amount of the taxes to the
28 taxpayer with interest at eight percent from the date of payment plus
29 costs.

1 (b) If, in payment of taxes legally imposed, a remittance by a
2 taxpayer through error or otherwise exceeds the amount due, and the
3 municipality, on audit of the account in question, is satisfied that
4 this is the case, the municipality shall refund the excess to the tax-
5 payer with interest at eight percent from the date of payment. A
6 claim for refund filed one year after the due date of the tax is
7 forever barred.

8 (c) The governing body may correct manifest clerical errors at
9 anytime.

10 ARTICLE 3. CITY PROPERTY TAX.

11 Sec. 29.45.550. CITIES OUTSIDE BOROUGHES. Home rule and first
12 class cities outside boroughs may assess, levy, and collect a property
13 tax. A property tax if levied must be assessed, levied, and collected
14 as provided by AS 29.45.010 - 29.45.500.

15 Sec. 29.45.560. CITIES INSIDE BOROUGHES. Home rule and first
16 class cities inside boroughs may levy a property tax. A property tax,
17 if levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.-
18 100, 29.45.250, 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The
19 council shall by June 15 of each year present to the assembly a state-
20 ment of the city's rate of levy unless a different date is agreed upon
21 by the borough and city.

22 Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to
23 home rule and general law municipalities.

24 Sec. 29.45.580. DIFFERENTIAL TAX ZONES. A city may by ordinance
25 establish, alter, and abolish differential tax zones to provide and
26 levy property taxes for services not provided generally in the city or
27 a different level of service than that provided generally in the city.

28 Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS
29 CITIES. A second class city may by referendum levy property taxes as

1 provided for first class cities. However, levy by a second class city
2 may not exceed one-half of one percent of the assessed value of the
3 property taxed, except that the limit does not apply to a levy neces-
4 sary to avoid a default upon payment of principal and interest of
5 bonded or other indebtedness that is secured by a pledge to levy ad
6 valorem or other taxes without limit to meet debt payments.

7 Sec. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A
8 SECOND CLASS CITY. A petition for second class city incorporation may
9 request that a property tax proposal be placed on the same ballot.
10 The petition must state the proposed tax rate. The petition may re-
11 quest that incorporation be dependent on the passage of the property
12 tax proposition. If so, the incorporation proposition fails if the
13 property tax fails.

14 ARTICLE 4. BOROUGH SALES AND USE TAX.

15 Sec. 29.45.650. SALES AND USE TAX. (a) A borough may levy and
16 collect a sales tax not exceeding six percent on sales, rents, and on
17 services provided in the borough. The sales tax may apply to any or
18 all of these sources. Exemptions may be granted by ordinance.

19 (b) A borough levying a sales tax may also by ordinance levy a
20 use tax on the storage, use, or consumption of tangible personal
21 property in the borough. The use tax rate must equal the sales tax
22 rate and the use tax shall be levied only on buyers.

23 (c) A person who furnishes proof, in the form required by the
24 borough tax collector, that the person has paid a sales tax on the
25 source on which a use tax is levied by the borough is required to pay
26 the use tax only to the extent of the difference between the amount of
27 the sales tax paid and the amount of the use tax levied by the bor-
28 ough. This subsection applies to a sales tax levied in any taxing
29 jurisdiction whether inside or outside the state.

1 (d) If the assembly charges interest on sales taxes not paid
2 when due, the rate of interest may not exceed 15 percent a year on the
3 delinquent taxes and shall be charged from the due date until paid in
4 full. This subsection applies to home rule and general law municipal-
5 ities.

6 (e) A borough may provide for the creation, recording, and
7 notice of a lien on real or personal property to secure the payment of
8 a sales and use tax, and the interest, penalties, and administration
9 costs in the event of delinquency. When recorded, a lien authorized
10 under this section has priority over other liens except those for
11 property taxes and special assessments.

12 Sec. 29.45.660. NOTICE OF SALES AND USE TAX. (a) If the bor-
13 ough levies and collects only a sales tax and use tax, the assembly
14 shall provide a notice substantially in the form set out in AS 29.45.-
15 020. In providing notice under this subsection, the assembly shall
16 substitute for the millage equivalency its estimate of the equivalent
17 sales tax rate for each of the categories of financial assistance set
18 out in AS 29.45.020. Notice shall be provided

19 (1) by publishing in a newspaper of general circulation in
20 the borough a copy of the notice once each week for a period of three
21 successive weeks, with publication to occur not later than 45 days
22 after the final adoption of the borough's budget; or

23 (2) if there is no newspaper of general circulation in the
24 borough, by posting a copy of the notice for at least 20 days in at
25 least two public places in the borough, with posting to occur not
26 later than 45 days after the final adoption of the borough's budget.

27 (b) Compliance with the provisions of this section is a prereq-
28 uisite to receipt of municipal tax resource equalization assistance
29 under AS 29.60.010 - 29.60.080 and state aid for miscellaneous

1 municipal services under AS 29.60.100 - 29.60.180. The department
2 shall withhold annual allocations under those sections until municipal
3 officials demonstrate that the requirements of this section have been
4 met.

5 Sec. 29.45.670. REFERENDUM, ADOPTION, AND MODIFICATION. A new
6 sales and use tax or an increase in the rate of levy of a sales tax
7 approved by ordinance does not take effect until ratified by a major-
8 ity of the voters at an election.

9 ARTICLE 5. CITY SALES AND USE TAXES.

10 Sec. 29.45.700. POWER OF LEVY. (a) A city in a borough that
11 levies and collects areawide sales and use taxes may levy sales and
12 use taxes on all sources taxed by the borough in the manner provided
13 for boroughs, except that the assembly may by ordinance authorize a
14 city to levy and collect sales and use taxes on other sources.

15 (b) A city in a borough that does not levy and collect sales and
16 use taxes for areawide borough functions may levy and collect sales
17 and use taxes in the manner provided for boroughs.

18 (c) A city outside a borough may levy and collect sales and use
19 taxes in the manner provided for boroughs.

20 Sec. 29.45.710. COMBINING SALES AND USE TAX WITH INCORPORATION
21 OF A SECOND CLASS CITY. A petition for incorporation of a second
22 class city may request that a sales and use tax proposal be placed on
23 the same ballot. The petition must state the proposed tax rate. The
24 petition may request that incorporation be dependent on the passage of
25 the tax proposition. If so, the incorporation proposition fails if
26 the tax fails.

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

28 CHAPTER 46. SPECIAL ASSESSMENTS.

29 Sec. 29.46.010. ASSESSMENT AND PROPOSAL. The municipality may

1 assess against the property of a state or federal governmental unit
2 and private real property to be benefited by an improvement all or a
3 portion of the cost of acquiring, installing, or constructing capital
4 improvements. The state shall pay an assessment levied, except as
5 otherwise provided by law and subject to its right of protest under
6 AS 29.46.020(a)(8). If a governmental unit other than the state
7 benefited by an improvement refuses to pay the assessment, it shall be
8 denied the benefit of the improvement. An improvement proposal may be
9 initiated by

10 (1) petition to the governing body of the owners of one-
11 half in value of the property to be benefited; or

12 (2) the governing body.

13 Sec. 29.46.020. PROCEDURE. (a) The municipality may prescribe
14 by ordinance the procedures relating to creating special assessment
15 districts, making local improvements, levying and collecting assess-
16 ments, and financing improvements, including the following:

17 (1) a procedure for filing petitions;

18 (2) a survey and report by the mayor concerning the need
19 for, desirable extent of, and estimated cost of each proposed local
20 improvement;

21 (3) a public hearing on the necessity for the proposed
22 local improvement;

23 (4) a resolution or ordinance determining to proceed or not
24 to proceed with the proposed local improvement;

25 (5) a public hearing by the governing body on the special
26 assessment roll for the proposed local improvement;

27 (6) published notice of each public hearing required by
28 this section and mailing notice to each record owner of real property
29 in the special assessment district;

1 (7) a resolution or ordinance confirming the special as-
2 essment roll for the proposed local improvement.

3 (b) If protests as to the necessity of a proposed local improve-
4 ment are made by owners of property that will bear 50 percent or more
5 of the estimated cost of the improvement, the governing body may not
6 proceed with the improvement until the objections have been reduced to
7 less than 50 percent, except on approval of not fewer than three-
8 fourths of the governing body.

9 (c) To the extent that the municipality does not prescribe a
10 procedure for special assessments as permitted by this section, the
11 municipality shall comply with the special assessment procedures set
12 out in AS 29.46.030 - 29.46.100.

13 Sec. 29.46.030. CREATION OF DISTRICT. (a) When an improvement
14 proposal is filed with the municipal clerk and presented to the gov-
15 erning body, the municipality shall find by resolution or ordinance
16 whether (1) the improvement requested is necessary and should be made,
17 and (2) if by petition, the request has sufficient and proper peti-
18 tioners. The findings under this section are conclusive.

19 (b) If the municipality approves an improvement proposal, it
20 shall develop a proposed improvement plan including the total cost
21 estimate and the percentage of the cost to be assessed against the
22 benefited property. The improvement plan shall be filed with the
23 municipal clerk.

24 (c) The governing body shall set a time for public hearing on
25 the improvement plan and the period for filing objections to the plan.
26 The governing body shall publish a notice of the hearing and of the
27 period during which objections may be filed at least once a week for
28 four consecutive weeks in a newspaper of general circulation if dis-
29 tributed in the municipality and shall send notice by mail to every

1 record owner of property in the special assessment district.

2 Sec. 29.46.040. RECORD OWNER. The person in whose name property
3 is listed on the municipal property tax roll as owner is conclusively
4 presumed to be the legal owner of record. If the owner is unknown,
5 the assessment roll may designate "unknown owner".

6 Sec. 29.46.050. OBJECTIONS AND REVISION. (a) Objections to an
7 improvement plan may be filed during a period of 60 days after publi-
8 cation of notice. The municipality may by resolution or ordinance
9 approve the plan and order the improvement subject to the limitation
10 of (b) of this section.

11 (b) If objections are made in writing during the period set for
12 objections by the owners of property bearing 50 percent or more of the
13 estimated total cost of the improvement, the governing body may not
14 proceed with the improvement unless it revises the plan to meet the
15 objections and the objections are reduced to less than 50 percent. A
16 revised plan shall be approved and adopted as an original plan in
17 accordance with AS 29.46.030.

18 Sec. 29.46.060. ASSESSMENT ROLL. (a) At any time after ap-
19 proval of an improvement plan, the governing body shall assess the
20 authorized percentage of the cost against property in the district
21 included in the plan in proportion to the benefit received.

22 (b) The special assessment roll shall contain property descrip-
23 tions, names of record owners, and assessment amounts.

24 (c) The governing body shall fix a time to hear objections to
25 the roll. The municipal clerk shall send an assessment and hearing
26 notice by mail to each record owner of an assessed property not less
27 than 15 days before the hearing.

28 Sec. 29.46.070. HEARING AND SETTLEMENT. After the public hear-
29 ing, the governing body shall correct errors and inequalities in the

1 roll. If an assessment is increased, a new hearing shall be set and
2 notice published, except that a new hearing and notice is not required
3 if all record owners of property subject to the increased assessment
4 consent in writing to the increase. Objections to the increased
5 assessment shall be limited to record owners of property on which the
6 assessment was increased. When the roll is corrected, it shall be
7 confirmed by resolution or ordinance.

8 Sec. 29.46.080. PAYMENT. (a) The governing body shall fix
9 times of payment, penalties on delinquent payments, and the rate of
10 interest on the unpaid balance of the assessment. Payment may be in
11 one sum or by installments. If payment is to be in one sum, payment
12 may not be required sooner than 60 days after mailing of the assess-
13 ment statement. The entire assessment may be prepaid without interest
14 or penalty within 30 days after mailing of the assessment statement,
15 and thereafter the assessment may be prepaid in whole or in part with
16 interest to the payment date.

17 (b) Within 30 days after fixing the time of payment the municipi-
18 pal clerk shall mail a statement to the record owner of each property
19 assessed. The statement designates the property, the assessment
20 amount, method of payment, rate of interest on the unpaid balance of
21 the assessment, the time of delinquency, and penalties on delinquent
22 payments. Within five days after the statements are mailed, the clerk
23 shall have notice published that the statements have been mailed.

24 (c) Assessments are liens on the property assessed and are prior
25 and paramount to all liens except municipal tax liens. They may be
26 enforced as provided in AS 29.45.320 - 29.45.470 for enforcement of
27 property tax liens.

28 Sec. 29.46.090. EXEMPTION. (a) The real property owned and
29 occupied by a resident 65 years of age or over, or the spouse, widow,

1 widower, or minor heir of the original applicant, on which is located
2 only the permanent abode of the applicant that is a single-family
3 residence, is exempt from (1) special sewer assessments levied by a
4 municipality after September 2, 1975, and (2) special water assess-
5 ments levied by a municipality after September 2, 1975. Only one
6 exemption may be granted with respect to the same property, and, if
7 two or more persons are eligible for an exemption with respect to the
8 same property, the parties shall decide between or among themselves
9 which shall receive the benefit of the exemption. Real property may
10 not be exempted under this subsection that the municipality deter-
11 mines, after notice and hearing to the parties concerned, has been
12 conveyed to the applicant primarily for the purpose of obtaining the
13 exemption. The determination of the municipality is appealable under
14 AS 44.62.560 - 44.62.570.

15 (b) An exemption may not be granted under this section except
16 upon written application for the exemption on a form prescribed by the
17 state assessor for use by local assessors and in accordance with the
18 following requirements:

19 (1) The claimant must file the initial application during
20 the period of time between the date the assessment roll is confirmed
21 and the time of payment fixed by the governing body. Within one year
22 after the date the assessment roll is confirmed the governing body for
23 good cause shown may waive the claimant's failure to make timely
24 initial application for the exemption and authorize the assessor to
25 accept the application as if timely filed.

26 (2) A claimant receiving the exemption must file with the
27 assessor by March 15 of each subsequent year a separate application
28 proving eligibility as of January 1 in order to retain the exemption.
29 Within the same year the assessor for good cause shown may waive the

1 claimant's failure to make timely application and approve the applica-
2 tion as if timely filed.

3 (3) If an application is filed within the required time
4 under this subsection and is approved by the governing body, the
5 exemption shall be allowed in accordance with the provisions of this
6 section. If a waiver under this subsection is granted and the appli-
7 cation for exemption approved, the amount of any assessment, penalty,
8 or interest that the claimant has already paid on the assessment shall
9 be refunded to the claimant. The municipality may at any time require
10 proof in the form considered necessary of the right and amount of an
11 exemption claimed under this section.

12 (c) The state shall reimburse a municipality for the sewer and
13 water assessment revenues that it would receive but for the operation
14 of this section. Reimbursement under this subsection is a lien in
15 favor of the state against the property exempted to the extent of the
16 assessment against the property exempted. When properly recorded, the
17 lien is prior and superior to other liens against the property except
18 for property taxes or other special assessments and may be enforced by
19 lien foreclosure. The lien becomes immediately due and payable

20 (1) upon sale or other transfer of the property except to a
21 spouse, widow, widower, or minor heir; however, if the property is
22 transferred to a minor heir the lien becomes due and payable on the
23 date the minor heir reaches the age of 25 years;

24 (2) when property exempted under (a)(1) or (2) of this
25 section receives more than one sewer connection or more than one water
26 connection; or

27 (3) when the claimant fails to prove eligibility under
28 (b)(2) of this section.

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

1 municipalities.

2 (e) In this section

3 (1) "minor heir" means a person who, at the time of trans-
4 fer of the property, has not attained the age of 19 years or who, if
5 under 22 years of age, is a full-time student at an educational insti-
6 tution or a member of the armed forces of the United States;

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

10 Sec. 29.46.100. REASSESSMENT. (a) The governing body shall
11 within one year correct any deficiency in a special assessment found
12 by a court. Notice and hearing must conform to the initial assessment
13 procedures.

14 (b) Payments on the initial assessment are credited to the prop-
15 erty upon reassessment. The reassessment becomes a charge upon the
16 property notwithstanding failure to comply with any provision of the
17 assessment procedure.

18 Sec. 29.46.110. ALLOWABLE COSTS. (a) When a special assessment
19 district is created, there may be included in the assessments

20 (1) all of the cost of acquiring, installing, making, or
21 constructing the local improvement;

22 (2) the costs of all engineering and surveying to be done
23 in connection with creating the district or improvement;

24 (3) the cost of mailing and publishing notices;

25 (4) interest on interim financing;

26 (5) the cost of legal services and other expenses incurred
27 in the formation of the special assessment district;

28 (6) the cost of completing the improvement and financing
29 the improvement, including the issuance of bonds.

1 (b) The total amount of the assessment roll may not exceed
2 actual costs, but actual costs may include reasonable estimates of the
3 costs to be incurred in connection with issuance of bonds.

4 Sec. 29.46.120. OBJECTION AND APPEAL. (a) The validity of an
5 assessment may not be contested by a person who did not file with the
6 municipal clerk a written objection to the assessment roll before its
7 confirmation.

8 (b) The decision of the governing body on an objection may be
9 appealed to the superior court within 30 days after the date of con-
10 firmation of the assessment roll. If no objection is filed or appeal
11 taken within that time, the assessment procedure is considered valid
12 in all respects.

13 Sec. 29.46.130. INTERIM FINANCING. (a) A municipality may
14 provide by resolution or ordinance for the issuance of notes in pay-
15 ment of the costs of a local improvement project, payable out of
16 special assessments for the improvement. The notes shall bear inter-
17 est at a rate or rates authorized by the resolution or ordinance, and
18 shall be redeemed either in cash or bonds for the improvement project.

19 (b) Notes issued against assessments shall be claims against the
20 assessments that are prior and superior to a right, lien or claim of a
21 surety on the bond given to the municipality to secure the performance
22 of its contract for a local improvement project, or to secure the
23 payment of persons who have performed work or furnished materials
24 under the contract.

25 (c) The municipal treasurer may accept notes against special
26 assessments on conditions prescribed by the governing body in payment
27 of

28 (1) assessments against which the notes were issued in
29 order of priority;

1 (2) judgments rendered against property owners who have
2 become delinquent in the payment of assessments; and

3 (3) certificates of purchase when property has been sold
4 under execution or at tax sale for failure to pay the assessments.

5 Sec. 29.46.140. SPECIAL ASSESSMENT BONDS. (a) The municipality
6 may by ordinance authorize the issuance and sale of special assessment
7 bonds to pay all or part of the cost of an improvement in a special
8 assessment district. The principal and interest of bonds issued shall
9 be payable solely from the levy of special assessments against the
10 property to be benefited. The assessments shall constitute a sinking
11 fund for the payment of principal and interest on the bonds. The
12 benefited property may be pledged by the governing body to secure a
13 payment.

14 (b) On default in a payment due on a special assessment bond, a
15 bondholder may enforce payment of principal, interest, and costs of
16 collection in a civil action in the same manner and with the same
17 effect as actions for the foreclosure of mortgages on real property.
18 Foreclosure shall be against all property on which assessments are in
19 default. The period for redemption is the same as for a mortgage
20 foreclosure on real property.

21 (c) Before the governing body may issue special assessment
22 bonds, it shall establish a guarantee fund and appropriate to the fund
23 annually a sum adequate to cover a deficiency in meeting payments of
24 principal and interest on bonds if the reason for the deficiency is
25 nonpayment of assessments when due. Money received from actions taken
26 against property for nonpayment of assessments shall be credited to
27 the guarantee fund.

28 * Sec. 13. AS 29 is amended by adding a new chapter to read:

29 CHAPTER 47. MUNICIPAL DEBT.

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ARTICLE 1. REVENUE ANTICIPATION NOTES.

Sec. 29.47.010. BORROWING IN ANTICIPATION OF REVENUE. A municipality that is authorized to incur indebtedness may borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues for that year, but all debt so contracted shall be paid before the end of the next fiscal year. Negotiable or nonnegotiable revenue anticipation notes may be issued as evidence of the borrowing.

Sec. 29.47.020. ISSUANCE OF NOTES. A municipality may by ordinance or resolution authorize the issuance of revenue anticipation notes. The governing body may delegate to its chief fiscal officer the power to issue the notes from time to time under the terms and conditions of the ordinance or resolution that provides for the manner of their sale.

Sec. 29.47.030. ISSUANCE OF NOTES IN ANTICIPATION OF STATE, FEDERAL GRANTS. (a) A municipality, on adoption of a long-range capital improvement budget by ordinance or resolution, may by resolution provide for negotiable or nonnegotiable revenue anticipation notes in an amount not to exceed the total amount of any state or federal grants finally committed for these projects. The notes mature no later than the end of the next fiscal year. The notes may be for single or multiple projects outlined in the adopted capital improvement budget.

(b) If the state or federal grants for capital improvement projects have not been paid to the municipality before maturity of the notes issued in anticipation of the receipt of the revenue, the governing body may issue new notes in order to meet payment of the notes then maturing or may renew the outstanding revenue anticipation notes. New notes issued or renewals of outstanding revenue anticipation notes

1 mature not later than the end of the next fiscal year.

2 Sec. 29.47.040. PRIORITY OF REPAYMENT. The payment of the
3 principal and interest on revenue anticipation notes is payable from
4 revenues, and their payment additionally shall be secured by a pledge
5 of the full faith and credit of the municipality issuing them.

6 ARTICLE 2. BOND ANTICIPATION NOTES.

7 Sec. 29.47.080. BOND ANTICIPATION BORROWING. A municipality may
8 borrow money in anticipation of the sale of general obligation and
9 revenue bonds if

10 (1) the general obligation bonds to be sold have been
11 authorized by ordinance and ratified by a majority vote at an elec-
12 tion;

13 (2) the revenue bonds to be sold have been authorized by
14 ordinance.

15 Sec. 29.47.090. ISSUANCE OF NOTES. The governing body shall
16 issue negotiable or nonnegotiable notes for the amounts borrowed with
17 a maturity date not to exceed one year from the date of issue. All
18 notes and the interest on them are payable at fixed places on or
19 before a fixed time from the proceeds of the sale of bonds in antici-
20 pation of which the original note or notes were issued, unless the
21 bonds have not been sold by the maturity date of the notes.

22 Sec. 29.47.100. ISSUANCE OF NEW NOTES. If the sale of the bonds
23 has not occurred before the maturity of the notes issued in anticipa-
24 tion of the sale, the governing body shall issue new notes in order to
25 meet payment of the notes then maturing, or shall renew the outstand-
26 ing bond anticipation notes. New notes issued or renewals of out-
27 standing bond anticipation notes bear a maturity date not to exceed
28 one year from the date of issue. Notes, new notes, and renewals of
29 notes may not be outstanding for a total elapsed time of more than

1 three years.

2 Sec. 29.47.110. REPAYMENT OF NOTES. Every note is payable from
3 the proceeds of the sale of bonds that the notes anticipated or from
4 the proceeds of the sale of new bond anticipation notes.

5 Sec. 29.47.120. SECURITY. (a) Notwithstanding other provisions
6 of this chapter as to payment of notes, notes issued in anticipation
7 of the sale of general obligation bonds and the interest on them are
8 secured by the full faith and credit of the municipality. The muni-
9 cipality may levy ad valorem taxes for payment without limitation of
10 rate or amount.

11 (b) Notes issued in anticipation of the sale of revenue bonds
12 and the interest on them are secured in the same manner as are the
13 revenue bonds in anticipation of which the notes are issued.

14 Sec. 29.47.130. LIMITATION. The total amount of notes issued
15 and outstanding may at no time exceed the total amount of bonds autho-
16 rized to be issued.

17 Sec. 29.47.140. USE OF PROCEEDS. The proceeds from the sale of
18 notes shall be used only for the purposes for which the proceeds from
19 the sale of bonds may be used, or to meet payment of outstanding bond
20 anticipation notes.

21 ARTICLE 3. GENERAL OBLIGATION BONDS.

22 Sec. 29.47.180. GENERAL OBLIGATION BONDS. A municipality may
23 acquire, construct, improve, and equip capital improvements and issue
24 negotiable or nonnegotiable general obligation bonds for these pur-
25 poses.

26 Sec. 29.47.190. VOTE AND NOTICE OF EXISTING INDEBTEDNESS RE-
27 QUIRED. (a) A municipality may incur general obligation bond debt
28 only after a bond authorization ordinance is approved by a majority
29 vote at an election. Any municipal voter may vote in the bond

1 election, except as otherwise provided by law.

2 (b) Before a general obligation bond issue election, the govern-
3 ing body shall have published a notice of the total existing bond
4 indebtedness at least once a week for three consecutive weeks. The
5 first notice shall be published at least 20 days before the date of
6 the election. A notice shall include

7 (1) the current total general obligation bonded indebted-
8 ness, including authorized but unsold bonds of the municipality;

9 (2) the cost of the debt service on the current indebted-
10 ness;

11 (3) the total assessed value of property in the municipal-
12 ity.

13 Sec. 29.47.200. PAYMENT. (a) The full faith and credit of a
14 municipality are pledged for the payment of principal and interest on
15 general obligation bonds. The municipality may levy ad valorem taxes
16 for payment without limitation of rate or amount to pay or secure the
17 payment of the principal and interest on bonds, regardless of whether
18 the bonds are in default or in danger of default.

19 (b) General obligation bonds issued for acquiring, constructing,
20 improving and equipping a municipally owned utility or other revenue-
21 generating enterprise may be additionally secured by a pledge of the
22 revenue derived from operation. Bonds so secured are not subject to a
23 debt limitation imposed by a home rule charter. This subsection
24 applies to home rule and general law municipalities.

25 ARTICLE 4. REVENUE BONDS.

26 Sec. 29.47.240. REVENUE BONDS. (a) A municipality may issue
27 negotiable or nonnegotiable revenue bonds for a public enterprise or
28 public corporation of the municipality where the only security is the
29 revenue of the public enterprise or corporation.

1 (b) A municipality may issue its revenue bonds to finance the
2 purchase of residential mortgage loans. The revenue bonds issued
3 under this subsection are payable solely from the principal and inter-
4 est of the mortgage loans and from other amounts pledged by the muni-
5 cipality, except the pledge of revenues derived from taxes. Revenue
6 bonds issued under this subsection do not constitute a general obli-
7 gation of the municipality.

8 Sec. 29.47.250. NO ELECTION REQUIRED. An election is not re-
9 quired to authorize the issuance and sale of revenue bonds, unless
10 otherwise provided by ordinance.

11 Sec. 29.47.260. CONSTRUCTION. The prohibitions of AS 37.10.085
12 do not apply to the issuance of revenue bonds or the use of proceeds
13 from revenue bonds by a home rule or general law municipality.

14 ARTICLE 5. REFUNDING BONDS.

15 Sec. 29.47.300. AUTHORIZATION. If a municipality has outstand-
16 ing general obligation or revenue bonds and the governing body deter-
17 mines that it would be financially advantageous to refund the bonds,
18 the municipality may provide by ordinance or resolution for the issu-
19 ance of negotiable or nonnegotiable

20 (1) general obligation refunding bonds; or

21 (2) revenue refunding bonds.

22 Sec. 29.47.310. EFFECT OF REFUNDING BONDS. The refunding bonds
23 may take up and refund all or part of outstanding bonds at or before
24 their maturity or redemption date. The governing body may include
25 various series and issues of bonds in a single issue of refunding
26 bonds.

27 Sec. 29.47.320. NO ELECTION REQUIRED. An election is not re-
28 quired to authorize the issuance and sale of refunding bonds. Their
29 issuance may be authorized and all proceedings with reference to them

1 prescribed by ordinance. However, when it is desirable to use general
2 obligation bonds to refund a revenue bond issue, the governing body
3 shall call an election on the question.

4 Sec. 29.47.330. PAYMENT OF REFUNDING BONDS. General obligation
5 refunding bonds are payable according to AS 29.47.200. Revenue re-
6 funding bonds are payable according to AS 29.47.240.

7 Sec. 29.47.340. SALE OF REFUNDING BONDS. General obligation or
8 revenue refunding bonds may, at the discretion of the governing body,
9 be exchanged for the bonds being refunded, or may be sold at public or
10 private sale. They may be issued and delivered at any time before the
11 date of maturity or redemption of the refunded bonds.

12 ARTICLE 6. MISCELLANEOUS PROVISIONS.

13 Sec. 29.47.390. OTHER MUNICIPAL FINANCING. (a) A municipality
14 may authorize by ordinance or resolution the issuance of negotiable or
15 nonnegotiable revenue bonds to finance any project that serves a
16 public purpose, and the bonds shall be secured and payable from any
17 source except revenues, including tax revenue, of the municipality.

18 (b) Bonds issued under this section are not a debt or liability
19 of the municipality and do not create or constitute an indebtedness,
20 liability, or obligation of the municipality, nor do they constitute a
21 pledge of faith, credit, or taxing power of the municipality. Each
22 bond must contain on its face a statement that the municipality is not
23 obligated to pay the principal or the interest on the bonds except
24 from those sources indicated, and that neither the faith and credit
25 nor the taxing power of the municipality is pledged to the payment of
26 principal or interest on the bond.

27 (c) A municipality may

28 (1) loan the proceeds of the bonds issued under this sec-
29 tion;

1 (2) pledge, mortgage or assign money, leases, agreements,
2 property, or other assets of the project being financed;

3 (3) enter into covenants and agreements concerning bonds
4 issued under this section that the municipality determines to be de-
5 sirable;

6 (4) provide for any matter that affects the security of the
7 bonds.

8 (d) In this section

9 (1) "bonds" means bonds, notes, or other evidence of in-
10 debtedness;

11 (2) "project" includes but is not limited to commercial,
12 manufacturing, agricultural, industrial, residential housing, recrea-
13 tion, tourism, and medical projects and programs.

14 Sec. 29.47.400. SALE. Bonds and notes issued under this chapter
15 may be sold at either public or private sale by the municipality in
16 the manner and at the price it determines.

17 Sec. 29.47.410. FORMS AND TERMS. The municipality may by ordi-
18 nance or resolution fix the date, denominations, maturities, rate or
19 rates of interest, redemption terms, registration privileges, manner
20 of execution, signatures required, purchase price, manner of sale, and
21 other requirements for issuing bonds or notes under this chapter. If
22 an official whose signature appears on the bonds or coupons ceases to
23 be an official before delivery of the bonds, the signature of the
24 former official is valid as if the former official had remained in
25 office until delivery.

26 Sec. 29.47.420. INTEREST RATE. The interest rate payable on a
27 bond or note issued under this chapter shall be determined by the
28 municipality and is not subject to the usury rate limitations of
29 AS 45.45.010.

1 Sec. 29.47.430. REDEMPTION BEFORE MATURITY. A bond or note
2 issued under this chapter may be made subject to redemption before
3 maturity as stated in the authorization or in the bond or note.

4 Sec. 29.47.440. BOROUGH INDEBTEDNESS. (a) A borough may incur
5 indebtedness

6 (1) on an areawide basis for areawide functions; or

7 (2) on a nonareawide basis for functions performed only in
8 the borough area outside all cities; or

9 (3) on a service area basis for functions performed only in
10 a service area.

11 (b) Payment of debt principal and interest as well as other
12 costs shall be derived from the area incurring the debt under (a)(2)
13 or (a)(3) of this section, except that the full faith and credit of
14 the entire borough may be pledged to guarantee payment of principal
15 and interest.

16 (c) If the bonded debt to be incurred by a borough is an area-
17 wide debt, the vote is areawide. If the full faith and credit of the
18 entire borough is pledged for the payment of the debt of the borough
19 area outside all cities or of a service area, an areawide election is
20 held and the proposition must pass both areawide and in the area that
21 will benefit from the improvement. If the bonded indebtedness to be
22 incurred is limited to the borough area outside all cities, the vote
23 is limited to voters outside all cities. If the indebtedness to be
24 incurred is limited to a service area, the vote is limited to voters
25 in the service area. Only the full faith and credit of the area
26 voting on the indebtedness is pledged for the payment of the debt.

27 (d) The indebtedness of a municipality reclassified under
28 AS 29.04.040 - 29.04.060 is not affected by reclassification. All
29 property in a municipality that is reclassified remains subject to

1 taxation to amortize bonded or other indebtedness affecting the muni-
2 cipality and authorized on the effective date of reclassification.

3 Sec. 29.47.450. SERVICE AREA DEBT. The indebtedness of a ser-
4 vice area acquired under AS 29.47.440 remains the indebtedness of the
5 area that incurred the debt, notwithstanding a subsequent court deter-
6 mination that the service area was not validly formed under law or by
7 virtue of a defect in the proceedings creating the service area. All
8 property in the service area remains subject to taxation to pay the
9 bonded indebtedness.

10 * Sec. 14. AS 29 is amended by adding a new chapter to read:

11 CHAPTER 55. MUNICIPAL PROGRAMS.

12 Sec. 29.55.010. CREATION OF LOCAL HISTORICAL DISTRICT COMMIS-
13 SIONS. The governing body of a municipality may establish a local
14 historical district commission or designate the planning commission or
15 itself to serve as the historical district commission.

16 Sec. 29.55.020. ESTABLISHMENT OF HISTORICAL DISTRICTS. (a) In
17 addition to existing municipal authority providing for the preserva-
18 tion, protection, and maintenance of historic sites, the local histor-
19 ical district commission, in consultation with the Historic Sites
20 Advisory Committee in the Department of Natural Resources, may estab-
21 lish historical districts within the boundaries of the municipality.

22 (b) A historical district shall be a reasonably compact area of
23 historical significance in which two or more structures important in
24 state or national history, and related by physical proximity or his-
25 torical association, are located. For purposes of this section,
26 "structures important in state or national history" means properties
27 recommended by historical district commissions that are listed in the
28 National Register of Historic Places or are characteristic of the
29 Russian-American period before October 18, 1867, the early territorial

1 period before 1930, or early Native heritage, reflecting the indige-
2 nous characteristics of Native culture in Alaska. On recommendation
3 of the governing body of a municipality and the Historic Sites Advi-
4 sory Committee, the Department of Natural Resources may by regulation
5 formulate additional criteria for the establishment of historical
6 districts not inconsistent with this subsection.

7 (c) The establishment of a historical district under this sec-
8 tion shall be consistent with any applicable comprehensive plan for
9 the municipality.

10 * Sec. 15. AS 29 is amended by adding a new chapter to read:

11 CHAPTER 60. STATE PROGRAMS.

12 ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

13 Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICI-
14 PAL SERVICES. (a) During each fiscal year the department shall
15 compute an equalization entitlement for municipal services provided by
16 a taxing unit.

17 (b) The equalization entitlement computed for a taxing unit is
18 based on the population, relative ability to generate revenue, and
19 local tax burden of the taxing unit and is determined by the applica-
20 tion of the formula

21 Entitlement = P x R

22 where P = population, and

23 R = millage rate equivalent, determined by dividing the sum
24 of the locally generated revenue of the taxing unit by one-tenth of
25 one percent of the full and true value of assessed property of the
26 taxing unit determined under AS 29.60.030(d); however, the per capita
27 property value used under this subsection may not be less than 15
28 percent of the statewide average per capita full and true assessed
29 property value.

1 (c) For purposes of this section, locally generated revenue
2 (1) includes
3 (A) the actual revenue derived from the levy and
4 collection of local taxes in the taxing unit for municipal ser-
5 vices during the preceding fiscal year of the taxing unit;
6 (B) motor vehicle payments received by the municipal-
7 ity during the preceding fiscal year under AS 28.10.431;
8 (C) revenue from fees, rentals, leases, penalties,
9 licenses or permits received during the preceding fiscal year by
10 the municipality for a function or service over which it has con-
11 trol, including revenues derived from parks and recreation ser-
12 vices, mass transit, offstreet parking, and garbage and solid
13 waste disposal services;
14 (D) special assessments received during the preceding
15 fiscal year; and
16 (E) payments received by a municipality from a utility
17 that are in place of taxes levied and collected by the municipal-
18 ity;
19 (2) excludes
20 (A) revenue derived from the levy and collection of
21 municipal taxes and appropriated for the operating expenses and
22 debt service of utilities;
23 (B) revenue from interest earned on investments and
24 from the sale and lease of land or equipment; and
25 (C) all other revenue from whatever service derived.
26 Sec. 29.60.020. DETERMINATION OF POPULATION. For purposes of
27 AS 29.60.010 - 29.60.080, the population of a taxing unit shall be
28 determined annually by the latest figures of the United States Bureau
29 of the Census or other population data that in the judgment of the

1 department is reliable.

2 Sec. 29.60.030. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a)

3 The department may require a municipality to return a certification,
4 signed by the municipal treasurer or manager and the mayor, that pro-
5 vides an estimate of the locally generated revenue received by the
6 municipality during the preceding fiscal year.

7 (b) By October 15 of each year, the department shall make an
8 initial determination of the millage rate equivalent of each taxing
9 unit to be used for computing and distributing equalization entitle-
10 ments for the current fiscal year under AS 29.60.010 - 29.60.080. The
11 department shall base the initial determination on the estimates in
12 the certification returned by a municipality under (a) of this sec-
13 tion.

14 (c) As early as possible, but not later than December 15 of each
15 year, the department shall make a final determination of the millage
16 rate equivalent of each taxing unit to use to compute and distribute
17 equalization entitlements under AS 29.60.010 - 29.60.080. The depart-
18 ment shall base the determination on audits, financial statements and
19 other financial reports prepared and submitted by a municipality. The
20 department shall adjust the locally generated revenue reported by a
21 municipality to exclude the municipal revenue claimed that does not
22 qualify for inclusion in or recognition as locally generated revenue
23 for municipal purposes under AS 29.60.010(c)(1). The adjustment shall
24 be made by deducting from total revenue claimed by the municipality
25 the amount of the department's estimate of revenue that is not recog-
26 nized for municipal purposes.

27 (d) The full and true assessed property value shall be deter-
28 mined by the department in the manner provided for the computation of
29 state aid to education under AS 14.17.140. When the determination of

1 locally generated revenue includes revenue of a utility received under
2 AS 29.60.010(c)(1)(E), the full and true assessed property value shall
3 include the computed assessed value of the utility, determined by
4 dividing the amount of the payment in place of taxes made by the
5 utility by the millage rate that would apply to the utility if the
6 utility were subject to levy and collection of taxes under AS 29.45.

7 (e) In addition to the computation for municipalities that levy
8 and collect a property tax, the department shall determine an esti-
9 mated full and true assessed property value under (d) of this section
10 for

11 (1) each municipality that is a school district and that
12 does not levy and collect a property tax;

13 (2) each second class city with a population of 750 or more
14 persons; however, a computation is not required under this paragraph
15 more often than once during a period of three successive calendar
16 years; and

17 (3) all other second class cities, by determining the
18 average per capita full and true assessed property value of all cities
19 having a population of less than 750 persons in which an assessment
20 has been completed by a municipality or for which a determination is
21 not made under (1) or (2) of this subsection.

22 (f) The department shall annually compute a statewide average
23 per capita full and true assessed property value.

24 Sec. 29.60.040. REPORTS. A payment of an equalization entitle-
25 ment may not be made to a municipality under AS 29.60.010 - 29.60.080
26 until the municipality has submitted its certificate of estimated
27 revenue and its financial report to the department for the fiscal year
28 preceding the year for which the equalization entitlement is sought,
29 together with a budget for the municipality's current fiscal year.

1 The financial report shall include a listing of general revenue col-
2 lected from taxes levied and assessed and any other revenue that, in
3 the opinion of the municipal officials, is eligible for inclusion in
4 computations of the locally generated revenue of the taxing unit.

5 Sec. 29.60.050. LIMITATION ON COMPUTATION AND USE OF PAYMENTS.

6 (a) An equalization entitlement generated by the tax levy of a taxing
7 unit may be used only for authorized expenditures of that taxing unit,
8 but up to 15 percent of the payment of an equalization entitlement
9 generated by areawide revenue of a municipality may be used by the
10 municipality for areawide or nonareawide purposes at the discretion of
11 its governing body. This subsection applies to home rule and general
12 law municipalities.

13 (b) An equalization entitlement determined with reference to
14 revenue other than revenue obtained from the levy and collection of
15 taxes may be used for areawide or nonareawide purposes, at the discre-
16 tion of the governing body.

17 Sec. 29.60.060. TAX EQUALIZATION ACCOUNT. The tax equalization
18 account is established. Money to carry out the provisions of AS 29.-
19 60.010 - 29.60.080 shall be allocated by the department to the ac-
20 count. The amount allocated to the account shall be fully distributed
21 by the department as payments to municipalities to fulfill each share
22 authorized under AS 29.60.010. The amount allocated to the account
23 shall be distributed by the department pro rata among eligible munici-
24 palities.

25 Sec. 29.60.070. ADMINISTRATION. (a) The department may adopt
26 regulations necessary to implement AS 29.60.010 - 29.60.080. The
27 regulations shall include, among other provisions,

28 (1) procedures and filing dates for submitting certifica-
29 tion and financial reports;

1 (2) procedures for obtaining information required to com-
2 pute and determine the municipality's millage rate equivalent; and

3 (3) procedures by which the department shall notify a
4 municipality in writing of the reasons for a proposed disallowance or
5 adjustment of any factor bearing upon the determination of the muni-
6 cipality's entitlement and by which the municipality will be provided
7 reasonable time in which to respond or to challenge the department's
8 determination.

9 (b) The department shall make reasonable efforts to advise and
10 assist municipalities in collecting information and completing reports
11 necessary for the determination of entitlements under AS 29.60.010 -
12 29.60.080.

13 (c) The department shall, by regulation, classify for inclusion
14 or exclusion as a component of a municipality's millage rate equiva-
15 lent under AS 29.60.010 any tax revenue appropriated for a utility not
16 included in the definition set out in AS 29.60.080(2).

17 Sec. 29.60.080. DEFINITIONS. In AS 29.60.010 - 29.60.080

18 (1) "taxing unit" means a municipality and

19 (A) in a borough or unified municipality, a service
20 area or the entire area outside cities;

21 (B) in a city, a differential tax zone;

22 (2) "utility" means electric, water, sewer, gas heat, tele-
23 phone, or refuse and garbage collection service.

24 ARTICLE 2. STATE AID FOR MISCELLANEOUS PURPOSES.

25 Sec. 29.60.100. REVENUE SHARING PAYABLE. In addition to the
26 equalization entitlements paid under AS 29.60.010 - 29.60.080, during
27 each fiscal year the department shall pay aid

28 (1) to a municipality or other eligible recipient that has
29 the power to provide the services described in AS 29.60.110 -

1 29.60.130 and exercises the power in the manner required by
2 AS 29.60.100 - 29.60.180;

3 (2) to an unincorporated community under AS 29.60.140.

4 Sec. 29.60.110. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The
5 department shall pay to a municipality that has power to provide for
6 road maintenance and exercises that power, \$2,500 a mile for each mile
7 of road, street, or highway maintained by the municipality, excluding
8 (1) the official state highway system, (2) roads, streets, or highways
9 not dedicated to public use, (3) roads, streets, or highways main-
10 tained under the local service road program (AS 19.30.111 - 19.30.-
11 251), and (4) alleyways, in accordance with regulations adopted by the
12 Department of Transportation and Public Facilities. A payment may not
13 be made under this subsection for maintenance of a road that is not
14 used by automotive equipment.

15 (b) A frozen waterway and a connection from an inhabited area to
16 a waterway that may be safely used for public transportation by auto-
17 motive equipment and is so used during a portion of a year is eligible
18 for a payment of \$1,500 per mile if the waterway and connection are
19 maintained during the period of use by a municipality or combination
20 of municipalities. The department, after consultation with the De-
21 partment of Transportation and Public Facilities, shall determine
22 which waterways and connections qualify and, where the waterways or
23 connections lie outside the corporate limits of a municipality, which
24 municipalities shall receive the payments under this subsection,
25 unless the municipalities involved have agreed in writing to a partic-
26 ular distribution.

27 Sec. 29.60.120. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE
28 RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The department
29 shall pay

1 (1) to a municipality that has the power to provide hospi-
2 tal facilities and services and that exercises that power, \$1,000 per
3 bed for each bed actually used for patient care, limited to the number
4 of beds provided for in the construction design of the hospital, or
5 \$250,000 a hospital for those hospitals with 10 or more beds, or
6 \$50,000 a hospital for those hospitals with less than 10 beds, as the
7 municipality may elect; money received under this paragraph may be
8 used only for hospitals and shall be apportioned among qualifying
9 hospitals as the municipality determines;

10 (2) on the basis set out in (1) of this subsection to a
11 municipality for a nonprofit hospital not operated by a municipality
12 if the municipality first certifies to the department that the non-
13 profit hospital is in compliance with all standards for hospitals that
14 have been adopted by the municipality; money may not be paid on behalf
15 of a nonprofit hospital without this certification; payments to the
16 municipality shall be transferred to the nonprofit hospital in accor-
17 dance with the basis by which the payment was generated by the hospi-
18 tal, and shall be applied to the annual cost of operation and mainte-
19 nance of the hospital or for the provision of health care service at
20 the hospital as the directors of the hospital determine;

21 (3) to a municipality in which a health facility is oper-
22 ated, \$2,000 per bed for each bed actually used for patient care,
23 limited to the number of beds provided for in the construction design
24 of the health facility, or \$8,000 per health facility as the muni-
25 cipality determines.

26 (b) A hospital may not receive payment under both (a)(1) and
27 (a)(2) of this section.

28 (c) Money received by a municipality under (a)(3) of this sec-
29 tion shall be used for expenses of health services or operation and

1 maintenance of health facilities as the municipality determines.

2 (d) Before money may be distributed under this section, the com-
3 missioner of health and social services shall certify to the commis-
4 sioner of community and regional affairs that any accumulation of
5 assets by nonprofit corporations or other recipients under this sec-
6 tion is dedicated irrevocably to a public purpose.

7 (e) Subsections (a) and (c) of this section apply to home rule
8 and general law municipalities.

9 Sec. 29.60.130. STATE AID TO VOLUNTEER FIRE DEPARTMENTS NOT IN
10 ORGANIZED MUNICIPALITY. (a) The department shall pay to a volunteer
11 fire department registered with the state fire marshal and serving an
12 area not in an organized municipality a sum for protection purposes
13 equal to \$10 per capita for the population served by the fire depart-
14 ment, as determined by the state fire marshal.

15 (b) A grant shall be made under (a) of this section to facili-
16 tate the organization of a volunteer fire department in an area not in
17 an organized municipality, upon application of the proposed fire
18 protection group to the state fire marshal and upon approval of appli-
19 cations according to standards of organization and service prescribed
20 by regulations adopted by the state fire marshal.

21 Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a)
22 The Department of Community and Regional Affairs shall pay to each
23 unincorporated community an entitlement of \$25,000 each fiscal year to
24 be used for a public purpose. The Department of Community and Re-
25 gional Affairs with advice from the Department of Law shall determine
26 whether there is in each unincorporated community an incorporated
27 nonprofit entity or a Native village council that will agree to re-
28 ceive and spend the entitlement. If there is more than one qualified
29 entity in an unincorporated community, the Department of Community and

1 Regional Affairs shall pay the money under the entitlement to the
2 entity that the department finds most qualified to receive and spend
3 the money. The Department of Community and Regional Affairs may not
4 pay money under an entitlement to a Native village council unless the
5 council waives immunity from suit for claims arising out of activities
6 of the council related to the entitlement. A waiver of immunity from
7 suit under this subsection must be on a form provided by the Depart-
8 ment of Law. If there is no qualified incorporated nonprofit entity
9 or Native village council in an unincorporated community that is
10 willing to receive money under an entitlement, the entitlement for
11 that unincorporated community may not be paid. Neither this sub-
12 section nor any action taken under it enlarges or diminishes the
13 governmental authority or jurisdiction of a Native village council.

14 (b) In this section "unincorporated community" means a place in
15 the unorganized borough that is not incorporated as a city and in
16 which 25 or more persons reside as a social unit.

17 Sec. 29.60.150. POPULATION DETERMINATION. For purposes of
18 AS 29.60.100 - 29.60.180, population shall be determined by the latest
19 figures of the United States Bureau of the Census or other population
20 data that in the judgment of the department is reliable.

21 Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments
22 to a municipality or other eligible recipient under AS 29.60.110 -
23 29.60.130 shall reflect area cost-of-living differentials. Payments
24 shall be based on the sum of per capita, per mile and per bed or
25 facility grants due each municipality or other recipient multiplied by
26 the appropriate area cost-of-living differential. The area cost-of-
27 living differential for each recipient shall be determined annually by
28 election district under the provisions of AS 39.27.030. Application
29 of the area cost-of-living differential may not result in distribution

1 of an amount less than the amount of the payment determined without
2 reference to application of this section.

3 (b) The election districts used to establish area cost-of-living
4 differentials under (a) of this section are those designated by the
5 proclamation of reapportionment and redistricting of December 7, 1961,
6 and retained for the house of representatives by proclamation of the
7 governor September 3, 1965.

8 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscella-
9 neous services account is established. Money to carry out the provi-
10 sions of AS 29.60.100 - 29.60.180 shall be allocated by the department
11 to the account in accordance with AS 29.60.280. If amounts in the
12 account are insufficient to pay each municipality's or other recip-
13 ient's share authorized under AS 29.60.100 - 29.60.180, the amounts
14 that are available shall be distributed pro rata among eligible muni-
15 cipalities and other recipients.

16 Sec. 29.60.180. REGULATIONS. The department shall adopt regula-
17 tions necessary to carry out the purposes of AS 29.60.100 - 29.60.180.
18 The regulations shall include minimum standards required to qualify a
19 municipality or other recipient for payments for each service. The
20 department may require a municipality or other recipient to submit a
21 performance report adequate to demonstrate to the department that a
22 service for which payment is requested under AS 29.60.100 - 29.60.180
23 was performed by the municipality or other recipient and meets minimum
24 standards of service prescribed by regulation.

25 ARTICLE 3. STATE AID FOR HOSPITAL AND
26 HEALTH FACILITY CONSTRUCTION.

27 Sec. 29.60.230. STATE AID FOR HOSPITAL AND HEALTH FACILITY CON-
28 STRUCTION. (a) If construction of a hospital began after January 1,
29 1968, or if construction of a health facility began after January 1,

1 1968, and before July 1, 1980, and state matching aid for construction
2 approved for payment to a municipality or other hospital or health
3 facility sponsor constitutes less than 25 percent of the total project
4 cost, the department shall pay to the municipality or other hospital
5 or health facility sponsor each fiscal year \$2,500 a bed for the
6 maximum number of beds provided for in the construction design of the
7 hospital or health facility or five percent of the total project cost,
8 whichever is greater. State aid provided for in this section shall
9 continue until the municipality or other hospital or health facility
10 sponsor has received an amount that, combined with state matching
11 money for construction of the hospital or health facility, equals 25
12 percent of the total project cost. Money received for construction
13 may not be used for any other purpose.

14 (b) In this section "total project cost" means

15 (1) costs directly related to the project; and

16 (2) the total of all costs of financing and carrying out
17 the project, including but not limited to,

18 (A) the costs of all necessary studies, surveys, plans
19 and specifications, architectural, engineering or other special
20 services, acquisition of real property, site preparation and
21 development, purchase, construction, reconstruction and improve-
22 ment of real property, and the acquisition of machinery and
23 equipment as may be necessary in connection with the project;

24 (B) an allocable portion of the administrative and
25 operating expenses of the municipality or other hospital or
26 health facility sponsor;

27 (C) the cost of financing the project, including
28 interest on bonds issued to finance the project; and

29 (D) the cost of other items, including any indemnity

1 and surety bonds and premiums on insurance. legal fees, fees and
2 expenses of trustees, depositaries, financial advisors, and
3 paying agents for the bonds issued as the issuer considers neces-
4 sary.

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

7 Sec. 29.60.240. HOSPITAL AND HEALTH FACILITY CONSTRUCTION ASSIS-
8 TANCE ACCOUNT. The hospital and health facility construction assis-
9 tance account is established. Money to carry out the provisions of
10 AS 29.60.230 - 29.60.240 shall be allocated by the department to the
11 account in accordance with AS 29.60.280. If amounts in the account
12 are insufficient to pay each recipient's share authorized under
13 AS 29.60.230 - 29.60.240, the amounts that are available shall be
14 distributed pro rata among eligible recipients.

15 ARTICLE 4. ADMINISTRATION OF STATE AID PROGRAMS.

16 Sec. 29.60.280. ALLOCATION AND DISTRIBUTION. (a) Each year,
17 the department shall allocate money appropriated to the accounts
18 established in AS 29.60.060, 29.60.170, and 29.60.240 in the amounts
19 determined by the legislature.

20 (b) Money in the miscellaneous services account established in
21 AS 29.60.170 that exceeds the amount required to fully fund distribu-
22 tions authorized by AS 29.60.100 - 29.60.180 shall be reallocated to
23 the tax equalization account established in AS 29.60.060 and distri-
24 buted according to the provisions of AS 29.60.010 - 29.60.080.

25 (c) Money in the hospital and health facility construction
26 assistance account established in AS 29.60.240 that exceeds the amount
27 required to fully fund distributions authorized by AS 29.60.230 -
28 29.60.240 shall be reallocated to the tax equalization account estab-
29 lished in AS 29.60.060 and distributed according to the provisions of

1 AS 29.60.010 - 29.60.080.

2 Sec. 29.60.290. QUALIFICATION FOR MINIMUM PAYMENT. (a) A
3 municipality qualifying for an entitlement under AS 29.60.010 - 29.-
4 60.080 or 29.60.100 - 29.60.180 shall receive a minimum payment of
5 \$25,000 plus an area cost-of-living differential for each fiscal year
6 if

7 (1) the municipality has conducted a regular election
8 during the fiscal year preceding the year for which payment of an
9 entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 -
10 29.60.180 and has reported the results of the election to the commis-
11 sioner;

12 (2) regular meetings of the governing body are held in the
13 municipality during the fiscal year preceding the year for which
14 payment of an entitlement is authorized by AS 29.60.010 - 29.60.080 or
15 29.60.100 - 29.60.180 and a record of the proceedings is maintained;

16 (3) a municipal budget has been adopted for the fiscal year
17 during which payment of an entitlement is authorized by AS 29.60.010 -
18 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement
19 for the preceding fiscal year has been prepared and furnished to the
20 department in accordance with AS 29.20.640(a); and

21 (4) local ordinances adopted by the municipality have been
22 codified in accordance with AS 29.25.050.

23 (b) The area cost-of-living differential payable to each munici-
24 pality under this section shall be determined annually by election
25 district under the provisions of AS 39.27.030 Except as provided in
26 AS 29.60.300, application of the area cost-of-living differential may
27 not result in a payment that is less than the minimum payment deter-
28 mined under (a) of this section. For purposes of this subsection, the
29 election districts used are those designated by the proclamation of

1 reapportionment and redistricting of December 7, 1961, and retained
2 for the house of representatives by proclamation of the governor
3 September 3, 1965.

4 (c) The department shall pay to each municipality eligible to
5 receive a minimum payment under this section an amount equal to the
6 difference between the minimum payment determined under (a) and (b) of
7 this section and the sum of the amounts payable for the same fiscal
8 year under AS 29.60.010 - 29.60.080 and 29.60.100 - 29.60.180.

9 (d) A payment under this section may be prorated and reduced
10 under AS 29.60.300.

11 (e) Payments under this section shall be made from the money
12 allocated to the tax equalization account established in AS 29.60.060.

13 Sec. 29.60.300. PRORATION OF PAYMENTS. (a) Payments under
14 AS 29.60.290 and 29.60.010 - 29.60.180 shall equal the amount allo-
15 cated to the tax equalization account (AS 29.60.060), adjusted in
16 accordance with AS 29.60.280.

17 (b) Adjustments of payments shall be determined by prorating
18 amounts payable under AS 29.60.290 and amounts payable under AS 29.-
19 60.010 - 29.60.180 by a factor that, when applied, reduces all pay-
20 ments in equal proportion so that payment under AS 29.60.290 and
21 payments under AS 29.60.010 - 29.60.180 equal the amount allocated to
22 the tax equalization account established in AS 29.60.060.

23 ARTICLE 5. MUNICIPAL ASSISTANCE.

24 Sec. 29.60.350. MUNICIPAL ASSISTANCE FUND. (a) There is estab-
25 lished in the department the municipal assistance fund. The legisla-
26 ture may appropriate to the municipal assistance fund during each
27 fiscal year an amount equal to or greater than 30 percent of the
28 income tax revenue received by the state under AS 43.20.011(e) for the
29 previous fiscal year.

1 (b) The department shall distribute money from the municipal
2 assistance fund to each municipality on an annual basis as provided in
3 AS 29.60.360 and 29.60.370. A municipality may not receive payment
4 until it submits to the department a resolution approved by the gov-
5 erning body of the municipality that requests the money. Distribution
6 of money from the municipal assistance fund to a municipality with a
7 fiscal year beginning on January 1 shall be made on February 1 of the
8 state fiscal year for which the appropriation to the fund is made.
9 Distribution of money from the municipal assistance fund to all other
10 municipalities shall be made on June 1 of the state fiscal year for
11 which the appropriation to the fund is made. A municipality that
12 incorporates after December 31 of a state fiscal year is not eligible
13 for a distribution under this section until the following state fiscal
14 year.

15 Sec. 29.60.360. BASE AMOUNT OF ASSISTANCE. (a) The base amount
16 to be distributed from the municipal assistance fund to each munici-
17 pality for the fiscal year shall be the amount received by the munici-
18 pality during fiscal year 1978 under AS 43.70.080. A city incor-
19 porated within a borough after June 30, 1977, shall receive as a base
20 amount a share of the amount distributed to the borough in which it is
21 located based on the ratio of population in the city to the total
22 population in the borough. A city incorporated outside a borough
23 after June 30, 1977, shall receive as a base amount the amount re-
24 ceived by the city in the state most closely approximating it in
25 population at the time of its incorporation. A borough incorporated
26 after June 30, 1977, shall receive as a base amount the amount re-
27 ceived by the borough in the state most closely approximating it in
28 population at the time of its incorporation.

29 (b) If the amount appropriated to the municipal assistance fund

1 by the legislature during a fiscal year is insufficient for distri-
2 bution of the full base amount to each municipality, the department
3 shall prorate the amount available for distribution on the basis of
4 amounts received during the fiscal year 1978 under AS 43.70.080.

5 Sec. 29.60.370. INCREASED ASSISTANCE. (a) If the amount in the
6 municipal assistance fund at the time of distribution exceeds the base
7 amount to be distributed under AS 29.60.360, the excess amount shall
8 be distributed to each municipality on the basis of population.
9 Population for the purpose of this section shall be as certified by
10 the commissioner of community and regional affairs. In determining
11 the population of a borough, the population of all cities in the
12 borough shall be deducted from the total population of the borough.

13 (b) The intent of (a) of this section is that a municipality
14 that levies property taxes reduce those levies in reasonable propor-
15 tion to the amount of increased state aid received by the municipal-
16 ity. The governing body of each municipality shall furnish a notice
17 with each tax statement describing its use of this increased state
18 aid.

19 ARTICLE 15. GENERAL PROVISIONS.

20 Sec. 29.60.800. DEFINITIONS. In this chapter

21 (1) "health facility"

22 (A) means a facility that is licensed, when required,
23 by the state under AS 18.20.010 - 18.20.130 and that is owned or
24 operated or both by a municipality or by a nonprofit corporation
25 or other nonprofit sponsor;

26 (B) includes a public health center, maternity home,
27 community mental health center, facility for the mentally or
28 physically handicapped, nursing home, or convalescent center;

29 (C) excludes a facility operated or wholly supported

1 by the state or the federal government;

2 (2) "hospital" means a licensed hospital determined by the
3 Department of Health and Social Services to be a general hospital; the
4 term excludes a facility operated or wholly supported by the state or
5 the federal government.

6 * Sec. 16. AS 29 is amended by adding a new chapter to read:

7 CHAPTER 65. GENERAL GRANT LAND.

8 Sec. 29.65.010. DETERMINATION OF ENTITLEMENT OF BOROUGH AND
9 UNIFIED MUNICIPALITIES. The general grant land entitlement of each of
10 the municipalities in this section is the amount set out opposite
11 each:

- 12 (1) Municipality of Anchorage - 44,893 acres;
13 (2) City and Borough of Juneau - 19,584 acres;
14 (3) City and Borough of Sitka - 10,500 acres;
15 (4) Bristol Bay Borough - 2,898 acres;
16 (5) Fairbanks North Star Borough - 112,000 acres;
17 (6) Haines Borough - 2,800 acres;
18 (7) Kenai Peninsula Borough - 155,780 acres;
19 (8) Ketchikan Gateway Borough - 11,593 acres;
20 (9) Kodiak Island Borough - 56,500 acres;
21 (10) Matanuska-Susitna Borough - 355,210 acres;
22 (11) North Slope Borough - 89,850 acres.

23 Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR CITIES. The
24 general grant land entitlement of a city formerly eligible to receive
25 general grant land under the provisions of AS 29.18.190 and 29.18.200
26 is 10 percent of the maximum total acreage of vacant, unappropriated,
27 unreserved land in the boundaries of each city at any time between the
28 initial date of eligibility under former AS 29.18.190 and 29.18.200
29 and July 1, 1978. Within six months after July 1, 1978, the director

1 shall determine the entitlement for each city eligible to receive
2 general grant land under this section and certify that entitlement to
3 the city.

4 Sec. 29.65.030. DETERMINATION OF ENTITLEMENT FOR NEWLY INCOR-
5 PORATED MUNICIPALITIES. (a) The general grant land entitlement of a
6 municipality incorporated after July 1, 1978, is 10 percent of the
7 total acreage of vacant, unappropriated, unreserved land within the
8 boundaries of the municipality on the date of its incorporation.

9 (b) Within six months after the date of incorporation of a muni-
10 cipality that is incorporated after July 1, 1978, the director shall
11 determine the entitlement of each municipality eligible to receive
12 general grant land under (a) of this section and certify the entitle-
13 ment to the municipality.

14 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) After July 1,
15 1978, general grant land entitlements provided in AS 29.65.010 and
16 29.65.020 are vested property rights that must be fulfilled as pro-
17 vided in AS 29.65.050 or 29.65.080.

18 (b) General grant land entitlements provided by AS 29.65.030 are
19 property rights that vest on the date of incorporation of the muni-
20 cipality. The entitlement must be fulfilled as provided in AS 29.65.-
21 050.

22 (c) Land may be selected or nominated for selection by a muni-
23 cipality to satisfy a general grant land entitlement under AS 29.65.010
24 and 29.65.020 at any time before October 1, 1980. However, if a muni-
25 cipal selection or nomination or a part of a municipal selection or
26 nomination is rejected by the director, the municipality may, not
27 later than 90 days after receipt of the director's rejection, select
28 additional state land as necessary to satisfy its entitlement.

29 (d) Land may be selected by a municipality to satisfy a general

1 grant land entitlement under AS 29.65.030 at any time within one year
2 after the director certifies the entitlement to the municipality.

3 (e) The time limitations imposed by (c) and (d) of this section
4 for exercising a vested general grant land entitlement do not apply to

5 (1) the portion of an entitlement that cannot be satisfied
6 by that date because of a shortage of land suitable for residential,
7 commercial, and industrial purposes that is vacant, unappropriated,
8 unreserved land;

9 (2) payments for land deficiency under AS 29.65.080;

10 (3) the portion of an entitlement that cannot be satisfied
11 because the land selected by a municipality has been selected by a
12 party entitled to select land owned by the United States or the state;
13 or

14 (4) the portion of an entitlement that cannot be satisfied
15 because the land nominated for selection by the municipality is not
16 tentatively approved for patent to the state.

17 Sec. 29.65.050. FULFILLMENT OF LAND ENTITLEMENTS. (a) The
18 acreage of each municipality's land selections for which patent has
19 been issued before July 1, 1978, shall be credited toward fulfillment
20 of the entitlement of that municipality.

21 (b) All approved selections under former AS 29.18.190 and 29.-
22 18.200 for which patent has not been issued to a municipality on
23 July 1, 1978, shall be reviewed by the director within nine months
24 after July 1, 1978. Any approved selection of land that was vacant,
25 unappropriated, or unreserved on the date of selection is valid as of
26 the date of the approval under former AS 29.18.190 and 29.18.200, and
27 a patent shall be issued to the municipality within three months after
28 approval by the director of a plat of survey. The acreage shall be
29 credited toward fulfillment of the municipality's entitlement. A

1 municipality is not entitled to receive patent under this chapter to
2 more than its entitlement determined under AS 29.65.010 - 29.65.030.
3 Any prior approval by the director of municipal selections for land
4 that was not vacant, unappropriated, or unreserved on the date of
5 selection shall be rescinded, and patent may not be issued except when
6 disposal to a third party by sale or lease has occurred. Transfers of
7 land to municipalities under this chapter are subject to AS 38.05.321.
8 Classification actions as reflected on the land status records of the
9 Department of Natural Resources are determinative of land classifica-
10 tion status for purposes of this chapter.

11 (c) The director shall approve each selection for patent within
12 nine months of its selection by a municipality, and a patent shall be
13 issued to the municipality for land selected in satisfaction of a
14 general grant land entitlement vested under AS 29.65.010 - 29.65.030
15 within three months after approval by the director of a plat of sur-
16 vey.

17 Sec. 29.65.060. SCHOOL, UNIVERSITY, AND MENTAL HEALTH LAND. (a)
18 If an entitlement determined in AS 29.65.010 or 29.65.020 results in a
19 per capita entitlement for the municipality of less than one and one-
20 half acre, the municipality may select vacant school, university, or
21 mental health land in the municipality in partial fulfillment of its
22 land entitlement under this chapter. School, university, or mental
23 health land may be selected notwithstanding the fact that these lands
24 are not unappropriated and unreserved within the meaning of this
25 chapter and under former AS 29.18.190 and 29.18.200, but each selec-
26 tion of school, university, or mental health land by a municipality
27 must be vacant, unappropriated, or unreserved land as defined in this
28 chapter, except that it need not be general grant land.

29 (b) The acreage of school, university, or mental health land, if

1 any, in a municipality may not be included in the determination of
2 entitlement under AS 29.65.010 or 29.65.020.

3 (c) Land conveyed under this section will be credited against a
4 municipality's remaining land entitlement under this chapter.

5 (d) Within six months after approval of a municipal selection of
6 school, university, or mental health land, the director shall identify
7 state general grant land of approximately equal value to the land re-
8 quested by the municipality and shall propose the replacement land for
9 the concurrence of the appropriate board. If a proposal by the direc-
10 tor is rejected by the board, the director shall meet with the board
11 as often as necessary to determine the type and amount of equal value
12 replacement land that would be required to obtain the board's concu-
13 rence, and shall propose the replacement land for consideration by the
14 board. The replacement land shall thereafter be managed for the pur-
15 poses for which the land selected by the municipality was acquired by
16 the Territory and State of Alaska.

17 (e) The notice and review provisions of AS 38.05.305 and 38.05.-
18 345 apply to the designation of other general grant land as school,
19 university, or mental health land in replacement of land selected
20 under this section. The provisions of AS 38.50 and AS 38.05.032 do
21 not apply to such designations under this section. The provisions of
22 AS 38.05.030(a), 38.05.030(e), and 38.05.035(a)(13) that require the
23 approval of the respective trust board before disposal of land by the
24 director do not apply to selections of school, university, or mental
25 health land by a local government under this section.

26 (f) For purposes of determining the per capita entitlement under
27 (a) of this section, the population of a municipality shall be the
28 population determined by the commissioner under former AS 43.18.010
29 for the program year beginning July 1, 1978, for a municipality whose

1 entitlement is determined under AS 29.65.010.

2 Sec. 29.65.070. SELECTION AND CONVEYANCE PROCEDURE. (a) If
3 land selected by a municipality is unsurveyed at the time of approval,
4 the director shall survey, or may approve the municipality's survey
5 of, the exterior boundaries of an approved selection without interior
6 subdivision, and shall issue patent in terms of the exterior boundary
7 survey. The cost of the survey shall be borne by the municipality.
8 If land selected by a municipality has been surveyed at the time of
9 its selection, the boundaries shall conform to the public land subdi-
10 visions established by the approved survey.

11 (b) The director may approve municipal selections of land that
12 have been tentatively approved or patented to the state by the federal
13 government but may not issue patent to a municipality until the land
14 has first been patented to the state. After approval of a selection
15 by the director, but before patent to a municipality, the municipality
16 may execute conditional leases and make conditional sales only with
17 the consent of the director. Conditional sales and conditional leases
18 made before July 1, 1978, do not require the consent of the director.

19 (c) Nothing in this chapter affects a valid existing claim,
20 location, or entry under the laws of the state or the United States
21 whether for homestead, mineral, right-of-way, or other purposes.
22 Nothing in this chapter affects the rights of an owner, claimant,
23 locater, or entryman to the full use and enjoyment of the land so
24 occupied.

25 Sec. 29.65.080. PAYMENT FOR LAND DEFICIENCY. (a) The Alaska
26 municipal land account is established in the general fund for the
27 following purposes:

28 (1) providing payment to the boroughs and unified muni-
29 cipalities designated in AS 29.65.010 for a deficiency of land

1 physically suitable for residential, commercial, or industrial
2 purposes; or

3 (2) providing payment to the boroughs and unified muni-
4 cipalities designated in AS 29.65.010 for certain general grant lands
5 selected by the state and conveyed to a Native corporation under the
6 provisions of the Alaska Native Claims Settlement Act.

7 (b) A municipality shall receive payment for its land deficiency
8 from the municipal land account. A municipality is eligible to re-
9 ceive payment for land deficiency if, after July 1, 1980, the amount
10 of land selected by a municipality that is physically suitable for
11 residential, commercial, or industrial purposes amounts to less than
12 one-third acre per capita. Any entitlement under AS 29.65.010 that is
13 less than one-third acre per capita will, for the purposes of this
14 subsection, be considered a land deficiency. An unselected remaining
15 entitlement will, for the purpose of deficiency payment under this
16 subsection, be considered as land physically suitable for residential,
17 commercial, or industrial purposes. A municipality eligible under
18 this subsection is entitled to receive a payment for land deficiency
19 equal to \$1,000 per acre for a number of acres equal to the difference
20 between one-third of the population of the municipality less the
21 number of acres physically suitable for residential, commercial or
22 industrial purposes that has been selected by the municipality. For
23 the purpose of this subsection, the population of the municipality
24 shall be the population determined in accordance with AS 29.65.060(f).
25 No payment may be made to a municipality under this subsection in
26 excess of \$9,000,000.

27 (c) If a municipality selected vacant, unappropriated, unre-
28 served land on or before December 18, 1971, to which the state had
29 received tentative approval or patent, and that land was also selected

1 by a Native corporation organized under the Alaska Native Claims
2 Settlement Act (P.L. 92-203), and title to that land is ultimately
3 vested in that Native corporation, the municipality may, at its op-
4 tion, request payment for land deficiency from the municipal land
5 account. The acceptance of payment under this subsection by a muni-
6 cipality constitutes a relinquishment of any other right, title, or
7 claim to the land by that municipality. The total payment to a muni-
8 cipality under this subsection may not exceed \$1,000 per acre to a
9 maximum of 8,000 acres.

10 (d) The governor shall annually submit to the legislature a
11 request for an appropriation to the municipal land account for the
12 municipalities that have elected to receive payments under (b) or (c)
13 of this section. The request for appropriation shall distinguish
14 between amounts necessary to make payments for land deficiency under
15 (b) of this section and those required to make payments for land
16 deficiency under (c) of this section.

17 (e) For purposes of fulfilling entitlements under this section,
18 the legislature is authorized to appropriate

19 (1) not more than \$4,000,000 per fiscal year, and not more
20 than \$12,000,000 in total, for the purpose of paying entitlements
21 under (b) of this section;

22 (2) not more than \$1,000,000 per fiscal year, and not more
23 than \$8,000,000 in total, for the purpose of paying entitlements under
24 (c) of this section.

25 (f) If an annual appropriation is not sufficient to meet the
26 amount due to all municipalities that have elected to accept payment
27 for land deficiency under (b) or (c) of this section, the governor
28 shall apportion the appropriation among the municipalities in propor-
29 tion to the payment calculated for each municipality for that year.

1 When a distribution of payments is made under (c) of this section, the
2 remaining entitlement of a municipality to which payment is made shall
3 be reduced in an amount equal to the number of acres for which payment
4 was received. An appropriation made under this section is in addition
5 to other grants and entitlements authorized to eligible municipali-
6 ties.

7 (g) Payments authorized by this section may not be made to a
8 municipality eligible for an entitlement under AS 29.65.020 or 29.65.-
9 030.

10 (h) Payments made under this section shall be used by a muni-
11 cipality that levies property taxes to reduce the levy in proportion
12 to the amount of state payments received by the municipality for a
13 given fiscal year. The governing body of each municipality shall
14 furnish a notice with the tax statement describing the effect on
15 property tax levies of payments received under this section.

16 Sec. 29.65.090. AUTHORIZATION FOR LAND EXCHANGES. The director,
17 with the concurrence of the commissioner, and a municipality are
18 authorized to exchange land or interests in land when it is in the
19 public interest. Land or interests in land exchanged under this
20 section must be of approximately equal value, including the nonmone-
21 tary value of public benefits. Exchange procedures shall comply with
22 applicable law and municipal ordinances. The notice and review pro-
23 visions of AS 38.05.305 and 38.05.345 apply to exchanges of land under
24 this section. The provisions of AS 38.50 do not apply to exchanges of
25 land under this section.

26 Sec. 29.65.100. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Con-
27 sistent with the best interests of the state, if a municipality
28 not contain and cannot reasonably acquire sufficient nonfederal land
29 within its boundaries to meet its legitimate needs for public or

1 private settlement or development, it shall be the policy of the state
2 to select federal land reasonably necessary to meet the needs of the
3 municipality and to make the land selected available to the municipal-
4 ity under AS 38.05.315 or (b) of this section.

5 (b) Where state land is the most logical location for demon-
6 strated municipal expansion for nonpublic settlement and development
7 purposes, and when an exchange of land under AS 29.65.090 is not
8 possible or is not in the public interest, it is the policy of the
9 state to sell or lease the land at public auction. The state may
10 contract with a municipality to act as its agent in an auction of
11 state land under applicable statutes. When a municipality acts as the
12 agent of the state in an auction, the municipality may retain from the
13 proceeds of the auction the expenses that the director determines to
14 be necessary and reasonable.

15 (c) Nothing in this chapter limits or impairs the authority of
16 the director to transfer land to municipalities, without limit or
17 consideration, for public purposes in accordance with AS 38.05.315.
18 If there is a remaining entitlement of the municipality, land trans-
19 ferred under AS 38.05.315 shall be credited toward fulfillment of the
20 entitlement.

21 Sec. 29.65.110. ELECTION OF BENEFITS. (a) A municipality that
22 on July 1, 1978, is engaged in litigation, or that becomes engaged in
23 litigation, regarding a claim to state land under former AS 29.18.190
24 and 29.18.200 shall elect either to obtain the benefits provided in
25 this chapter or to pursue the litigation and waive any claim to en-
26 titlement under this chapter. An election shall be made by filing a
27 motion for dismissal with prejudice in the court in which the litiga-
28 tion is pending. If the claim involves a municipality identified in
29 AS 29.65.010, the municipality shall file its motion for dismissal

1 within 60 days after July 1, 1978. If a claim involves a city eligi-
2 ble to receive an entitlement under AS 29.65.020 the city shall file
3 its motion for dismissal within 60 days after receiving the certifi-
4 cate of entitlement provided by the director under AS 29.65.020.
5 Failure of the municipality to file a motion for dismissal during the
6 time period provided in this subsection is considered a waiver of
7 entitlement under this chapter.

8 (b) A municipality that was eligible to file land selections
9 under former AS 29.18.190 and 29.18.200 and that does not enter into
10 litigation over a claim to rights under those sections before the
11 expiration of the time period within which it could make an election
12 under (a) of this section is considered to have elected to receive
13 benefits under this chapter and to have waived any claim that might
14 have been raised under former AS 29.18.190 and 29.18.200.

15 (c) The provisions of this chapter do not affect the rights of a
16 party to litigation regarding the former AS 29.18.190, 29.18.200 or
17 29.18.420 maintained by a municipality that has elected not to obtain
18 the benefits provided by this chapter.

19 Sec. 29.65.120. ADMINISTRATION. The commissioner of natural
20 resources may adopt regulations in accordance with the Administrative
21 Procedure Act (AS 44.62) necessary to carry out the purposes of this
22 chapter.

23 Sec. 29.65.130. DEFINITIONS. In this chapter, unless the con-
24 text otherwise requires,

25 (1) "approved selection" means a municipal land selection
26 that has been approved in writing by the director for transfer by
27 patent to a municipality;

28 (2) "director" means the director of the division of lands,
29 Department of Natural Resources, or the director's designee;

1 (3) "general grant land" means land patented or tentatively
2 approved to the state from the United States under sec. 6(a) or (b) of
3 the Alaska Statehood Act;

4 (4) "mental health land" means land granted under Title II,
5 sec. 202 of P.L. 84-830, as amended before or after July 1, 1978;

6 (5) "municipal land selection" means a request by a munici-
7 pality, filed in writing with the director under authority of former
8 AS 29.18.190 and 29.18.200 or under this chapter for vacant, unappro-
9 priated, unreserved general grant land within its municipal boundaries
10 in partial fulfillment of its municipal entitlement;

11 (6) "patent" means a document, issued by the director to a
12 municipality for a previously approved selection, that conveys and
13 quitclaims all the right, title, and interest of the state without
14 reservation or condition except as may be required by law;

15 (7) "remaining entitlement" means the general grant land
16 entitlement determined in accordance with this chapter, reduced by the
17 total acreage of approved selections, including both patented and un-
18 patented parcels;

19 (8) "school land" means those rectangular sections 16 and
20 36 within each township surveyed on or before January 3, 1959, and
21 confirmed and transferred to the State of Alaska upon its admission
22 under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other
23 land designated solely for school revenues;

24 (9) "university land" means all sections 33 reserved to the
25 university under 38 Stat. 1214, as amended (48 U.S.C. 353) and all
26 land granted to or reserved for the benefit of the university;

27 (10) "vacant, unappropriated, unreserved land" means general
28 grant land as defined in (4) of this section, excluding minerals as
29 required by sec. 6(i) of the Alaska Statehood Act, that

1 (A) has not been set aside by statute for one or more
2 particular uses or purposes;

3 (B) has not been approved for patent to a municipality
4 under this chapter or former AS 29.18.190 and 29.18.200; or

5 (C) is unclassified or, if classified under AS 38.05.-
6 300, is classified for agricultural, grazing, commercial, indus-
7 trial, private recreational, residential, utility, or open-to-
8 entry purposes, or is classified in accordance with an agreement
9 between a municipality and the state providing for state manage-
10 ment of land of the municipality.

11 Sec. 29.65.140. APPLICATION. This chapter applies to home rule
12 and general law municipalities.

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

14 CHAPTER 71. GENERAL PROVISIONS.

15 Sec. 29.71.010. ADVERSE POSSESSION. A municipality may not be
16 divested of title to real property by adverse possession.

17 Sec. 29.71.020. DEDICATION OF MUNICIPAL PROPERTY. Dedication of
18 streets, rights-of-way, easements or other areas for public use may
19 not be construed to require the municipality to maintain, improve or
20 provide for municipal services in the area dedicated and the dedica-
21 tion does not impose any liability on the municipality for the condi-
22 tion of the area dedicated.

23 Sec. 29.71.030. TAXATION OF MUNICIPALITIES. No state law or
24 regulation may assess or tax, or be construed to assess or tax, a
25 municipality unless the law or regulation expressly provides that the
26 municipality is to be assessed or taxed by the particular law or
27 regulation.

28 Sec. 29.71.800. DEFINITIONS. In this title, unless otherwise
29 provided or the context otherwise requires,

1 (1) "areawide" means throughout a borough, both inside and
2 outside all cities in the borough;

3 (2) "assembly" means the governing body of a borough;

4 (3) "borough" means a general law borough or a home rule
5 borough;

6 (4) "city" means a general law first or second class city
7 or a home rule city;

8 (5) "commissioner" means the commissioner of community and
9 regional affairs;

10 (6) "consolidation" means dissolution of two or more muni-
11 cipalities and their incorporation as a new municipality;

12 (7) "council" means the governing body of a city;

13 (8) "department" means the Department of Community and
14 Regional Affairs;

15 (9) "election" means a regular or special municipal elec-
16 tion and does not include a state election;

17 (10) "governing body" means the legislative body of a muni-
18 cipality that is the assembly of a borough or the council of a city;

19 (11) "majority" means a simple majority;

20 (12) "merger" means dissolution of a municipality and its
21 absorption by another municipality;

22 (13) "municipality" means a political subdivision incor-
23 porated under the laws of the state that is a home rule or general law
24 city, a home rule or general law borough, or a unified municipality;

25 (14) "nonareawide" means throughout the area of a borough
26 outside all cities in the borough;

27 (15) "owner" or "record owner" means the owner of record or
28 purchaser of record as shown in the records of the district recorder;

29 (16) "personal property" means tangible property other than

1 real property, such as merchandise, stock in trade, machinery, equip-
2 ment, furniture, fixtures, vehicles, boats, and aircraft;

3 (17) "property" means real and personal property;

4 (18) "published" means appearing at least once in a news-
5 paper of general circulation distributed in the municipality or, if
6 there is no newspaper of general circulation distributed in the muni-
7 cipality, posting in three public places for at least five days;

8 (19) "real property" means land and improvements, all pos-
9 sessory rights and privileges appurtenant to the property, and in-
10 cludes personal property affixed to the land or improvements;

11 (20) "regular election" means the municipal election held on
12 the first Tuesday of October annually, or on a different date or
13 interval of years provided by ordinance or charter;

14 (21) "special election" means a municipal election and does
15 not include a regular election or a state election;

16 (22) "street" includes streets, avenues, boulevards, roads,
17 lanes, alleys, and other ways;

18 (23) "subdivision"

19 (A) means the division of a parcel of land into two or
20 more lots or other divisions for the purpose of sale or building
21 development, includes resubdivision, and relates to the process
22 of subdividing or to the land subdivided;

23 (B) does not include cadastral plats, cadastral con-
24 trol plats, open-to-entry plats, or remote parcel plats created
25 by or on behalf of the state regardless of whether these plats
26 include easements or other public dedications;

27 (24) "unified municipality" means a municipality unified in
28 accordance with AS 29.06.190 - 29.06.410;

29 (25) "voter" means a United States citizen who is qualified

1 to vote in state elections, has been a resident of the municipality
2 for 30 days immediately preceding the election, is registered to vote
3 in state elections, and is not disqualified under art. V of the state
4 constitution.

5 * Sec. 18. AS 01.10.060 is amended by adding a new paragraph to read:

6 (15) "municipality" means a political subdivision incor-
7 porated under the laws of the state that is a home rule or general law
8 city, a home rule or general law borough, or a unified municipality.

9 * Sec. 19. AS 09.55.275 is amended to read:

10 Sec. 09.55.275. REPLAT APPROVAL. No agency of the state or
11 municipality may acquire property located within a municipality exer-
12 cising the powers conferred by AS 29.35.180 or AS 29.35.260(c) that
13 [AS 29.33.150 - 29.33.245 WHICH] results in a boundary change unless
14 the agency or municipality first obtains from the municipal platting
15 authority preliminary approval of a replat showing clearly the loca-
16 tion of the proposed public streets, easements, rights-of-way, and
17 other taking of private property. Final approval of replat shall be
18 similarly obtained. However, if a state agency clearly demonstrates
19 an overriding state interest, a waiver to the approval requirements of
20 this section may be granted by the governor. The platting authority
21 shall treat applications for replat made by state or local govern-
22 mental agencies in the same manner as replat petitions originated by
23 private landowners.

24 * Sec. 20. AS 09.65.070(e)(1) is amended to read:

25 (1) "municipality" means a home rule borough or city, a
26 general law borough or city of any class, or a unified municipality
27 [ESTABLISHED UNDER AS 29.68.240 - 29.68.440, OR A MUNICIPALITY ESTAB-
28 LISHED BY MERGER OR CONSOLIDATION UNDER AS 29.68.030 - 29.68.110]; the
29 term includes a public corporation established by a municipality;

1 * Sec. 21. AS 14.08.071(b) is amended to read:

2 (b) Except for the first election of regional school members
3 under (a) of this section, elections [ELECTION] shall be held annually
4 on the first Tuesday in October. Elections shall be supervised by the
5 director of elections in the office of the lieutenant governor, but
6 shall be administered within second class cities as part of the regular
7 municipal election. The lieutenant governor shall adopt [PROMULGATE]
8 regulations for the conduct of the election of regional school board
9 members comparable, as far as practicable, to those prescribed for
10 election of school board members under AS 14.12 and AS 29.20.300
11 [AS 29.28] except that the majority election requirements of AS 29.-
12 26.060 [AS 29.28.040] do not apply to, nor may the regulations require
13 runoff elections for, the first election of regional school board
14 members under (a) of this section or, if a school board by resolution
15 so requests, to subsequent elections in the regional educational
16 attendance area served by that school board.

17 * Sec. 22. AS 14.08.081 is amended to read:

18 Sec. 14.08.081. RECALL. The members of a regional school board
19 are subject to recall in accordance with AS 29.26.240 - 29.26.360
20 [AS 29.28.130 - 29.28.250], except that the director of the division
21 of elections shall perform the functions of a municipal clerk, and the
22 lieutenant governor shall perform the functions of the assembly or
23 council under those sections.

24 * Sec. 23. AS 14.12.030(c) is amended to read:

25 (c) The [NOTWITHSTANDING THE] provisions of (a) and (b) of this
26 section do not apply if [, WHERE] the [BOROUGH] assembly serves as the
27 school board of the borough school district [UNDER AS 29.41.020 THE
28 NUMBER OF MEMBERS OF THE ASSEMBLY-SCHOOL BOARD SHALL BE DETERMINED IN
29 THE MANNER PRESCRIBED BY AS 29.23.020].

1 * Sec. 24. AS 14.12.110 is amended to read:

2 Sec. 14.12.110. SINGLE BODY AS ASSEMBLY AND SCHOOL BOARD. Not-
3 withstanding the provisions of this chapter or other law, a single
4 body may serve as both the [BOROUGH] assembly and [BOROUGH] school
5 board in the manner provided for third class boroughs under AS 29.20.-
6 300(b) [AS 07.17.030], if

7 (1) an [A BOROUGH] ordinance for that purpose is approved
8 by the assembly and ratified by a referendum of a majority of the
9 qualified borough voters voting on the question at a regular or spe-
10 cial election; [,] and

11 (2) [IF] the public school population within the borough is
12 500 pupils or less.

13 * Sec. 25. AS 14.14.020 is amended to read:

14 Sec. 14.14.020. BOND REQUIRED. Before the officer responsible
15 for custody [OF], investment, or management of school district money
16 enters upon the duties of office, the district, or the municipality if
17 the treasury is centralized, shall obtain a bond with sufficient
18 sureties in an amount equal to the money that may come into the offi-
19 cer's official custody, but not to exceed \$50,000. The bond shall be
20 conditioned on the officer's honest and faithful disbursement and
21 accounting of all money that may come into the official custody of the
22 officer. The bond shall be filed with the clerk of the school board.
23 This section does not apply to an officer who has been bonded under
24 AS 29.20.610 [AS 29.23.520].

25 * Sec. 26. AS 14.14.050(d) is amended to read:

26 (d) The school board shall not make the audit if an audit that
27 [WHICH] satisfies the requirements of this section and that [WHICH] is
28 filed and posted as required by this section [,] is made according to
29 AS 29.35.110 [AS 29.48.220].

1 * Sec. 27. AS 14.17.140(a) is amended to read:

2 (a) To determine the equalized percentage to be applied to basic
3 need under AS 14.17.021, and the matching ratio for required local
4 effort under AS 14.17.071, the Department of Community and Regional
5 Affairs, in consultation with the assessor for each district, shall
6 determine the full value of the taxable real and personal property in
7 each district. Exemptions granted under ch. 129, SLA 1957, known as
8 the Alaska Industrial Incentive Act (AS 43.25), shall be honored. If
9 there is no local assessor or current local assessment for a district,
10 then the Department of Community and Regional Affairs shall make the
11 determination of full value from information available. In making the
12 determination, the Department of Community and Regional Affairs shall
13 be guided by AS 29.45.110 [AS 29.53.060]. The determination of full
14 value shall be made before October 1 and sent by certified mail,
15 return receipt requested, before that date to the president of the
16 school board in each district. Duplicate copies shall be sent to the
17 commissioner. The governing body of the municipality that [BOROUGH OR
18 CITY WHICH] is the district may obtain judicial review of the deter-
19 mination by filing a motion in the superior court of the judicial
20 district in which the district is located within 30 days after receipt
21 of the determination. The superior court may modify the determination
22 of the Department of Community and Regional Affairs only upon a find-
23 ing of abuse of discretion or upon a finding that there is no substan-
24 tial evidence to support the determination.

25 * Sec. 28. AS 15.13.010(a) is amended to read:

26 (a) This chapter applies in every election for governor, lieu-
27 tenant governor, a member of the state legislature, a delegate to a
28 constitutional convention, or judge seeking electoral confirmation.
29 It also applies to every candidate for election to a municipal office

1 in a municipality [CITY OR BOROUGH] with a population of more than
2 1,000 inhabitants according to the latest United States census figures
3 or estimates of population certified as correct for administrative
4 purposes by the Department of Community and Regional Affairs. A
5 municipality may exempt its elected municipal officers from the re-
6 quirements of this chapter if a majority of the voters voting on the
7 question at a [ANY] regular election, as defined by AS 29.71.800(20)
8 [AS 29.78.010(14)], or a special municipality-wide election called for
9 that purpose, vote to exempt its elected municipal officers from the
10 requirements of this chapter. The question of exemption from the
11 requirements of this chapter may be submitted by the governing body
12 [CITY COUNCIL OR BOROUGH ASSEMBLY] by ordinance or by initiative
13 election [ORDINANCE]. Nothing in this chapter prohibits a municipal-
14 ity from regulating by ordinance campaign contributions and expendi-
15 tures.

16 * Sec. 29. AS 15.13.120(f)(3) is amended to read:

17 (3) AS 29.20.170 [AS 29.23.060(c)], if the candidate is a
18 candidate for the borough assembly;

19 * Sec. 30. AS 15.13.120(f)(4) is amended to read:

20 (4) AS 29.20.280 [AS 29.23.130(f)], if the candidate is a
21 candidate for borough mayor;

22 * Sec. 31. AS 15.13.120(f)(5) is amended to read:

23 (5) AS 29.20.170 [AS 29.23.210(b)], if the candidate is a
24 candidate for city council;

25 * Sec. 32. AS 15.13.120(f)(6) is amended to read:

26 (6) AS 29.20.280 [AS 29.23.255], if the candidate is a
27 candidate for city mayor;

28 * Sec. 33. AS 15.56.110(b)(2) is amended to read:

29 (2) a member of the borough assembly [ASSEMBLYMAN] under

1 AS 29.20.170(6) [AS 29.23.060(c)];

2 * Sec. 34. AS 15.56.110(b)(3) is amended to read:

3 (3) a borough mayor under AS 29.20.280(6) [AS 29.23.130-
4 (f)];

5 * Sec. 35. AS 15.56.110(b)(4) is amended to read:

6 (4) a member of the city council [COUNCILMAN] under AS 29.-
7 20.170(6) [AS 29.23.210(b)];

8 * Sec. 36. AS 15.56.110(b)(5) is amended to read:

9 (5) a city mayor under AS 29.20.280(6) [AS 29.23.255];

10 * Sec. 37. AS 16.20.036(g) is amended to read:

11 (g) The establishment of a refuge under this section does not
12 impair or alter existing rights of a municipality [BOROUGH OR CITY] to
13 state land selected [SELECT STATE LAND] under former AS 29.18.190 -
14 29.18.200.

15 * Sec. 38. AS 16.20.038(g) is amended to read:

16 (g) The establishment of a refuge under this section does not
17 impair or alter existing rights of a municipality [BOROUGH OR CITY] to
18 state land selected [SELECT STATE LAND] under former AS 29.18.190 -
19 29.18.200.

20 * Sec. 39. AS 18.26.250(2) is amended to read:

21 (2) municipality [MUNICIPAL CORPORATION OR POLITICAL SUB-
22 DIVISION OF THE STATE AS THE TERMS ARE USED IN AS 29];

23 * Sec. 40. AS 18.80.290(d) is amended to read:

24 (d) The governing [LEGISLATIVE] body of a general law or home
25 rule municipality has the authority under AS 29.20.320 [AS 29.48.035]
26 to grant to local commissions powers and duties similar to those
27 exercised by the Alaska Human Rights Commission under the provisions
28 of this Act.

29 * Sec. 41. AS 19.30.241(2) is amended to read:

1 (2) "home rule city" means a city as defined in AS 29.04.-
2 010 [AS 29.08.010];

3 * Sec. 42. AS 19.30.241(3) is amended to read:

4 (3) "local government" means an organized borough of any
5 class, a unified municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.-
6 440], a home rule city, or a first class city [OF THE FIRST CLASS];

7 * Sec. 43. AS 26.23.230(5) is amended to read:

8 (5) "political subdivision" means a home rule or general
9 law borough or city [, WHETHER HOME RULE OR OTHERWISE,] including a
10 unified municipality [MUNICIPALITIES UNIFIED UNDER AS. 29.68.240 -
11 29.68.440], an unincorporated village, or other unit of local govern-
12 ment;

13 * Sec. 44. AS 28.15.051(d) is amended to read:

14 (d) The department may issue a special driver's permit to a
15 person who is at least 14 years of age with the consent of his parents
16 or guardians for the purpose of driving a motor-driven cycle. This
17 permit may be issued upon application and successful completion of all
18 prescribed tests and fees, and is valid for the same period of time as
19 a driver's license. The permit is not valid in a municipality that
20 [WHICH] by ordinance prohibits the driving of a motor-driven cycle by
21 a person under the age of 16 years; a borough may adopt the ordinance
22 on a nonareawide basis only, unless the power to adopt it on an area-
23 wide basis is acquired under AS 29.35.300 - 29.35.330 or former
24 AS 29.33.250 - 29.33.290.

25 * Sec. 45. AS 38.04.020(b)(1) is amended to read:

26 (1) land nominated for selection or selected by a muni-
27 cipality to satisfy a general grant land entitlement under AS 29.65 or
28 former AS 29.18.201 - 29.18.213;

29 * Sec. 46. AS 38.04.020(e)(4) is amended to read:

1 (4) for preliminary feasibility studies, engineering design
2 work, and construction of access roads and capital improvements re-
3 quired by municipal subdivision ordinance or regulation of the plat-
4 ting authority [BOARD UNDER AS 29.33.150]; if an accurate determina-
5 tion of the amounts necessary for access roads or capital improvements
6 cannot be made at the time the estimate is submitted, a schedule for
7 obtaining the estimates, constructing the access roads or capital
8 improvements, and disposing of the land shall be submitted;

9 * Sec. 47. AS 38.04.021(a) is amended to read:

10 (a) A municipality may apply for financial assistance for the
11 execution of a land disposal program of general grant land entitle-
12 ments received from the state under AS 29.65 or former AS 29.18.201 -
13 29.18.213 by submitting a request to the commissioner for inclusion in
14 the request submitted to the legislature under AS 38.04.020(e). A
15 municipality may request financial assistance for expenses of survey-
16 ing land, designing subdivision plats, installing improvements re-
17 quired by municipal ordinance or regulation of the local platting
18 authority [BOARD], and other reasonable direct costs of land disposal.

19 * Sec. 48. AS 38.04.021(d) is amended to read:

20 (d) A grant made under this section may not exceed five times
21 the amount of money appropriated by a first class city, a borough, or
22 a unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440] for
23 the disposal of municipal land in the current fiscal year unless the
24 commissioner exempts the municipality from this subsection.

25 * Sec. 49. AS 38.04.021(e)(2) is amended to read:

26 (2) a first class city, a borough, or a unified municipal-
27 ity that [UNIFIED UNDER AS 29.68.240 - 29.68.440 WHICH] is exempted by
28 the commissioner under (d) of this section.

29 * Sec. 50. AS 38.04.900(b) is amended to read:

1 (b) A municipality has standing to petition the commissioner for
2 the adoption of a regulation, or for the amendment or repeal of an
3 existing regulation, or to appeal a decision of the commissioner with
4 respect to classification, management, or disposal of land made under
5 authority of a regulation adopted under (a) of this section with
6 respect to state land outside the corporate boundaries of the muni-
7 cipality to protect any interest which the municipality is authorized
8 to regulate outside its boundaries under AS 29.35.020 [AS 29.48.037].

9 * Sec. 51. AS 38.05.127(d) is amended to read:

10 (d) Upon application by a municipality or an affected owner of
11 land, the department may vacate, release, modify, or relocate an ease-
12 ment and right-of-way for public access to or along navigable or
13 public waters reserved by the department in a patent issued under
14 AS 29.18.510 - 29.18.610, AS 29.05, AS 29.65, or former AS 29.18.011 -
15 29.18.460, [AS 29.18] if the commissioner determines the action is
16 consistent with the public interest.

17 * Sec. 52. AS 38.05.290(b) is amended to read:

18 (b) Consistent with the best interests of the state, in the
19 selection of general grant land it is the policy of the state to make
20 available the maximum land area from which municipalities may fulfill
21 land entitlements under AS 29.65 or former AS 29.18.201 - 29.18.213.

22 * Sec. 53. AS 38.05.321(b) is amended to read:

23 (b) State land classified as agricultural land that [WHICH] has
24 been selected by a municipality under former AS 29.18.190 - 29.18.200
25 or former AS 29.18.205(e) may be approved by the director for patent
26 under AS 29.65.050(c) or former AS 29.18.205(f); however, only rights
27 in the land for agricultural purposes may be transferred and all other
28 interests in the land will remain with the state. Agricultural land
29 approved for patent to a municipality [UNDER AS 29.18.205(f)] shall be

1 credited, acre for acre, toward fulfillment of that municipality's
2 entitlement under AS 29.65.010 - 29.65.030 or former AS 29.18.201 -
3 29.18.203. If the director later determines it to be in the best
4 interests of the state to transfer some or all of the additional
5 rights in that approved or patented agricultural land, those rights
6 shall pass without consideration to the municipality in which the land
7 is located. The notice and review provisions of [AS 38.05.305 AND]
8 AS 38.05.345 are applicable to conveyance of rights under this sec-
9 tion.

10 * Sec. 54. AS 38.05.321(c) is amended to read:

11 (c) The provisions of this section do not apply to state land
12 classified as agricultural land which has been selected by a muni-
13 cipality under the provisions of former AS 29.18.190 - 29.18.200 if
14 the selection is an approved selection before April 1, 1978 and is
15 otherwise valid under AS 29.65.050(b) or former AS 29.18.205(b).

16 * Sec. 55. AS 38.05.362(b) is amended to read:

17 (b) Nothing in this section affects the selection rights of a
18 municipality [BOROUGH OR CITY] under former AS 29.18.190 - 29.18.200
19 for areas selected as of July 1, 1977, or a valid existing claim,
20 location, or entry under law, as of July 1, 1976.

21 * Sec. 56. AS 39.50.145 is amended to read:

22 Sec. 39.50.145. PARTICIPATION BY MUNICIPALITIES. A municipality
23 may exempt its municipal officers from the requirements of this chap-
24 ter if a majority of the voters voting on the question at a [ANY]
25 regular election, as defined by AS 29.71.800(20) [AS 29.78.010(14)],
26 or a special municipality-wide election, vote to exempt its municipal
27 officers from the requirements of this chapter. The question of
28 exemption from the requirements of this chapter may be submitted by
29 the city council or borough assembly by ordinance or by initiative

1 election [ORDINANCE].

2 * Sec. 57. AS 39.50.200(a)(6) is amended to read:

3 (6) "municipal officer" includes a borough or city mayor,
4 borough assemblyman, city councilman, school board member, elected
5 utility board member, city or borough manager, members of a city or
6 borough planning or zoning commission within a home rule or general
7 law city or borough or [INCLUDING BUT NOT LIMITED TO] a unified muni-
8 cipality [UNDER AS 29.68];

9 * Sec. 58. AS 40.15.075 is amended to read:

10 Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH AND THIRD
11 CLASS BOROUGH. The division of lands is the platting authority in
12 the area outside organized boroughs and outside cities in the unor-
13 ganized borough and in the third class borough for only the purposes
14 of hearing and acting on petitions for the change or vacation of plats
15 and shall execute this function substantially in conformity with the
16 provisions of AS 29.40.130 - 29.40.160 [AS 29.33.210 - 29.33.240].
17 Costs of publication and mailing [AS WELL AS OTHER COSTS] authorized
18 in AS 29.40.130 [AS 29.33.210] shall be paid to the division by the
19 petitioner. The Department of Natural Resources shall adopt reason-
20 able regulations governing the exercise of the authority conferred by
21 this section upon the division of lands.

22 * Sec. 59. AS 40.15.200 is amended to read:

23 Sec. 40.15.200. APPLICATION TO STATE AND POLITICAL SUBDIVI-
24 SIONS. All subdivisions of land made by the state, its agencies,
25 instrumentalities and political subdivisions are subject to the provi-
26 sions of this chapter and AS 29.40.070 - 29.40.160 [AS 29.33.150 -
27 29.33.240], or home rule ordinances or regulations governing subdivi-
28 sions, and shall comply with ordinances and other local regulations
29 adopted under this chapter and AS 29.40.070 - 29.40.160 or former

1 AS 29.33.150 - 29.33.240, or under home rule authority, in the same
2 manner and to the same extent as subdivisions made by other land-
3 owners.

4 * Sec. 60. AS 41.22.020(d) is amended to read:

5 (d) In (a) of this section "municipalities" includes cities or
6 organized boroughs of any class and unified municipalities exercising
7 powers to initiate projects described in AS 41.22.020 and acquire
8 parks and open space land, as otherwise authorized by law [, AND
9 INCLUDES BUT IS NOT LIMITED TO UNIFIED MUNICIPALITIES ORGANIZED UNDER
10 AS 29.68.240 - 29.68.440].

11 * Sec. 61. AS 41.35.180(5) is amended to read:

12 (5) consult with local historical district commissions re-
13 garding the establishment of historical districts under AS 29.55.010 -
14 29.55.020 [AS 29.48.108 - 29.48.110] and the approval of project
15 alterations under AS 45.98.040; recommend, if appropriate, the formu-
16 lation of additional criteria for the designation of historical dis-
17 tricts under AS 29.55.020(b) [AS 29.48.110(b)]; approve plans for and
18 evaluate the suitability of specific structures for purposes of loan
19 eligibility and continuance under the historical district revolving
20 loan fund (AS 45.98); and consult with the Department of Commerce and
21 Economic Development relative to the adoption of regulations for
22 historical district loans under AS 45.98.

23 * Sec. 62. AS 43.18.430 is amended to read:

24 Sec. 43.18.430. POWER OF MUNICIPALITY. A municipality may own,
25 maintain and employ a facility constructed under AS 43.18.400 - 43.-
26 18.460. 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. 63. AS 43.18.500(d)(2)(A) is amended to read:

2 (A) has the authority under AS 29.35 [AS 29.41 OR
3 AS 29.48] to provide and maintain a cultural facility;

4 * Sec. 64. AS 43.56.010(b) is amended to read:

5 (b) A municipality may levy and collect a tax under AS 29.45.080
6 [AS 29.53.045] at the rate of taxation that applies to other property
7 taxed by the municipality. The tax shall be levied at a rate no
8 higher than the rate applicable to other property taxable by the
9 municipality. No municipality may exempt from taxation property
10 authorized to be taxed under this chapter. Exemptions shall be lim-
11 ited to those in AS 29.45.030, 29.45.050, [AS 29.53.020 AND AS 29.53.-
12 025] and AS 43.56.020.

13 * Sec. 65. AS 43.56.010(c) is amended to read:

14 (c) If the total value of assessed property of a municipality
15 taxing under AS 29.45.080(c) [AS 29.53.045(c)] exceeds the product of
16 225 percent of the average per capita assessed full and true value of
17 property in the state (to be determined by the department and reported
18 to each municipality by January 15 of each year) multiplied by the
19 number of residents of the taxing municipality, the department shall
20 designate the portion of the tax base against which the local tax may
21 be applied. For purposes of this subsection the average per capita
22 assessed full and true value of property in the state shall be calcu-
23 lated without regard to the assessed value of taxable property under
24 AS 43.58.

25 * Sec. 66. AS 43.56.010(d) is amended to read:

26 (d) A tax paid to a municipality under AS 29.45.080 [AS 29.53.-
27 045] on or before June 30 of the tax year shall be credited against
28 the tax levied under (a) of this section for that tax year. If,
29 however, a tax is not paid to a municipality until after June 30 of

1 the taxable year, the department upon application shall refund to the
2 taxpayer the amount of tax paid to the municipality under AS 29.45.080
3 [AS 29.53.045]. The credit or refund of taxes paid to a municipality
4 may not exceed the total amount of tax levied by the department upon
5 the taxpayer for the tax year, under (a) of this section.

6 * Sec. 67. AS 43.56.060(a) is amended to read:

7 (a) The department shall assess property for the tax levied
8 under AS 43.56.010(b) and AS 29.45.080 [AS 29.53.045] on property used
9 or committed by contract or other agreement for use for the pipeline
10 transportation of gas or unrefined oil or for the production of gas or
11 unrefined oil at its full and true value as of January 1 of the as-
12 sessment year.

13 * Sec. 68. AS 43.75.130(1) is amended to read:

14 (1) to each unified municipality [UNIFIED UNDER AS 29.68.-
15 240 - 29.68.440,] and to each city located in the unorganized borough,
16 50 percent of the amount of tax revenue collected in the municipality
17 from taxes levied by AS 43.75;

18 * Sec. 69. AS 44.07.360(8) is amended to read:

19 (8) "municipality" means a home rule or general law city or
20 borough including but not limited to the capital city and a unified
21 municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.440];

22 * Sec. 70. AS 44.47 is amended by adding new sections to read:

23 ARTICLE 12. BOROUGH FEASIBILITY STUDIES.

24 Sec. 44.47.700. BOROUGH FEASIBILITY STUDIES. (a) The commis-
25 sioner may contract for studies of the feasibility of establishing
26 boroughs in the unorganized borough. A study may be conducted under
27 this section only if

28 (1) appropriations are available for that purpose; and

29 (2) the study is requested by a person residing in the area

1 to be studied or by a city located in the area to be studied.

2 Sec. 44.47.710. REQUESTS FOR STUDIES. A request for a study of
3 the feasibility of establishing a borough in the unorganized borough
4 shall be submitted to the commissioner in writing and shall include

5 (1) a description of the boundaries of the area of the pro-
6 posed study; and

7 (2) an indication of local interest in the proposed study
8 consisting of either

9 (A) a petition requesting the study containing the
10 signatures and addresses of five percent of the voters residing
11 in the area of the proposed study based on the number of voters
12 who voted in the area in the last statewide election; or

13 (B) resolutions requesting the study adopted by the
14 governing bodies of at least five percent of the cities within
15 the area of the proposed study.

16 Sec. 44.47.720. BOUNDARIES. The boundaries of an area studied
17 shall conform to the boundaries indicated in the request for the study
18 under AS 44.47.710 unless the commissioner, after a public hearing
19 held in the area of the proposed study, determines that the boundaries
20 should be altered. In determining the boundaries of an area to be
21 studied, the commissioner shall consider

22 (1) the standards applicable to the incorporation of bor-
23 oughs under AS 29.18.030;

24 (2) boundaries of regional corporations established under
25 43 U.S.C. 1606;

26 (3) census divisions of the state used for the 1980 census;

27 (4) boundaries of the regional educational attendance areas
28 established under AS 14.08.031; and

29 (5) boundaries of coastal resource service areas organized

1 under AS 46.40.110 - 46.40.210.

2 Sec. 44.47.730. CONTRACTS. (a) The commissioner shall contract
3 for a study of the feasibility of establishing a borough in the unor-
4 ganized borough by following the procedures set out in AS 36.98. The
5 commissioner shall include terms in the contract that provide for

- 6 (1) public participation in the preparation of the study;
7 (2) completion of the study not later than June 30 of the
8 third year after the year the contract is executed.

9 (b) A study under this section shall include

10 (1) a recommendation for or against incorporation of a bor-
11 ough containing all or part of the area studied;

12 (2) an evaluation of the economic development potential of
13 the area studied;

14 (3) an evaluation of capital facility needs of the area
15 studied;

16 (4) an evaluation of demographic, social, and environmental
17 factors affecting the area studied;

18 (5) an evaluation of the relationships among regional
19 educational attendance areas, coastal resource service areas, and
20 other regional entities responsible for providing services in the area
21 studied;

22 (6) an evaluation of the relationships between the existing
23 cities within the area studied and regional entities responsible for
24 providing services in the area; and

25 (7) specific recommendations for

26 (A) organization of a home rule or general law borough
27 government if one is recommended;

28 (B) changes in organization of cities in the area
29 studied; or

1 (C) the improvement of the delivery of services to the
2 public by the state in the area studied.

3 * Sec. 71. AS 44.83.162(m) is amended to read:

4 (m) For purposes of (c) of this section, the number of residents
5 of the community equals the number of residents of the community
6 determined by the Department of Community and Regional Affairs in
7 accordance with AS 29.60.020 [AS 29.88.015].

8 * Sec. 72. AS 44.85.270(i) is amended to read:

9 (i) All references to the "reserve fund" in this section include
10 special accounts within the reserve fund which may be created by the
11 authority to secure the payment of particular bonds, including, with-
12 out limitation, bonds issued by the capital city established under
13 AS 29.14.010 [AS 29.18.510]. The commissioner of revenue may lend
14 surplus money in the general fund to the authority for deposit to any
15 account in the reserve fund in an amount equal to the required debt
16 service reserve. The loans shall be made on such terms and conditions
17 as may be agreed upon by the commissioner of revenue and the author-
18 ity, including, without limitation, terms and conditions providing
19 that the loans need not be repaid until the obligations of the corpo-
20 ration secured and to be secured by the account in the reserve fund
21 are no longer outstanding.

22 * Sec. 73. AS 44.85.410(3)(A) is amended to read:

23 (A) a general obligation bond that [WHICH] is a direct
24 and general obligation of a political subdivision of the state,
25 all the taxable property within which is subject to taxation to
26 pay the bond, note or evidence of debt, and the interest without
27 limitation, as to rate or amount generally to the extent permit-
28 ted by law or to avoid a default as provided for second class
29 cities under AS 29.45.590 [AS 29.53.410]; or

1 * Sec. 74. AS 44.85.410(3)(D) is amended to read:

2 (D) a bond of a borough issued as a general obligation
3 of a service area under AS 29.47.440 or former AS 29.58.340; [.]

4 * Sec. 75. AS 45.98.020 is amended to read:

5 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and
6 plan approval by a local historical district commission established
7 under AS 29.55.010 or former AS 29.48.108 and the recommendation of a
8 majority of the members of the Historic Sites Advisory Committee, the
9 Department of Commerce and Economic Development may make loans to a
10 person, firm, business or municipality subject to applicable laws for
11 the restoration, improvement, rehabilitation, or maintenance of a
12 structure that [WHICH] is

13 (1) within the boundaries of a historical district estab-
14 lished under AS 29.55.020 or former AS 29.48.110;

15 (2) identified as important in state or national history as
16 provided for in AS 29.55.020(b) or former AS 29.48.110(b); and

17 (3) another building or structure within a historical dis-
18 trict, and suitable for superficial modification so that it can con-
19 form to the period or motif of the surrounding buildings or structures
20 that are the reason for the area's designation as a historical dis-
21 trict.

22 * Sec. 76. AS 46.03.210(a) is amended to read:

23 (a) A municipality with a population in excess of 1,000 may,
24 within five years from August 5, 1969, establish and administer within
25 its jurisdiction an air pollution control program. Organized boroughs
26 may establish an air pollution control program on an areawide basis,
27 and the exercise of powers with respect to the program is not subject
28 to the restrictions on acquiring additional areawide powers specified
29 in AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.290]. Local

1 programs shall

2 (1) provide by ordinance for requirements compatible with
3 those imposed by the provisions of AS 46.03.140 and 46.03.170 and
4 applicable regulations;

5 (2) provide for the enforcement of the requirements imposed
6 through appropriate administrative and judicial processes;

7 (3) provide for a local administrative organization, staff,
8 and other resources necessary to effectively carry out the purposes of
9 the program; and

10 (4) be approved by the department as being satisfactory to
11 meet the requirements of AS 46.03.140 - 46.03.170 and the applicable
12 regulations.

13 * Sec. 77. AS 46.11.040(3)(A) is amended to read:

14 (A) is constructed under an exception to the municipal
15 building code granted because the exception will result in in-
16 creased energy efficiency [UNDER AS 29.33.080(g)];

17 * Sec. 78. AS 46.11.900(8) is amended to read:

18 (8) "state financial assistance" means a loan, grant,
19 guarantee, insurance, payment, rebate, subsidy, or other form of state
20 assistance (other than aid under AS 29.60 [AS 29.88, AS 29.89, AS 29.-
21 90, AS 29.95] and AS 43.18) including the purchase by a state agency
22 of a loan to finance the construction of a new residential, commer-
23 cial, or industrial building;

24 * Sec. 79. AS 46.35.200(3) is amended to read:

25 (3) "local government" means a city or borough including a
26 unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440];

27 * Sec. 80. AS 46.40.140(h) is amended to read:

28 (h) Members of coastal resource service area boards are subject
29 to recall on the same grounds and in the same manner as provided for

1 recall of municipal officials in AS 29.26.240 - 29.26.350 [AS 29.28.-
2 130 - 29.28.250]. The lieutenant governor functions in place of the
3 assembly or council and municipal clerk for receipt and review of
4 recall petitions and the conduct of recall elections.

5 * Sec. 81. AS 46.40.210(2)(A) is amended to read:

6 (A) unified municipalities [ESTABLISHED UNDER AS 29.-
7 68.240 - 29.68.440];

8 * Sec. 82. AS 47.35.010(b) is amended to read:

9 (b) The department shall, within 90 days after receiving a
10 written request that it do so, delegate its powers relating to nur-
11 series under this section and under AS 47.35.040, 47.35.050 and 47.-
12 35.060 to a municipality which has adopted an ordinance providing for
13 day care licensing under home rule powers or as authorized under
14 AS 29.35.200 - 29.35.210 [AS 29.48.035(a)(20)]. A municipality to
15 which these powers have been delegated may waive or modify any regu-
16 lation or standard established by the department under the authority
17 of AS 47.35.010 - 47.35.080 as it applies to nurseries or the applica-
18 tion of any such regulation or standard as it applies to a particular
19 day care licensee but must notify the department of any waiver.

20 * Sec. 83. The following laws are repealed: AS 04.11.400(c); AS 04.-
21 21.080(11); AS 14.56.065(b), 14.56.180(3); AS 15.13.130(6); AS 18.55.950-
22 (10); AS 19.20.015(f); AS 24.55.330(3); AS 28.35.260(a)(10); AS 29.08;
23 AS 29.13; AS 29.18; AS 29.23; AS 29.28; AS 29.33; AS 29.38; AS 29.41; AS
24 29.43; AS 29.48; AS 29.53; AS 29.58; AS 29.63; AS 29.68; AS 29.73; AS 29.-
25 78; AS 29.88; AS 29.89; AS 29.90; AS 29.95; AS 30.15.070(3); AS 30.30.170-
26 (2); AS 35.15.120(3); AS 42.06.630(6); AS 43.18.500(j)(6); AS 43.20.016;
27 AS 43.56.210(8); AS 44.47.310(5); and AS 44.85.410(4).

28 * Sec. 84. A right or liability of a municipality existing on July 1,
29 1983, is not affected by the enactment of this Act. Ordinances and

1 regulations in effect on July 1, 1983, remain in effect unless they
2 conflict with provisions of this Act. Ordinances and regulations in effect
3 on July 1, 1983, that conflict with provisions of this Act remain in effect
4 for 180 days after July 1, 1983. The terms of elected or appointed
5 municipal officials in office on July 1, 1983, are not affected by this
6 Act, and their terms expire as provided before July 1, 1983.

7 * Sec. 85. AS 29.45 as enacted in sec. 11 of this Act is retroactive to
8 January 1, 1983.

9 * Sec. 86. AS 29.45 as enacted in sec. 11 of this Act and sec. 85 of
10 this Act take effect immediately in accordance with AS 01.10.070(c).

11 * Sec. 87. Except for AS 29.45 as enacted in sec. 11 of this Act and
12 except for sec. 85 of this Act, this Act takes effect July 1, 1983.



Section-by-Section Analysis
CSSB 1 (C&RA)

Sec. 29.03.030. This is added to the chapter dealing with the unorganized borough in order to cross-reference the section authorizing the division of lands to act as the platting authority in the unorganized borough.

CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

Sec. 29.04.010. This section is altered to allow a city of any class to adopt a home rule charter, whereas existing law allows only a first class city to adopt a charter. Unified municipalities are included within the definition of home rule municipality. (AS 29.-08.010)

Sec. 29.04.020. No change. (AS 29.08.020)

Sec. 29.04.030. No change. (AS 29.08.030)

Sec. 29.04.040. (a) The phrase "as provided in this subsection" is deleted as unnecessary. To reclassify as a first class city, a second class city must have 600 residents, whereas existing law requires only 400 residents for reclassification. (AS 29.08.040(a))

(b) No change. (AS 29.08.040(b))

(c) No change. (AS 29.08.040(c))

(d) Minor rewording, but no substantive change. (AS 29.-08.040(d) and (e))

(e) "Department of Community and Regional Affairs" is altered to read "department". This bill adds "department" to the definitions section and uses that term throughout the title in place of "Department of Community and Regional Affairs". (AS 29.08.040(f))

Sec. 29.04.050. This deletes the provision for reclassification of a second class borough to a third class borough. (AS 29.08.040(g))

The material currently dealing with reclassification to third class status is deleted. (AS 29.08.040(h), and (j))

Sec. 29.04.060. (a) Minor rewording, but no substantive change. (AS 29.08.040(g) and (h))

(b) Minor rewording, but no substantive change. (AS 29.-08.040(i))

CHAPTER 05. INCORPORATION.

Sec. 29.05.010. (a) A community that meets certain standards may incorporate as a home rule or first class city, whereas existing law provides for incorporation of a first class city only. (AS 29.18.011)

(1) A community must have 600 residents to incorporate as a home rule or first class city, whereas existing law requires 400 residents for incorporation as a first class city. (AS 29.18.011(a)(1))

(2) No change. (AS 29.18.011(a)(2))

(3) The term "local services" is altered to "municipal services". (AS 29.18.011(a)(3))

(4) The term "local government" is altered to "city government". (AS 29.18.011(a)(4))

(5) The term "local government" is altered to "city government". (AS 29.18.011(a)(5))

(b) No change. (AS 29.18.011(b))

Sec. 29.05.020. (a) No change. (AS 29.18.021(a))

(b) The term "organized borough" is altered to "borough", which is defined for the title. (AS 29.18.020(b))

Sec. 29.05.030. (a) This provides for incorporation of a home rule, first class, or second class borough, but not for incorporation of a third class borough. This section contains several technical changes. The term "organized borough" is replaced with "borough" since that is defined. The term "local services" is replaced by "municipal services". The term "local government" is replaced by "borough government" as being more precise since this section deals with the incorporation of boroughs and not cities. (AS 29.18.030)

(b) This is new and provides that an area may not incorporate as a third class borough.

Sec. 29.05.060. "Department of Community and Regional Affairs" is replaced by the word "department" which is defined for the title. The paragraphs are reorganized so that the most general requirements precede the most specific requirements for incorporation. (AS 29.18.050)

(7) Signature requirements apply to home rule and first class cities as a unit and then to the rest of the voters in the area of the proposed borough as another unit. Under existing law only first class cities are treated as a special unit for the purpose of gathering signatures. (AS 29.18.050(10))

(11) Signature requirements for incorporation of a first class city must also be complied with for incorporation of a home rule city. (AS 29.05.060(8))

(13) A new provision for incorporation of a home rule municipality requiring that a proposed home rule charter be filed with the incorporation petition.

Sec. 29.05.070. Minor rewording, but no substantive change. (AS 29.18.060)

Sec. 29.05.080. (a) Combines material currently found in two subsections. Adds requirement that notice of the meeting be published. "Published" is defined for the title. (AS 29.18.070(a) and (c))

(b) No change. (AS 29.18.070(b))

(c) No substantive change. (AS 29.18.080(a))

Sec. 29.05.090. "Department of Community and Regional Affairs" is altered to "department". (AS 29.18.080(b))

Sec. 29.05.100. No substantive change. (AS 29.18.090)

Sec. 29.05.110. This section contains a few minor changes, so that the use of language is consistent throughout the bill. The word "officer" is changed to "official" and that is the term used throughout. Currently, Title 29 uses the terms municipal "officer" and "official" interchangeably. Effective January 1, 1981, the director of elections became responsible for conducting state elections rather than the lieutenant governor and here the responsibility for the election is conferred on the director of elections. (AS 29.18.110)

Sec. 29.05.120. This section is reorganized. Current references to the lieutenant governor are changed to the director of elections. (AS 29.18.120)

(a) Contains material currently found in AS 29.18.120(b).

(b) Contains material currently found in AS 29.18.120(b).

(c) Contains material currently found in AS 29.18.120(b).

(d) Contains material currently found in AS 29.18.120(c).

(e) Contains material currently found in AS 29.18.120(d).

(f) Contains material currently found in AS 29.18.120(e).

Sec. 29.05.130. The phrase "borough assembly or city council" is replaced by the phrase "governing body" which is defined for the title. The last line of the current section is dropped as no longer necessary. The provisions of this section apply to all organized boroughs whether incorporated or organized before or after September 10, 1972. (AS 29.18.130)

Sec. 29.05.140. Minor wording changes are made to improve readability and to insure that terms are used consistently throughout the title. (AS 29.18.140)

(d) Added to indicate that the section applies to home rule and general law municipalities, however, this is not a substantive change because the section currently applies to home rule municipalities under AS 29.13.100.

Sec. 29.05.150. No substantive change. (AS 29.18.150)

Sec. 29.05.180. This section now applies only to organization grants for cities. A new section has been added to the bill to deal with organization grants for boroughs. A newly incorporated city or a second class city in the unorganized borough that reclassifies shall be entitled to a first year organization grant of \$50,000 and to a second organization grant of \$25,000. Under existing law, a municipality is entitled to receive \$10 for every voter or \$25,000 minimum, and the municipality receives no grant the second year. (AS 29.18.180)

Sec. 29.05.190. This section deals with organization grants to boroughs only and applies to boroughs incorporated after July 1, 1983. A borough shall be entitled to a first year organization grant of \$300,000; a second year grant of \$200,000; and a third year grant of \$100,000. Under existing law a borough receives \$10 for every voter or a minimum \$25,000 grant. (AS 29.18.180)

Sec. 29.05.200. This is new material establishing an organization grant fund. The Department of Community and Regional Affairs is required to prepare a yearly report on the fund to be presented to the Department of Administration.

Sec. 29.05.210. This is new material which requires the Department of Community and Regional Affairs to determine the population of a newly incorporated borough, help the borough establish an initial assessment and collection department if it has adopted a

sales or use tax; and help the borough to determine the initial assessment roll if the borough has adopted a property tax.

CHAPTER 06. ALTERATION OF MUNICIPALITIES.

Sec. 29.06.010. The phrase "qualified voters voting on the question at a regular or special election" is replaced by "voters after an election". Both "voters" and "election" are defined for the title. References to the lieutenant governor are changed to the director of elections. (AS 29.73.050)

(d) This is added and applies the section to home rule municipalities. This is not a substantive change since the section is a home rule limitation under AS 29.13.100.

Sec. 29.06.040. (a) Authorizes an appeal of a decision of the Local Boundary Commission regarding a proposed municipal boundary change. (AS 29.68.010(a))

(b) Minor rewording. (AS 29.68.010(a))

(c) Adds a new provision that standards and procedures that apply to detachment shall be the same as standards and procedures that apply to annexation, except that provisions for equitable prorated payment of debts must be included in the case of detachment. Requires the Local Boundary Commission to make a decision on a petition for annexation or detachment within 90 days. (AS 29.68.010(b))

(d) Minor reorganizing but no substantive change. (AS 29.68.-010(c))

Sec. 29.06.050. No substantive change. (AS 29.68.020)

Sec. 29.06.060. This is new material specifically applying all sections dealing with annexation as home rule limitations. The material contained in sec. 29.06.040 of this bill is currently a limitation on home rule municipalities.

Sec. 29.06.090. Adds a provision that a third class borough may not be formed through merger or consolidation. (AS 29.68.030)

Sec. 29.06.100. The word "existing" is added to make it clear that some requirements refer to an existing municipality and some to a proposed municipality. (AS 29.68.040)

Sec. 29.06.110. "Department of Community and Regional Affairs" is changed to "department". (AS 29.68.050, 29.68.060, 29.-68.070(a))

Sec. 29.06.120. No substantive change. (AS 29.68.070(b))

Sec. 29.06.130. "Assembly or council" is changed to "governing body". Material contained in the last sentence under current law is placed into a new subsection (b). (AS 29.68.080)

Sec. 29.06.140. Material currently contained in AS 29.68.090(a) and (b) is combined into (a). The statutory reference in AS 29.-68.090(d) is eliminated as unnecessary. References to "lieutenant governor" are changed to "director of elections". (AS 29.68.090)

Sec. 29.06.150. No substantive change. (AS 29.68.100)

Sec. 29.06.160. No substantive change. (AS 29.68.110)

Sec. 29.06.170. This is a new section providing that the article on merger and consolidation applies to home rule municipalities. These sections are currently applied to home rule municipalities under AS 29.13.100.

Sec. 29.06.190. No substantive change. (AS 29.68.240)

Sec. 29.06.200. No substantive change. (AS 29.68.250)

Sec. 29.06.210. "Unification" is added to make it clear that this is a special type of petition. (b)(1) and (2) are slightly rewritten for clarity. (AS 29.68.260)

Sec. 29.06.220. No substantive change. (AS 29.68.270)

Sec. 29.06.230. New section setting out duties of charter commission. (AS 29.68.350(a))

Sec. 29.06.240. This is rewritten for clarity. Under existing law membership is divided between the area outside cities and the area inside cities. This approach is altered so that membership is divided between the area outside home rule and first class cities and the area inside home rule and first class cities in the borough. (AS 29.68.310)

Sec. 29.06.250. (a) No substantive change. (AS 29.68.280)

(b) No substantive change. (AS 29.68.290(a))

(c) No substantive change. (AS 29.68.290(b))

(d) This is new material providing that a resolution or petition for unification is void if insufficient nominations are received for the charter commission.

Sec. 29.06.260. No substantive change. (AS 29.68.300)

Sec. 29.06.270. (a) The question submitted is whether a charter commission shall be formed, not whether unification shall take place. (AS 29.68.320(a) and (b))

(b) No substantive change. (AS 29.68.320(c))

(c) No substantive change. (AS 29.68.320(d))

Sec. 29.06.280. Reworded to clarify that formation of a charter commission is being considered, not unification. (AS 29.68.330)

Sec. 29.06.290. No substantive change. (AS 29.68.340(a) - (d))

Sec. 29.06.300. No substantive change. (AS 29.68.340(e), 29.68.390(e))

Sec. 29.06.310. No substantive change. (AS 29.68.340(f))

Sec. 29.06.320. The language "at a regular or special borough election called by the borough assembly held within 60 days of the date of publication and posting of the proposed charter as required in sec. 380 of this chapter" is deleted since this appears elsewhere. Parts have been slightly rewritten for clarification and statutory references to other sections in AS 29.68.350(a)(5) and (7) are deleted as unnecessary. AS 29.68.350(b) is deleted as unnecessary. (AS 29.68.350)

Sec. 29.06.330. Some excessive verbage is eliminated. (AS 29.-68.360)

Sec. 29.06.340. No substantive change. (AS 29.68.370)

Sec. 29.06.350. The language "once in at least one newspaper having general circulation distributed within the borough, if there is a newspaper having general circulation distributed in the borough" is eliminated as unnecessary since "published" is defined for the title. (AS 29.68.380)

Sec. 29.06.360. (a) No substantive change. (AS 29.68.635(a), 29.68.390(a))

(b) No substantive change. (AS 29.68.390(b))

(c) No substantive change. (AS 29.68.390(c))

(d) No substantive change. (AS 29.68.390(d))

Sec. 29.06.370. The statutory reference to the article on unification is eliminated as unnecessary. (AS 29.68.400)

Sec. 29.06.380. This section is slightly reworded for clarity.
(AS 29.68.410)

Sec. 29.06.390. This section is slightly reworded for clarity.
(AS 29.68.420)

Sec. 29.06.400. This is reworded for clarity and the statutory reference to the unification article is deleted as unnecessary.
(AS 29.68.430)

Sec. 29.06.410. (2) is changed so that it is clear that a unified municipality has the powers of a home rule borough, since a unified municipality is a home rule unit of government.
(AS 29.68.440)

Sec. 29.06.420. This is a new section making the provisions dealing with unification applicable to home rule municipalities. Although annexation, merger and consolidation, and dissolution are currently home rule limitations, the sections dealing with unification are not applicable to home rule municipalities as limitations under existing law.

Sec. 29.06.450. No changes other than changes in terminology used consistently throughout in this bill. (AS 29.68.500)

Sec. 29.06.460. No changes except for minor rewording for clarity. (AS 29.68.510)

Sec. 29.06.470. No changes, except for minor rewording for clarity. (AS 29.68.520)

Sec. 29.06.480. "Department of Community and Regional Affairs" is altered to "department". (AS 29.68.530, 29.68.540)

Sec. 29.06.490. No changes except for minor rewording for clarity. (AS 29.68.550)

Sec. 29.06.500. (a) No change. (AS 29.68.560)

(b) Provides for an administrative appeal of a Local Boundary Commission decision.

Sec. 29.06.510. Material contained in AS 29.68.570(a) and (b) is consolidated into (a). References to the "lieutenant governor" are changed to the "director of elections", who is now in charge of state elections. (AS 29.68.570)

Sec. 29.06.520. The statutory reference contained in existing law is deleted as unnecessary. (AS 29.68.580)

Sec. 29.06.530. This is a new section providing that the article dealing with dissolution applies to home rule municipalities. AS 29.13.100 makes these sections applicable to home rule municipalities under current law.

CHAPTER 10. HOME RULE MUNICIPALITIES.

Sec. 29.10.010. A city or borough of any class may adopt a home rule charter, but a second class city must have at least 600 residents before it may adopt a charter. This is a significant change from existing law which allows first class boroughs and cities, and second class boroughs to adopt a charter, but does not authorize a second class city to adopt a charter. An unincorporated community with at least 600 residents may adopt a charter and incorporate as a home rule city. An area in the unorganized borough may adopt a charter and incorporate as a home rule borough. A proposed charter for an unincorporated community or area is prepared by the petitioners and filed with the incorporation petition. (AS 29.13.010)

(b) This is new and allows an unincorporated community with at least 600 residents to adopt a charter and incorporate as a home rule city.

(c) This is new and allows an area in the unorganized borough to adopt a charter and incorporate as a home rule borough.

(e) This is new and requires the proposed charter for an unincorporated community or area to be filed with the incorporation petition.

Sec. 29.10.020. This is new and requires the Department of Community and Regional Affairs to prepare model charters to be available to persons interested in filing a petition to incorporate a home rule municipality.

Sec. 29.10.030. No substantive change. (AS 29.13.050)

Sec. 29.10.040. (a) This has been reworded slightly, but contains no significant changes. (AS 29.13.010)

(b) No substantive change. (AS 29.13.020)

(c) This is new material providing that if enough nominations for candidates are not filed no election is held on the question of forming a charter commission.

Sec. 29.10.050. Changed to reflect the fact that a charter commission is elected only in an existing municipality considering the question of home rule. For incorporation of a home rule

municipality, the charter is prepared and filed by the petitioners with the incorporation petition. (AS 29.13.030)

Sec. 29.10.060. The clerk shall have the charter published, which is defined, and shall make copies available. Under existing law the governing body is responsible for publishing a charter. (AS 29.13.040)

Sec. 29.10.070. "Municipal" is deleted as no longer necessary as "voter" is defined. "Regular or special" is deleted since "election" is defined. Adds a provision that a proposed charter for an unincorporated community or area shall be voted on at the incorporation election. (AS 29.13.060)

Sec. 29.10.080. (a) The provision that the charter becomes effective on the date the election is certified has been added. (AS 29.13.070)

(b) This is new and authorizes voters to determine if a combined assembly and school board should be retained when voting on adoption of a home rule charter in a third class borough.

Sec. 29.10.090. (a) No substantive change. (AS 29.13.070(b))

(b) This is new providing that if incorporation of a home rule municipality is rejected, the proposed charter is rejected as well.

Sec. 29.10.100. The provision that a charter may be amended by initiative referendum has been deleted. The charter is amended as provided in the charter itself. (AS 29.13.080)

Sec. 29.10.200. The following paragraphs contain sections which are added to the limitations of home rule powers:

- (5) unification of municipalities;
- (10) legislative power;
- (11) assembly composition and apportionment (only one section on assembly composition and reapportionment, AS 29.-23.021 which is, now sec. 29.60.060, is a limitation under existing law), however, AS 29.20.033 provides that the other section might apply to some home rule municipalities;
- (12) qualifications of members of governing bodies;
- (14) executive power;
- (28) alcoholic beverages;
- (32) assessment and collection of taxes;

- (33) land use regulation;
- (37) title to vacated areas;
- (39) property taxes (this adds sec. 29.45.450 - 500 and sec. 29.45.550 to the limitations listed under existing law);
- (43) construction;
- (47) general grant land;

The following paragraphs under AS 29.13.100 no longer appear as limitations:

- (4) election and term of mayor;
- (8) municipal elections (material now contained in AS 29.-28.010 is not a limitation under this bill; material in AS 29.28.020(b) is expanded so that the notice requirement covers both regular and special elections and the requirement is a limitation under this bill);
- (15) borough building code jurisdiction within cities (the material is deleted from this bill);
- (20) expenditures of borough revenue;
- (25) bond attorneys (the material is deleted from this bill);
- (35) bonded debt for school construction (the material is deleted from this bill);
- (37) zoning of state land for homesite entry (this was repealed in 1979);
- (39) applicability of local platting regulations (the material is deleted from this bill);
- (40) expulsion of borough assemblymen (this material is substantially rewritten and not made binding upon home rule municipalities);
- (41) removal of borough mayor from office (this material is substantially rewritten and not made applicable as a home rule limitation);
- (42) expulsion of city councilmen (this material is substantially rewritten and not made applicable as a home rule limitation);

(43) removal of mayor from office (this material is substantially rewritten and not made applicable as a home rule limitation);

(44) expulsion, removal from office (this material is substantially rewritten and not made applicable as home rule limitation).

CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

Sec. 29.20.010. Each municipality must adopt a conflict of interest ordinance. A member of the governing body shall declare a financial interest he has in an official action and ask to be excused. The presiding officer rules on the question and his decision may be overridden. Under existing law an officer or employee is required to disqualify himself from participating in an official action in which he has a substantial financial interest. (AS 29.23.555)

Sec. 29.20.020. "Assembly and council" is altered to "governing body" and the section is divided into subsections for ease of use. (AS 29.23.580)

Sec. 29.20.050. The second sentence is new material, however it does not substantively change existing law since it can be implied that the legislative power of a city is vested in the council. This is made applicable as a home rule limitation. (AS 29.23.010)

Sec. 29.20.060. No substantive change. This is made specifically applicable to home rule municipalities, but is a home rule limitation now under AS 29.13.100(3). (AS 29.23.021)

Sec. 29.20.070. "Borough" is dropped before the word "assembly" when it appears and "assembly" is defined for the title. The statutory reference contained in AS 29.23.023(e)(1) is deleted as unnecessary since "unified municipality" is defined. (AS 29.23.023)

Sec. 29.20.080. "Borough" is deleted as unnecessary when it appears before the word "assembly". In (e) "of the Department of Community and Regional Affairs" is deleted since "commissioner" is defined for the title. Statutory references are altered to reflect new numbering. (AS 29.23.025)

Sec. 29.20.090. "Borough" is deleted as unnecessary when it appears before "assembly". "Of Community and Regional Affairs", appearing several times in the section, is deleted since "commissioner" is defined for the title. Statutory references are altered to reflect renumbering. (AS 29.23.027)

Sec. 29.20.100. "Borough" is deleted where it appears before "assembly". "Of Community and Regional Affairs" is deleted since "commissioner" is defined for the title. Statutory references are altered to reflect new numbering. (AS 29.23.029)

Sec. 29.20.110. Statutory references are altered to reflect new numbering. (AS 29.23.031)

AS 29.20.120. The statutory reference in (1) is deleted since "unified municipality" is defined for the title. Statutory references are revised to reflect new numbering. (AS 29.23.033)

Sec. 29.20.130. No change. (AS 29.23.200(a))

Sec. 29.20.140. This section is substantially rewritten to combine material concerning the qualifications for membership in assemblies with material concerning the qualifications for membership in councils.

(a) Rewritten, but no substantive change. (AS 29.23.050, 29.-23.200(b))

(b) Combines material currently found in different sections. (AS 29.23.050, 29.23.200(b))

(c) This contains new material allowing a municipality to establish district residency requirements for members of the assembly or council. Current law allows an assemblyman elected from one district who becomes a resident of another district to serve only until the next regular election. The subsection allows a municipality to provide otherwise by ordinance. It is also made applicable to city councils. Under existing law a council may be elected by district rather than at-large, but no provision deals with the possibility that a councilman might change his district residency. (AS 29.23.050, 29.23.200(a))

(d) New material prohibiting a municipality from limiting the number of terms or number of consecutive terms a voter may serve on the assembly or council, unless the limit is ratified.

(e) This is applicable to both home rule and general law municipalities. Under current law the qualifications for assemblymen are applicable to home rule and general law municipalities but the qualifications for city councilmen are not. (AS 29.23.050, 29.-23.200)

Sec. 29.20.150. Combines material dealing with the term of office of members of the assembly with material dealing with the term of office of members of the council.

(a) This is substantially rewritten, however, the only substantive change is that members of the council may serve different terms when allowed by charter, as well as by ordinance. (AS 29.23.040(a), 29.23.200(c))

(b) No substantive change. (AS 29.23.040(a), 29.23.200(c))

(c) The material permitting a different date to be prescribed by charter or ordinance is made applicable to city councils. (AS 29.23.040(b), 29.23.200(c))

(d) This is added as a home rule limitation with respect to city councils. (AS 29.23.040(c))

Sec. 29.20.160. Combines material dealing with assemblies and with councils into one section.

(a) The last line dealing with the presiding officer is new material as it applies to the council. (AS 29.23.060(b), 29.23.240)

(b) The material dealing with the calling of a special meeting is substantively changed. Under existing law a special meeting may not be called unless all members receive 24 hours written notice or, if there is an emergency and all absent members waive the notice. As rewritten, a special meeting may be held if a majority of the members receive 24 hours notice and reasonable efforts are made to notify all members. (AS 29.23.060(a), 29.23.210(a))

(c) A member of the governing body disqualified from voting is considered present for purposes of constituting a quorum. A majority of the membership of a council constitutes a quorum, while under existing law four councilmen constitute a quorum. This is not a substantive change, since a first class city has a council of six members and second class city has a council of seven members. Four councilmen are still required for a quorum. (AS 29.23.060(d), 29.23.210(c))

(d) Actions are adopted by a majority of the total membership of the governing body, while under existing law actions are adopted by a majority of votes authorized on the question. All members vote and unless they are required to abstain by law, while under existing law a member may abstain if permitted by the governing body, and must abstain if he has a substantial financial interest in the question. This section is applicable to city councils as well as to assemblies. (AS 29.23.060(d), 29.23.210(c))

(e) Specifically provides that the journal shall be a public record. (AS 29.23.060(c), 29.23.210(b))

(f) Requires a governing body to determine by ordinance its rules and order of business. (AS 29.23.060(c), 29.23.210(b))

Sec 29.20.170. This allows the governing body to prescribe the manner in which a vacancy occurs in any elected office, other than the office of mayor or member of the school board. The governing body is required to declare an elective office vacant under specific conditions, unless a municipality establishes otherwise by ordinance. (AS 29.23.060(c), 29.23.080, 29.23.210(b), 29.23.220, 29.23.570)

Sec. 29.20 180. (a) Requires a vacancy to be filled within 30 days unless a different period is established by ordinance. If less than 30 days remain in a term, a vacancy need not be filled, unless filling the vacancy is necessary to preserve a quorum. The material contained in AS 29.23.080 dealing with filling a vacancy in dual assembly council seats has been deleted. (AS 29.23.080, 29.23.220)

(b) This is new material requiring appointments within seven days if needed to preserve a quorum.

(c) No substantive change. (AS 29.23.080, 29.23.220)

Sec. 29.20.220. This section is substantially rewritten to combine material dealing with the mayor of a city with material dealing with the mayor of a borough.

(a) This is a clear statement that the executive power is vested in a mayor, which is only implied with reference to cities under current law. The mayor of a home rule or unified municipality is elected by the voters, which is not a substantive change. (AS 29.23.200(a) and (c), 29.23.240)

(b) This material currently exists with respect to city mayors but not with respect to borough mayors, although these duties may be implied for borough mayors. The language "and is responsible for additional duties and powers prescribed by this chapter or by home rule charter" is new, but is not a substantive change. (AS 29.23.240)

(c) This section is a limitation on home rule municipalities. Under existing law it is not listed as a limitation.

Sec. 29.20.230. This is substantially rewritten in order to combine material dealing with the election and term of a borough mayor and a city mayor.

(a) No substantive change. (AS 29.23.130(c), 29.23.250(b) and (d))

(b) Allows a second class city to provide by ordinance for a term longer than one year for the office of mayor, as long as the mayor is a member of the council. Existing law provides a one-year term

of office for the mayor of a second class city. (AS 29.23.250(c) and (d))

(c) This is new material providing that the number of terms or number of consecutive terms a mayor may serve may not be limited.

Sec. 29.20.240. Rewritten to combine sections dealing with the mayor of a borough and the mayor of a city.

(a) No substantive change. (AS 29.23.130(b), 29.23.250(a) and (c))

(b) The reference in AS 29.23.250(a) to additional residency requirements prescribed by charter is eliminated. This section is not a limitation on home rule governments, so a home rule municipality may prescribe additional residency requirements by charter without statutory authority. (AS 29.23.130(b), 29.23.250(a))

Sec. 29.20.250. This is rewritten to combine sections dealing with a city and sections dealing with a borough, and to achieve a clear statement of existing law.

(a) No substantive change. (AS 29.23.130(a), 29.23.290)

(b) Authorizes the mayor of a borough with a manager form of government to vote in the case of a tie. The fact that a mayor may take part in discussions is not stated with respect to the mayor of a city under existing law. (AS 29.23.160, 29.23.260)

Sec. 29.20.260. No change, except for minor rewording for clarity. (AS 29.23.150)

Sec. 29.20.270. This is substantially rewritten in order to combine sections dealing with the mayor of a borough and the mayor of a city.

(a) No substantive change. (AS 29.23.270(a))

(b) The material requiring that a veto be overridden within 21 days after the exercise of the veto or during the next regular meeting is new. Current law does not specify a time period during which a veto may be overridden. (AS 29.23.170(a), 29.23.270(a))

(c) A veto does not extend to actions of a city council sitting as a board of equalization or a board of adjustment, nor may the city mayor veto the adoption or repeal of a manager form of government. Current law is silent as to these issues with respect to a city. (AS 29.23.170(a) and (b), 29.23.270)

(d) No change. (AS 29.23.270(b))

Sec. 29.20.280. (a) Under existing law the governing body has the option of declaring the office of mayor vacant when he is convicted of a corrupt practice. (AS 29.23.130(f), 29.23.255, 29.-23.570)

(b) No substantive change. (AS 29.23.180, 29.23.280(a))

(c) No substantive change. (AS 29.23.280(b))

Sec. 29.20.300. The statutory reference to a repealed section is deleted. School board members may be elected by area rather than at-large, if approved by the voters. (AS 29.23.310)

Sec. 29.20.310. No change, except for minor rewording so the usage is consistent throughout the title. (AS 29.23.340)

Sec. 29.20.320. This is new material allowing the governing body to establish boards and commissions. Arguably, this power is implied to exist in current law as part of the ability of a governing body to delegate responsibility. (AS 29.48.010(1))

Sec. 29.20.360. Certain officials shall be appointed by the chief administrator unless otherwise provided by ordinance. Under current law these officials are appointed by the chief administrator or by the governing body as determined by ordinance. Current law provides that appointments by the chief administrator are subject to confirmation, and this section allows a municipality to provide otherwise by ordinance. (AS 29.23.360)

Sec. 29.20.370. No change, except for minor rewording to achieve consistent usage throughout the title. (AS 29.23.370)

Sec. 29.20.380. No change, except for minor rewording in order to achieve consistent usage. (AS 29.23.380)

Sec. 29.20.390. The statutory reference is added to provide notice that, when a central treasury is established for the school board and the municipality, the treasurer is not custodian of the funds. (AS 29.23.390)

Sec. 29.20.400. Slightly reworded for clarity. (AS 29.23.070)

Sec. 29.20.410. Allows the governing body to provide for a classified service and to designate positions which are wholly or partially exempt from the classified service. (AS 29.23.550)

Sec. 29.20.460. No change, except for minor rewording to achieve consistent usage. (AS 29.23.410, 29.23.420)

Sec. 29.20.470. The last line dealing with notice requirements is omitted because notice requirements for elections are now contained in Sec. 29.26.030. At least 20 days notice shall be provided, while under current law 30 days notice is required before an election to adopt a manager plan. (AS 29.23.430)

Sec. 29.20.480. No change, except for minor rewording to achieve consistent usage. (AS 29.23.440)

Sec. 29.20.490. In the second line the word "solely" and the word "executive" have been omitted, so that the manager is to be chosen on the basis of his administrative qualifications. A member of the governing body may not be appointed manager until one year after leaving office unless authorized by more than a majority vote. Under existing law this limitation applies to all elected municipal officials. (AS 29.23.450, 29.23.460)

Sec. 29.20.500. This is substantially rewritten so that material dealing with duties of a city manager and material dealing with duties of a borough manager are combined. A statutory reference to the section concerning appointment of school employees is added for clarification. The requirement that the manager prepare and make available to the public an annual report on municipal affairs is deleted. AS 29.23.140(10)(A) and (C), requiring the borough manager to administer functions of borough employees and to administer public works is deleted because those requirements appear adequately covered by (1) and (5) of this section. (AS 29.23.140, 29.23.290)

Sec. 29.20.510. Rewritten slightly for clarity. (AS 29.23.130(e))

Sec. 29.20.520. After repeal of a manager plan, the governing body has 60 days to reorganize the municipal executive and administrative functions. Under existing law, no time period is provided for reorganization. (AS 29.23.480)

Sec. 29.20.600. No change, except for rewording to achieve uniform usage. (AS 29.23.500)

Sec. 29.20.610. No change, except for minor rewording to achieve uniform usage. (AS 29.23.520)

Sec. 29.20.620. A method of determining salaries shall be provided by ordinance, while under current law the governing body fixes by ordinance the salaries of elected officials. The salary of the mayor may be reduced during his term of office if a manager plan is adopted. An elected official may not receive compensation for additional service to the municipality, unless provided otherwise by ordinance. (AS 29.23.530)

Sec. 29.20.630. Material currently contained in AS 29.23.540(a) is deleted. Subject to requirements contained in the title dealing with education, a school district employee, or state employee may not be denied the right to serve as an elected municipal official. Current law allows a municipality to prohibit the right to serve by charter or ordinance. (AS 29.23.540)

Sec. 29.20.640. No changes, except for rewording for consistency and changes in statutory references to reflect renumbering. (AS 29.23.560)

CHAPTER 25. MUNICIPAL ENACTMENTS.

Sec. 29.25.010. The governing body is no longer required to fix the compensation of members of the assembly or council by ordinance, nor is it required to regulate the rate charged by a public utility by ordinance. (AS 29.48.130)

Sec. 29.25.020. This is substantially reorganized, but contains no substantive changes. (AS 29.48.140, 29.48.150)

Sec. 29.25.030. No change, except for minor word changes in order to achieve maximum clarity. (AS 29.48.160)

Sec. 29.25.040. Requires the governing body to see that the adopted code is made available to the public at no more than cost, while existing law requires the governing body to provide for the adopted code to be sold to the public. (AS 29.48.170)

Sec. 29.25.050. (b) allows the designee of the municipal clerk to prepare a general codification of municipal ordinances and deletes the requirement that the codification be prepared with the assistance of a legal advisor. The rest of the section is unchanged. (AS 29.48.180)

Sec. 29.25.060. This has been made applicable as a home rule limitation. (AS 29.48.185)

Sec. 29.25.070. A penalty not to exceed that imposed for a class B misdemeanor may be imposed for a violation of an ordinance. The maximum fine for a class B misdemeanor is \$1,000 and the maximum sentence of imprisonment is 90 days. Under existing law punishment not to exceed \$500 or imprisonment for 30 days is provided for. A mandatory, nonsuspendable term of imprisonment for 5 days may be imposed for violation of an ordinance. The municipality or aggrieved person may institute a civil action against a person who violates an ordinance, and a civil penalty of up to \$1,000 may be imposed for each violation. An action to enjoin a violation may be brought and, upon a finding of a violation, the superior court shall grant the injunction. Each day that a violation of an ordinance continues is a separate violation.

These penalties are authorized only if copies of the ordinance are made available. (AS 29.48.200)

CHAPTER 26. ELECTIONS.

Sec. 29.26.010. A judge shall be a voter of the precinct for which he is appointed unless no voter is willing to serve. The language "the municipality may not alter voter qualification requirements of this title" is deleted as unnecessary. This is no longer a limitation on home rule municipalities. (AS 29.28.010)

Sec. 29.26.020. The language "subject to other provisions of this title" is added because other sections in the title provide a procedure for the nomination of candidates, for example, see secs. 29.06.250 and 29.10.040. (AS 29.28.015)

Sec. 29.26.030. At least 20 days notice of a regular or special election is required. This applies as a limitation on home rule municipalities, whereas under existing law only the notice requirement for a special election applies. (AS 29.28.020(b))

Sec. 29.26.040. No change, except for minor rewording for clarity. (AS 29.28.020(a))

Sec. 29.26.050. This has been reorganized. To qualify to vote in municipal elections a person must have been registered to vote in state elections for at least 30 days preceding the municipal election. Existing law requires only that the person be registered to vote in state elections without a durational requirement. A municipality may require a person to be registered to vote in the precinct in which he seeks to vote. (AS 29.28.030)

Sec. 29.26.060. The runoff election requirement is limited to the office of mayor, member of the governing body, or school board and the municipality may adopt an ordinance to alter this runoff requirement. A runoff election shall be held three weeks after the date of certification of the original election, rather than within two weeks, and is between the two candidates that received the greatest number of votes for the seat. (AS 29.28.040)

Sec. 29.26.070. This has been rewritten for clarity. A requirement that the governing body authorize the election results to be certified is added in (c). The provision that expulsion of certain officials is final and not subject to judicial review contained in AS 29.28.050(f) is deleted. In this bill there is no provision denying judicial review in cases involving the declaration of vacancy in office. (AS 29.28.050)

Sec. 29.26.100. No substantive change. (AS 29.28.060)

Sec. 29.26.110. This is new material establishing a process for applying for a petition for initiative or referendum. An application is signed by ten voters who sponsor the petition. If the clerk finds that an application is in proper form and that the four listed requirements are met, he shall certify the application. A decision by the clerk on an application for petition is subject to judicial review.

Sec. 29.26.120. Within two weeks after certification of application a petition is prepared by the municipal clerk. Signatures must be obtained within 60, rather than 90 days from the date the petition is first circulated. Spaces are provided for signatures, the printed name of each signer, the date signature is affixed, and the residence and mailing addresses of each signer. Each petition contains a statement that the sponsor circulated the petition, that all signatures were fixed in his presence, and that he believes the signatures to be those of the persons whose names they purport to be. Spaces are provided for indicating the total number of signatures on a petition. If the petition consists of more than one page, each page contains a summary of the matter to be initiated or referred. Copies of the petition are supplied to each sponsor. (AS 29.28.065)

Sec. 29.26.130. Signatures must be secured within 60, rather than 90 days. The clerk shall determine the number of signatures required on a petition and inform each sponsor. The number of signatures required remains identical to the number required under current law, except that no provision is made for signatures only from persons in services areas or outside cities when the matter to be initiated or referred applies only to the service area or area outside cities. Illegible signatures must be rejected by the clerk, whereas under existing law they may be rejected. A signer may withdraw his signature before certification of the petition, whereas under existing law he may only withdraw his signature within 7 days after the petition is filed. (AS 29.28.070)

Sec. 29.26.140. All copies of a petition are filed as a single instrument. An insufficient petition may be supplemented only with signatures obtained within ten days after the date the petition is rejected, while under current law there is no requirement that the signatures be obtained during this period. (AS 29.28.073)

Sec. 29.26.150. No change, except for minor rewording, for consistency. (AS 29.28.075)

Sec. 29.26.160. "On substantially the same matter" has been added so that it is clear that the waiting period for filing a new petition does not apply if the petition sought to be filed deals with a different subject. (AS 29.28.077)

Sec. 29.26.170. Unless the same measure is adopted, the clerk submits a petition seeking an initiative vote to the voters at the next regular election occurring no sooner than 45 days after certification of the petition, or, if no regular election occurs within 75 days, a special election is held. If the governing body adopts the same measure, the petition is void and the subject is not placed before the voters, while under existing law the governing body may not adopt an ordinance or resolution within 10 days from the date of election. If the vote is favorable, the ordinance or resolution becomes effective upon certification of the election unless a different effective date is provided in the ordinance or resolution, while under existing law an ordinance or resolution becomes effective when the election results are declared. There is no provision for the governing body to reject a petition, as there is in current law. (AS 29.28.080)

Sec. 29.26.180. When a petition seeks a referendum vote the clerk shall submit the matter to the voters in the same manner as provided for an initiative election. Under current law the vote is held during the next regular or special election, or within 75 days of filing the petition. If a petition is certified before the effective date of the matter referred, the ordinance or resolution is suspended, while under existing law the suspension occurs if a sufficient petition is filed within 30 days after passage of the ordinance or before the effective date of the ordinance. If the governing body repeals the ordinance or resolution, the petition is void and no election is held. If a majority vote does not favor repeal of the matter referred, it remains in effect, or, if it has been suspended becomes effective upon certification of the election. Existing law is silent as to the effective date of a suspended ordinance in this situation. (AS 29.28.090)

Sec. 29.26.190. If adopted in an initiative election or if adopted after a petition has been filed, an ordinance or resolution may not be repealed or amended within one year. If an ordinance or resolution is repealed in a referendum election, or after a petition has been filed, similar legislation may not be enacted for a period of one year. Existing law provides that the governing body may not act in any way within two years to modify or negate the effect of a successful initiative or referendum and if an ordinance has been repealed after a petition has been filed, the governing body may not enact similar legislation for one year. (AS 29.28.110)

Sec. 29.26.240. This is broadened to include an official appointed to elected office, because when a vacancy occurs an official may, in certain cases, be appointed. He will be subject to recall just as an elected person would be. An official may be recalled when he has served six months of a term for which elected or appointed, while under existing law there is some ambiguity as to the status of an official who is reelected to the same office. (AS 29.28.130)

Sec. 29.26.250. No change. (AS 29.28.140)

Sec. 29.26.260. This is new material establishing a procedure for applying for a recall petition. The application must contain information concerning 10 voters who will sponsor the petition, the address to which correspondence relating to the application may be sent, and a statement in 200 words or less of the grounds of the recall. Additional sponsors may be added.

Sec. 29.26.270. A recall petition is prepared by the clerk. It contains the names of the official sought to be recalled, the grounds for recall, the date the petition is issued by the clerk, notice that the signatures are secured within 60 days after the date the petition is issued (while under existing law a petition must be filed within 60 days after the date of the earliest signature on it), spaces for signatures, printed name, date of each signature, and residence and mailing addresses of each signor, a statement that the sponsor personally circulated the petition, all signatures where fixed in his presence, and he believes the signatures to be those of the persons they purport to be, and space for indicating the number of signatures on the petition. Copies of the petition are provided to each sponsor. (AS 29.28.156)

Sec. 29.26.280. Signatures are secured within 60 days after a recall petition is issued. Signatures not accompanied by a legible residence address are rejected. The clerk determines the number of signatures required and informs each sponsor. If a petition seeks to recall an official who represents the municipality at large, the petition shall be signed by a number of voters equal to 25 percent of the number of votes cast for that office. If a petition seeks to recall an official who represents a district, the petition shall be signed by a number of voters residing in the district equal to 25 percent of the number of votes cast in that district for the office. Under existing law signature requirements are identical to the requirements for initiative and referendum. (AS 29.28.150, 29.28.160)

Sec. 29.26.290. Copies of a recall petition are filed as a single instrument. An insufficient petition may be supplemented with additional signatures obtained within ten days after the date on which the petition is rejected, while under existing law there is no requirement that the signatures be obtained during that time period. A petition which does not contain an adequate number of signatures, both valid and invalid signatures, may not be supplemented and this is a new provision not contained in existing law. (AS 29.28.160, 29.28.170)

Sec. 29.26.300. Reworded so that it is clear that the six-month waiting period before a new petition may be obtained applies only to a petition seeking to recall the same official. (AS 29.28.180)

Sec. 29.26.310. No change, except for minor rewording for consistency. (AS 29.28.190)

Sec. 29.26.320. The requirement that an election to recall an official not be held sooner than 45 days after submission of the petition to the governing body is added. The governing body may not appoint to the same office an official who resigns after a petition is filed. (AS 29.28.200)

Sec. 29.26.330. The grounds for recall must be stated in 200 words or less. (AS 29.28.210)

Sec. 29.26.340. The provision that an office becomes vacant upon certification of the election is added. (AS 29.28.230, 29.28.240)

Sec. 29.26.350. When an official is recalled, his office is filled in accordance with the provision dealing with vacancies. If all members of a governing body are recalled the governor appoints three persons and they appoint additional members needed to fill vacancies in accordance with the provisions dealing with vacancies. If all members of the school board are recalled the governor appoints three persons and they appoint additional members to fill remaining vacancies. A person appointed by the governor serves until a successor is elected. After an official is recalled, the clerk conducts an election for a successor. The election is held not more than 60 days from the date the recall election is certified unless a regular election is held within 75 days, in which case the successor is chosen at the regular election. Nominations may be filed until seven days before the last date upon which notice of the election must be published, but they may not be filed until the election is certified. Under existing law the election of successor shall be held at least ten but not more than 45 days from the date of the recall election and there are no provisions dealing with a situation involving the recall of all members of the governing body or school board. (AS 29.28.250)

Sec. 29.26.360. The sections dealing with recall are made applicable as limitations on home rule municipalities, and are currently limitations under AS 29.13.100(9).

CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

Sec. 29.35.010.

- (1) No change. (AS 29.48.010(2))
- (2) No change, except for rewording due to a change in organization. (AS 29.23.510)
- (3) No change. (AS 29.48.010(1))

- (4) Minor rewording. (AS 29.48.010(5))
- (5) Minor rewording. (AS 29.48.010(3))
- (6) "and impose liens for their enforcement" is added. (AS 29.48.010(7))
- (7) No change. (AS 29.48.010(8))
- (8) "for a purpose authorized under this title, federal law, or other law, or in accordance with such law" is deleted as excessive verbage. (AS 29.48.010(9))
- (9) "facility or service" is added. (AS 29.48.010(11))
- (10) This is added as a general power. Under existing law the power may be exercised by a first class borough on a nonareawide basis, so long as the borough seeks to have it transferred from cities or proposes joint city/borough exercise of the power. A first class borough may exercise the power on an areawide basis if it is assumed. A second class borough may exercise the power on an areawide or non-areawide basis if it is assumed. (AS 29.38.010, 29.48.035(a) and (b))
- (11) No change. (AS 29.48.010(12))
- (12) Minor rewording. (AS 29.48.010(10))
- (13) Minor rewording. (AS 29.48.010(4))
- (14) No change. (AS 29.48.010(6))

Sec. 29.35.020. A municipality may not exercise outside of its boundaries a power which it may not exercise within its boundaries. The word "roads" has been changed to "streets" which is defined for the title. The following have been included within the list of facilities which a municipality may provide outside its boundaries: solid and septic waste facilities, transportation facilities, wharves, harbors and other marine facilities. A municipality which provides a facility outside its boundaries may regulate its use to the extent that the jurisdiction in which the facility is located does not regulate it. Existing law provides that a municipality may regulate a facility outside its boundaries, and provides no right for the municipality within which the facility is located to regulate it. (AS 29.48.037)

Sec. 29.35.030. Allows all classes of municipalities to exercise eminent domain and declaration of taking. Under existing law a second class city may not exercise the power without formal approval of the Department of Community and Regional Affairs, and

must exercise the power by ordinance approved by the voters. This is a limitation on home rule municipalities, and is an existing limitation under AS 29.13.100(29). (AS 29.73.020)

Sec. 29.35.040. This becomes applicable when a disaster is declared by the governor as well as by the President. Since (a) allows a municipality within a disaster area to exercise the powers in the same manner as a home rule city, the subsection providing that differences between areawide and nonareawide powers do not apply has been eliminated as redundant. (AS 29.48.270)

Sec. 29.35.050. This is reorganized and minor changes are made to the wording for clarity. The phrase "provide the charges for collection and disposal shall be paid by the property owner or occupants of the premises" is eliminated as implied within the specified ability to fix charges. (AS 29.48.033)

~~Sec. 29.35.060. (a) The language "for the construction, operation and maintenance of bus transportation systems and public utilities" is eliminated, so that franchises and permits may be granted without restrictions as to type of franchise involved. This applies only to an entity not certificated by the Alaska Public Utilities Commission. (AS 29.48.050(a))~~

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(b) Unless a grant of a franchise or permanent permit is made on a competitive basis, the grant of any exclusive right to use a public street or right-of-way for more than five years to a utility or transportation system which is not certificated is valid only if approved by vote. Under existing law no franchise is valid unless it is submitted to the qualified voters for approval. The material dealing with use of streets by utilities contained in AS 29.48.-040(c) is deleted. (AS 29.48.050(b))

~~(c) This is made a home rule limitation and is one under existing law. (AS 29.13.100(17))~~

Sec. 29.35.070. The governing body may regulate a utility except to the extent that it is subject to regulation by the state or otherwise prohibited by law. Under existing law, a municipality may regulate only a municipally owned utility which is not regulated by the state. ~~A municipality must adopt an ordinance that provides procedures for regulating service, rates and charges and that provides procedures necessary to incur due process. This section applies as a home rule limitation, and is an existing limitation under AS 29.13.100(17). (AS 29.48.060, 29.48.070)~~

Sec. 29.35.080. Requires municipal regulation of alcoholic beverages to conform to state requirements and is made a home rule limitation. (AS 29.48.035(a)(10))

Sec. 29.35.090. The governing body is required by ordinance to establish a formal procedure for acquisition and disposal of land. The provisions authorizing a municipality to acquire, hold and dispose of real property are deleted as unnecessary. The provisions dealing with the requirements which must be met in the formal procedure established for disposal of land have been eliminated to provide more flexibility. The provisions dealing with restricting land to agricultural use have been deleted. (AS 29.-48.260)

Sec. 29.35.100. Under existing law, obligations requiring payment of funds from appropriations of later years must be approved by ordinance. This has been eliminated as misleading in that it could be construed to suggest that bonded indebtedness may be acquired, whether or not for a capital project, so long as the indebtedness is approved by ordinance. AS 29.48.190(d) is eliminated as unnecessary. (AS 29.48.190)

Sec. 29.35.110. This is rewritten for clarity. (AS 29.48.210)

Sec. 29.35.120. No change, except for minor rewording to achieve consistent usage throughout the title. (AS 29.48.220)

Sec. 29.35.130. No substantive change. (AS 29.73.080)

Sec. 29.35.150. Statutory references have been added to reflect reorganization. Subsection (b) is applicable as a home rule limitation, and exists as a home rule limitation under AS 29.13.-100(10). (AS 29.33.010, 29.41.010(d))

Sec. 29.35.160. No change, except for minor rewording to achieve consistent usage. This is a home rule limitation, and exists as a limitation under AS 29.13.100(34). (AS 29.33.050)

Sec. 29.35.170. The subsection dealing with collection by a borough of taxes levied by a city is made applicable as a limitation on home rule municipalities. (AS 29.33.030)

Sec. 29.35.180. This is a new statement requiring first and second class boroughs to provide for planning and land use regulation under provisions of Chapter 40 so that this article will contain a complete list of areawide powers. A home rule borough is required to provide for planning, platting, and land use regulation.

Sec. 29.35.200. (a) Allows a first class borough to exercise on a nonareawide basis any power not otherwise prohibited by law. Under existing law a first class borough may exercise on a nonareawide basis any general law municipal power, but before exercising the power, the borough must seek to have it transferred from cities or propose joint city/borough exercise. (AS 29.38.010)

(b) No change. (AS 29.48.030, 29.48.035(b))

(c) Allows a first class borough to exercise on an areawide basis any power not prohibited by law if it has been acquired. Under existing law, a first class borough may acquire additional areawide municipal powers, but only the powers listed in Title 29. The authority to acquire powers which is granted in this bill is broader, since a borough may acquire any power not specifically prohibited by statute whether or not it is identified as a municipal power in Title 29. (AS 29.33.250)

Sec. 29.35.210. (a) Allows a second class borough to exercise certain powers on a nonareawide basis. Under existing law before a nonareawide power may be exercised, the borough must seek to have it transferred from cities or propose joint borough/city exercise of the power, and the requirement is not contained in this bill. (AS 29.38.020)

(1) No change. (AS 29.48.030(a)(12))

(2) No substantive change. (AS 29.48.020(1))

(3) No change. (AS 29.48.020(2), 29.48.035(a)(5) and (b))

(4) Under existing law this power is subject to the section dealing with garbage and solid waste, sec. 29.35.050 of this bill. (AS 29.48.020(5))

(5) Under existing law providing air pollution control is permitted on an areawide basis only. (AS 29.48.035(a)(18) and (b))

(6) No change. (AS 29.48.020(6), 29.48.035(a)(17) and (b))

(7) Minor rewording. (AS 29.48.020(7))

(8) This is new material.

(9) No change. (AS 29.48.020(8))

(10) No change. (AS 29.48.020(9))

Under existing law a second class borough may exercise the following additional nonareawide powers not specified in this bill:

(1) powers approved at incorporation (AS 29.38.020);

(2) regulate snow vehicles, subject to other law (AS 29.48.020(4));

(3) licensing of day care facilities (AS 29.48.035(a)(20) and (b)).

(b)(1) No change. (AS 29.48.030(12))

(2) No change. (AS 29.48.035(a)(5) and (b))

(3) No change. (AS 29.48.035(a)(18) and (b))

(4) No change. (AS 29.48.035(a)(17) and (b))

(5) No change. (AS 29.48.035(a)(20) and (b))

(c) Allows a second class borough to exercise a nonareawide power not otherwise prohibited by law if the exercise of the power is approved by the voters living in the borough area outside the cities. Under existing law a second class borough may acquire additional nonareawide powers upon approval of the voters. However, the powers which may be acquired are limited to those itemized in Title 29, so under this bill broader authority to acquire powers is provided. (AS 29.38.030, 29.38.040, 29.38.050)

(d) Allows a second class borough to exercise an areawide power not otherwise prohibited by law if the exercise of the power is approved by the voters or transferred by the cities in the borough. Under existing law a borough may acquire only the powers authorized in Title 29. (AS 29.33.250)

Sec. 29.35.220. (a) No substantive change. (AS 29.41.010(c))

(b) No substantive change. (AS 29.41.010(a))

(c) No substantive change. (AS 29.41.010(b))

(d) A third class borough may acquire any power not prohibited by law for exercise in a service area. (AS 29.41.010(b))

Sec. 29.35.250. This expands the authority of the city to exercise powers, since under existing law a city may only exercise listed municipal powers. A city may not exercise a power once that power has been exercised on an areawide basis by the borough. Existing law is in conflict as to whether a city may exercise a power being exercised on an areawide basis by the borough. In one section, existing law provides that the city may not do so, while in another section it provides that a city may exercise the power if the borough by ordinance permits exercise of the power by the city or ceases to exercise the power. (AS 29.33.010(b), 29.43.040(b), 29.48.035(b))

Sec. 29.35.260. (a) A city outside a borough may exercise a power not otherwise prohibited by law. Under existing law, a city

is granted only enumerated powers, so this is a broader authorization. (AS 29.43.010)

(b) Minor rewording. (AS 29.43.030)

(c) Requires a home rule city to provide for planning, platting, and land use regulation but it does not have to comply with Chapter 40. General law cities that provide for land use regulation must do so in accordance with Chapter 40. (AS 29.43.040)

(d) This is new making the section applicable as a home rule limitation. Under existing law material contained in (c) is not a limitation on home rule municipalities.

Sec. 29.35.300. Combines material dealing with the acquisition of areawide and nonareawide powers. (AS 29.33.250, 29.41.010)

Sec. 29.35.310. No change, except for minor rewording for consistent usage. (AS 29.33.260)

Sec. 29.35.320. Provides that a petition shall be filed with the borough clerk who certifies whether it contains sufficient signatures. After certification the assembly orders an election to be held within 60 days of the order, while under existing law, the election is held at least 30 days after the order, but not later than the next regular election. (AS 29.33.270, 29.33.280, 29.33.290(a), 29.38.030, 29.38.040, 29.38.050(a), 29.41.010(b))

Sec. 29.35.330. No change, except for minor rewording to achieve consistent usage. (AS 29.33.290(b) and (c), 29.38.050(b) and (c))

Sec. 29.35.340. Reorganized, but no substantive change. (AS 29.33.290(c))

Sec. 29.35.400. No substantive change. (AS 29.48.310)

Sec. 29.35.410. No substantive change. (AS 29.48.320)

Sec. 29.35.420. No substantive change. (AS 29.48.330)

Sec. 29.35.450. (a) Allows a borough to include a city in a service area if the city council agrees by ordinance or if approval is granted by a majority of voters residing in the city and by a majority of voters residing outside the city, but within the service area boundaries. Existing law is silent as to whether a city may be included within a service area. (AS 29.63.090(a))

(b) No change. (AS 29.63.090(d))

Sec. 29.35.460. No substantive change. (AS 29.63.090(c))

Sec. 29.35.470. No substantive change. (AS 29.63.090(b) and (e))

Sec. 29.35.480. No substantive change. (AS 29.63.090(a) and (e))

Sec. 29.35.490. New material has been added to allow owners of real property within a service area to consent in writing to the exercise of a power if no voters reside within the service area. (AS 29.41.010(b), 29.63.090(a) and (e))

(b) No change. (AS 29.41.010(b), 29.68.010(f))

Sec. 29.35.700. This is new and provides a definition of "power".

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

The word "zoning" has been replaced by the phrase "land use regulation" throughout the title in order to confer broader planning powers on municipalities. The term "land use regulation" allows a municipality to use a variety of planning tools which might not necessarily be regarded as falling within traditional "zoning" practices.

Sec. 29.40.010. The assembly may delegate any of its planning responsibilities to a city if the city consents by ordinance. The assembly may, without obtaining the consent of the city, revoke the power delegated. Under existing law, there is no requirement that a city consent to the delegation of planning power. (AS 29.-33.070)

Sec. 29.40.020. Membership on the planning commission shall be apportioned so that the number of members from home rule and first class cities reflects the proportion of borough population residing in those cities. Under existing law membership is apportioned so that the number of members from first class cities reflects the proportion of borough population residing in first class cities, but the population of home rule cities is not taken into account. The planning commission shall prepare measures necessary to implement the comprehensive plan, while under existing law the planning commission is required to prepare a zoning ordinance to implement the plan. Under this bill, the planning commission has authority to utilize methods other than zoning to implement a plan. (AS 29.33.080(a) and (b))

Sec. 29.40.030. This is reorganized and reworded for clarity. After receiving the recommendations of the planning commission, the assembly is required periodically to undertake an overall review of the plan and update it as necessary. Under existing law, the planning commission is required to undertake an overall

review of the plan at least once every two years and present recommendations to the assembly. (AS 29.33.085)

Sec. 29.40.040. (a) This is substantially new material. It requires the assembly to implement a comprehensive plan through zoning regulations, land use permit requirements, or other methods. The material dealing with "contract zoning" has been eliminated. The list of items for which zoning may be used in AS 29.33.090(b) and (c) has been eliminated. The material contained in AS 29.33.090(e), allowing a business licensed by the Alcoholic Beverage Control Board to continue to operate before the adoption of the zoning ordinance, is eliminated. (AS 29.33.090(a))

(b) No substantive change. (AS 29.33.110(c))

Sec. 29.40.050. (a) Requires the assembly to provide for an appeal from the application of a land use regulation. Under existing law, the board of adjustment hears appeals. (AS 29.33.110(b))

(b) Allows the assembly to provide for the appointment of hearing officers or of a board of adjustment to hear appeals. Under existing law, the assembly is the board of adjustment, but may delegate its functions. (AS 29.33.110(a))

Sec. 29.40.060. (a) Allows for an appeal from a decision dealing with land use regulation. Under existing law, appeals are limited to decisions from the board of adjustment. (AS 29.33.130(a) and (b))

(b) An appeal from a land use regulation is an administrative appeal. The provision in AS 29.33.130(c), that an appeal stays enforcement proceeding unless the court issues an enforcement order, has been eliminated. (AS 29.33.130(d) and (e))

Sec. 29.40.070. Material in paragraph (4) dealing with dedication of rights-of-way and easements is added. (AS 29.33.150(a))

Sec. 29.40.080. This is new material requiring the assembly to establish a platting authority. Under existing law, the planning commission acts as platting authority. The material contained in AS 29.33.150(b) dealing with subdivisions of state land, is eliminated. (AS 29.33.150(a))

Sec. 29.40.090. (a) This is new and requires the assembly to establish an abbreviated plat procedure for plats meeting certain requirements.

(b) Authorizes waiver of plat requirements if a subdivision meets requirements for an abbreviated plat and each lot is five acres or larger. (AS 29.33.170)

Sec. 29.40.100. Rewritten for clarity. (AS 29.33.180)

Sec. 29.40.110. This is rewritten for clarity. Material dealing with filing a preliminary subdivision plat contained in AS 29.33.-160(c) has been eliminated. (AS 29.33.160(a) and (b))

Sec. 29.40.120. Allows a plat to be altered upon petition of the state, the borough, a public utility, or the owners of a majority of the land affected. Existing law allows a plat to be altered only upon petition of the owners of a majority of the land or by the platting board. A platted street may be vacated upon petition of the state, the borough, a public utility, or owners of the majority of the land fronting the portion of the street sought to be vacated. Under existing law, only the municipality or owners of the majority of the land fronting the part of the street sought to be vacated may petition to vacate a street. (AS 29.33.200)

Sec. 29.40.130. Requires the platting authority to publish notice of a hearing for a replat petition. "Published" is defined to require publication once in a newspaper of general circulation or posting in three public places. Under existing law, notice is required to be published once a week for two consecutive weeks. (AS 29.33.210)

Sec. 29.40.140. Rewritten for clarity. (AS 29.33.220)

Sec. 29.40.150. Requires a plat to be acknowledged and filed by the recorder with a certificate that taxes have been paid. (AS 29.33.230)

Sec. 29.40.160. Minor rewording. The material in (a) - (c) has been applied as a home rule limitation. None of this section is a limitation under existing law. (AS 29.33.240)

Sec. 29.40.170. Rewritten for clarity. (AS 29.33.245)

Sec. 29.40.180. A person who violates a land use regulation, condition imposed by a platting authority, or a section of law under the chapter dealing with land use regulation is guilty of a class B misdemeanor. (AS 29.33.190)

Sec. 29.40.190. A civil action may be initiated against a person who violates a section of law of the chapter dealing with land use regulation, a subdivision regulation or a term imposed by the platting authority. An action to enjoin may be brought and the superior court shall grant an injunction upon a finding of violation or threatened violation. In addition, a civil penalty not to exceed \$1,000 may be imposed and each day that an unlawful condition continues constitutes a separate violation. Under existing law, a person who transfers land in a subdivision before a plat has been recorded, and a person who records a plat which has not been

approved by the platting board may be punished by a fine of not more than \$500. (AS 29.33.190)

Sec. 29.40.200. Made applicable to home rule municipalities. Under existing law only the material contained in (a) of this section is a home rule limitation under AS 29.13.100(39). (AS 29.33.150(b) - (g))

CHAPTER 45. MUNICIPAL TAXATION.

Sec. 29.45.010. Authorizes a municipality to levy a property tax on real or on personal property. The distinction between areawide and nonareawide property taxes as applied to a unified municipality is eliminated. A property tax may be levied in a service area for functions in the service area. Cross-references to the provisions dealing with the taxing power of cities are added. (AS 29.53.010)

Sec. 29.45.020. No substantive change. (AS 29.73.070(a) and (c))

Sec. 29.45.030. Household furniture is exempt from taxation without regard to the value of the furniture. Property of an auxiliary of a nonbusiness organization is exempt. Under existing law, lots supporting and adjacent to a structure used for religious purposes are exempt from taxation. That exemption is eliminated. Property from which income is derived is exempt if used by nonprofit educational groups for classroom space, or by nonprofit religious, charitable or hospital groups. Under existing law, there is some ambiguity as to whether property, other than property used for classroom space, is exempt. An exemption for real property owned as a permanent place of abode by a resident 65 years of age or over may not be granted except upon written application. Under existing law, there is some ambiguity as to whether any exemption may be granted without a written application. One motor vehicle per household owned by a resident 65 years of age or older is exempt. A provision for implementation of a federal tax exemption is included. (AS 29.53.020)

Sec. 29.45.040. No change, except that "Department of Community and Regional Affairs" is replaced by "department". (AS 29.73.-060)

Sec. 29.45.050. (a) No change, except "regular or special" is deleted since "election" is defined. (AS 29.53.025(a))

(b) Eliminates the requirement that a tax based upon tonnage not exceed \$100 dollars a year for a boat of less than five net tons, and not exceed fifteen dollars a year for a boat of more than five tons. The optional exemption of household furniture over five hundred dollars in value has been eliminated since all household furniture is exempted under this bill. (AS 29.53.025(b))

(c) The reference to "weighted" voting is eliminated. (AS 29.53.025(c))

(d) "Act" has been changed to "chapter". (AS 29.53.025(d))

(e) No substantive change. (AS 29.53.025(e))

(f) Minor rewording. (AS 29.53.025(f))

(g) No change. (AS 29.53.025(g))

Sec. 29.45.060. Provides that a farm use greenhouse be assessed on the basis of value for farm use. "Farm use" includes the use of property for raising ornamental plants. (AS 29.53.035)

Sec. 29.45.070. No substantive change. (AS 29.53.040)

Sec. 29.45.080. No substantive change. (AS 29.53.045)

Sec. 29.45.090. Requires all property upon which a tax is levied to be taxed at the same rate during the year. Reorganized and slightly reworded for clarity. (AS 29.53.050)

Sec. 29.45.100. Statutory references are altered to reflect new numbering. (AS 29.53.055)

Sec. 29.45.110. Statutory reference is altered to reflect new numbering. (AS 29.53.060)

Sec. 29.45.120. "Assembly" is replaced by "governing body". (AS 29.53.070)

Sec. 29.45.130. Allows the assessor to seek a court order to compel production of records, as well as to compel entry. (AS 29.53.080)

Sec. 29.45.140. A person who fails to file a tax statement or makes a false tax statement is guilty of a class B misdemeanor. Under existing law, he is guilty of a misdemeanor punishable by a fine of \$500 or by imprisonment for up to 30 days or both. (AS 29.53.090)

Sec. 29.45.150. "Assembly" is replaced by "governing body" and "borough" is replaced by "municipality". (AS 29.53.095)

Sec. 29.45.160. Minor rewording. (AS 29.53.100)

Sec. 29.45.170. Minor rewording. (AS 29.53.110)

Sec. 29.45.180. Minor rewording for clarity. (AS 29.53.120)

Sec. 29.45.190. Minor rewording for clarity. (AS 29.53.130)

Sec. 29.45.200. (a) Requires an appointed board to be composed of no less than three persons, and eliminates the requirement that the board consist of the number of members of the assembly above the number required for a quorum. Requires the governing body to establish by ordinance the qualifications for board membership. (AS 29.53.135)

(b) Allows the board to alter an assessment only if an appeal is filed as to that particular lot. (AS 29.53.135)

(c) This subsection is new, allowing an appeal directly to the superior court on the issue of whether property is taxable.

Sec. 29.45.210. Provides that if, upon appeal, a valuation is found to be too low, the board may raise the assessment. An appeal to the superior court shall be tried as an administrative appeal, while under existing law an appellant may demand a jury trial. (AS 29.53.140)

Sec. 29.45.220. No change. (AS 29.53.150)

Sec. 29.45.230. Reassessment is permitted when property is affected by a disaster declared by the President, or by the governor. Under existing law, this section applies only when property is affected by a disaster declared by the President. (AS 29.53.-160)

Sec. 29.45.240. Minor rewording. (AS 29.53.170)

Sec. 29.45.250. Allows a penalty not to exceed 20 percent of the tax due to be added to delinquent taxes and interest at the rate of 15 percent a year to accrue upon unpaid taxes. Under existing law, a penalty not to exceed 10 percent may be added, and interest at the rate of eight percent shall accrue. A penalty not to exceed 20 percent of the tax due may be imposed upon the late return of personal property assessment forms. Under existing law, only 10 percent of the tax due may be imposed. If a taxpayer may pay a tax in two installments, penalty and interest on the unpaid installment accrues from the date the installment becomes due. Under existing law, if the taxpayer does not pay the first half when due, the entire tax becomes delinquent. A penalty of eight percent is added on delinquent taxes until the due date fixed for payment of the second half, and after the due date of the payment of the second half, the penalty may be increased to 10 percent. (AS 29.53.180)

Sec. 29.45.290. No substantive change. (AS 29.53.200)

Sec. 29.45.300. Property taxes, together with penalty and interest are a lien upon the property assessed, while under this section of existing law, only real property taxes are mentioned as a lien upon the property assessed. However, under AS 29.53.220 it is clear that unpaid personal property taxes are also a lien. (AS 29.53.210)

Sec. 29.45.310. If property is sold for more money than needed to satisfy the tax, the municipality is required to remit the excess to the former record owner. A claim for the excess filed after six months is barred. Under existing law, there is no provision for remitting the excess to the former record owner. (AS 29.53.220)

Sec. 29.45.320. Reworded slightly, and the statutory reference is altered to reflect new numbering. (AS 29.53.230)

Sec. 29.45.330. Minor rewording. (AS 29.53.240)

Sec. 29.45.340. "Borough" is altered to "municipality". (AS 29.53.250)

Sec. 29.45.350. "Such" is altered to "the". (AS 29.53.260)

Sec. 29.45.360. Minor rewording, and the statutory reference is altered to reflect new numbering. (AS 29.53.270)

Sec. 29.45.370. "Tract" is altered to "lot". (AS 29.53.280)

Sec. 29.45.380. Minor rewording. (AS 29.53.290)

Sec. 29.45.390. Minor rewording and reorganization. (AS 29.-53.300)

Sec. 29.45.400. The material currently contained in AS 29.-53.310(b), allowing a person holding a lien against part of real property included in a judgment and decree of foreclosure to redeem only that part, has been eliminated. (AS 29.53.310)

Sec. 29.45.410. Receipt of redemption money by the municipality releases the judgment obtained through foreclosure. Under existing law, receipt of redemption by the clerk releases all claims of the municipality to the property. (AS 29.53.320)

Sec. 29.45.420. No change. (AS 29.53.330)

Sec. 29.45.430. No substantive change. (AS 29.53.340)

Sec. 29.45.440. Allows the clerk's designee to publish a redemption period expiration notice. Requires the clerk to send a copy of the notice to holders of liens if the assessed value of property

being foreclosed is over \$100,000. Under existing law, notice must be sent if the assessed value is over \$10,000. (AS 29.53.350)

Sec. 29.45.450. Minor rewording. (AS 29.53.360)

Sec. 29.45.460. Allows the designee of the clerk to send a copy of the published notice, while under existing law, the clerk is required to send the copy. (AS 29.53.370)

Sec. 29.45.470. Minor rewording. (AS 29.53.375)

Sec. 29.45.480. No substantive change. (AS 29.53.380)

Sec. 29.45.490. "City or borough" is changed to "municipality". (AS 29.53.385)

Sec. 29.45.500. New material is added to this section so that if, in the absence of suit, it becomes obvious to the governing body that judgment for recovery of taxes would be obtained, the municipality shall refund the amount of taxes plus interest. The governing body is permitted to correct manifest clerical errors at any time. (AS 29.53.390)

Sec. 29.45.550. Minor rewording. (AS 29.43.020)

Sec. 29.45.560. Statutory references are altered to reflect new numbering. All sections under existing law which apply to taxes levied by a city apply under this bill as well. Sec. 29.45.250, dealing with rates of penalty and interest; sec. 29.45.460, dealing with disposition and sale of foreclosed property; sec. 29.45.470, dealing with repurchase by record owner; sec. 29.45.490, dealing with payment of taxes upon public utilization; sec. 29.45.500, dealing with refund of taxes have been added as provisions which a city is subject to. (AS 29.53.400)

Sec. 29.45.570. This is new, applying the provisions dealing with property taxes to home rule municipalities as a limitation.

Sec. 29.45.580. Minor rewording. (AS 29.53.405)

Sec. 29.45.590. No substantive change. (AS 29.53.410)

Sec. 29.45.600. This is new material allowing a petition for second class city incorporation to request that a property tax proposal be placed on the same ballot. The petition may request that incorporation be dependent on passage of the property tax. Under existing law, a petition may combine a request for sales and use tax with a request for incorporation, but no provision exists for combining a request for property tax with a request for incorporation.

Sec. 29.45.650. Interest at the rate of 15 percent, rather than eight percent may be charged on delinquent sales and use taxes, and this is made applicable as a home rule limitation. Material in (e) has been added to allow a lien to be placed on the property to secure the payment of a sales and use tax. (AS 29.53.415)

Sec. 29.45.660. Minor rewording. (AS 29.73.070(b) and (c))

Sec. 29.45.670. The requirement that a sales tax proposition be presented only once a year has been eliminated. Material now in AS 29.53.420(b) is deleted. (AS 29.53.420(a))

Sec. 29.45.700. Allows the borough assembly by ordinance to authorize the city to levy and collect sales and use taxes on sources other than the sources being taxed by the borough. Under existing law, a city within a borough may levy sales and use taxes only upon sources taxed by the borough. The provision that a city outside a borough may levy and collect sales and use taxes in the manner provided for boroughs has been added. (AS 29.53.440, 29.53.450)

Sec. 29.45.710. No substantive change. (AS 29.53.460)

CHAPTER 46. SPECIAL ASSESSMENTS.

Sec. 29.46.010. Minor rewording and the statutory reference is altered to reflect new numbering. (AS 29.63.010)

Sec. 29.46.020. A list of procedures which the governing body may prescribe includes procedures relating to creating special assessment districts, making local improvements, levying and collecting assessments, and financing improvements. Under existing law, the governing body is authorized to prescribe the complete special assessment procedure for local improvements. Statutory references are altered to reflect new numbering. (AS 29.63.015)

Sec. 29.46.030. The heading is altered from "DECISION AND NOTICE" to "CREATION OF DISTRICT". Minor rewording. (AS 29.63.020)

Sec. 29.46.040. Minor rewording. (AS 29.63.025)

Sec. 29.46.050. Objections may be filed any time within 60 days after publication of notice. Under existing law, objections to an improvement plan may be filed not less than 30 nor more than 60 days after publication of notice on a date specified by the governing body. Minor rewording. (AS 29.63.030)

Sec. 29.46.060. Minor rewording for clarity. (AS 29.63.040)

Sec. 29.46.070. Requires a new hearing if the assessment is increased as a result of correcting errors and inequalities in the assessment roll. Objections to the increased assessment are limited to record owners of property on which the assessment was increased. Under existing law, there is no provision for an additional hearing if an assessment is increased as a result of correcting errors. (AS 29.63.050)

Sec. 29.46.080. Minor rewording for clarity, and statutory references are altered to reflect new numbering. (AS 29.63.060)

Sec. 29.46.090. Slightly reorganized, and statutory references are altered to reflect new numbering. The section is applicable as a home rule limitation, and is a limitation now under AS 29.13.-100(36). (AS 29.63.065)

Sec. 29.46.100. Minor reorganization and rewording. (AS 29.63.070)

Sec. 29.46.110. (a) This is new material itemizing the costs which may be included in a special assessment.

(b) The total amount of the assessment roll may not exceed actual costs, but actual costs may include reasonable estimates of the costs incurred in connection with issuance of bonds. (AS 29.-63.040(a))

Sec. 29.46.120. Minor rewording and reorganization. (AS 29.63.080)

Sec. 29.46.130. This is new material allowing the governing body to issue notes to secure payment of the costs of a local improvement project. The notes are payable out of special assessments for the improvement and the notes are claims against the assessments.

Sec. 29.46.140. Minor rewording. The last line of AS 29.-63.085(c), providing that interest on the guarantee funds are a cost of the improvement district, is eliminated. (AS 29.63.085)

CHAPTER 47. MUNICIPAL DEBT.

Sec. 29.47.010. Minor rewording. (AS 29.58.010)

Sec. 29.47.020. Minor rewording. (AS 29.58.020)

Sec. 29.47.030. Minor rewording. (AS 29.58.040)

Sec. 29.47.040. Minor rewording. (AS 29.58.050)

Sec. 29.47.080. Minor rewording. (AS 29.58.070)

Sec. 29.47.090. "Assembly or council" is replaced with "governing body". (AS 29.58.080)

Sec. 29.47.100. "Assembly or council" is replaced by "governing body".

Sec. 29.47.110. No substantive change. (AS 29.58.100)

Sec. 29.47.120. Minor rewording. (AS 29.58.110)

Sec. 29.47.130. Minor rewording. (AS 29.58.120)

Sec. 29.47.140. No change. (AS 29.58.130)

Sec. 29.47.180. Minor rewording. (AS 29.58.150)

Sec. 29.47.190. Minor rewording. The reference to a charter is eliminated since this section does not apply as a home rule limitation. (AS 29.58.160)

Sec. 29.47.200. Minor rewording. The last sentence in (b) is added since this subsection applies to home rule municipalities as a limitation. It is currently a limitation under AS 29.13.100(24). (AS 29.58.180)

Sec. 29.47.240. Rewritten for clarity. (AS 29.58.200)

Sec. 29.47.250. Minor rewording. (AS 29.58.205)

Sec. 29.47.260. This is a new section excluding revenue bonds from the application of the prohibition against a political subdivision of the state making a subscription to the capital stock of a corporation, lending its credit for the use of a corporation, or borrowing money for the use of a corporation.

Sec. 29.47.300. Minor rewording. (AS 29.58.240)

Sec. 29.47.310. No substantive change. (AS 29.58.250)

Sec. 29.47.320. "Assembly or council" is replaced by "governing body". (AS 29.58.260)

Sec. 29.47.330. The statutory reference is altered to reflect new numbering and the fact that sections dealing with payment on bonds are combined into one section. (AS 29.58.270)

Sec. 29.47.340. The requirement that refunding bonds be exchanged at par for bonds being refunded is eliminated, so that refunding bonds may be exchanged at the discretion of the governing body. (AS 29.58.280)

Sec. 29.47.390. This contains new material allowing the issuance of revenue bonds to finance any project and to be secured and payable solely from the revenue and property of the project. The city or borough is not obligated to make payments on the bonds from any other sources. (AS 29.58.200(c))

Sec. 29.47.400. Bonds and notes may be sold in the manner and at the price determined by the municipality. Under existing law, no bonds may be sold at less than par value. (AS 29.58.060, 29.58.140, 29.58.300)

Sec. 29.47.410. Minor rewording. (AS 29.58.170, 29.58.210)

Sec. 29.47.420. Allows the interest rate payable on a bond or note to exceed the usury rate. Under existing law, no bond or note may bear an interest which exceeds the contract usury rate. (AS 29.58.310)

Sec. 29.47.430. No substantive change. (AS 29.58.320)

Sec. 29.47.440. Rewritten for clarity. The statutory reference is altered to reflect new numbering. (AS 29.58.340)

Sec. 29.47.450. This is new material providing that the indebtedness of a service area will remain a debt even though a court subsequently determines that the service area was not validly formed under law.

CHAPTER 55. MUNICIPAL PROGRAMS.

Sec. 29.55.010. "General or home rule" is eliminated since "municipality" includes by definition both a general law and a home rule municipality. (AS 29.48.108)

Sec. 29.55.020. The statutory reference to the preceding section is eliminated as unnecessary. (AS 29.48.110)

CHAPTER 60. STATE PROGRAMS.

Sec. 29.60.010. "Local government services" is replaced by "municipal services". (AS 29.88.010)

Sec. 29.60.020. Material in AS 29.88.015(b) is deleted. Since municipal tax resource equalization is organized as an article, rather than a chapter, the statutory reference is added. (AS 29.88.015)

Sec. 29.60.030. Statutory references are added since this material is no longer located in a separate chapter. (AS 29.88.020)

Sec. 29.60.040. Statutory references are added since this material no longer appears as a separate chapter. (AS 29.88.025)

Sec. 29.60.050. Subsection (a), dealing with limitation on use of payments, is a home rule limitation. Under existing law all of the tax equalization program is a home rule limitation under AS 29.13.-100(46). "Assembly or council" is replaced by "governing body". (AS 29.88.030)

Sec. 29.60.060. Statutory references are added, since this material is no longer contained in a separate chapter. The statutory references currently contained in this section are altered to reflect new numbering. (AS 29.88.035)

Sec. 29.60.070. Statutory references are added, since this material is no longer contained in a separate chapter. Statutory references currently contained in this section are altered to reflect new numbering. (AS 29.88.040)

Sec. 29.60.080. Definitions of "department" and "municipality" are eliminated since these are now defined with respect to the entire title. (AS 29.88.045)

Sec. 29.60.100. Statutory references are altered to reflect new numbering. Provision for revenue sharing payable to a "Native village government" is altered to "an unincorporated community". (AS 29.89.010)

Sec. 29.60.110. "Local government" is replaced by "municipality". (AS 29.89.020)

Sec. 29.60.120. Subsections (a) and (c) dealing with distribution and use of money, are home rule limitations. Under existing laws all of the program of aid for miscellaneous services is a limitation under AS 29.13.100(47). (AS 29.89.030)

Sec. 29.60.130. "Borough or city" is replaced by "municipality". (AS 29.89.040)

Sec. 29.60.140. Provides for aid to unincorporated communities rather than to Native village governments. The Department of Community and Regional Affairs shall pay the money to the entity in an unincorporated community most qualified to receive it. No money may be paid to a Native village council unless it waives immunity from suit. If there is no entity in an unincorporated community willing to receive the money, the community receives no entitlement. (AS 29.89.050)

Sec. 29.60.150. The last portion of the section listing possible sources of population data is eliminated. Statutory references are

added, since this material is no longer organized as a separate chapter. (AS 29.89.060)

Sec. 29.60.160. Statutory references are altered to reflect new numbering. Authorizes area cost-of-living differentials to be reflected in payments to volunteer fire departments. (AS 29.89.-070)

Sec. 29.60.170. Statutory references are added, since this material is no longer organized as a separate chapter. The statutory reference currently contained in this section is altered to reflect new numbering. (AS 29.39.080)

Sec. 29.60.180. Statutory references are added, since this material is no longer organized as a separate chapter. (AS 29.89.090)

Sec. 29.60.230. Made applicable as a home rule limitation. (AS 29.90.010, 29.90.030(3))

Sec. 29.60.240. Statutory references are added, since this material is no longer organized as a separate chapter. The statutory reference currently contained in this section is altered to reflect new numbering. (AS 29.90.020)

Sec. 29.60.280. The statutory references currently contained in this section are altered to reflect new numbering. (AS 29.95.010)

Sec. 29.60.290. The statutory references currently contained in this section are altered to reflect new numbering. (AS 29.95.020)

Sec. 29.60.300. The statutory references currently contained in this section are altered to reflect new numbering. (AS 29.95.030)

Sec. 29.60.350. Administration of the municipal assistance fund is transferred from the Department of Revenue to the Department of Community and Regional Affairs. (AS 43.20.016(a))

Sec. 29.60.360. No substantive change. (AS 43.20.016(b))

Sec. 29.60.370. No substantive change. (AS 43.20.016(c) and (d))

Sec. 29.60.800. No substantive change. (AS 29.89.100(2) and (3), 29.90.030(2) and (4))

CHAPTER 65. GENERAL GRANT LAND.

Sec. 29.65.010. No change. (AS 29.18.201)

Sec. 29.65.020. No substantive change. (AS 29.18.202)

Sec. 29.65.030. Minor rewording. (AS 29.18.203)

Sec. 29.65.040. The statutory references currently contained in this section are altered to reflect new numbering. (AS 29.18.204)

Sec. 29.65.050. The statutory references to repealed sections are deleted as unnecessary in (a). The statutory references contained in this section are altered to reflect new numbering. (AS 29.18.-205)

Sec. 29.65.060. Statutory references are altered to reflect new numbering. (AS 29.18.206)

Sec. 29.65.070. No substantive change. (AS 29.18.207)

Sec. 29.65.080. Reworded for clarity. The statutory references contained in this section are altered to reflect new numbering. (AS 29.18.208)

Sec. 29.65.090. "Any" is changed to "a". (AS 29.18.209)

Sec. 29.65.100. The statutory reference contained in this section is altered to reflect new numbering. (AS 29.18.210)

Sec. 29.65.110. The statutory reference contained in this section is altered to reflect new numbering. (AS 29.18.211)

Sec. 29.65.120. Since this material is now organized in a separate chapter, the statutory reference to the sections dealing with general grant land is eliminated. (AS 29.18.212)

Sec. 29.65.130. Since this material is now organized in a separate chapter, the statutory reference is eliminated. The definition of "municipality" is eliminated since that term is now defined for the entire title. (AS 29.18.213)

Sec. 29.65.140. This is a new section indicating that the chapter dealing with general grant land applies to home rule municipalities as well as to general law municipalities. This material is not a home rule limitation under existing law.

CHAPTER 71. GENERAL PROVISIONS.

Sec. 29.71.010. No substantive change. (AS 29.73.030)

Sec. 29.71.020. This is a new section providing that dedication of rights of way or other areas for public use does not require the municipality to maintain, improve, or provide for municipal services in the area dedicated and does not impose any liability on the municipality for the condition of the area dedicated. The section is applicable to home rule municipalities.

Sec. 29.71.030. No substantive change. (AS 29.73.040)

Sec. 29.71.800. The following definitions are added or changed from existing law:

(1) "areawide" is defined to include cities in the borough.
(AS 29.78.010(18))

(2) this is added;

(3) includes home rule as well as general law boroughs;
(AS 29.78.010(1))

(4) includes home rule as well as general law cities;
(AS 29.78.010(2))

(5) this is added;

(7) this is added;

(8) this is added;

(9) "election" includes both regular and special municipal elections, but does not include a state election; (AS 29.78.-010(7))

(10) this is added to refer to either a borough or city legislative entity;

(13) "municipality" includes a home rule or general law borough, city, or unified municipality, while the existing definition includes only general law municipal corporations;
(AS 29.78.010(8))

(14) "nonareawide" includes the area of a borough outside cities in the borough, while under existing law "nonareawide power" is defined; (AS 29.78.010(19))

(15) "owner" or "record owner" means the owner of record shown in the records of the district recorder; (AS 29.-78.010(9))

(20) minor rewording; (AS 29.78.010(14))

(21) this has been added;

(23) subparagraph (A) has been reworded and (B) is new;
(AS 29.78.010(16))

(24) this has been added; and

(25) a person qualified to vote in municipal elections under the applicable statute is a "voter". (AS 29.78.010(17))

The definition of "conditional use" has been eliminated. (AS 29.-78.010(3))

* Sec. 18. A definition of "municipality" is added for all Alaska Statutes.

* Sec. 20. The statutory references are altered to reflect new numbering. References to merger and consolidation are eliminated as unnecessary.

* Sec. 21. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 22. The statutory references are altered to reflect new numbering.

* Sec. 23. Reworded to delete incorrect statutory references.

* Sec. 24. References to third class boroughs have been eliminated. Subsection (b) has been added containing material currently made applicable by the reference to third class boroughs.

* Sec. 25. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 26. The statutory references are altered to reflect new numbering.

* Sec. 27. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 28. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 29. The statutory references are altered to reflect new numbering.

* Sec. 30. The statutory references are altered to reflect new numbering.

* Sec. 31. The statutory references are altered to reflect new numbering.

* Sec. 32. The statutory references are altered to reflect new numbering.

* Sec. 33. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 34. The statutory references are altered to reflect new numbering.

* Sec. 35. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 36. The statutory references are altered to reflect new numbering.

* Sec. 38. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 39. Minor rewording for consistency.

* Sec. 40. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 41. The statutory references are altered to reflect new numbering.

* Sec. 42. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 43. Minor rewording. Incorrect statutory references are deleted.

* Sec. 44. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 45. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 46. The statutory reference is deleted as unnecessary.

* Sec. 47. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 48. The statutory references are deleted as unnecessary.

* Sec. 49. The statutory references are deleted as unnecessary.

* Sec. 50. The statutory reference is altered to reflect new numbering.

* Sec. 51. The statutory references are altered to reflect new numbering. Some references are eliminated as unnecessary. "Former" is added before citations to sections repealed in this bill.

* Sec. 52. The statutory references are altered to reflect new numbering. "Former" is added before citations to sections repealed in this bill.

* Sec. 53. The word "former" is added before the statutory citation because those sections are repealed in this bill.

* Sec. 54. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 55. "Former" is added before citations to sections previously repealed.

* Sec. 56. Minor rewording. The statutory reference is altered to reflect new numbering.

* Sec. 57. Minor rewording. The statutory reference is deleted as unnecessary.

* Sec. 58. Minor rewording. The statutory references are altered to reflect new numbering.

* Sec. 59. The statutory references are altered to reflect new numbering. "Former" is added before citations to sections repealed in this bill.

* Sec. 60. The statutory reference is deleted as unnecessary.

* Sec. 61. The statutory references are altered to reflect new numbering.

* Sec. 62. This is new material that precludes a municipality from regulating utilities exempt from regulation by the Alaska Public Utilities Commission, except for certain municipally owned utilities.

* Sec. 63. The statutory references are altered to reflect new numbering.

* Sec. 64. The statutory references are altered to reflect new numbering.

* Sec. 65. The statutory references are altered to reflect new numbering.

* Sec. 66. The statutory references are altered to reflect new numbering.

* Sec. 67. The statutory references are altered to reflect new numbering.

* Sec. 68. The statutory references are altered to reflect new numbering.

* Sec. 69. Minor rewording. The statutory references are ~~deleted as~~ unnecessary.

* Sec. 70. The statutory references are deleted as unnecessary.

* Sec. 71. Adds new sections dealing with borough feasibility studies. Authorizes the commissioner of community and regional affairs to contract for a study requested by a person residing in the area to be studied. Sets out requirements for the contract and what a study must include.

* Sec. 72. The statutory reference is altered to reflect new numbering.

* Sec. 73. The statutory reference is altered to reflect new numbering.

* Sec. 74. The statutory reference is altered to reflect new numbering.

* Sec. 75. The new statutory reference is inserted and "former" added before the citation to a section repealed by this bill.

* Sec. 76. The new statutory references are inserted and "former" added before citations to sections repealed by this bill.

* Sec. 77. The statutory references are altered to reflect new numbering.

* Sec. 78. The statutory reference to a repealed section is deleted and language inserted to take the place of the deleted reference.

* Sec. 79. The statutory references are altered to reflect new numbering.

* Sec. 80. The statutory references are deleted as unnecessary.

* Sec. 81. The statutory references are altered to reflect new numbering.

* Sec. 82. The statutory references are deleted as unnecessary.

* Sec. 83. The statutory references are altered to reflect new numbering.

* Sec. 84. All of Title 29 is repealed except for AS 29.03.010 and AS 29.03.020. Additional provisions are repealed to reconcile this bill with other titles.

* Sec. 85. A right or liability of a municipality in existence on the effective date of this Act is not affected by this Act. Ordinances and regulations in effect on the effective date of this Act remain in effect unless they conflict with a provision of this Act. If an ordinance or regulation conflicts, it remains in effect for 180 days. The terms of elected or appointed municipal officials are not affected by the Act and their terms expire as they would have before the effective date of this Act.

* Sec. 86. The chapter on taxation is retroactive to January 1, 1983, the beginning of the tax year.

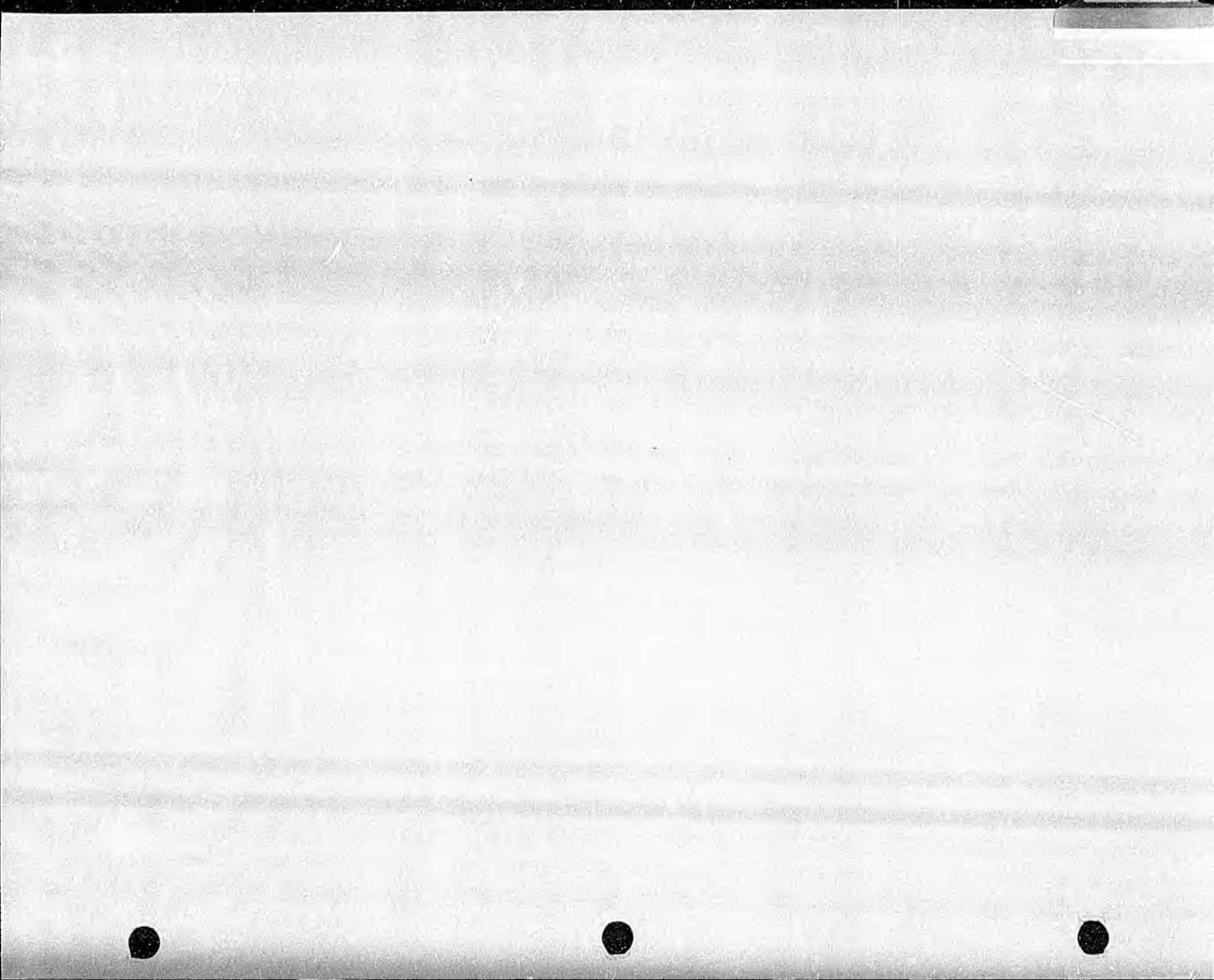
* Sec. 87. An immediate effective date is provided for the retroactive clause and the chapter on taxation.

* Sec. 88. The rest of the Act takes effect July 1, 1983.

In addition to the material already noted as having been deleted from this bill, the following sections have been eliminated entirely:

- AS 29.18.202 (determination of entitlement for cities);
- AS 29.18.220 - 29.18.460 (development cities);
- AS 29.18.510 - 29.18.610 (Capital City Incorporation Act);
- AS 29.23.395 - 29.23.401 (involvement of young people in local government);
- AS 29.23.470 (appointment of temporary or new manager);
- AS 29.28.220 (election procedure);
- AS 29.33.120 (adjustment procedure);
- AS 29.43.100 - 29.43.110 (curfews)
- AS 29.45.480 (proceeds of tax sale);
- AS 29.48.070 (hearing for regulation of utilities rates);
- AS 29.48.080 (right to participate and compel testimony);
- AS 29.48.090 (further proceedings);
- AS 29.48.100 (application);
- AS 29.48.250 (centralized purchasing);
- AS 29.53.030 (mining claims);
- AS 29.58.220 (payment);
- AS 29.58.315 (bond attorneys, bond and financial consultants);
- AS 29.58.345 (bonded indebtedness for school construction);
- AS 29.58.350 (bond guarantee fund).

TBC:ljb



HB 172

was read the first time and referred to the Community & Regional Affairs and the Judiciary Committees.

HB 172 was accompanied by a fiscal note which appears in House Journal Supplement No. 4, and the following letter:

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill revising the municipal code (AS 29). By our using the data base prepared by the Legislative Affairs Agency, this bill is identical to the bill introduced this session as Senate Bill No. 1, except for the correction of a typographical error (page 35, line 5 -- "overriden"), the justification of the right-hand-margin on several pages, and 11 rather technical changes that are described below. The bill was modeled on the bill approved last session by the House Finance Committee as HCS CSSB 180 (Fin). A detailed section-by-section analysis of SB 1 is being prepared by the Legislative Affairs Agency.

The bill does not contain any of the provisions which were criticized by Governor Hammond in his July 15, 1982 veto message for HCS CSSB 180(Jud) am H. See 1982 Senate Journal, pages 1788 -- 1792. This bill makes many non-controversial improvements to our municipal code and I urge its prompt consideration and passage. It is my hope that the AS 29 issues on which last year's amendments created such a controversy will be addressed by separate legislation so that this needed code revision is not once again delayed.

For your convenience in comparing SB 1 and this bill, here is a list of the 11 changes from SB 1 which are contained in this bill (with page and line numbers referring to SB 1):

1. page 8, line 26 -- following "council" the phrase "in a first class city" is added;
2. page 11, line 1 -- between the words "city" and "incorporated," the phrase "in the unorganized borough" is added;
3. page 29, line 8 -- following the first use of "commission," the phrase "of seven elected members" is added;

HB 172

4. page 29, lines 14 and 15 -- following "shall be" on line 14, the phrase "prepared by the petitioners and" is added and the word "incorporation" is deleted; following "petition" on line 15, the phrase "to incorporate a home rule municipality" is added;

5. page 62, line 3 -- a sentence to read "The runoff election shall be between the two candidates receiving the greatest number of votes for the seat." is added to sec. 29.26.060(c);

6. page 63, lines 7 and 26, and page 64, line 15 -- replace the words "bill" and "Act" with the phrase "ordinance or resolution";

7. page 82, line 18 -- following "emergency," the word "services" is added, and following "center," the phrase "under AS 29.35.130" is added;

8. page 85, lines 4 and 5 -- subsection (c) is amended as follows:

(c) A third class borough acquires an additional power to exercise in a service area in accordance with AS 29.35.490(b) and (c) [AREAS BY HOLDING AN ELECTION ON THE QUESTION IN WHICH EACH PERSON WHO IS A VOTER OF THE BOROUGH MAY VOTE].

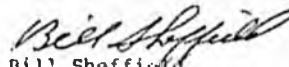
9. page 106, line 8 -- the first sentence of sec. 29.-45.040(b) is amended as follows:

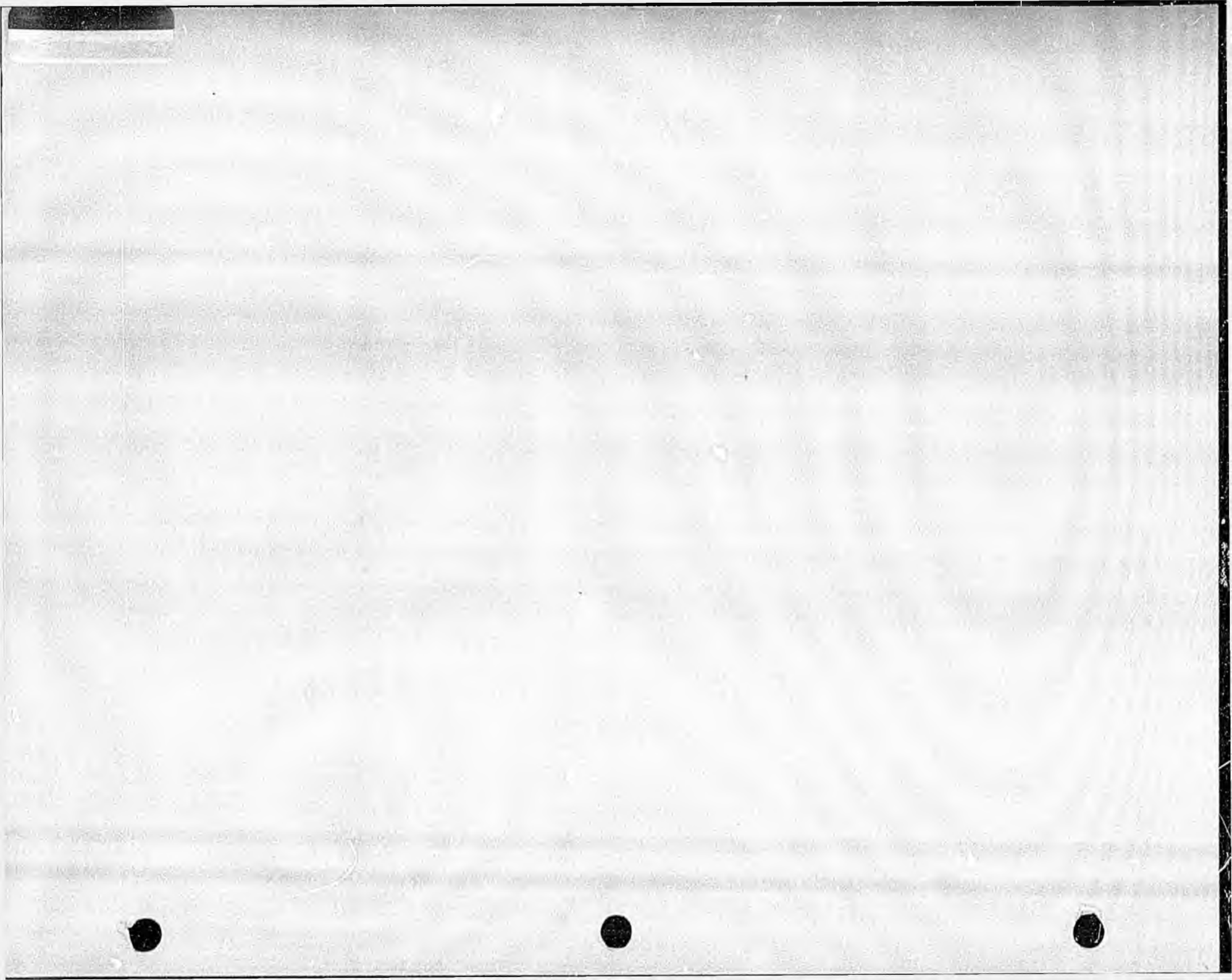
(b) For purposes of determining payments to eligible persons, the department shall calculate at the rate of one percent per mill a property tax equivalent percentage for each municipality that levies a property tax [AT THE RATE OF ONE PERCENT PER MILL].

10. page 161, line 20 -- "29.60.120" is replaced with "29.60.130;"

11. page 182, line 1 -- following "general law," the phrase "first or second class" is deleted.

Sincerely,


Bill Sheffield
Governor



Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811
Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs
FROM: Staff *Lacher*
DATE: April 25, 1983
RE: House Bill 172 amendment 1

Page 35, line 4:
After "request" insert "by a member of the governing body"

Page 35, line 5:
Delete "and"

Page 35, line 6:
After "request" insert "by a member of the governing body"

Page 35, line 8:
Delete "." insert ";

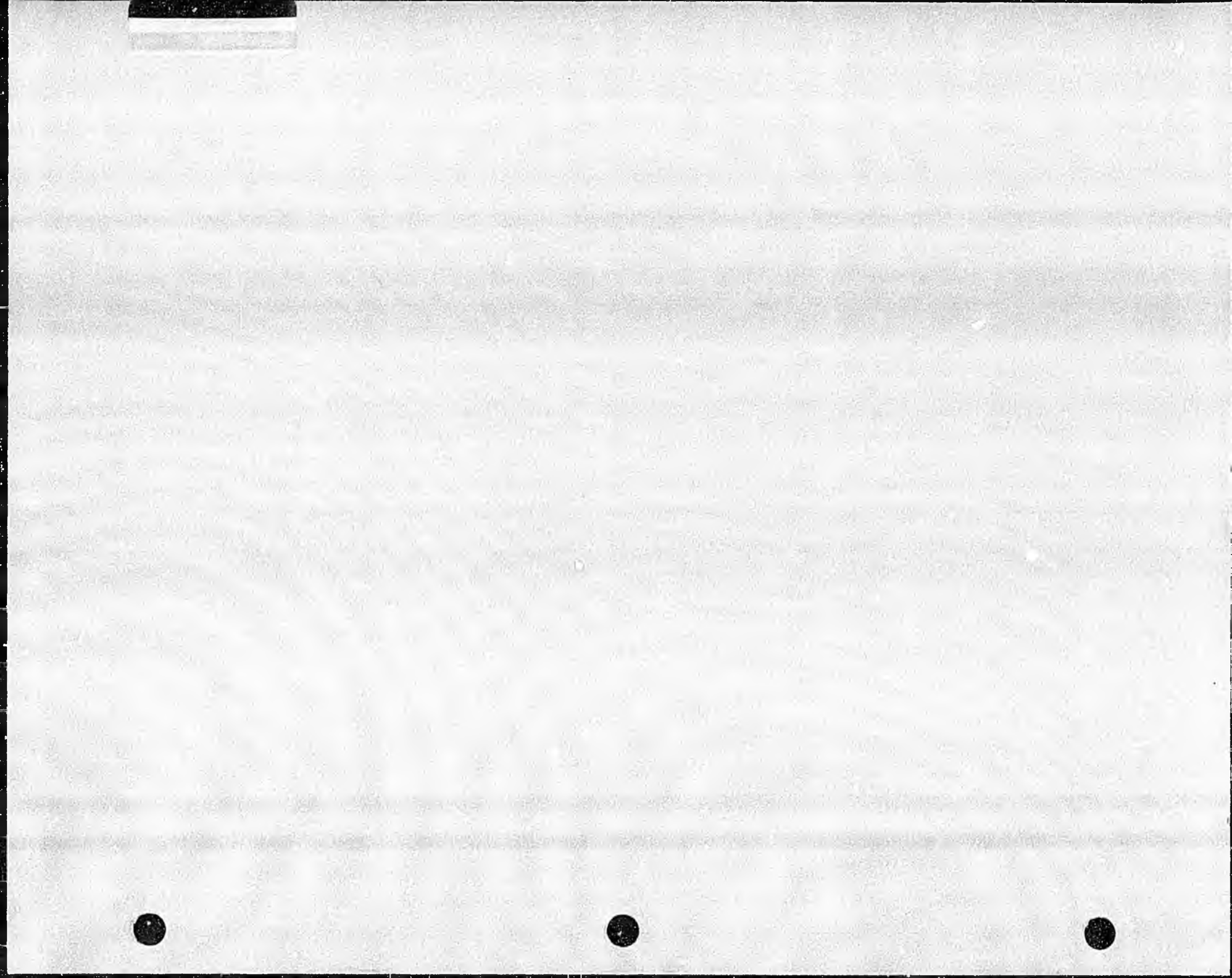
Page 35, after line 8:
Insert "(4) a municipal employee or official, ~~other~~ than a member of the governing body, may not participate in any official action in which the employee or official has a substantial financial interest.

(b) If a municipality fails to adopt a conflict of interest ordinance within 180 days after July 1, 1983, the conflict of interest provision of this section is automatically applicable to and binding upon that municipality."

Page 35, line 9:
Delete "(b)" and insert "(c)"

Page 163, line 24:
Delete "allocable" insert "allocatable"

passed



Alaska State Legislature

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Room 104
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House of Representatives Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs
FROM: Staff
DATE: April 25, 1983
RE: House Bill 172 amendment 2

The following changes are proposed by Ginny Chitwood, Alaska Municipal League.

Page 68, lines 5-7:
Delete section 29.26.250. ←

Page 68, line 15:
Delete "grounds of", insert "reasons for".

Page 68, line 24:
Delete "grounds" insert "reasons".

Page 69, lines 20,24:
Delete "25", insert "35".

Page 71, line 18:
Delete "grounds of" insert "reasons for".

Explanation: The issue of determining the sufficiency of grounds for a recall election was discussed by the committee. It appeared that a consensus was reached to eliminate the requirement for providing legal grounds to conduct a recall election and to increase signatory requirements for the petitioners.

13
172250?
Adopted

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU ALASKA 99801
907-465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

February 24, 1983

SUBJECT: Recall of municipal officials
(Work Order No. 13-0837)

TO: Representative Barbara Lacher

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

You have asked what the responsibility of the clerk is in reviewing recall petitions for sufficiency.

What a recall petition must contain and the method of determining the sufficiency of a petition depends on the specific statute involved and these types of laws vary from state to state. Some statutes require only a general statement of the grounds for recall and an official may be recalled for purely political reasons. However, other statutes require grounds for recall that are more than simple disagreement with matters of policy and the grounds stated must actually constitute misfeasance, malfeasance or nonfeasance in office. McQuillan, Municipal Corporations, vol. 4, sec. 12.251b: Noel v. Oakland County Clerk, 284 N.W.2d 761 (Michigan 1979); Bent v. Ballantyne, 368 S.2d 351 (Florida 1979); Tolar v. Johns, 147 S.2d 196 (Florida 1962); Jacobsen v. Nagel, 96 N.W.2d 569 (Minnesota 1959).

Where petitioners are required to state only general grounds, the recall petition need not state the cause for removal with the same particularity as where the requirement is that reasons for removal be stated clearly. The purpose of a general statement of grounds is to furnish information to electors upon which a political and not a legal issue may be raised. Under statutes providing that a statement of grounds for recall is for the information of the electors, the question of the sufficiency of those grounds is also for the electors, but under provisions authorizing recall for malfeasance or similar language, the sufficiency of the grounds provided is a legal question. 63 Am. Jur.2d, Public

Officers and Employees, sec. 245; Pybus v. Smith, 141 P. 203 (Washington 1914).

Statutory provisions as to recall are to be liberally construed in favor of the electorate's right to exercise recall. Hazelwood v. Saul, 619 P.2d 199 (Colorado 1980). Under this principle and in the absence of statutory language limiting the recall to specific, indicated reasons, the adequacy of grounds stated in a petition is treated as a political matter and courts refuse to enjoin recall petitions on complaints that charges are insufficient. However, where recall is limited to specified grounds of malfeasance or similar language it is generally held that

. . . petitions are inadequate when they indicate only disagreement on matters of policy or political criticism. Antieau, Municipal Corporation Law, sec. 22.200, pages 22-304 - 22-305.

The officer designated to ascertain the sufficiency of a petition in a particular statute may be required to determine legal sufficiency rather than matters of form only. Unless an appeal is specifically provided for, the officer's determination as to sufficiency of a recall petition is final and subject only to judicial correction if the determination is capricious, arbitrary, or plainly erroneous as a matter of law. McQuillan, supra., vol. 4, sec. 12.251(d); Hold v. Trantham, 575 S.W.2d 83 (Texas 1979).

Article XI, section 8 of the Constitution of the State of Alaska provides:

All elected public officials, in the State, except judicial officers, are subject to recall by the voters of the State or political subdivision from which elected. Procedure and grounds for recall shall be prescribed by the legislature. (Emphasis added)

In carrying out this constitutional responsibility the legislature has provided under AS 29.28.140 that misconduct in office, incompetence, and failure to perform prescribed duties are the grounds for recall. In addition, under AS 29.28.150(a)(3), a petition for recall must contain ". . . a statement of the grounds of the recall stated with particularity as to specific instances". (Emphasis added)

Representative Barbara Lacher

Page 3

February 24, 1983

The municipal clerk is required to review the petition
". . . for content and signatures . . ." under AS 29.28.160.

These statutory provisions dealing with recall have not been judicially construed by the Supreme Court in this state, so it cannot be determined with certainty whether the clerk is required to review the petition for signatures and form only or whether the clerk must determine as a legal matter whether the specific instances set out in a petition, if true, constitute misconduct in office, incompetence or failure to perform prescribed duties. Under the principles set out previously in this memorandum it appears that the clerk is required to determine whether the specific instances set out support a claim of misconduct in office, incompetence or failure to perform prescribed duties because AS 29.28.150 demands more than just a general statement of the grounds for recall and does not specifically indicate that the stated grounds are for the information of the voters only.

Under both versions of the bill revising Title 29, SB 1 and HB 172, the grounds for recall remain unchanged although the procedure for recall has been substantially changed. Nevertheless, an applicant for a recall petition under Sec. 29.26.260(a)(3) is still required to set out the grounds ". . . with particularity". The clerk must prepare a recall petition only if the clerk determines that the application for the petition meets the requirements of AS 29.26.260, including the requirement that grounds be ". . . stated with particularity" (Sec. 29.26.280). After a petition is filed the clerk must again determine whether the petition is sufficient and, if insufficient, ". . . identify the insufficiency and notify the sponsors. . ." (Sec. 29.-26.290). It seems clear that since the clerk must identify the insufficiency, a determination of sufficiency is not limited to review of signatures, even though (b) and (c) of the section only provide for correcting a petition insufficient for lack of signatures. It appears under these sections that the clerk would still be required to determine whether the grounds stated, if true, actually constitute misconduct in office, incompetence, or failure to perform prescribed duties.

I believe that this interpretation conforms to the intent of the policy committee that produced the original version of a Title 29 revision bill. There was considerable discussion of the recall provisions by that committee and at one point

Representative Barbara Lacher

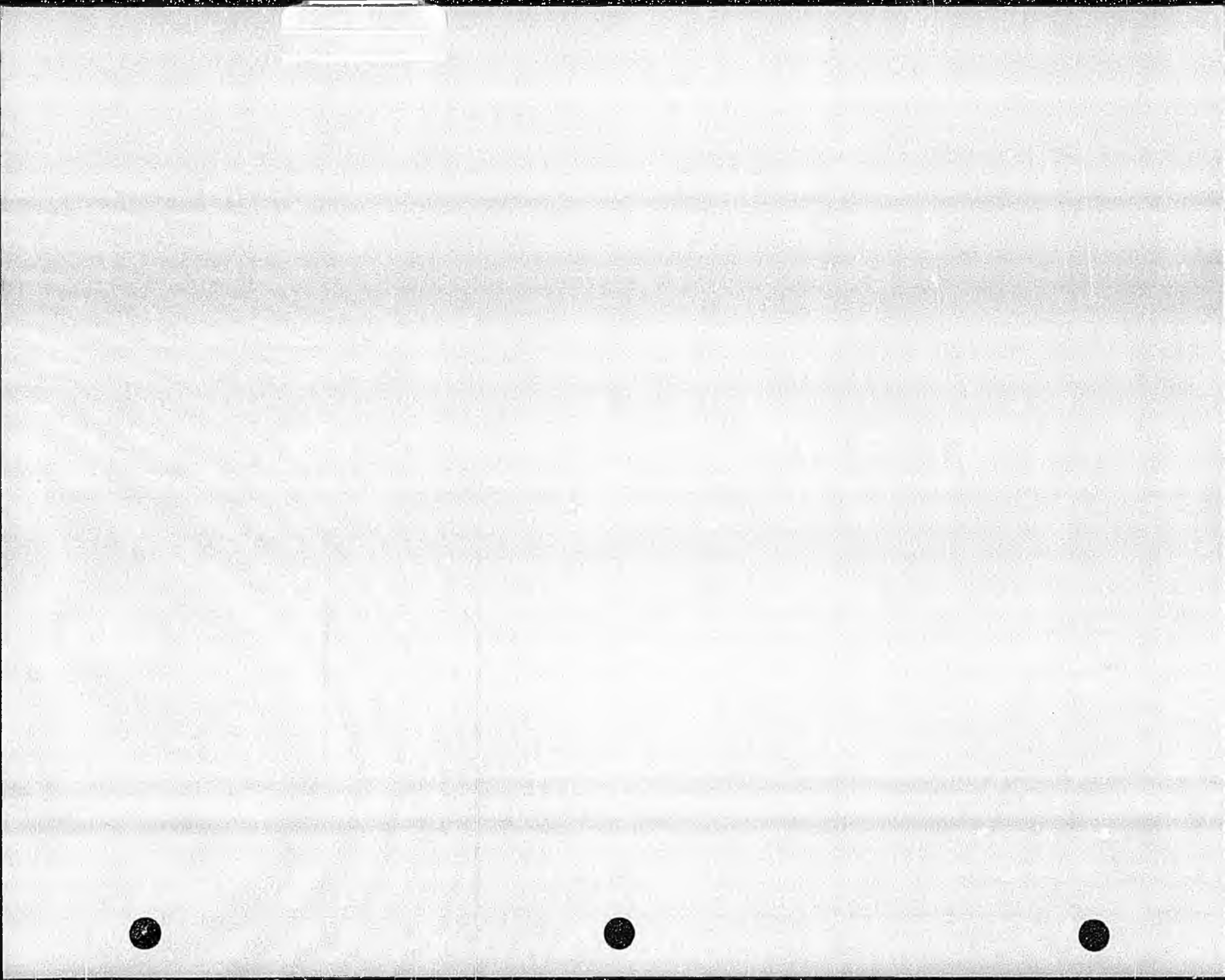
Page 4

February 24, 1983

the committee considered requiring only a general statement of reasons for recall and allowing recall to proceed upon purely political grounds. It was even suggested that grounds for recall be eliminated entirely. That approach was specifically rejected by the committee. Consequently, I would recommend that HB 172 be amended to clearly reflect the fact that the clerk is to review a recall petition for form and signatures only, and not to determine whether grounds stated actually constitute misconduct in office, incompetence, or failure to perform prescribed duties, if that is the result intended by the legislature.

TBC:ljb

SD # 14
~~SD # 23~~



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Room 104
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House of Representatives Committee on Community & Regional Affairs

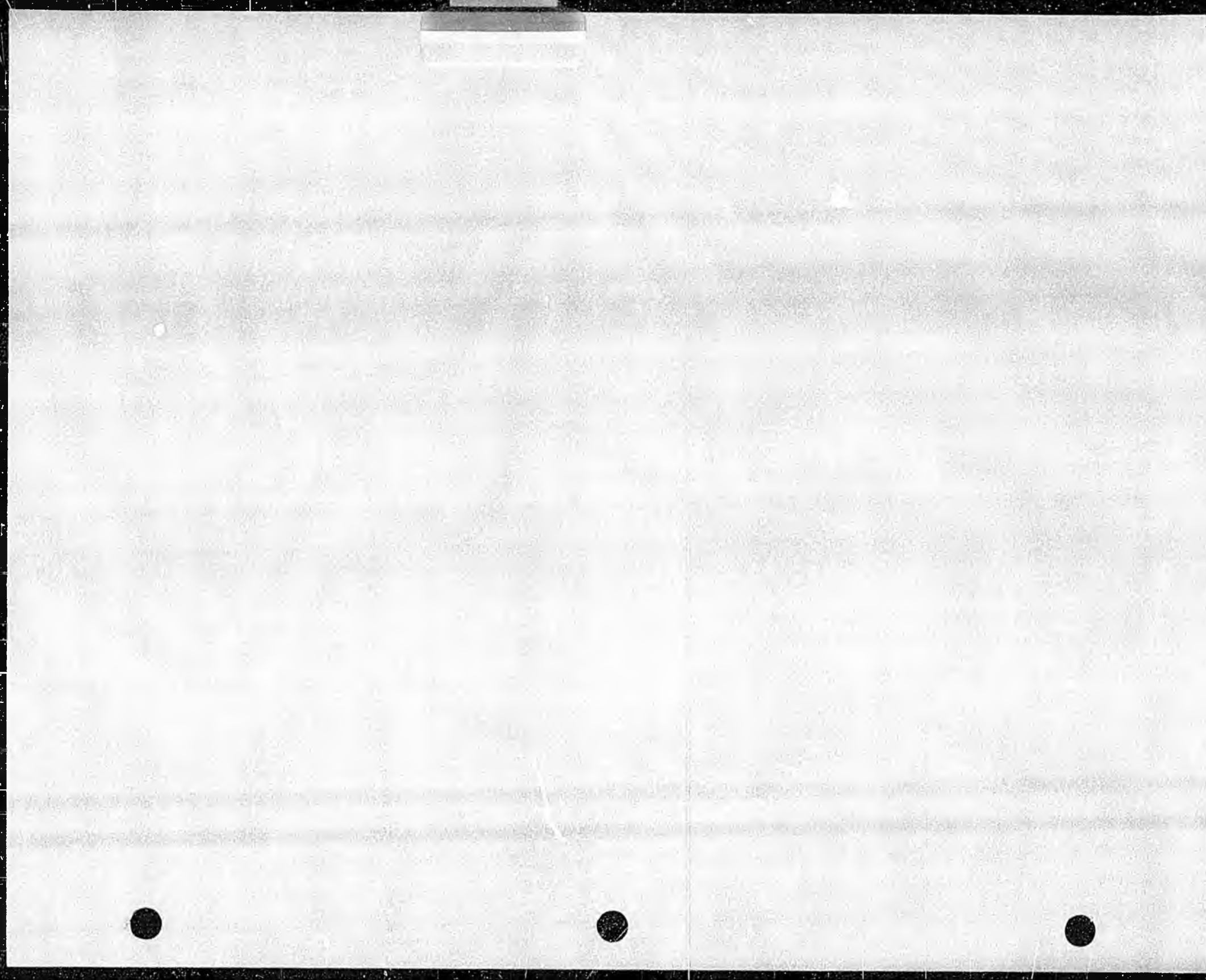
TO: Committee on Community and Regional Affairs
FROM: Staff
DATE: April 25, 1983
RE: House Bill 172 amendment 3

Page 76, lines 19 and 20:

Delete "determine fair market value" insert "acquire the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected".

Explanation: The right of eminent domain is not used to determine fair market value. The determination of fair market value is a step in the process of exercising eminent domain. As written, the statement may not meet the intent of allowing municipalities to exercise the right of eminent domain to acquire certificates or property.

adopted



Alaska State Legislature



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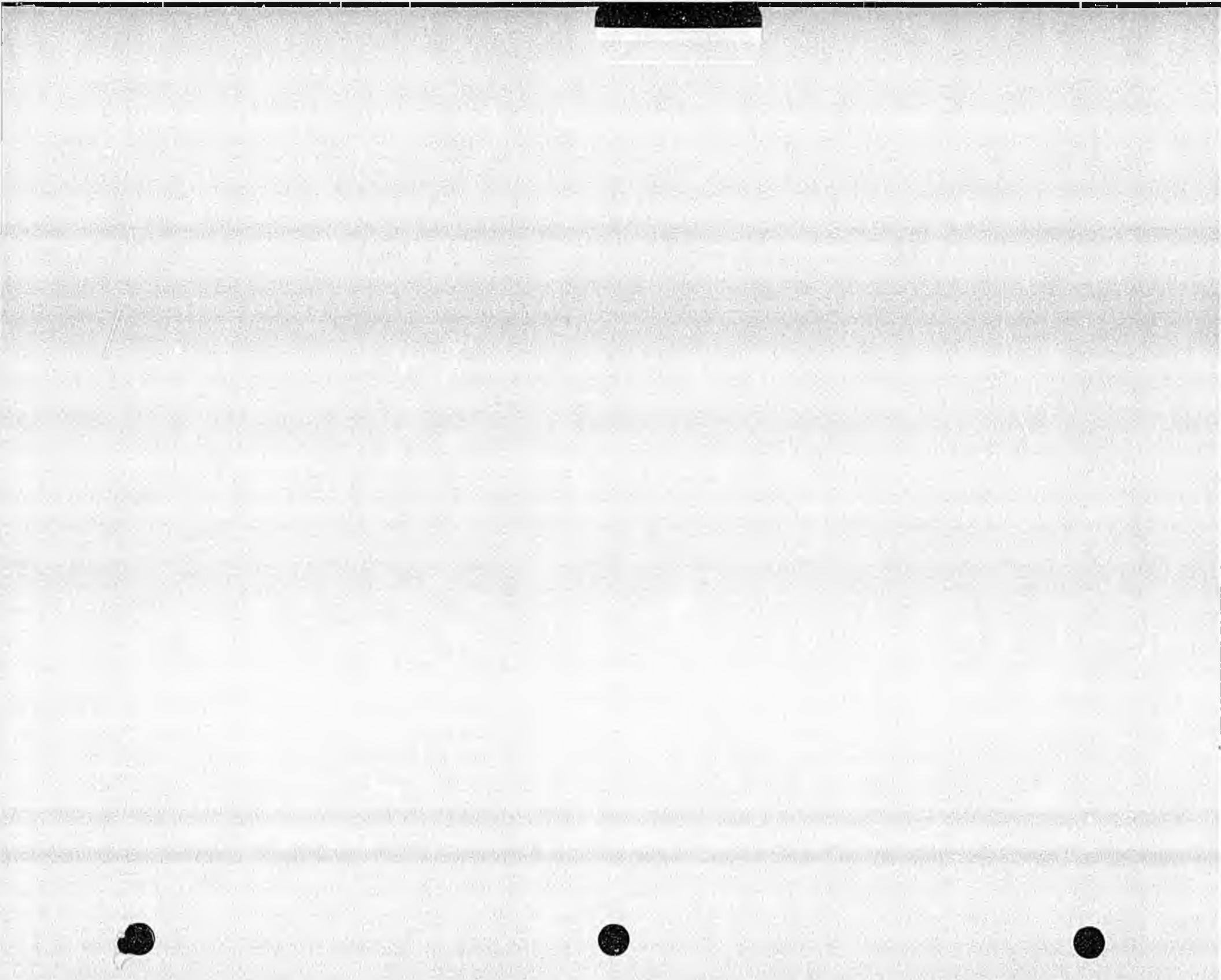
House of Representatives Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs
FROM: Staff
DATE: April 25, 1983
RE: House Bill 172 amendment 4

Page 126, line 3:
Delete "\$100,000.00" insert "\$20,000.00".

Explanation: During Committee review of House Bill 172, there appeared to be a consensus of the committee that the minimum value of property to be foreclosed upon without notification to the owner by certified mail is too high (\$100,000.00).

adopted



Alaska State Legislature

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Mike Szymanski



Room 104
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Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs
FROM: Staff
DATE: April 25, 1983
RE: House Bill 172 amendment 5

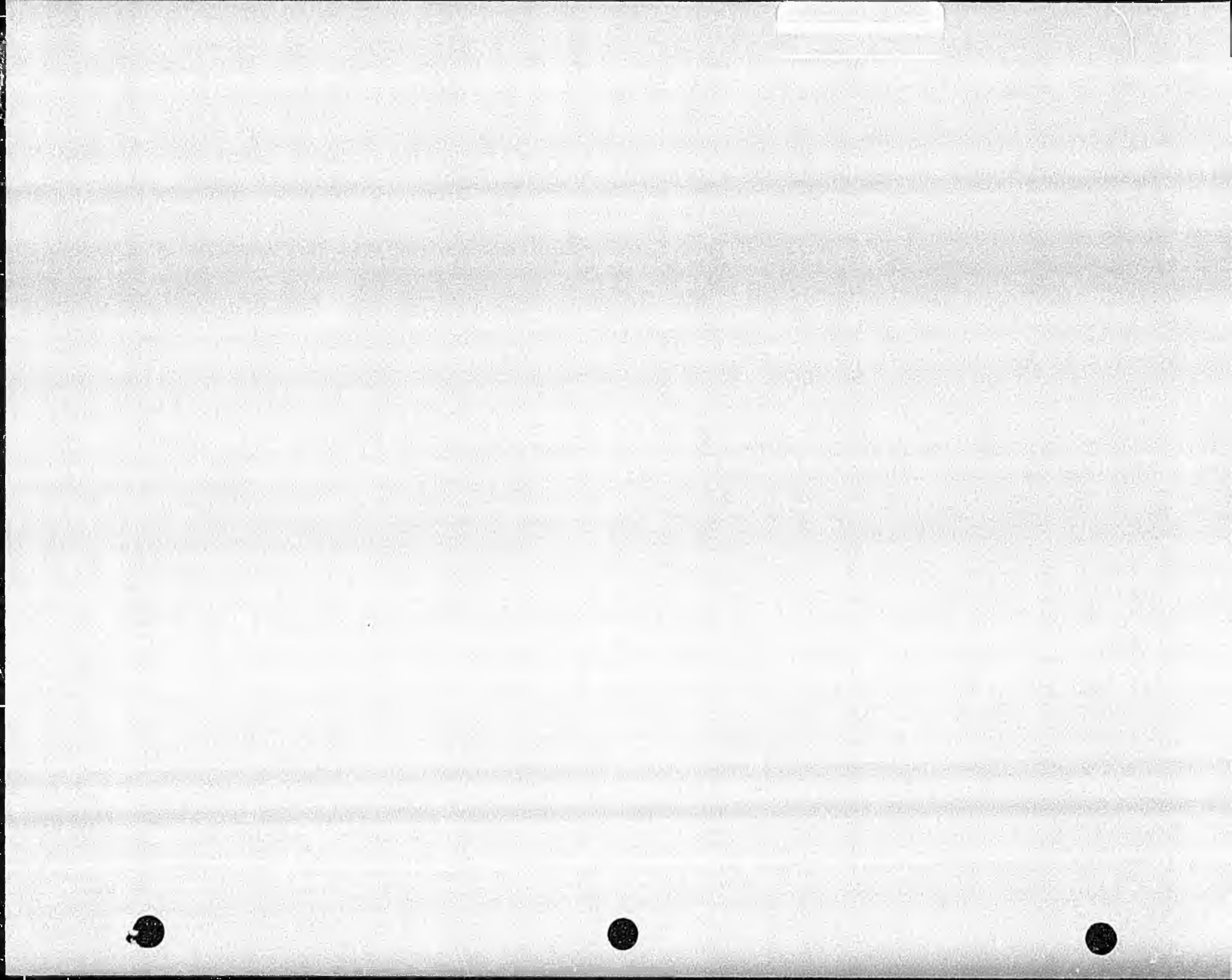
Page 204, lines 7 and 8:
Recommend change to read:

Sec. 85. AS 29.45 "as enacted in Sec. 11 of this Act is effective on January 1 of the year following enactment.

Explanation: HB 172 may be enacted into law in 1983 or 1984, depending on legislative action. The amendment will avoid the possibility of a "split" tax year and will provide time for municipal planning purposes.

~~S. H. H. H. H. H.~~

adopted



Alaska State Legislature

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Room 104
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Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs
FROM: Staff
DATE: April 25, 1983
RE: House Bill 172 amendment 6

The attached letter of intent and proposed language for implementation was prepared during hearings of SB 1, comparison legislation to HB 172.

Present law requires first class and home rule cities in the unorganized borough to accept the responsibility for delivery of Educational services. It is perceived that the requirement to be responsible for educational services may be a deterrant to certain cities or areas to organizing or upgrading to first class or home rule status. The opposition for a city to assume the educational powers could come either from an existing REAA or the city.

The proposed change to HB 172 would resolve the issue of the assumption of education powers by vote of the residents in the city and in the REAA.

Failed



Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

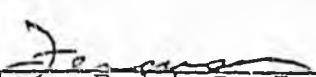
LETTER OF INTENT
TO CSSB 1

February 24, 1983

It is the intent of the Senate Community and Regional Affairs Committee that the assumption of the education power by newly formed or upgraded first class or home rule cities be dependent upon a vote in the existing Regional Education Attendance Area. If the vote both within the city and in the remainder of the REAA was not in favor of the city assuming the education power, it would not.

This Letter of Intent was discussed and unanimously approved by the Senate C & RA Committee. The attached page labelled "Proposed Amendment #10" is what the committee members had in front of them when the Letter of Intent was endorsed. The longer attached amendment, drafted by Legal Services, represents all of the actual changes that need to be made to SB 1 to carry out the Letter of Intent.

Though the committee strongly endorses this concept it was felt the full amendment should be available for review before it was adopted, which is why this method of presentation was followed. The Community and Regional Affairs Committee urges the Finance Committee to incorporate the intent of the attached proposed Amendment #10 into SB 1.



Senator Frank R. Ferguson
Chairman

S-E-N-A-T-E---A-M-E-N-D-M-E-N-T

PROPOSED SENATE AMENDMENT

By Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: LINE:

Note: This change is listed as a proposal rather than an amendment because of the complex drafting that will be required to make sure all the necessary sections are cross referenced. Legal Services has reviewed this proposal and suggested this approach because of time constraints. If the Committee approves this proposal, Legal Services will incorporate it as part of the Committee Substitute.

Page 10, after line 19, insert new section:

"29.05.145. ASSUMPTION OF THE EDUCATION POWER. (a) When an unincorporated area or second class city that is part of a Regional Education Attendance Area incorporates or upgrades to first class or home rule city status, the assumption of the education power shall be in accordance with this section

(b) When an unincorporated area or city that is part of a REAA incorporates or upgrades to first class or home rule city status, that Director of Elections shall conduct an election in the REAA within 90 days of the incorporation.

(c) At this election, voters of the REAA shall be given an opportunity to approve or disapprove the assumption of the education power by the newly incorporated or upgraded first class or home rule city.

(1) The vote shall be counted separately within the city limits of the newly incorporated or upgraded city and in the remainder of the REAA.

(2) A majority of voters in both areas must approve the assumption of the education power by the newly incorporated or upgraded city or it may not assume the education power"

Alter other sections as necessary to conform.

A M E N D M E N T

Offered in the SENATE

By the Community and Regional

TO: CSSB 1 (C&RA)

Affairs Committee

Page 2, after line 25 insert:

"(f) A second class city in a regional educational attendance area that reclassifies to first class status after July 1, 1983 remains part of the regional educational attendance area unless the education power is acquired under AS 29.35.270."

Page 10, after line 18 insert:

"(d) A first class or home rule city in a regional educational attendance area that incorporates after July 1, 1983 remains part of the regional educational attendance area unless the education power is acquired under AS 29.35.270."

Reletter the following subsection accordingly.

Page 34, after line 20 insert:

"(36) AS 29.35.270. (acquisition of education power)"

Renumber the following paragraphs accordingly.

Page 85, line 23:

Delete "A" and insert "Subject to AS 29.35.270, a"

Page 86, after line 5 insert:

"Sec. 29.35.270. ACQUISITION OF EDUCATION POWER. (a) A home rule or first class city formed in a regional educational attendance area after July 1, 1983 remains part of the regional educational attendance area and may not establish a city school district unless the education power is acquired by the city under this section.

(b) Within 90 days after a community in a regional educational attendance area is incorporated as a home rule or first class city or a second class city in a regional educational attendance area reclassifies to first class status or adopts a home rule charter the director of elections shall conduct an election in the regional educational attendance area on the question of whether the city should acquire the education power and form a city school district.

(c) After an election under this section the vote shall be counted separately within the boundaries of the newly formed city and within the area of the regional educational attendance area outside of the city.

(d) If a majority of voters within the newly formed city and a majority of the voters within the area of the regional educational attendance area outside of the newly formed city approve, the city shall assume the education power and form a school district. If a majority of voters in both areas do not approve, the city remains a part of the regional educational attendance area.

(e) This section applies to home rule and general law cities."

Page 186, after line 6 insert:

"* Sec. 21. AS 14.08.031 is amended by adding a new subsection to read:

(e) A first class or home rule city in a regional educational attendance area that incorporates after July 1, 1983 and a second class city in a regional educational attendance area that reclassifies to first class status or adopts a home rule charter after July 1, 1983 shall be included in the regional educational attendance area boundary unless the city acquires the education power under AS 29.35.270."

Renumber following sections accordingly.

Page 186, after line 29 insert:

"* Sec. 24. AS 14.12.010(1) is amended to read:

(1) each home rule and first class city in the unorganized borough is a city school district, except as provided under AS 29.35.270;

* Sec. 25. AS 14.12.010(3) is amended to read:

(3) the area outside organized boroughs and outside home rule and first class cities is divided into regional educational attendance areas, except that a home rule or first class city may be included in a regional educational attendance area in accordance with AS 29.35.270."

Renumber following sections accordingly.

Page 205, line 20:

Delete "86" and insert "89"

Page 205, line 23:

Delete "86" and insert "89"



Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs
FROM: Staff
DATE: April 25, 1983
RE: House Bill 172 amendment 7

During Committee review of HB 172 there was discussion but no apparent consensus concerning the exemption of greenhouses from assessment at full valuation for taxation purposes (Page 109, line 22).

The existing law does not give special treatment for greenhouses. The intent of providing special tax treatment for farm lands (not including barns, houses, sheds, etc.) was to assist the farmer in resisting the pressures of urban growth rather than being forced to subdivide farm land because of inflated land values. The effect of the new language is to provide a special tax treatment for greenhouses, including commercial greenhouses raising ornamental flowers.

adopted
special assessment level
on farm use.



Alaska State Legislature



Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs
FROM: Staff
DATE: April 25, 1983
RE: House Bill 172 amendment 8

Sec. 29.45.030 dealing with required tax exemptions contains new language that defines "developed" for the implementation of a required federal tax exemption (Page 105, line 10). The new definitions are supported by Alaska Native Corporations and are opposed by municipalities. Similar definitions were added as last minute floor amendments during legislative action on the municipal code revision in 1982 which were, in large part, responsible for the subsequent Governor's veto.

In that the purpose of HB 172 is to administratively revise Title 29 into a usable document and not to make substantive or controversial changes, staff recommends that all new materials pertaining to the federal tax exemption, including references to reverting to an undeveloped state, be deleted from HB 172 and that the issue be addressed in separate legislation.

THIRTEENTH ALASKA LEGISLATURE
FIRST SESSION

Cape Fox Corp
in production
7/1/72

HB172 Suggested Amendments - Cape Fox Corporation

Line 15, Page 105

① (m) (1) ... gainful and [or] productive present use...

Line 18-19, Page 105

② (m) (1) ... process even though income may be derived from related incidental timber harvesting, utility usage, or similar activities.

Line 3, Page 106 - Add New Subsection:

③ (m) (4) "Gainful" means a condition resulting in net taxable income or when revenue derived from an activity taking place over the tax year of the property owner exceeds the expenses and deductions related to the activity.



Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-4801

BOROUGH ATTORNEY'S OFFICE

April 6, 1983

The Honorable Barbara Lacher
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Barbara:

Subject: HB 172 "DEVELOPED" DEFINITION

The present version of HE 172 provides for a tax exemption as required by 43 U.S.C. 16.20(d) for certain Native lands. This exemption provides a definition of "developed" for implementing the federal law. I recommend that this matter be treated in a separate bill rather than in HB 172 or SB 1, the parallel bills intended as housekeeping measures to revamp Title 29.

During the last legislative session certain amendments were made to the Title 29 bill on the House floor which caused a great deal of controversy. In re-introducing the Title 29 in the present legislature, all of these amendments were removed except for the provisions for implementing the tax exemptions under 43 U.S.C. 16.20(d). This amendment was incorporated in AS 29.45.030 of the bill.

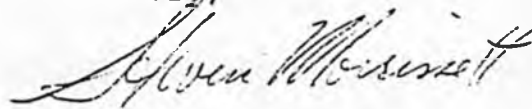
Pursuant to federal law, certain Native lands are not taxable until "developed". The intent of the proposed definition in AS 29.45.030 is to clarify what improvements of land will constitute "development" for tax exemption status.

I believe that the intent of this section is to assure that lands will not be taxed simply because an access road is constructed to the property or improvements are placed on the property in anticipation of future development. However, the language is sufficiently ambiguous to permit the interpretation that even a regular, residential or commercial subdivision development would not be taxable until the lots were sold. Once land is subdivided, roads are constructed and other improvements are put in place, the available lots become the sale inventory of the real estate developer. An exemption from taxation of these lots would give the exempted developer an unfair advantage over other developers with which it was in competition.

Because this provision is not in existing Title 29 and because there is potential controversy involved, I recommend that

it not be included in HB 172, a housekeeping bill. As a separate bill, I believe that the Borough would support a definition between a taxable subdivision development and tax exempt lands which have been surveyed and have constructed roads.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steven H. Morrisett".

Steven H. Morrisett
Borough Attorney

er

cc: Steve VanSant, Borough Assessor



KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

February 24, 1983

TO: Stan Thompson, Mayor

FROM: Don Thomas, Assessor

SUBJECT: Native Lands, Title 29 Revisions - sec M #1 *lines 28 + 29*
pp 100-101

By the definition included in the work draft of Title 29 the Kenai Peninsula Borough would loose approximately 13.9 Million in assessed valuation. This would equal about \$41,727 based on a 3 mill average.

This would also put the Native lands in a better position to develop and compete in the open market, if they wished. They could do all the preliminary work, such as roads, utilities, survey, and hold the property for the highest return, and still not pay taxes. *- this would only apply to protest. it would potentially be unfair to other land owners.*
We currently have 13.9 million in assessed value that the different regions have been paying taxes on. We have had them on the tax rolls for 4 or 5 years and they paid their taxes without paying under protest. *available at the B...*

Cook Inlet	7,281,205
Ninilchik	924,950
Seldovia Native	2,882,300
Slamatoff	589,500
English Bay	2,708,800
Port Graham	1,068,000
<hr/>	
Total	15,454,755

*Also when you are up & Native Lands
we would ~~be~~ ^{be} ~~be~~ on the tax rolls - then they
would be exempt at a tremendous loss to
the Borough - until sold*



THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

LAW DEPARTMENT - 586-5242

May 20, 1983

Bob Harris
House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

FILE: HB 172

SUBJECT: Substitute Utility Language
for Title 29 Revision

Dear Bob:

If the House Community and Regional Affairs Committee would like to consider alternative language to that which has been proposed for the utilities section of the Title 29 revision, may I suggest the following. This language, I believe, accommodates the interests of the municipalities and of the utilities. It would exempt from municipal regulation those utilities, including co-ops, which have elected to exempt themselves from APUC regulation by a vote of the subscribers or members. It would also exempt from municipal regulation those small electric, telephone and garbage utilities which are presently exempt from APUC regulation but which may come under APUC regulation if 25% of the subscribers petition the commission for regulation. In addition, it would exempt from municipal regulation those utilities which the APUC itself exempts upon a finding of no legitimate public interest in regulation if the commission also finds that the utility should also be exempt from municipal regulation. If cable TV is given an exemption from APUC regulation, and the legislature believes that it should also be exempt from municipal regulation, a simple amendment to the following language making reference to the statute exempting cable TV would extend the exemption to municipal regulation of cable TV also. The substitute language would be as follows:

AS 29.35.070 PUBLIC UTILITIES. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate the service and may fix, establish and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility except as provided in (b).

(b) A municipality may not regulate a utility

(1) to the extent it is subject to regulation under AS 42.05; or

Re: HB 172 Substitute Language
May 20, 1983
Page Two

- (2) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(d) if the commission finds that no legitimate public interest will be served by regulation by the commission or a municipality; or
 - (3) exempt from Alaska Public Utility Commission regulation under AS 42.05.711(e), (f), (g), (h) or (i); or
 - (4) specifically exempted by law from municipal regulation.
- (c) The municipality may provide for a reasonable deposit for meters and service to be given if interest is paid on the deposit.
 - (d) Unless the utility is owned by the regulating municipality, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality which sets forth the procedures for regulating service and establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee the utility due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.
 - (e) This section applies to home rule and general law municipalities.

Sincerely,



Gerald L. Sharp
City/Borough Attorney

GLS:jr

Alaska State Legislature



Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

M E M O R A N D U M

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: April 25, 1983

RE: House Bill 172 proposed amendment number 9

The attached amendment proposed by representatives of utility companies is a significant change from present law.

The net effect of the amendment is to prohibit municipalities from regulating utilities unless the type of regulation proposed or the particular utility is also subject to regulation by the Alaska Public Utilities Commission. Stated in another way, if the Alaska Public Utilities Commission does not or can not regulate a utility or a matter pertaining to a utility, then a municipality may not impose a regulation.

Present law provides municipalities the power to regulate utilities and matters pertaining to utility services to the extent the utilities are not regulated by the Alaska Public Utility Commission.

In several instances, the regulation of a condition of service by a utility company, or the regulation of a utility company is optional for the Public Utilities Commission, or optional for the utility.

In cases where utilities are not regulated by the Alaska Public Utilities Commission, Municipalities generally feel they need to have the authority to exercise regulatory powers. On the other hand, utility companies believe that; if the Alaska Public Utility Commission does not regulate them, then the municipalities should not have the authority to provide regulation.

AD

SENATE AMENDMENT

BY Community & Regional Affairs CommitteeTo: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 33 LINE: 2728

Insert "(26) 29.35.060 (franchise and permits)". Renumber following paragraphs accordingly.

* Page 33, line 29, insert:

"(28) 29.35.075 (disputes and conflicts with state certificated utilities)"

Page 77, after line ~~3~~⁶, insert:

— "(c) This section applies to home rule and general law municipalities."

Page 77, line ~~4-19~~⁷⁻²², delete Section 29.35.070 and insert:

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

(1) the utility is subject to regulation under AS 42.05; or

(2) municipal regulation is prohibited by AS 42.05.711(k) or otherwise specifically prohibited by law.

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

(c) Unless the utility is owned by the municipality that is regulating it, all rates, charges and regulations established under this section shall be established as provided by an ordinance of the municipality establishing

the procedures for regulating service and procedures for establishing and changing the rates and charges of the utility. The ordinance shall provide for notice, hearing and other procedures necessary to guarantee due process. The rates and charges established shall be reasonable and shall permit a fair return on invested capital.

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

Page 77, after line ²²~~19~~, insert:

"Sec. 29.35.075. DISPUTES AND CONFLICTS WITH STATE CERTIFICATED UTILITIES. (a) A dispute as to the reasonableness of the fees for or the terms, conditions, or exceptions to a permit for a utility certificated under AS 42.05 to use municipal streets, alleys or other public ways of the municipality shall be decided under AS 42.05.251."

(b) In case of a conflict between the provisions of AS 29.35.070 or AS 42.05 or an action taken under either as to the regulation of service, rates or charges of a utility, the provisions of AS 42.05.641 apply.

(c) This section applies to home rule and general law municipalities.

Page 195, after line ²²~~19~~, insert:

"*Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

delete

(k) Except for municipally owned and operated utilities subject to (b) of this section, municipalities may not regulate utility services, including but not limited to rates, terms and conditions of services, provided by a person, utility or cooperative that is exempt from regulation under AS 42.05.711."

Remember following sections accordingly.

Lee Sharp
City - Boro ~~attorney~~ Jun 1988

Chugach Elec. Ass'n, Sup. Ct. Op. No. 1636 (File No. 2969, 2993), 580 P.2d 687 (1978); B-C Cable Co. v. City of Juneau, Sup. Ct. Op. No. 2112 (File No. 4587), 613 P.2d 616 (1980).

Sec. 42.05.711. Exemptions. (a) The provisions of AS 42.05.010 — 42.05.721 do not apply to a person who furnishes water, gas or petroleum or petroleum products by tank, wagon, or similar conveyance, unless the person is thereby supplying water, gas, petroleum or petroleum products to a public utility in which he has an "affiliated interest."

(b) Public utilities owned and operated by a political subdivision of the state and none of whose utilities is in competition with any other utility, are exempt from the provisions of AS 42.05.010 — 42.05.721, other than the provisions of AS 42.05.221 — 42.05.281, unless the owner and operator elects to be subject to all provisions of AS 42.05.010 — 42.05.721.

(c) The ownership in whole or part, of the corporate stock of a public utility does not make the owner a public utility.

(d) The commission, on a finding that no legitimate public interest will be served, may exempt a utility from all or any portion of AS 42.05.010 — 42.05.721.

(e) Notwithstanding any other provisions of AS 42.05.010 — 42.05.721, any electric or telephone utility that does not gross \$50,000 annually is exempt from regulation under AS 42.05.010 — 42.05.721 unless 25 percent of the subscribers petition the commission for regulation.

(f) Notwithstanding any other provisions of AS 42.05.010 — 42.05.721, an electric or telephone utility that does not gross \$325,000 annually may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721 other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(g) A utility, other than a telephone or electric utility, that does not gross \$100,000 annually may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721 other than AS 42.05.221 — 42.05.281 under the procedure described in AS 42.05.712.

(h) A cooperative organized under AS 10.25.010 — 10.25.650 may elect to be exempt from the provisions of AS 42.05.010 — 42.05.721, other than AS 42.05.221 — 42.05.281, under the procedure described in AS 42.05.712.

(i) A utility which furnishes collection and disposal service of garbage, refuse, trash, or other waste material and has annual gross revenues of \$200,000 or less is exempt from the provisions of this chapter, other than the certification provisions of AS 42.05.221 — 42.05.281,

unless 25 percent of the subscribers or subscribers representing 25 percent of the gross revenue of the utility petition the commission for regulation.

(j) The provisions of this chapter do not apply to sales, exchanges or gifts of energy to an electric utility certificated under AS 42.05.010 — 42.05.721 when the energy which is the subject of the sale, exchange or gift is waste heat, electricity, or other energy which is surplus or the by-product of an industrial process. In an area in which no electric utility is certificated for service, energy provided by sale, exchange or gift may be provided to any utility which is certificated for service to that area. A contract for the sale, exchange or gift of energy exempt under this subsection does not make the supplier a public utility, and does not transfer the responsibility to provide utility services from a certificated utility to any other person. (§ 6 ch 113 SLA 1970; am § 3 ch 76 SLA 1973; am § 8 ch 83 SLA 1980; am §§ 7-9 ch 136 SLA 1980; am § 89 ch 59 SLA 1982)

Revisor's notes. — As enacted by chs. 83 and 136, SLA 1980, present subsections (j) and (i) were designated as subsections (n) and (j), respectively, but were redesignated by the revisor of statutes pursuant to AS 01.05.031(b). Former subsection (i) of this section was transferred as § 13, ch. 136, SLA 1980 to the 1980 Temporary and Special Acts and Resolutions by the revisor of statutes pursuant to AS 01.05.031(b).

Effect of amendments. — The first 1980 amendment added subsection (j).

The second 1980 amendment deleted "excepting the furnishing of collection and disposal service of garbage, refuse, trash or other waste material" following "none of whose utilities" near the beginning of subsection (b), deleted the former second sentence in subsection (b), which read: "Notwithstanding any other provisions of this chapter, municipalities providing collection and disposal service of garbage, refuse, trash or other waste material within their corporate boundaries are not subject to regulation by the Alaska Public Utilities Commission unless the municipality elects to be subject to the provisions of this chapter," substituted "\$50,000" for "\$25,000" following "does not gross" near the middle of subsection (e), substituted "under this chapter" for "hereunder" following "exempt from regulation" near the middle of subsection (e), and added subsections (n) through (i).

The 1982 amendment, effective May 28, 1982, deleted "on June 30, 1980" preceding

"a utility," and inserted "annual" preceding "gross revenue" in subsection (i).

Editor's notes. — Section 13, ch. 136, SLA 1980, as revised by the revisor of statutes, provides: "Cable television systems are exempt from the provisions of AS 42.05 [AS 42.05.010 — 42.05.721], other than the provisions of AS 42.05.221 — 42.05.281, until July 1, 1983. This exemption does not apply in cities or villages which have a population of less than 3,500 people and which are not located on a state road or marine highway. The effects of the exemption of cable television systems from rate regulation by the Alaska Public Utilities Commission provided in this section shall be reviewed by the legislature before July 1, 1983. If the legislature fails to extend the exemption before July 1, 1983, this section is repealed on that date and cable television systems lose their exempt status on that date and become subject to regulation by the Alaska Public Utilities Commission."

Opinions of attorney general. — An electrical utility owned and operated by a regional electrical authority would continue to qualify for the broad exemption from this chapter, available to political subdivisions under subsection (b) of this section once the regional electrical authority had completed its proposed organization as a nonprofit corporation pursuant to AS 10.20.005 et seq. June 7, 1976, Op. Att'y Gen.





LAWS OF ALASKA

1983

Source

CSSB 85(Fin)

Chapter No.

95

Chapter 95

AN ACT

Amending or repealing provisions related to state aid for health facilities, certificate of need, Medicaid and general relief medical assistance; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 11

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: July 25, 1983
Actual Effective Date: July 26, 1983

AN ACT

Amending or repealing provisions related to state aid for health facilities, certificate of need, Medicaid and general relief medical assistance; and providing for an effective date.

* Section 1. AS 18.07.031 is amended to read:

Sec. 18.07.031. CERTIFICATE OF NEED REQUIRED. No person may make an expenditure of \$1,000,000 or more for any of [UNDERTAKE] the following unless authorized under the terms of a certificate of need issued by the office:

- (1) construction of a health care facility;
- (2) alteration of the bed capacity of a health care facility; or
- (3) addition or elimination of a category of health services provided by a health care facility.

* Sec. 2. FINDINGS AND DECLARATION OF POLICY. The legislature acknowledges the need to pay health facilities for services provided to beneficiaries of state programs at a level that will meet the proportionate share of the total financial requirements of the facilities that are attributable to those programs given prudent and cost-effective management and operation of such facilities. The legislature finds that, because Medicaid is a joint state and federal program and because federal Medicaid funds have been and are likely to continue to be reduced dramatically, a retrospective payment system no longer serves as an appropriate method of compensation.

Chapter 95

1 nor does it respond with appropriate flexibility to continued federal
2 cutbacks. A prospective payment system is necessary to prudently address
3 payments to health facilities under the Medicaid and general relief medical
4 assistance programs.

5 * Sec. 3. AS 47.07.070 is repealed and reenacted to read:

6 Sec. 47.07.070. PAYMENT TO HEALTH FACILITIES. (a) The commis-
7 sion shall determine prospectively the rate of payment to a health
8 facility under this chapter and AS 47.25.120 - 47.25.300 based on a
9 fair rate for reasonable costs incurred by the facility. The commis-
10 sion shall by regulation list the factors it considers in making its
11 rate determinations under this section.

12 (b) In determining a rate of payment to a health facility under
13 this section, the commission shall consider the proportionate share of
14 the facility's financial requirements for patient care for

15 (1) costs of current operations, including salaries and
16 wages, purchased services, supplies, insurance, leases, depreciation,
17 taxes, interest expense, maintenance and other health facility operat-
18 ing expenses; and

19 (2) education, research, and appropriate capital develop-
20 ment.

21 (c) In determining a rate of payment to a health facility under
22 this section, the commission may consider whether the rate of utiliza-
23 tion of the facility has been reduced because of improvident or care-
24 less development of the facility.

25 * Sec. 4. AS 47.07 is amended by adding new sections to read:

26 Sec. 47.07.071. REPORTS BY HEALTH FACILITIES. Not later than
27 120 days after the end of each fiscal year of a health facility, the
28 facility shall submit to the commission a report on the facility's
29 financial performance during the fiscal year.

Chapter 95

1 Sec. 47.07.072. REPORT BY THE COMMISSION. Not later than Sep-
2 tember 30 of each year, the commission shall submit to the governor a
3 report on the prospective payments made under this chapter during the
4 current fiscal year and an estimate of the prospective payments that
5 will be made during the remainder of the current fiscal year and the
6 next fiscal year. The report shall state the assumptions that are
7 used as a basis for the estimates.

8 Sec. 47.07.073. UNIFORM ACCOUNTING, BUDGETING, AND FINANCIAL
9 REPORTING. (a) The commission by regulation shall require a uniform
10 system of accounting, budgeting, and financial reporting for health
11 facilities receiving prospective payments under this chapter. The
12 regulations shall provide for reporting revenues, expenses, assets,
13 liabilities, and units of service. The commission shall specify the
14 date the system becomes effective for each health facility.

15 (b) In adopting regulations under this section, the commission
16 shall consider

17 (1) accounting, budgeting, and financial reporting proce-
18 dures used by health facilities;

19 (2) variations among health facilities in the types of
20 health care services provided by health facilities;

21 (3) the size and organizational structure of health facil-
22 ities;

23 (4) the methods used by health facilities to obtain pay-
24 ments; and

25 (5) other factors the commission considers relevant.

26 (c) The commission may waive or modify a requirement for ac-
27 counting, budgeting, or financial reporting for a health facility if
28 a waiver or modification is

29 (1) necessary to avoid excessive costs to the facility; and

(2) consistent with the policies of this chapter.

(d) Notwithstanding other provisions of this section, the commission may, by regulation, modify the system of accounting, budgeting, and financial reporting required under this section for a health facility having less than 25 acute care beds in order to reduce the operating costs of that facility.

Sec. 47.07.074. AUDITS AND INSPECTIONS. As a condition of obtaining payment under AS 47.07.070, a health facility shall allow

(1) the department and the commission reasonable access to the financial records of medical assistance beneficiaries; and

(2) inspection of financial records by state and federal agencies to the extent required by federal law.

Sec. 47.07.075. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT. Actions of the commission under AS 47.07 and AS 47.25.120 - 47.25.300 are subject to the provisions of the Administrative Procedure Act (AS 44.62).

* Sec. 5. AS 47.07.080 is amended by adding new paragraphs to read:

(6) "commission" means the Medicaid Rate Commission;

(7) "health facility" includes a hospital, skilled nursing facility, intermediate care facility, intermediate care facility for the mentally retarded, rehabilitation facility, inpatient psychiatric facility, home health agency, rural health clinic, and outpatient surgical clinic.

* Sec. 6. AS 47.07 is amended by adding new sections to read:

ARTICLE 2. MEDICAID RATE COMMISSION.

Sec. 47.07.110. MEDICAID RATE COMMISSION ESTABLISHED. The Medicaid Rate Commission is established in the Department of Health and Social Services.

Sec. 47.07.120. COMPOSITION OF COMMISSION. The commission

consists of five members as follows:

(1) the chief executive officer of a health facility that is licensed by the state but not owned or operated by the state or federal government and that is subject to the budget review process under this chapter;

(2) the commissioner of administration, the commissioner of health and social services, or the appointed designee of either commissioner;

(3) a physician licensed to practice medicine in the state who is actively engaged in the practice of medicine and who is not employed by the state;

(4) a certified public accountant with relevant experience;

(5) a person representing consumers of health services who does not have a direct or indirect interest in an entity that provides health care services.

Sec. 47.07.130. APPOINTMENT OF MEMBERS. Members of the commission are appointed by the governor and serve at the pleasure of the governor.

Sec. 47.07.140. TERM OF MEMBERSHIP. The term of a member of the commission appointed under AS 47.07.120(1), (3), (4), or (5) is three years. A member may not be appointed to a successive term. The terms of the members shall be staggered. A member appointed to fill a vacancy serves for the unexpired term of the member. A term shall be measured from January 1 of the year in which the term of the vacant position begins, regardless of when the vacancy is filled.

Sec. 47.07.150. COMPENSATION. A member of the commission serves without compensation but is entitled to per diem and travel expenses authorized by law for boards and commissions under AS 39.20.180.

Sec. 47.07.160. OFFICERS. At the first meeting of each year,

Chapter 95

1 the commission shall elect a chair from among its members.

2 Sec. 47.07.170. MEETINGS AND QUORUM. The commission shall meet
3 as often as necessary to conduct its business. Three members of the
4 commission constitute a quorum.

5 Sec. 47.07.180. DUTIES. The commission shall review proposed
6 payment rates and budgets of health facilities and establish payment
7 rates for health facilities under this chapter and AS 47.25.120 -
8 47.25.300.

9 Sec. 47.07.190. EMPLOYMENT OF PERSONNEL. The commission may
10 employ and determine the salary of an executive director. With the
11 approval of the commission, the executive director may select and
12 employ additional staff. The commission shall be assisted by the
13 officers or personnel of the department as the commissioner of health
14 and social services shall direct. The executive director of the
15 commission is in the exempt service under AS 39.25.

16 * Sec. 7. AS 47.25 is amended by adding a new section to read:

17 Sec. 47.25.195. PAYMENT TO HEALTH FACILITIES FOR TREATMENT OF
18 NEEDY PERSONS. (a) The department may make payments to a health
19 facility for the treatment of a needy person.

20 (b) A health facility receiving a payment under this chapter is
21 subject to the requirements of AS 47.07.070 - 47.07.075.

22 (c) For purposes of this section, "health facility" includes a
23 hospital, skilled nursing facility, intermediate care facility, inter-
24 mediate care facility for the mentally retarded, rehabilitation facil-
25 ity, inpatient psychiatric facility, home health agency, rural health
26 clinic, and outpatient surgical clinic.

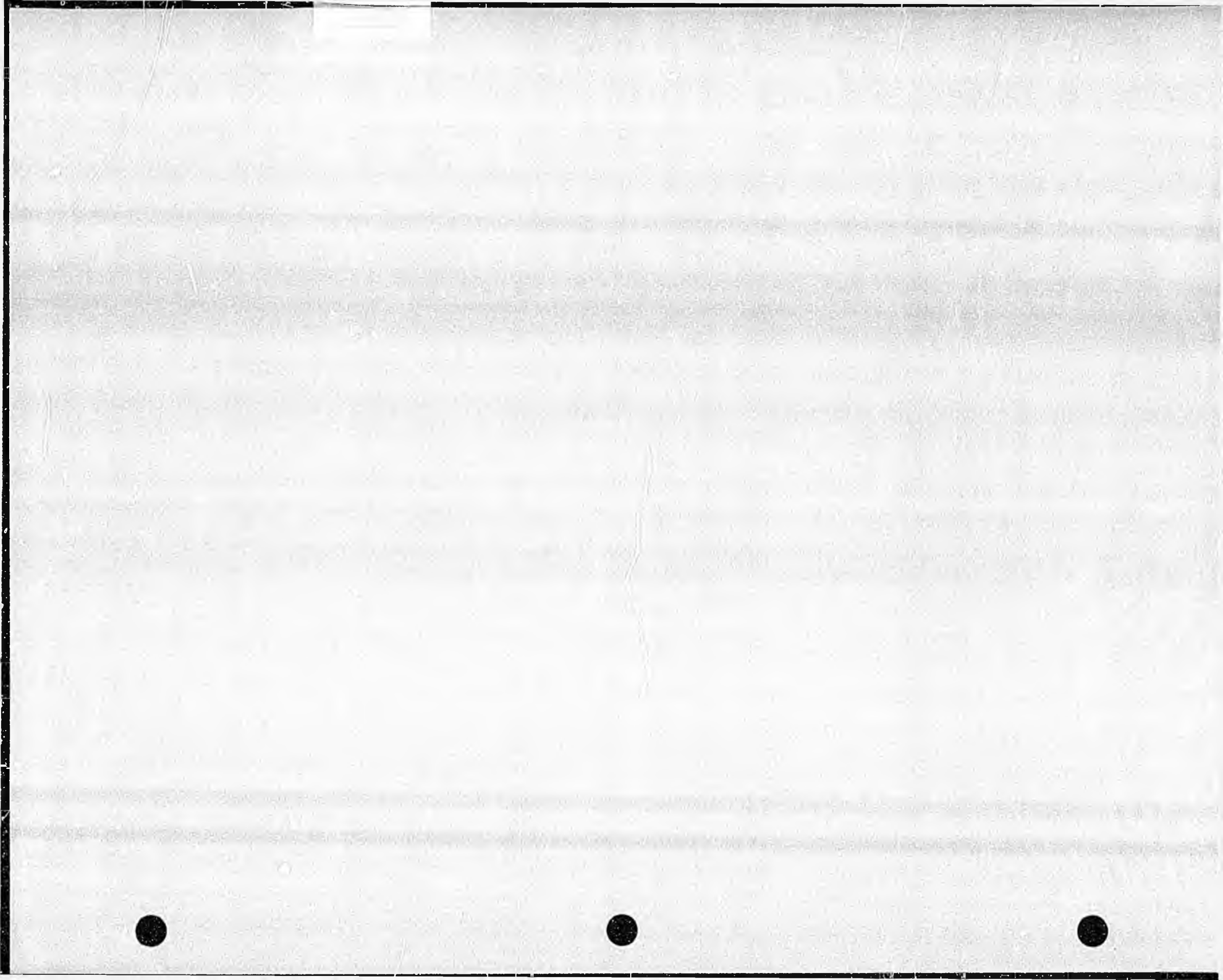
27 * Sec. 8. INTERIM PROSPECTIVE PAYMENT SYSTEM. The department shall
28 establish an interim system of prospective payments for health facilities
29 under this Act for the period July 1, 1983, to June 30, 1984.

Chapter 95

1 * Sec. 9. The sponsor of a hospital or health facility construction
2 project who is receiving or entitled to receive state aid under AS 29.90 on
3 the day preceding the effective date of this Act shall continue to receive
4 state aid until the sponsor has received an amount which, combined with
5 state matching money for construction of the hospital or health facility,
6 equals 25 percent of the total project cost. Money received for con-
7 struction may not be used for any other purpose.

8 * Sec. 10. AS 29.90 and AS 47.07.080(1) are repealed.

9 * Sec. 11. This Act takes effect immediately in accordance with
10 AS 01.10.070(c).
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Amendment #10

alaska
state
hospital
association

319 Seward St., Juneau, Alaska 99801 • (907) 586-1790
REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

Chairman of the Board
Ronald A. Pavallas
Humana Hospital Alaska
Anchorage

March 17, 1983

Chairman-Elect
Mark Hawkins
Sitka Community Hospital
Sitka

Immediate Past Chairman
Tom Mingen
Fairbanks Memorial
Hospital
Fairbanks

The Honorable Bill Ray
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Secretary/Treasurer
Edward Zaine
Cordova Community
Hospital
Cordova

Subject: Senate Bill 1

Delegate to the American
Hospital Association
Al M. Camosso
Providence Hospital
Anchorage

Dear Senator Ray:

Alternate Delegate to the
American Hospital Assoc.
Michael Lockwood
Central Peninsula Hospital
Sitka

You have before you SB 1, the municipal code revision which includes in it revisions to the existing law, AS 29.89, state aid to municipalities and other eligible recipients for health facilities and hospitals.

Delegate to the American
Health Care Association
Jack Buck
St. Ann's Nursing Home
Juneau

That section as currently drafted, AS 29.60.120 in SB 1, continues to discriminate against the Juneau Regional Rehabilitation Hospital by excluding it from hospital revenue sharing. This, inspite of the fact that the facility was required to be built to acute hospital standards and functions as an acute facility with a specialty license. The specific problem is caused in the definition section of Article 15, General Provisions, Section 29.60.800(2). This should be changed to read as follows:

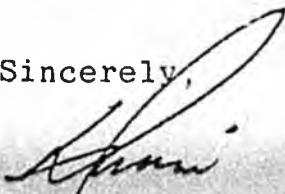
Alternate Delegate to the
American Health Care
Association
Emma G. Ivy
Wrangell General Hospital
Wrangell

(2) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general or special hospital; the term excludes a facility operated or wholly supported by the state or the federal government.

Delegate to the Association
of Western Hospitals
Michael Herring
South Peninsula Hospital
 Homer

Your assistance in securing this amendment would be greatly appreciated.

Alternate Delegate to the
Association of Western
Hospitals
Daniel Van Wieringen
 Kodiak Island Hospital
 Kodiak

Sincerely,

Dennis L. DeWitt
President

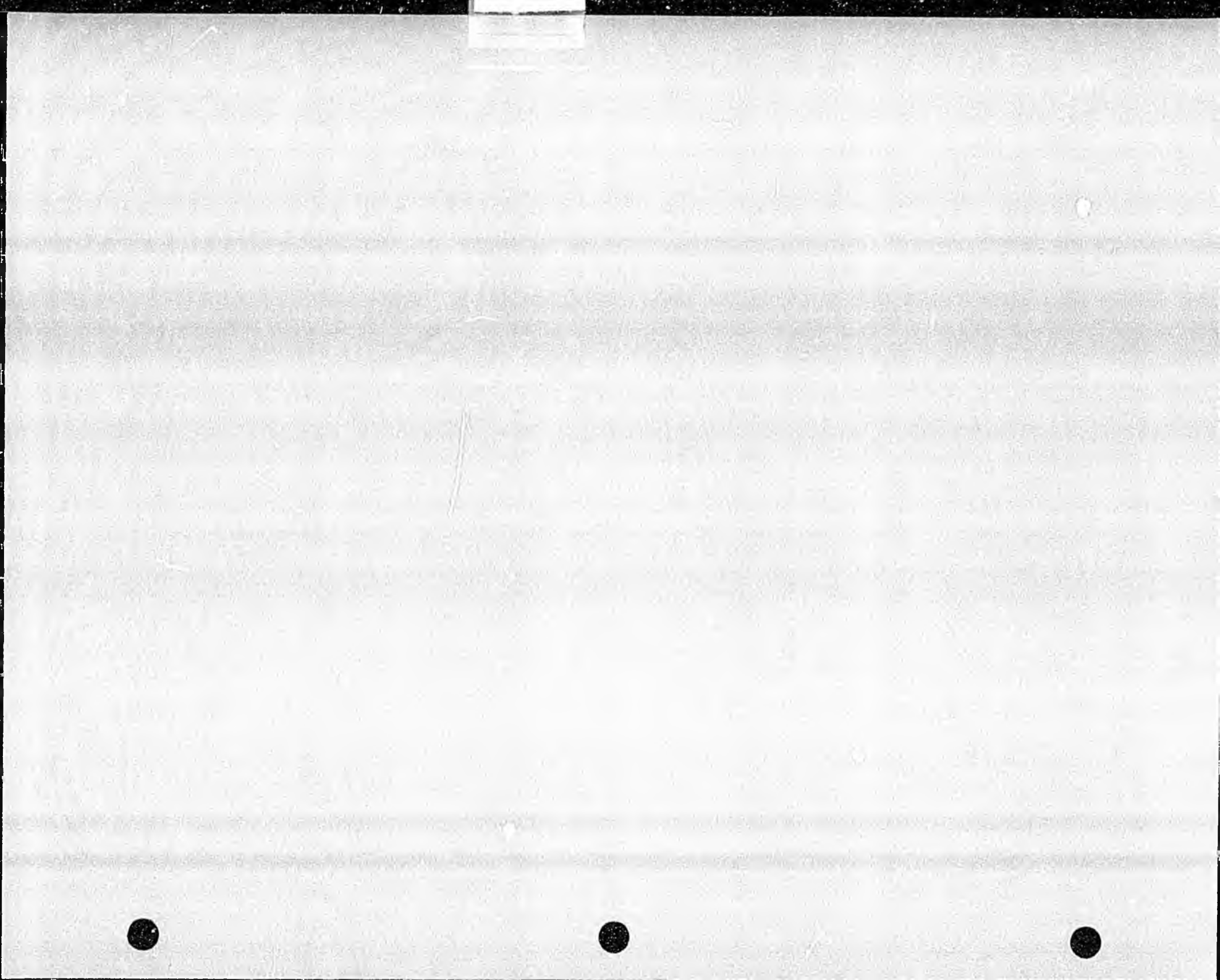
Trustee Delegate to the
American Hospital Assoc.
Moe Kadish
Trustee, Providence
Hospital
Anchorage

Alternate Trustee Delegate
to American Hospital
Association
Robert Jensen
Central Peninsula Hospital
 Sitka

Member of
the Board
John Brownsberger, M.D.
Anchorage

cc: Representative Mike Miller
Matthew Felix

23



Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TO: House C & R A Committee
FROM: Staff
SUBJECT: Difference between CSSB 1 and HB 172
DATE: March 22, 1983

HB 172 amendments needed to make it the same as CSSB 1:

p. 33, after line 28, insert new line (26) 29.35.060 (franchise and permits) and renumber following paragraphs accordingly.

p. 77, after line 6, add a new subsection
(c) this section applies to home rule and general law municipalities.

p. 77, line 9, after "regulate" delete [,] and add a utility service and"

p. 77, line 12 after "is" delete [not]
after AS 42.05, delete [and] and add "or"

p. 77, line 14 delete [(2)...law.] and add (2) municipal regulation is prohibited by AS 42.05.711 (k) or other law.

p. 77, line 17 -20, delete subsection (c) and add a new subsection
(c) A municipality that owns or operates a utility may extend service to adjacent areas outside its municipal boundaries. For that purpose, the municipality may acquire, maintain, and operate utility facilities together with necessary interests in real property outside its municipal boundaries.

p. 77, lines 21-22, delete subsection (d) and add a new subsection
(d) Unless a utility is owned by the municipality that is regulating it, all rates, charges, and regulations shall be established by the municipality in accordance with an ordinance that provides procedures for regulating service and establishing and changing rates and charges. The ordinance shall provide for procedures necessary to guarantee due process, including notice and hearing requirements. Rates and charges

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established under this section shall be reasonable and permit a fair return on invested capital. p. 77, Sec. 29.35.070, add new subsection (e) A dispute involving a utility certificated under AS 42.05 as to the reasonableness of the fees or the terms, conditions, or exceptions to a permit to use municipal streets shall be decided under AS 42.05.251.

p. 77, Sec. 29.35.070, add a new subsection

(f) In case of a conflict between the provisions of this section and AS 42.05 or concerning an action taken under this section or AS 42.05 involving the regulation of service or the rates or charges of a utility certificated under AS 42.05, the provisions of AS 42.05.641 apply.

p. 77, Sec. 29.35.070, add a new subsection

(g) This section applies to home rule and general law municipalities.

p. 195, line 22, add

*Sec. 62. AS 42.05.711 is amended by adding a new subsection (k) A public utility that is exempt or partially exempt under this section from the provisions of AS 42.05.010 - 42.05.721 may not be regulated by a municipality. This subsection does not apply to a public utility exempt under (b) of this section.

Renumber following sections accordingly.

p. 107, line 29, after "borough" delete [including...period;]

p. 61, line 10, after "(3) delete [is] and add "has been after "elections" add for at least 30 days immediately preceding the municipal election; and

p. 14, lines 17-26, after "action." add The standards and procedures established under this subsection that apply to detachment shall be the same as the standards and procedures that apply to annexation, except that the standards and procedures that apply to detachment must include provisions for equitable prorated payment of debts acquired by the municipality before the detachment.

p. 14, line 19 after (1) add, subject to (2) and (3) of this subsection,

p. 14, line 23 after "annexed" delete [by ordinance ...approval] and add or detached by ordinance without an election;

p. 14, line 24 after "annexed" add or detached

p. 14, after subsection (3) add a new subsection (4) within 90 days after receipt of a petition for annexation or detachment, the Local Boundary Commission shall make a decision on the petition.