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Official Business

Alaska State Legislature

Senate Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811


LETTER OF INTENT TO CSSB I

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

SENATE AMENDMENT

BY Community & Regional Affairs CommitteeTo: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 33 LINE: 27

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, insert:

"(c) This section applies to home rule and general law municipalities."

Page 77, line 4-19, 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 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 19, insert:

"*Sec. 62. AS 42.05.711 is amended by adding a new subsection to read:

(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."

Renumber following sections accordingly.

SENATE AMENDMENT

By Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 74 LINE: 9

Delete "utility services,"

Page 77, after line 17, insert:

"(d) 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, line 18, delete:

"(d)" and insert "(e)"

SENATE AMENDMENT

By Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 11 LINE: 1

Between the words "city" and "incorporated", add "in the unorganized borough"

SENATE AMENDMENT

By Community & Regional Affairs Committee

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 8 LINE: 26

1. Pg. 8, line 26, after "council" insert:
"of a first class city."
2. Pg. 29, line 8, after "commission" insert:
"of seven elected members"
3. Pg. 29, line 14, after "be" insert:
"prepared by the petitioners and"
4. Pg. 29, line 14, delete:
"incorporation"
5. Pg. 29, line 15, following petition, insert:
"to incorporate a home rule municipality"
6. Pg. 63, line 7:
delete "bill" and replace with "ordinance or resolution"
delete "act" , and replace with "ordinance or resolution"
7. Pg. 63, line 26:
delete "bill" and replace with "ordinance or resolution"
delete "act" , and replace with "ordinance or resolution"
8. Pg. 64, line 15:
delete "bill" and replace with "ordinance or resolution"

9. Pg. 82, line 16:
after "emergency", add "services", and
after "center" add "under AS 29.35.130"
10. 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].
11. Pg. 106, line 9, after "calculate" insert:
"at the rate of one percent per mill"
12. Pg. 106, line 10 and 11, delete:
"at the rate of one percent per mill"
13. Page 182, line 1 -- following "general law", delete:
"first or second class"

SENATE AMENDMENT

By SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

To: _____ SENATE BILL No. 1

To: _____ HOUSE BILL No. _____

PAGE: 161 LINE: 20

Replace "29.60.120" with "29.60.130".

Legislature eyes tax exemption bill

As the legislative session enters its final weeks, the bill hopper clogged to overflowing with substitutions of previously introduced bills.

Under consideration are committee substitutions for bills on senior tax exemptions and funds for senior housing projects.

And last-minute efforts were poured into a special compro-



mise bill to save the Longevity Bonus program in time to mail out May bonus checks.

Tax exemptions bill awaits action

Ever since state budget-slicing hit senior tax exemption programs last year, municipalities across the state have been anxious to receive reimbursements for revenues lost to exemptions.

The latest legislation, CS SB 527, adds new amendments to the tax exemption statutes, but

if your eyes need to be open

soothe them with...
Lavoptik
EYE WASH

STERILE ISOTONIC BUFFER

AT PAY'N SAVE

offers no real solutions to the problems facing the popular programs.

Under the legislation, the state would reimburse a municipality for lost tax revenues as long as legislative appropriations for the purpose were adequate.

If appropriations for reimbursement turned out to be inadequate, payments to municipalities would be prorated.

In the case of the renters' rebate program, officially known as property tax equivalency payments, the legislation could adversely affect senior renters.

Senior renters do not obtain rebates from the municipalities in which they reside. Rather, renters apply directly to the state for the rebates.

If legislative appropriations for reimbursement of rebates were inadequate to meet the demand, renters would receive payments on a prorated basis.

Senior renters receive rebates under the current program because the state assumes that they pay property taxes in the form of rent to their landlords.

Another section of the legislation includes an amendment which would allow the surviving spouse of a person receiving an exemption to continue receiving it if the surviving spouse is at least 55 years of age.

Previously, no age limit had been established.

The tax exemption legislation, originally sponsored by the Community and Regional Affairs Committee, underwent substitutions by the State Affairs Committee in early April.

The bill is now awaiting action in the Senate Finance Committee.

Senior housing funds may grow

Another bill substitution, CS HB 650, would give seniors \$11

<i>Juneau 'bill'</i>	
<i>Bill</i>	<i>Sp</i>
House	
HB 471 - Kenai Peninsula Pioneers'	Fi
HB 623 - Social Services for seniors	Li
HB 650 - State loans, grants senior housing	St
HB 717am - Longevity Bonus program	Ru
Senate	
SB 441 - \$10 million appropriation for senior housing	Rc
SB 506 - Increase of OAC membership	Fi
SB 527 - Motor vehicle tax exemption	Ca

*SA: Senate Affairs Committee C&RA: Commu
HESS: Health Education and Social Services Com*

million for various housing projects statewide.

The bill was offered in late March by the House Special Committee on State loans.

If the bill passes, some \$2 million would be appropriated from the general fund to the division of housing assistance within the Department of Community and Regional Affairs for a grant to fund the Chugach View Senior Citizen Facility in Anchorage.

An additional \$2 million from the same source would fund a senior facility for the Norton Sound Health Corporation in Nome.

And for general housing assistance for seniors, the bill allocates \$7 million from the general fund for grants from the senior housing development fund in the Department of Community and Regional Affairs.

New bonus bill wins approval

Late-hour compromise plan to save the Longevity Bonus resulted in HB 650 (amended).

The proposed new law tended to be temporary, pending time for the 1985 session of the Alaska Legislature develop options for a permanent bonus program.

The bill would:

- Authorize the

Valdez seniors to purchase

by Sally M. McAdoo
All the puppies, bunnies even the hippo have

Alaska State Legislature

Barbara Lacher, Chairman
Mac 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.

This is in HB 172
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

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.

*Senator Ferguson
Capital Rm 117*

Alaska State Legislature



House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3870

TO: All Members of the 13th Legislature

FROM: Representative Mike W. Miller
Chairman, House Community and Regional Affairs Committee

SUBJ: CSHB172 (HC&RA)

DATE: May 7, 1984

Attached is an analysis, section by section, of CSHB172 that was asked for by some of the Representatives for a clearer understanding of the changes in Title 29. The HC&RA staff has taken CSHB172 (HC&RA) and merged it, to the best of their ability, with Title 29 so that the changes and reclarification in CSHB172 are readily discernible.

If you have any questions on this analysis, please feel free to contact my office at 465-3870.

Original sponsor: Rules/Governor

IN THE HOUSE

BY THE COMMUNITY AND
AND REGIONAL AFFAIRS
COMMITTEE

CS FOR HOUSE BILL NO. 172 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE - SECOND SESSION
A BILL

For and Act entitled: "An Act relating to municipal government; and providing for an effective date."

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

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

EDITOR NOTE: 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.

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

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

CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

EDITOR NOTE: 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.

Sec. 29.04.010 [29.08.010]. HOME RULE. A home rule municipality is a municipal corporation and political subdivision. [AND] It is a city [OF THE FIRST CLASS] or [AN ORGANIZED] a borough that has adopted a home rule charter, or it is

a unified municipality. A home rule municipality [IT] has all legislative powers not prohibited by law or charter.

EDITOR NOTE: No change.

Sec. 29.04.020 [29.08.020]. GENERAL LAW. A general law municipality is a municipal corporation and political subdivision and is an unchartered borough or city. It has legislative powers conferred by law.

EDITOR NOTE: No change.

Sec. 29.04.030 [29.08.030]. CLASSES OF GENERAL LAW. General law municipalities are of five classes:

- (1) first class boroughs;
- (2) second class boroughs;
- (3) third class boroughs;
- (4) first class cities;
- (5) second class cities.

EDITOR NOTE: (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.

(b) No change.

(c) No change.

(d) Minor rewording, but no substantive change.

(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".

Sec. 29.04.040 [29.08.040(a),(b),(c),(d),(e),(f)]. RECLASSIFICATION OF SECOND CLASS CITIES.

(a) A second class city may be reclassified as a first class city by holding an election on the question, [AS PROVIDED IN THIS SUBSECTION,] if the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] determines from the best figures available that the population of the city has reached 600 [400] permanent residents.

(b) An election on the question of reclassification may be initiated in two ways:

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

(2) the council may propose reclassification.

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

(d) The council shall, within 30 days after its findings have been made public, order an election [TO BE HELD] on the question of reclassification. The election shall be held at least 30 days after the order and not later than the next regular election occurring after the 30-day period. If more than one question is to be voted on at the election, each shall appear separately on the ballot.

(e) [(f)] The council shall certify the election results to the department [OF COMMUNITY AND REGIONAL AFFAIRS]. If the majority of votes cast [ON THE QUESTION] is favorable, the city shall be considered reclassified to first class status 30 days after certification of the election results.

EDITOR NOTE: This deletes the provision for reclassification of a second class borough to a third class borough. The material currently dealing with reclassification to third class status is deleted.

Sec. 29.04.050. [29.08.040(g)] RECLASSIFICATION OF SECOND CLASS BOROUGHs.

[(g)] A second class borough may reclassify as a first class [OR THIRD CLASS BOROUGH, AND A THIRD CLASS BOROUGH MAY RECLASSIFY AS A FIRST CLASS OR SECOND CLASS] borough in the manner provided by AS 29.35.320 - 29.35.330 [AS 29.33.270 - 29.33.290] for the addition of an areawide power by a first or second class borough, except the petition or proposal requests reclassification instead of requesting addition of a power [POWERS BY BOROUGHs, EXCEPT THE PETITION OR PROPOSAL REQUESTS RECLASSIFICATION INSTEAD OF REQUESTING ADDITION OF POWERS].

EDITOR NOTE: (a) Minor rewording, but no substantive change.

(b) Minor rewording, but no substantive change.

Sec. 29.04.060.[29.08.040(g),(h),(i)] RECLASSIFICATION OF THIRD CLASS BOROUGH.

[(H) AT THE TIME OF VOTING ON RECLASSIFICATION OF A SECOND CLASS BOROUGH TO THIRD CLASS STATUS, BOROUGH VOTERS IN CONFORMITY WITH AS 29.41 SHALL ELECT AN ASSEMBLY TO SERVE AS THE COMBINED ASSEMBLY AND SCHOOL BOARD OF THE THIRD CLASS BOROUGH IF RECLASSIFICATION IS APPROVED.]

(a) [(I)] [AT THE TIME OF VOTING ON RECLASSIFICATION OF] A third class borough may reclassify as a first or second class borough in the manner provided by AS 29.35.320 - 29.35.330 for the addition of an areawide power by a first or second class borough, except the petition or proposal requests reclassification instead of requesting addition of r power. At the time of voting on reclassification of a third class borough to first or second class status, [BOROUGH] voters shall vote also on whether the borough shall, on [UPON] reclassification, retain a combined assembly and school board or elect a separate assembly and board as otherwise provided for first and second class boroughs.

(b) [IF THE MAJORITY OF VOTES CAST ON THE QUESTION FAVORS RETENTION OF THE] If a combined assembly and school board[,] are approved at the reclassification election, the assembly serving at the time of the [RECLASSIFICATION] election continues to serve as the assembly and board on [UPON] voter approval of reclassification and until terms of assembly members [ASSEMBLYMEN] expire as provided before reclassification.

(c) If a separate [BOARD AND] assembly and school board are approved at the reclassification election, a school board shall be elected in conformity with AS 14.12.030 - 14.12.100 at the next regular [MUNICIPAL] election, if it occurs within 90 days of the date of the reclassification election, or otherwise at a special election within 90 days of the date of the reclassification election [THAT TIME CALLED BY THE ASSEMBLY WITH]. Expiration dates of terms of school board members elected at a [THE] special election must [TO] coincide with the date of the regular [MUNICIPAL] election. Until a board is elected and qualified, the assembly continues to serve as the board.

[(j) THE EFFECTIVE DATE OF RECLASSIFICATION OF A BOROUGH FOR WHICH RECLASSIFICATION IS APPROVED UNDER (H) OF THIS SECTION IS THE FIRST DAY OF THE BOROUGH'S FISCAL YEAR WHICH BEGINS AT LEAST SIX MONTHS AFTER THE DATE ON WHICH THE RECLASSIFICATION PROPOSITION HAS BEEN APPROVED BY THE VOTERS.]

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

CHAPTER 05 [18]. INCORPORATION.

ARTICLE 1. REQUIREMENTS.

EDITOR NOTE: (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.

(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.

(2) No change.

(3) The term "local services" is altered to "municipal services".

(4) The term "local government" is altered to "city government".

(5) The term "local government" is altered to "city government".

(b) No change.

Sec. 29.05.010 [29.18.011 FIRST CLASS CITIES.] INCORPORATION OF A CITY [CITIES].

(a) A community that [WHICH] meets the following standards may incorporate as a home rule or first class city:

(1) the community has 600 [400] or more permanent residents;

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

(3) the economy of the community includes the human and financial resources necessary to provide municipal [LOCAL] services; in considering the economy of the community, the Local Boundary Commission shall consider property values [VALUATIONS], economic base, personal income, resource and commercial development, anticipated functions, and the expenses and income of the proposed city, including the ability of the community to generate local revenue;

(4) the population of the community is stable enough to support city [LOCAL] government;

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

(b) A community that [WHICH] meets all the standards under [ESTABLISHED IN] (a) of this section except (a)(1) may incorporate as a second class city.

EDITOR NOTE: (a) No change.

(b) The term "organized borough" is altered to "borough", which is defined for the title.

Sec. 29.05.020 [29.18.020(b), 29.18.021(a)] LIMITATIONS ON INCORPORATION OF A CITY [CITIES].

(a) A community in the unorganized borough may not incorporate as a city if the services to [MAY] be provided by the proposed city can be provided by annexation to an existing city.

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

EDITOR NOTE: (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.

(b) This is new and provides that an area may not incorporate as a third class borough.

Sec. 29.05.030 [29.18.030]. INCORPORATION OF A BOROUGH [ORGANIZED BOROUGH].

(a) An area that meets the following standards may incorporate as a home rule, first class, or second class borough [AN ORGANIZED BOROUGH IF IT CONFORMS TO THE FOLLOWING STANDARDS]:

(1) the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support [ORGANIZED] borough government;

(2) the boundaries of the proposed borough conform generally to

natural geography and include all areas necessary for full development of municipal services;

(3) the economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values [VALUATIONS], total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough;

(4) land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough [LOCAL] government.

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

ARTICLE 2. PROCEDURES.

EDITOR NOTE: "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.

(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.

(11) Signature requirements for incorporation of a first class city must also be complied with for incorporation of a home rule city.

(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. 29.05.060 [29.18.050, 29.05.060(8)]. PETITION. Municipal incorporation is proposed by filing a petition with the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]. The petition shall include the following information about the proposed municipality:

- (1) class;
- (2) name;
- (3) boundaries;
- (4) maps, documents, and other information required by the department; [(EFFECTIVE JANUARY 1,1981) COMPOSITION AND APPORTIONMENT OF THE ASSEMBLY OR COUNCIL;]

(5) composition and apportionment of the governing body; [FOR A FIRST CLASS BOROUGH, A DESIGNATION OF AREAWIDE POWERS TO BE EXERCISED;]

(6) a proposed operating budget for the municipality projecting sources of income and items of expenditure through the first full fiscal year of operation; [FOR A SECOND CLASS BOROUGH, A DESIGNATION OF AREAWIDE AND NONAREAWIDE POWERS TO BE EXERCISED;]

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

(a) home rule and first class cities in the area of the proposed borough; and

(b) the area of the proposed borough outside home rule and first class cities; [MAPS, DOCUMENTS, AND OTHER INFORMATION REQUIRED BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS;]

(8) for a first class borough, a designation of areawide powers to be exercised; [FOR FIRST CLASS CITY INCORPORATION, THE SIGNATURES AND RESIDENT ADDRESS OF 50 PERMANENT RESIDENT VOTERS OR OF 15 PER CENT OF THE PERMANENT RESIDENT VOTERS WITHIN THE PROPOSED MUNICIPALITY, WHICHEVER IS GREATER BASED ON THE NUMBER WHO VOTED IN THE AREA IN THE LAST GENERAL ELECTION;]

(9) for a second class borough, a designation of areawide and nonareawide powers to be exercised; [FOR A SECOND CLASS CITY INCORPORATION, THE SIGNATURE AND RESIDENT ADDRESS OF 25 PERMANENT RESIDENT VOTERS OR OF 15 PER CENT OF THE PERMANENT RESIDENT VOTERS WITHIN THE PROPOSED MUNICIPALITY, WHICHEVER IS GREATER BASED ON THE NUMBER WHO VOTED IN THE AREA IN THE LAST GENERAL ELECTION;]

(10) for a first or second class city, a designation of the powers to be exercised; [FOR BOROUGH INCORPORATION, THE SIGNATURE AND RESIDENT ADDRESS OF 15 PER CENT OF THE PERMANENT RESIDENT VOTERS IN EACH FIRST CLASS CITY AND 15 PER CENT OF VOTERS IN THE AREA OUTSIDE FIRST CLASS CITIES BASED ON THE NUMBER WHO VOTED IN THE RESPECTIVE AREAS IN THE LAST GENERAL ELECTION;]

(11) for a home rule or first class city, based on the number who voted in the area in the last general election, the signatures and resident address of 50 voters in the proposed city or of 15 percent of the voters in the proposed city, whichever is greater; [FOR A CITY, A DESIGNATION OF THE POWERS PROPOSED BY THE PETITIONERS TO BE EXERCISED;]

(12) for a second class city, based on the number who voted in the area in the last general election, the signature and resident address of 25 voters in the proposed city or of 15 percent of the voters in the proposed city, whichever is greater; [A PROPOSED OPERATING BUDGET FOR THE MUNICIPALITY

PROJECTING SOURCES OF INCOME AND ITEMS OF EXPENDITURE THROUGH THE FIRST FULL FISCAL YEAR OF OPERATION.]

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

EDITOR NOTE: Minor rewording, but no substantive change.

Sec. 29.05.070 [29.18.060]. REVIEW. The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall review an incorporation petition[S] for content and signatures and shall return a deficient petition[S] for correction and completion.

EDITOR NOTE: (a) Combines material currently found in two subsections. Adds requirement that notice of the meeting be published. "Published" is defined for the title.

(b) No change.

(c) No substantive change.

Sec. 29.05.080 [29.18.070(a),(b),(c), 29.18.080(a)]. INVESTIGATION.

(a) If an incorporation [THE] petition contains the required information and signatures, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall investigate the proposal and shall hold at least one public informational meeting in the area proposed for incorporation. The department shall publish notice of the meeting.

(b) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] may combine incorporation petitions from the same general area.

(c) The department shall report its findings to the Local Boundary Commission with its recommendations regarding the incorporation.

EDITOR NOTE: Department of Community and Regional Affairs" is altered to "department".

Sec. 29.05.090 [29.18.080(b)]. [REPORT AND] HEARING. The Local Boundary Commission shall hold at least one public hearing in the area proposed to be incorporated for the purpose of receiving testimony and evidence on the proposal.

[(a) THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL REPORT ITS FINDINGS TO THE LOCAL BOUNDARY COMMISSION WITH ITS RECOMMENDATIONS REGARDING THE INCORPORATION.]

EDITOR NOTE: No substantive change.

Sec. 29.05.100 [29.18.090]. DECISION.

(a) If the Local Boundary Commission determines that a proposed municipality fails to meet the standards for incorporation, it shall reject the petition. If the commission determines that the proposed municipality meets the standards, it shall accept the petition. If the commission determines that the proposed municipal boundaries can be altered to meet the standards, it may alter the boundaries and accept the petition.

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

EDITOR NOTE: 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.

Sec. 29.05.110 [29.18.110]. INCORPORATION ELECTION.

(a) The Local Boundary Commission shall immediately notify the director of elections [LIEUTENANT GOVERNOR] of elections of its acceptance of an incorporation petition. Within 30 days after notification, the director of elections [LIEUTENANT GOVERNOR] shall order an election in the proposed municipality to determine whether the voters desire incorporation and, if so, to elect the initial municipal officials [OFFICERS IN THE SAME ELECTION]. If incorporation is rejected, no officials are elected. The election must be [IS] held not less than 30 [N]or more than 90 days after the date of the election order. The election order must specify the dates during which nomination petitions for election of initial officials [OFFICERS] may be filed.

(b) A [AN ALASKAN] voter who has been a resident of the area within the proposed municipality for 30 days before the date of the election order may vote.

(c) Areawide borough powers included in an [THE] incorporation petition are considered to be part of the incorporation question. In an election for the incorporation of a second class borough, each non-areawide power to be exercised [OUTSIDE CITIES ONLY] is placed separately on the ballot. Adoption of a non-areawide power requires a majority of the votes cast on the question, and the

vote is limited to the voters residing in the proposed borough but outside all cities in the proposed borough [OUTSIDE CITIES].

(d) A home rule charter included in an incorporation petition under AS 29.05.060(13) is considered to be part of the incorporation question. The home rule charter is adopted if the voters approve incorporation of the municipality. [THE LIEUTENANT GOVERNOR SHALL SUPERVISE THE ELECTION IN THE GENERAL MANNER PRESCRIBED BY THE ALASKA ELECTION CODE (AS 15.05 - 15.60). THE STATE SHALL PAY ALL ELECTION COSTS UNDER THIS SECTION.]

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

EDITOR NOTE: This section is reorganized. Current references to the lieutenant governor are changed to the director of elections.

- (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. 29.05.120 [29.18.120]. ELECTION OF INITIAL OFFICIALS [OFFICERS.]

(a) Nominations for initial municipal officials are made by petition. The petition shall be [IS] in the form prescribed by the director of elections and shall include[S] the name and address of the nominee and a statement of the nominee that the nominee [HE] is qualified under the provisions of this title for the office that is sought [HE SEEKS]. A person may file for and occupy more than one office, but [HE] may not serve simultaneously as

(1) borough mayor and as a member of the [BOROUGH] assembly; or
(2) [AS] city mayor and as a member of the council in a [OF A HOME RULE OR] first class city.

(b) Except for a proposed second class city, [PETITIONS TO NOMINATE OFFICERS OF A SECOND CLASS CITY MUST INCLUDE THE SIGNATURE AND RESIDENT ADDRESS OF 10 VOTERS IN THE AREA OF THE PROPOSED CITY.] petitions to nominate initial officials [ELECTED MUNICIPAL OFFICERS] must include the signature and resident address of 50 voters in the area of the proposed municipality, or that area of the proposed municipality from which the officials [OFFICERS] are to be elected under the composition and apportionment set out in the accepted incorporation

petition.

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

(d) The director of elections [LIEUTENANT GOVERNOR] shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15[.05 - 15.60]). The state shall pay all election costs [UNDER (a) - (c) OF THIS SECTION].

(e) The initial elected [MUNICIPAL] officials take office on the first Monday following certification of their election.

(f) The initial elected [BOROUGH ASSEMBLY AND CITY COUNCIL] members of the governing body shall determine by lot the length of their terms of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.

EDITOR NOTE: 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.

Sec. 29.05.130 [29.18.130]. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE

(a) A service area[S] in a newly incorporated municipality [BOROUGH OR CITY] shall be integrated into the municipality [BOROUGH OR CITY] within two years after the date of incorporation. On integration the municipality [BOROUGH OR CITY] succeeds to all the rights, powers, duties, assets and liabilities of the service area[S]. On integration all property in the service area subject to taxation to pay the principal and interest on bonds at the time of integration remains subject to taxation for that purpose.

(b) After integration, the municipality [BOROUGH ASSEMBLY OR CITY COUNCIL] may exercise [WITHIN] in a former service area all of the rights and powers exercised by the service area at the time of integration, and, as successor to the service area, may levy and collect special charges, taxes, or assessments to amortize bonded indebtedness incurred by the service area or by a municipality in which the service area was formerly located [BOROUGH OR CITY].

EDITOR NOTE: Minor wording changes are made to improve readability and to insure that terms are used consistently throughout the title.

Sec. 29.05.140 [29.18.140]. TRANSITION.

(a) The powers and duties exercised by [HOME RULE OR GENERAL LAW] cities and service areas that [WHICH] are succeeded to by a newly incorporated municipality continue to be [BOROUGH OR CITY ARE] continue to be exercised by the[M] cities and service areas until the new municipality [BOROUGH OR CITY] assumes the powers and functions, which may not exceed two years after the date of incorporation. Ordinances, rules, resolutions, procedures, and orders in effect before the transfer remain in effect until superseded by the action of the new municipality [BOROUGH OR CITY].

(b) Before the assumption, the new municipality [BOROUGH OR CITY] shall give written notice of its assumption of the rights, powers, duties, as-sets, and liabilities under this section and AS 29.05.130 [AND OTHER ITEMS ENUMERATED IN §§ 130 - 140 OF THIS CHAPTER] to the city or [AND] service area concerned. Municipal [BOROUGH OR CITY] officials shall consult with the officials of the city or service area concerned[,] and arrange an orderly transfer.

(c) After the incorporation of a new municipality[BOROUGH OR CITY], no service area in [WITHIN] it may assume new bonded indebtedness, make a [ANY] contract, or transfer an [ANY] asset[S] without the consent of the governing body [COUNCIL].

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

EDITOR NOTE: No substantive change.

Sec. 29.05.150 [29.18.150]. CHALLENGE OF LEGALITY.

A [NO] person may not challenge the formation of a municipality except within six months after [OF] the date of its incorporation.

ARTICLE 3. TRANSITIONAL ASSISTANCE.

EDITOR NOTE: 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 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.

Sec. 29.05.180 [29.18.180]. ORGANIZATION GRANTS TO CITIES.

(a) To [FOR THE PURPOSE OF] defray[ING] the cost of transition to [BOROUGH OR] city government and [IN ORDER] to provide for [DEVELOPMENT AND] interim government[AL] operations, each [BOROUGH AND] city incorporated after July [JANUARY] 1, 1984 [1968, OTHER THAN A UNIFIED MUNICIPALITY INCORPORATED UNDER THE PROVISIONS OF AS 29.85, OR A MUNICIPALITY OTHERWISE INCORPORATED BY CONSOLIDATION,] is entitled to an organization grant of \$50,000 for the first full or partial fiscal year after incorporation. [EQUAL TO \$10 FOR EVERY VOTER WHO VOTED IN THE BOROUGH OR CITY INCORPORATION ELECTION. HOWEVER, EACH INCORPORATED BOROUGH AND EACH FIRST CLASS CITY INCORPORATED OR ESTABLISHED BY RECLASSIFICATION OUTSIDE AND ORGANIZED BOROUGH IS ENTITLED TO AT LEAST \$25,000.]

(b) To defray the cost of reclassification, each second class city in the unorganized borough incorporated before July 1, 1984 that reclassifies as a home rule or first class city after July 1, 1984 is entitled to an organization grant equal to \$50,000 for the first full or partial fiscal year after reclassification. [WITHIN 30 DAYS AFTER THE DATE OF INCORPORATION OF A BOROUGH OR CITY AFTER SEPTEMBER 10, 1972, THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL DETERMINE THE NUMBER OF VOTERS IN THE BOROUGH OR CITY WHO VOTED IN THE INCORPORATION ELECTION.]

(c) The department [OF COMMUNITY AND REGIONAL AFFAIRS] shall disburse an organization grant under (a) or (b) of this section within 30 days after certification of the incorporation election or the reclassification election, or as soon after certification as money is appropriated and available for the purpose. [WITHIN 30 DAYS AFTER THE COMPLETION OF ITS FINDINGS, OR AS SOON THEREAFTER AS MONEY IS APPROPRIATED TO IT FOR THE PURPOSE, THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL TRANSMIT TO THE BOROUGH OR CITY THE TOTAL AMOUNT OF MONEY TO WHICH THE BOROUGH OR CITY IS ENTITLED.]

(d) A city entitled to an organization grant under (a) or (b) of this section is entitled to a second organization grant of \$25,000. The department [OF COMMUNITY AND REGIONAL AFFAIRS] shall disburse the second organization grant within 30 days after the beginning of the city's second fiscal year after incorporation or reclassification, or as soon after that time as money is appropriated and available for the purpose.

EDITOR NOTE: This section deals with organization grants to boroughs only and applies to boroughs incorporated after July 1, 1984. 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.

Sec. 29.05.190 [29.18.180]. ORGANIZATION GRANTS TO BOROUGHES

(a) For the purpose of defraying the cost of transition to borough government and to provide for interim governmental operations, each borough incorporated after July 1, 1984, is entitled to organization grants as follows:

- (1) \$300,000 for the borough's first full or partial fiscal year;
- (2) \$200,000 for the borough's second fiscal year; and
- (3) \$100,000 for the borough's third fiscal year.

(b) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall disburse the first organization grant to a borough within 30 days after certification of the incorporation election favoring incorporation of a borough, or as soon after that as money is appropriated and available for the purpose. The second grant shall be disbursed within 30 days after the beginning of the borough's second fiscal year, or as soon after that as money is appropriated and available for the purpose. The third grant shall be disbursed within 30 days after the beginning of the borough's third fiscal year, or as soon after that as money is appropriated and available for the purpose.

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

Sec. 29.05.200. ORGANIZATION GRANT FUND.

(a) The organization grant fund is established in the department. An appropriation made to the fund shall be used for organization grants to municipalities that [WHICH] qualify under AS 29.05.180 or 29.05.190.

(b) Before August 31 of each fiscal year the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall submit a report to the Department of Administration indicating

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

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

EDITOR NOTE: 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.

Sec. 29.05.210. TRANSITIONAL ASSISTANCE TO BOROUGHES.

(a) Within 30 days after the date of incorporation of a borough incorporated after July 1, 1984, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall determine the population of the borough.

(b) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall provide assistance to each borough incorporated after July 1, 1984, in

(1) establishing the initial sales and use tax assessment and collection department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] if the borough has adopted a sales or use tax;

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

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

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

CHAPTER 06. ALTERATION OF MUNICIPALITIES.

ARTICLE 1. CHANGE OF NAME.

EDITOR NOTE: 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.

Sec. 29.06.010 [29.73.050]. CHANGE OF MUNICIPAL NAME.

(a) A [THE GOVERNING BODY OF A HOME RULE OR GENERAL LAW] municipality may change its [THE] official [MUNICIPAL] name by adopting an ordinance for the purpose that is ratified by the voters and filing the ordinance with the office of the lieutenant governor. Upon receipt of an [A LEGALLY ADOPTED] ordinance ratified by the [QUALIFIED] voters, [VOTING ON THE QUESTION AT A REGULAR OR SPECIAL ELECTION,] the lieutenant governor shall issue an [APPROPRIATE] order to the municipality changing its [EXISTING] name. The name change shall become effective on a date fixed in the order and occurring within 45 days after [OF] receipt of the ordinance. A copy of the order shall be transmitted to the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS].

(b) If an ordinance adopted under (a) of this section that [WHICH] results in a change of [AN ORDER CHANGING] the municipal name is subsequently repealed, the lieutenant governor shall issue an [A FURTHER] order reinstating the former [MUNICIPAL] name within 45 days after [OF] the date of the order, unless a different [MUNICIPAL] name is adopted [BY ORDINANCE TRANSMITTED TO THE LIEUTENANT GOVERNOR FOR IMPLEMENTATION] as provided in (a) of this section.

(c) When a municipal name change takes effect by means of an order issued under (a) or (b) of this section, a civil or criminal suit[S], application[S], petition[S], hearing[S] or [AND] other proceeding[S] to which the municipality is a party and that is pending at or brought after the date the name change takes effect shall proceed in the municipal name [NAME OF THE MUNICIPALITY] as changed by the order.

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

ARTICLE 2 [1]. ANNEXATION AND DETACHMENT [EXCLUSION].

EDITOR NOTE: This section contains only minor word changes so that language used in Title 29 which is defined is uniformly used throughout the title.

Sec. 29.06.040 [29.68.010]. LOCAL BOUNDARY COMMISSION.

(a) The Local Boundary Commission may consider any proposed municipal boundary change. It may reject the proposed change, accept the proposed change, or alter the boundaries and accept the proposal as altered. A Local Boundary Commission decision under this subsection may be appealed under the Administrative Procedure Act (AS 44.62).

(b) [(A)] The Local Boundary Commission may present a [CONSIDER ANY] proposed municipal [LOCAL GOVERNMENT] boundary change[. IT MAY PRESENT PROPOSED CHANGES] to the legislature during the first 10 days of a [ANY] regular session. The change [SHALL] become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

(c) [(B)] In addition to the regulations governing annexation by local action adopted under AS 44.47.567 [AS 44.19.260], the Local Boundary Commission shall[, WITHIN 90 DAYS OF SEPTEMBER 10, 1972,] establish procedures for annexation and detachment [EXCLUSION] of territory by municipalities [CITIES AND BOROUGH] by local action. The procedures established under this subsection [SHALL] include a provision that

(1) [A PROVISION REQUIRING THAT] a proposed annexation and detachment [EXCLUSION] must be approved by a majority of votes [THE VOTERS VOTING] on the question cast by voters residing in [WITHIN] the area proposed to be annexed or detached [EXCLUDED];

(2) [PROVISIONS THAT] municipally owned property adjoining the municipality may be annexed by ordinance without voter approval; and

(3) [PROVISIONS THAT] an area adjoining the municipality may be annexed by ordinance without an election if all property owners and voters in [WITHIN] the area petition the governing body [ASSEMBLY OR COUNCIL].

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

EDITOR NOTE: No substantive change.

Sec. 29.06.050 [29.68.020]. ANNEXATION OF MILITARY RESERVATIONS. A military reservation may be annexed to a municipality [CITY OR BOROUGH] in the same manner as prescribed for [ANY] other territory under AS 29.06.040[AS 29.68.010]. If a city in a [WITHIN AN ORGANIZED] borough annexes a military reservation under this section, the area [TERRITORY] encompassing the military reservation automatically is annexed to the borough in [OF] which the city is located [A PART].

EDITOR NOTE: 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. 29.06.060. APPLICATION. AS 29.06.040 - 29.06.060 apply to home rule and general law municipalities.

ARTICLE 3. MERGER AND CONSOLIDATION.

EDITOR NOTE: Adds a provision that a third class borough may not be formed through merger or consolidation.

Sec. 29.06.090 [29.68.030]. [METHODS OF] MERGER AND CONSOLIDATION.

(a) Two or more municipalities may merge or consolidate to form a single municipality, except a third class borough may not be formed through merger or consolidation.

(b) Two methods may be used to initiate merger or consolidation of [HOME RULE AND GENERAL LAW] municipalities:

(1) petition to the Local Boundary Commission under regulations adopted by the commission; or

(2) the local option method specified in AS 29.06.100 - 29.06.160 [§§ 40 - 110 OF THIS CHAPTER].

EDITOR NOTE: The word "existing" is added to make it clear that some requirements refer to an existing municipality and some to a proposed municipality.

Sec. 29.06.100 [29.68.040]. PETITION.

(a) Residents of two or more municipalities may file a merger or consolidation petition with the department [DEPARTMENT OF COMMUNITY AND REGIONAL

AFFAIRS]. The petition must be signed by a number of [MUNICIPAL] voters of each existing municipality equal to at least 25 percent of the number of votes cast in each municipality's [ITS] last regular election.

(b) The petition includes

- (1) the name and class of each existing municipality;
- (2) the name and class of the proposed municipality;
- (3) the proposed composition and apportionment of the governing body [ASSEMBLY OR COUNCIL];
- (4) maps, documents, and other information that [WHICH] shows that the proposed municipality meets the standards for municipal incorporation.

EDITOR NOTE: "Department of Community and Regional Affairs" is changed to "department".

Sec. 29.06.110 [29.68.050, 29.68.060, 29.68.070(a)]. REVIEW.

(a) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall review a merger or consolidation petition for content and signatures and shall return a deficient petition for correction or completion.

(b) [29.68.060 INVESTIGATION.] If the petition contains the required information and signatures, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall investigate the proposal.

(c) [29.68.070. REPORT AND HEARING] The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall report its findings to the Local Boundary Commission with its recommendations regarding the merger or consolidation.

EDITOR NOTE: No substantive change.

Sec. 29.06.120 [29.68.070(b)]. HEARING. [(B)] After receipt of the report by the department on a merger or consolidation petition, the Local Boundary Commission shall hold at least one public hearing in each of the existing municipalities included in the [MERGER OR CONSOLIDATION] petition, unless officials of the municipalities agree to a single hearing.

EDITOR NOTE: "Assembly or council" is changed to "governing body". Material contained in the last sentence under current law is placed into a new subsection (b).

Sec. 29.06.130 [29.68.080]. DECISION.

(a) If the Local Boundary Commission determines that the proposed municipality fails to meet the standards for incorporation, it shall reject the merger or consolidation petition. If the commission determines that the proposed municipality meets these standards, it shall accept the petition. If the commission determines that the proposed boundaries or the composition and apportionment of the governing body [ASSEMBLY OR COUNCIL] can be altered to meet the standards, it may alter [CHANGE] the proposal and accept the petition.

(b) A Local Boundary Commission [THE] decision under this section may be appealed [UNDER THIS SECTION] under the Administrative Procedure Act (AS 44.62).

EDITOR NOTE: 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".

Sec. 29.06.140 [29.68.090]. ELECTION.

(a) The Local Boundary Commission shall immediately notify the director of elections [LIEUTENANT GOVERNOR] of its acceptance of a merger or consolidation petition. Within 30 days after notification, the director of elections [LIEUTENANT GOVERNOR] shall order an election in [WITHIN] the area to be included in the new municipality to determine whether the voters desire merger or consolidation. The election must be [IS] held not less than 30 [N]or more than 90 days after the election order. [(B)] A voter who is a resident of the area to be included in the proposed municipality may vote.

(b) [(C)] The director of elections [LIEUTENANT GOVERNOR] shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15) [(AS 15.05 - 14.60)]. The state shall pay all election costs.

(c) The director of elections [LIEUTENANT GOVERNOR] shall certify the election results. If merger or consolidation is approved, the director of elections [HE] shall, within 10 days, set a date for election of officials [OFFICERS] of the new municipality [UNDER AS 29.18 - 120.]. The election date must be [IS] not less than 60 [N]or more than 90 days after the election order[. THIS DATE] and it is the effective date for the merger or consolidation.

EDITOR NOTE: No substantive change.

Sec. 29.06.150 [29.68.100]. ASSETS AND LIABILITIES.

(a) When two or more municipalities merge, one [MUNICIPALITY] succeeds to the rights, powers, duties, assets, and liabilities of the others.

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

EDITOR NOTE: No substantive change.

Sec. 29.06.160 [29.68.110]. TRANSITION [ORDINANCES]. After merger or consolidation, the ordinances, resolutions, [RULES,] regulations, procedures, and orders of the former municipalities remain in force in their respective territories until superseded by the action of the new [SUCCESSOR] municipality.

EDITOR NOTE: 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. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to home rule and general law municipalities.

ARTICLE 4 [3]. UNIFICATION OF MUNICIPALITIES [LOCAL GOVERNMENTS].

EDITOR NOTE: No substantive change.

Sec. 29.06.190 [29.68.240]. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A [AN ORGANIZED] borough and all cities in [WITHIN] the borough may unite to form a single unit of home rule [LOCAL] government by complying with AS 29.06.190 - 29.06.410 [THIS CHAPTER].

EDITOR NOTE: No substantive change.

Sec. 29.06.200 [29.68.250]. UNIFICATION [TO BE] PROPOSED [BY PETITION].

(a) Formation of a charter commission to prepare [PROPOSE] a unification charter shall be proposed by resolution of the assembly or by petition. A [AN ASSEMBLY] resolution to propose formation of a charter commission [FOR THE

PURPOSE] may be adopted not more often than once every 12 months.

(b) An [THE BOROUGH] assembly, a [CITY] council, or a person living in [WITHIN] the area [OF] proposed for unification may initiate a unification [THE] petition.

EDITOR NOTE: "Unification" is added to make it clear that this is a special type of petition. (b)(1) and (2) are slightly rewritten for clarity.

Sec. 29.06.210 [29.68.260]. PETITION REQUIREMENTS.

(a) A unification [THE] petition shall read:

"PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICATION CHARTER. We, the undersigned, qualified voters of the borough do hereby petition that the following proposition be placed before the voters as provided by law:

'Shall a charter commission be formed (and charter commission members be elected as elsewhere provided on this ballot) to prepare, adopt and submit to the voters for their approval or rejection a proposed charter uniting the borough and all cities within it as a single unit of home rule government having the powers, duties and functions of a unified municipality [GOVERNMENT] as authorized by law?
Yes [] No []

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

(b) The petition shall be signed by at least

(1) the [THAT] number of [QUALIFIED] voters residing [OF THE BOROUGH LIVING] outside all home rule [FIRST CLASS] and first class [HOME RULE] cities in the borough equal to 25 percent of the votes cast [QUALIFIED VOTERS WHO VOTED] in that area in the last regular borough election; and

(2) the [THAT] number of [QUALIFIED] voters residing in home rule or first class cities [EACH FIRST CLASS AND HOME RULE CITY] in the borough equal to 25 percent of the votes cast [QUALIFIED VOTERS WHO VOTED] in all home rule and first class cities in the borough in the last regular borough election [IN EACH CITY].

EDITOR NOTE: No substantive change.

Sec. 29.06.220 [29.68.270]. REVIEW OF PETITION. [UPON RECEIPT OF A PETITION,] The [BOROUGH] assembly shall review a unification [THE] petition within 15 [AFTER ITS RECEIPT] days to determine whether it complies with AS 29.06.210 [§ 260 OF THIS CHAPTER]. If the petition does not meet the designated requirements, it shall be immediately returned to the person who

initiated the petition with a statement indicating which requirements have not been satisfied.

EDITOR NOTE: New section setting out duties of charter commission.

Sec. 29.06.230 [29.68.350(a)]. DUTIES OF CHARTER COMMISSION [PREPARATION].
The [A] charter commission [ESTABLISHED UNDER THIS CHAPTER] shall prepare, adopt, and submit to the voters for approval or rejection a proposed home rule charter for the area to be unified. [TO THE VOTERS FOR APPROVAL OR REJECTION 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 AS 29.68.380. THE CHARTER SHALL INCLUDE AMONG ITS PROVISIONS:

(1) PROVISIONS FOR ADJUSTMENT OF EXISTING BONDED INDEBTEDNESS AND OTHER OBLIGATIONS IN A MANNER WHICH WILL RESERVE A FAIR AND EQUITABLE BURDEN OF TAXATION FOR DEBT SERVICE, SUBJECT TO AS 29.68.410;

(2) PROVISIONS FOR

(A) THE ESTABLISHMENT OF SERVICE AREAS: AND

(B) THE ESTABLISHMENT OF DISTRICTS OR SECTIONS FOR THE ELECTION OF MEMBERS OF THE LEGISLATIVE BODY OF THE UNIFIED MUNICIPALITY, IF ELECTION OF MEMBERS OF THE LEGISLATIVE BODY IS NOT AREA-WIDE, AND PROCEDURES BY WHICH TO REAPPORTION THE ELECTION DISTRICTS OR SECTIONS;

(C) REAPPORTIONMENT OF THE SECTIONS, IF ESTABLISHED;

(3) PROVISION FOR NONPARTISAN GOVERNMENT AND PROVISION FOR THE SELECTION, ORGANIZATION, AUTHORITY AND RESPONSIBILITIES OF THE GOVERNING BODY AND ITS EXECUTIVE AND ADMINISTRATOR;

(4) THE TRANSFER OR OTHER DISPOSITION OF PROPERTY AND OTHER RIGHTS, CLAIMS, ASSETS AND FRANCHISES OF THE LOCAL GOVERNMENT TO BE UNIFIED UNDER THE CHARTER;

(5) PROVISION FOR EXERCISE OF THE RIGHTS OF INITIATIVE AND REFERENDUM AS REQUIRED BY AS 29.13.050;

(6) A METHOD OF AMENDING THE CHARTER;

(7) THE DATE ON WHICH THE CHARTER, IF APPROVED AT THE CHARTER ELECTION REQUIRED BY AS 29.68.390, IS EFFECTIVE;

(8) DESIGNATION OF THE NEW MUNICIPALITY'S OFFICIAL NAME, SUBJECT TO THE PROVISIONS OF (b) OF THIS SECTION;

(9) OTHER CHARTER PROVISIONS WHICH THE CHARTER COMMISSION ELECTS TO INCLUDE AND WHICH MAY BE INCLUDED IN A HOME RULE CHARTER UNDER THIS CHAPTER AND THE STATE CONSTITUTION.

(b) THE AREA TO BE UNIFIED SHALL BE KNOWN AS A BOROUGH OR A CITY OR BY SOME OTHER DESIGNATION CONSISTENT WITH EXISTING LAW.

EDITOR NOTE: 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.

Sec. 29.06.240 [29.68.310]. COMPOSITION OF CHARTER COMMISSION. The charter commission [MEMBERS SHALL BE QUALIFIED VOTERS AND] shall consist of 11 voters [MEMBERS], three of whom are [SHALL BE] residents elected at large from the [AREA OF THE] borough and eight of whom, proportionate to the population as determined by the department, are [SHALL BE]

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

(2) residents of and elected from home rule or first class cities [A CITY OR CITIES] in the borough. [THE NUMBER REPRESENTING EACH OF THESE AREAS SHALL BE PROPORTIONATE TO THE RESPECTIVE POPULATIONS AS DETERMINED BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.]

EDITOR NOTE: (a) No substantive change.

(b) No substantive change.

(c) No substantive change.

(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. 29.06.250 [29.68.280, 29.68.29(a),(b)]. [CALL FOR] CHARTER COMMISSION NOMINATIONS.

(a) If the assembly determines [ONCE IT IS DETERMINED BY THE BOROUGH ASSEMBLY] that a unification petition meets the requirements of AS 29.06.210 [\$ 260 OF THIS CHAPTER], or the assembly by its resolution proposes an election on formation of a charter commission [TO PROPOSE A UNIFICATION CHARTER], the assembly shall issue a call for the nomination of [CHARTER] commission candidates, specifying the filing deadline and [OUTLINING] the procedure [DESCRIBED] for making nominations [UNDER § 290 OF THIS CHAPTER].

(b) [29.68.290. NOMINATION OF CHARTER COMMISSION CANDIDATES. (A)] Charter commission candidates shall be nominated by petition signed by at least 50 [QUALIFIED] voters of the area from which the candidate seeks election, or by a number of [QUALIFIED] voters from that area equal to at least 10 percent of the number of votes cast from that area in the last regular borough election, which ever is less.

(c) [(B)] Nomination petitions shall be filed with the borough clerk at least 30 days after notice of the call for nominations has been given and on or before a date fixed by the [BOROUGH] assembly[, WHICH DATE SHALL NOT BE LESS THAN 30 DAYS AFTER NOTICE OF THE CALL FOR NOMINATIONS HAS BEEN GIVEN THROUGH THE BOROUGH].

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

EDITOR NOTE: No substantive change.

Sec. 29.06.260 [29.68.300]. QUALIFICATIONS OF [CHARTER COMMISSION] CANDIDATES. A person is eligible to be nominated as a candidate for the charter commission if that person is a [HE HAS BEEN A QUALIFIED] voter of the area from which [HE SEEKS] election is sought and has been a voter of the area for at least one year immediately preceding the date the [HIS] nomination petition is filed [WITH THE BOROUGH CLERK].

EDITOR NOTE: (a) The question submitted is whether a charter commission shall be formed, not whether unification shall take place.

(b) No substantive change.

(c) No substantive change.

Sec. 29.06.270 [29.68.320(a),(b),(c),(d)]. ELECTION OF CHARTER COMMISSION.

(a) After receipt of a valid unification petition or adoption of an assembly resolution to propose formation of a charter commission [FOR THE PURPOSE], the [BOROUGH] assembly shall submit to the voters the question of whether a charter commission shall be formed to prepare a proposed unification charter [THAT BOROUGH AND ALL CITIES WITHIN IT SHALL UNITE TO FORM A SINGLE UNIT OF HOME RULE GOVERNMENT]. The vote shall be held at the next regular borough election scheduled at least 90 days after receipt of the [VALID] petition or adoption of

the resolution. [(B)] The ballot shall be worded exactly as in AS 29.06.210(a) [§ 260 (A) OF THIS CHAPTER].

(b) [(C)] The election of charter commission members shall take place at the same time as the election on the question of formation of the commission [UNIFICATION].

(c) [(D)] All costs incurred in conducting an election under AS 29.06.190 - 29.06.410 [THIS CHAPTER] shall be paid by the borough.

EDITOR NOTE: Reworded to clarify that formation of a charter commission is being considered, not unification.

Sec. 29.06.280 [29.68.330]. REQUIREMENTS FOR APPROVAL OF FORMATION [UNIFICATION] AND ELECTION OF CHARTER COMMISSION.

(a) The votes on the question of formation of a charter commission [UNIFICATION] shall be tabulated in two separate classifications. One classification [SHALL] consists of all votes cast in first class and home rule cities in [CF] the borough. The other classification [SHALL] consists of all votes cast in the remaining area of the borough. In order for formation of a charter commission [UNIFICATION] to be approved, [IT IS NECESSARY THAT] a majority of the votes in each classification must favor formation of the commission [UNIFICATION].

(b) If formation of a charter commission [UNIFICATION] is approved, the [THOSE CHARTER COMMISSION] candidates who received the highest number of votes from their respective areas shall serve as members of the commission.

EDITOR NOTE: No substantive change.

Sec. 29.06.290 [29.68.340(a)-(d)]. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

(a) The charter commission [AUTHORIZED BY THIS CHAPTER] shall hold its first meeting within 30 days after [OF THE DATE OF] certification of its election. The commission shall elect from among its members a chairman and a deputy chairman.

(b) A majority of the total membership of the charter commission constitutes a quorum. A [NO] decision of the commission is not valid or binding unless approved by the [THAT] number of members necessary to constitute a quorum.

(c) The charter commission may elect other officials [OFFICERS] from among its membership, adopt rules governing its procedures that are consistent

with AS 29.06.190 - 29.06.410 and hire and discharge [COMMISSION] employees.
[RULES ADOPTED MUST CONFORM WITH THE PROVISIONS OF THIS CHAPTER.]

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

EDITOR NOTE: No substantive change.

Sec. 29.06.300 [29.68.340 (e), 29.68.390(e)] VACANCIES.

(a) [EXCEPT AS PROVIDED IN § 390 (E) OF THIS CHAPTER,] Vacancies on the charter commission shall be filled by a majority vote of the commission, except the assembly shall appoint members to fill vacancies if, after a proposed charter is rejected by the voters, more than one-half of the members resign.

(b) A [THE] person who fills, [APPOINTED TO FILL] a vacancy on the charter commission must be a [QUALIFIED] voter of the same area as the person succeeded [WHOM HE SUCCEEDS] and must have been a voter of that area for at least one year immediately preceding the date the vacancy is filled [OF HIS APPOINTMENT].

EDITOR NOTE: No substantive change.

Sec. 29.06.310 [29.68.340(f)]. PER DIEM [CHARTER COMMISSION ORGANIZATION AND PROCEDURE. (F)]. The [BOROUGH] assembly may grant a per diem allowance to members of the charter commission [MEMBERS] and may reimburse the members for travel expenses incurred in carrying out the duties prescribed by AS 29.06.190 - 29.06.410 [THIS CHAPTER]. [(G)] Costs, fees, and other expenses incurred by the [CHARTER] commission are a debt of the borough and shall be paid upon proper verification.

EDITOR NOTE: 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.

Sec. 29.06.320 [29.68.350]. CHARTER PROVISIONS [PREPARATION]. [(A) A CHARTER COMMISSION ESTABLISHED UNDER THIS CHAPTER SHALL PREPARE, ADOPT AND SUBMIT A PROPOSED HOME RULE CHARTER FOR THE 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 AS 29.68.380.] The charter shall include [AMONG ITS PROVISIONS:]

(1) provision for (A) the adjustment of existing bonded indebtedness and other obligations in a manner that [WHICH] will assure [RESERVE] a fair and equitable burden of taxation for debt service, subject to AS 29.06.380 [AS 29.68.410];

[(2) [EFFECTIVE JANUARY 1,1981] PROVISIONS FOR]

(B) [(A)] the establishment of service areas; [AND]

(C) [THE ESTABLISHMENT OF DISTRICTS OR SECTIONS FOR THE ELECTION OF MEMBERS OF THE LEGISLATIVE BODY OF THE UNIFIED MUNICIPALITY,] if election of members of the governing [LEGISLATIVE] body is not areawide, the establishment of districts for the election of members of the governing body of the proposed unified municipality and procedures by which to reapportion the election districts [OR SECTIONS];

(D) [(C)] the reapportionment of districts [THE SECTIONS,] if they are established;

(E) [(3)] [PROVISIONS FOR] nonpartisan government, and [PROVISION FOR] the selection, organization, authority, and responsibilities of the governing body and its executive and administrator;

(F) [(4)] the transfer or other disposition of property and other rights, claims, assets, and franchises of the municipalities [LOCAL GOVERNMENT] to be unified under the charter;

(G) [(5)] [PROVISIONS FOR] the exercise of the rights of initiative and referendum in accordance with AS 29.10.030 [AS REQUIRED BY AS 29.13.050];

(H) [(6)] [A METHOD OF] amending the charter in accordance with AS 29.10.100;

(2) [(7)] the date on which the charter, if approved at the charter election, [REQUIRED BY AS 29.68.390] is effective;

(3) [(8)] designation of the proposed unified [NEW] municipality's official name [SUBJECT TO THE PROVISIONS OF (B) OF THIS SECTION]; and

(4) [(9)] other charter provisions [WHICH THE CHARTER COMMISSION ELECTS TO INCLUDE AND] that [WHICH] may be included in a home rule charter [UNDER THIS CHAPTER AND THE STATE CONSTITUTION].

[(B) THE AREA TO BE UNIFIED SHALL BE KNOWN AS A BOROUGH OR A CITY OR BY SOME OTHER DESIGNATION CONSISTENT WITH EXISTING LAW.]

EDITOR NOTE: Some excessive verbage is eliminated.

Sec. 29.06.330 [29.68.360]. PUBLIC HEARINGS. Both before and after drafting the proposed home rule charter, the charter commission shall hold a public hearing in each area [OF THE BOROUGH] represented on the [BOROUGH] assembly. Other public hearings may be held by the [CHARTER] commission as it considers [WHENEVER AND WHEREVER IT BELIEVES] necessary [AND APPROPRIATE].

EDITOR NOTE: No substantive change.

Sec. 29.06.340 [29.68.370]. FILING OF PROPOSED CHARTER. Upon the adoption of a proposed home rule charter by the charter commission, the charter shall be signed by at least a majority of the total membership of the commission and shall be filed with the borough clerk. A copy of the charter with signatures affixed shall also be filed with the clerk of each city in [WITHIN] the borough.

EDITOR NOTE: 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.

Sec. 29.06.350 [29.68.380]. PUBLICATION AND POSTING OF PROPOSED CHARTER. Within 10 days after filing the proposed home rule charter, the borough clerk shall have it published [ONCE IN AT LEAST ONE NEWSPAPER HAVING GENERAL CIRCULATION DISTRIBUTED WITHIN THE BOROUGH]. In addition, the clerk shall have a copy of the proposed charter posted in at least three public places in [WITHIN] each city [OF THE BOROUGH] and each unincorporated community in the borough [AREA OUTSIDE CITIES]. Copies of the proposed charter shall be made available by the [BOROUGH] assembly to the public at both the office of the borough clerk and the office of the clerk of each city in [WITHIN] the borough. The clerk shall have [PUBLISH] notice [BY RADIO AND TELEVISION] of the publication, posting, and

availability of the proposed charter published [IN A MANNER INTENDED TO APPRISE THE ENTIRE BOROUGH POPULATION OF THE EXISTENCE OF THE PROPOSED CHARTER.].

- EDITOR NOTE: (a) No substantive change.
(b) No substantive change.
(c) No substantive change.
(d) No substantive change.

Sec. 29.06.360 [29.68.390(a),(b),(c),(d), 29.68.635(a)]. ELECTION ON CHARTER.

(a) The proposed home rule charter adopted by the charter commission shall be submitted to the voters at a borough election held within 60 days of the date of publication and posting of the proposed charter [FOR RATIFICATION OR REJECTION AT THE BOROUGH ELECTION SPECIFIED IN § 350 OF THIS CHAPTER]. The borough clerk shall prepare the ballots for use in the election and shall give [PUBLISHED] notice of the election by radio and television in a manner intended to apprise the entire borough population of the election.[AND OTHERWISE CONDUCT THE ELECTION IN THE MANNER IN WHICH REGULAR MUNICIPAL ELECTIONS ARE CONDUCTED. IN ADDITION, THE CLERK SHALL PUBLISH NOTICE OF THE ELECTION BY RADIO AND TELEVISION IN A MANNER INTENDED TO APPRISE THE ENTIRE BOROUGH POPULATION OF THE ELECTION.] The election shall be conducted under procedures applicable to regular elections.

(b) A person who is a [QUALIFIED] voter of the borough may vote in the election on the proposed charter.

(c) If a majority of the votes [CAST] in the area of the borough outside all home rule or first class cities [FIRST CLASS AND HOME RULE CITIES], and a majority of the votes [CAST IN THE REMAINING AREA OF THE BOROUGH] in [COMPOSED OF] all home rule [FIRST CLASS] and first class [HOME RULE] cities in the borough are cast in favor of the proposed charter, the charter is ratified. If the charter is ratified, election results shall be certified to the commission and two copies of the charter shall be filed with [EACH OF THE FOLLOWING AUTHORITIES:]

- (1) the lieutenant governor;
- (2) the [COMMISSIONER OF THE] department [OF COMMUNITY AND REGIONAL AFFAIRS];
- (3) the district recorder for the area of the borough;
- (4) the clerk of the borough;
- (5) the clerk of each city in the borough.

(d) If a proposed charter is rejected, the charter commission shall

prepare, adopt, and submit another [A] proposed charter to the voters at a [GENERAL OR SPECIAL] borough election [CALLED BY THE BOROUGH AND] held within one year after [OF] the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved and the question of unification shall be treated as if it had never been proposed or approved.

[(e) IF AFTER THE REJECTION OF THE FIRST PROPOSED CHARTER, MORE THAN ONE-HALF OF THE CHARTER COMMISSION MEMBERS RESIGN FROM THE COMMISSION, THE BOROUGH ASSEMBLY SHALL APPOINT NEW MEMBERS TO FILL THE VACANCIES IN ACCORDANCE WITH § 110(E) OF THIS CHAPTER.]

EDITOR NOTE: The statutory reference to the article on unification is eliminated as unnecessary.

Sec. 29.06.370 [29.68.400]. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon ratification, the home rule charter of a unified municipality [ORGANIZED UNDER §§ 240 - 440 OF THIS CHAPTER] operates to dissolve all municipalities [LOCAL GOVERNMENTS] in [WITHIN] the area unified [OF UNIFICATION] in accordance with the charter.

EDITOR NOTE: This section is slightly reworded for clarity.

Sec. 29.06.380 [29.68.410]. ASSETS AND LIABILITIES. A unified municipality [CREATED BY UNIFICATION SHALL] shall succeed to all the assets and liabilities of the municipalities [LOCAL GOVERNMENTS] it unified. A bonded indebtedness or other debt incurred before unification [SHALL] remains the tax obligation of the area that [WHICH] contracted the debt, except that by ordinance the tax obligation may be assumed by [SPREAD OVER] a larger area [BY ORDINANCE] if the governing body determines that the asset for which the bonded indebtedness or other debt was incurred benefited [WAS USED FOR THE BENEFIT OF] the larger area before unification, or benefits the larger area [BEFORE UNIFICATION, OR IS SO USED] after unification. However, [PREUNIFICATION] bonded indebtedness or other debt for sewage collection systems, water distribution systems, and streets, even if determined to be benefiting [USED FOR THE BENEFIT] a larger area than that which incurred the debt, [SHALL] remain[s] the tax obligation of the area that [WHICH] incurred the debt.

EDITOR NOTE: This section is slightly reworded for clarity.

Sec. 29.06.390 [29.68.420]. TRANSITION [ORDINANCES]. Within two years after ratification of the home rule charter, the [GOVERNING BODY OF THE] unified municipality shall revise, repeal, or reaffirm all municipal [BOROUGH AND CITY] ordinances, resolutions, and orders in effect in the area of the unified municipality on the date [FORCE WITHIN THE BOROUGH AT THE TIME] of unification. Each ordinance, resolution, regulation, or order in effect on the date [FORCE AT THE TIME] of unification [SHALL] remains in effect [FORCE] until superseded by action of the unified municipality [NEW GOVERNING BODY].

EDITOR NOTE: This is reworded for clarity and the statutory reference to the unification article is deleted as unnecessary.

Sec. 29.06.400 [29.68.430]. RIGHT TO STATE AND FEDERAL AID [FUNDS PRESERVED]. All provisions of law authorizing aid from the state or federal government to a former municipality that was in the area of a unified municipality remain in effect after unification [CONTRIBUTIONS OF ANY KIND, IN MONEY OR OTHERWISE, FROM THE STATE OR FEDERAL GOVERNMENT TO BOROUGHS AND CITIES SHALL REMAIN IN FULL FORCE AND EFFECT WITH RESPECT TO A UNIFIED MUNICIPALITY ORGANIZED UNDER §§ 240 - 440 OF THIS CHAPTER].

EDITOR NOTE: (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.

Sec. 29.06.410 [29.68.440]. POWERS OF A UNIFIED MUNICIPALITY. A municipality unified [ORGANIZED] under AS 29.06.190 - 29.06.410 [§§ 240 - 440 OF THIS CHAPTER] has [SHALL HAVE] all powers

- (1) not prohibited [IT] by law or charter; and
- (2) granted to a home rule [ORGANIZED] borough[S] AND [FIRST CLASS CITIES].

EDITOR NOTE: 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. 29.06.420. APPLICATION. AS 29.06.190 - 29.06.420 apply to home rule and general law municipalities.

ARTICLE 5 [4]. DISSOLUTION.

EDITOR NOTE: No changes other than changes in terminology used consistently throughout in this bill.

Sec. 29.06.450 [29.68.500]. METHODS OF DISSOLUTION. (a) Two petition methods may be used to initiate dissolution of a [HOME RULE AND GENERAL LAW MUNICIPALITIES:] municipality;

(1) petition to the Local Boundary Commission under regulations adopted by the commission; or

(2) the local option method specified in AS 29.06.460 - 29.06.510 [§§ 510 - 580 OF THIS CHAPTER].

(b) [(C)] The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall investigate a municipality that [WHICH] it considers to be inactive and shall report to the Local Boundary Commission on the status of the municipality. The commission may submit its recommendation to the legislature that the municipality be dissolved in the manner provided for submission of boundary changes in [§ 12,] art. X, sec. 12 of the state constitution.

(c) [(B)] A [HOME RULE OR GENERAL LAW] borough is dissolved when its entire territory is included in [WITHIN] a home rule or first class city or cities. A city is dissolved when all its powers become areawide borough powers.

EDITOR NOTE: No changes except for minor rewording for clarity.

Sec. 29.06.460 [29.68.510]. PETITION.

(a) Voters of a municipality [MUNICIPAL RESIDENTS] may file a dissolution petition with the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in the form prescribed by the department. The petition must be signed by a number of [MUNICIPAL] voters equal to at least 25 percent of the number of votes cast in the last regular [MUNICIPAL] election in that municipality.

(b) The petition must include

(1) the name of the municipality;

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

EDITOR NOTE: No changes except for minor rewording for clarity.

Sec. 29.06.470 [29.68.520]. STANDARDS.

(a) Except as provided in (b) of this section, voters of a municipality may petition for dissolution when [(1)] the municipality [IT] is free of debt, or, if in debt, each of its creditors is satisfied with a method of repayment [;] and

(1) [(2) EITHER] it no longer meets the minimum standards prescribed for incorporation by AS 29.05, or former AS 29.18.030 [CH. 18 OF THIS TITLE, OR IT CEASES TO USE EACH AND EVERY ONE OF ITS MANDATORY POWERS.] if it is a third class borough; or

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

(b) Voters of a [HOME RULE OR GENERAL LAW] city in a borough may petition for dissolution of the city if the borough consents to assume the city's rights, powers, duties, assets, and liabilities. The consent must be ratified by a majority of borough voters voting on the question.

EDITOR NOTE: "Department of Community and Regional Affairs" is altered to "department".

Sec. 29.06.480 [29.68.530, 29.68.540]. REVIEW.

(a) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall review a dissolution petition for content and signatures, and shall return a deficient petition for correction or completion.

(b) If the petition contains the required information and signatures, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall investigate the proposal.

EDITOR NOTE: No changes except for minor rewording for clarity.

Sec. 29.06.490 [29.68.550]. REPORT AND HEARING.

(a) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall report its findings to the Local Boundary Commission with its recommendation regarding the dissolution of a municipality.

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

EDITOR NOTE: (a) No change.

(b) Provides for an administrative appeal of a Local Boundary Commission decision.

Sec. 29.06.500 [29.68.560]. DECISION.

(a) If the Local Boundary Commission determines that a [THE] municipality fails to meet the standards for dissolution, it shall reject the petition. If the commission determines that the municipality meets the standards, it shall accept the petition.

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

EDITOR NOTE: 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.

Sec. 29.06.510 [29.68.570]. ELECTION.

(a) The Local Boundary Commission shall immediately notify the director of elections [LIEUTENANT GOVERNOR] of its acceptance of a dissolution petition. Within 30 days after notification, the director of elections [LIEUTENANT GOVERNOR] shall order an election in [WITHIN] the municipality to determine whether the voters desire dissolution. The election must be held [IS] at least 30 and not more than 90 days after the election order. [(B) A person who is a [QUALIFIED] voter of the municipality may vote in the dissolution election.

(b) [(C)] The director of elections shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15) [(AS 15.05 - 15.60)]. The state shall pay all election costs.

(c) [(D)] The director of elections [LIEUTENANT GOVERNOR] shall certify the election results. If dissolution is approved, the director of elections [HE] shall declare that the municipality is dissolved effective on the date of certification.

EDITOR NOTE: The statutory reference contained in existing law is deleted as unnecessary.

Sec. 29.06.520 [29.68.580]. SUCCESSION. The government succeeding to a dissolved municipality succeeds to all its rights, powers, duties, assets, and liabilities [AS PROVIDED IN AS 29.18.130 - 29.18.140.].

EDITOR NOTE: 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.

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

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

CHAPTER 10. HOME RULE MUNICIPALITIES.

ARTICLE 1. CHARTERS.

EDITOR NOTE: 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.

(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. 29.10.010 [29.13.010]. MUNICIPAL CHARTER ADOPTION.

(a) A general law borough or first class city [MUNICIPALITY OR SECOND CLASS BOROUGH] may adopt a charter for its own government. A second class city may adopt a charter for its own government if the department determines from the best figures available that the population of the city is at least 600 permanent residents.

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

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

(d) A home rule municipality may [AMEND ITS CHARTER OR]adopt a new charter.

(e) A proposed charter for an existing municipality is prepared [FRAMED] by a charter commission of seven elected members [CHOSEN BY THE MUNICIPAL VOTERS AT A REGULAR OR SPECIAL ELECTION]. A charter commission election is called by filing a petition with the governing body [BOROUGH ASSEMBLY OR THE CITY COUNCIL] or by resolution of the governing body [BOROUGH ASSEMBLY OR CITY COUNCIL]. The petition shall be signed by a number of [MUNICIPAL] voters equal to 15 percent of the votes cast in the last regular election in [OF] the municipality.

filed with the municipal clerk on or before a date fixed by the governing body.

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

EDITOR NOTE: 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.

Sec. 29.10.050 [29.13.030]. CHARTER COMMISSION ELECTION. At a [THE] charter commission election the voters of an existing municipality shall consider the question "Shall a charter commission be elected to prepare [FRAME] a proposed [NEW] charter?" and shall elect [SELECT] the members of the commission. If the question is approved, the seven candidates receiving the highest number of votes shall immediately organize as a charter commission.

EDITOR NOTE: 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.

Sec. 29.10.060 [29 J.040]. PREPARATION OF CHARTER BY CHARTER COMMISSION. The charter commission shall, within one year, prepare a proposed home rule [MUNICIPAL] charter for an existing municipality. The proposed charter shall be signed by a majority of the members of the commission [CHARTER COMMISSIONERS] and filed in the office of the municipal clerk. Within 15 days, the clerk [BOROUGH ASSEMBLY OR CITY COUNCIL] shall have the proposed charter published [ONCE IN A NEWSPAPER OF GENERAL CIRCULATION IF DISTRIBUTED WITHIN THE MUNICIPALITY] and make copies available. [THE CLERK SHALL POST COPIES OF THE PROPOSED CHARTER IN AT LEAST THREE PUBLIC PLACES AND MAKE COPIES AVAILABLE AT THE OFFICE OF THE CLERK.] The commission shall give published notice of and hold at least one public hearing on the proposed charter before the signing and filing of the charter.

EDITOR NOTE: "Municipal" is deleted as no longer necessary as "voter" is defined. "Regular or special" is deleted since "election" incorporated community or area shall be voted on at the incorporation election.

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

EDITOR NOTE: 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. 29.10.020. MODEL CHARTERS. The department shall prepare at least one model home rule charter for a borough and at least one model home rule charter for a city. The model charters shall be made available to persons interested in filing a petition to incorporate a home rule municipality under AS 29.05.060.

EDITOR NOTE: No substantive change.

Sec. 29.10.030 [29.13.050]. INITIATIVE AND REFERENDUM.

(a) A home rule [MUNICIPAL] charter[s] shall provide [THE] procedures for [THE] initiative and referendum.

(b) charter may not require an initiative or referendum petition to have a number of signatures greater than 25 percent of the total votes cast in the municipality at the last regular [MUNICIPAL] election.

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

EDITOR NOTE: (a) This has been reworded slightly, but contains no significant changes.

(b) No substantive change.

(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. 29.10.040 [29.13.010, 29.13.020]. CHARTER COMMISSION CANDIDATES.

(a) A candidate for a [THE] charter commission shall be a [QUALIFIED] voter of an [THE] existing municipality [AND A RESIDENT OF THE MUNICIPALITY] for three years immediately preceding the charter commission election.

(b) A charter commission candidate[s] is [ARE] nominated by a petition[s] signed by at least 50 voters or the number of [QUALIFIED MUNICIPAL] voters equal to 10 percent of the number of votes cast in the municipality during the last regular election, whichever is less. A nomination petition shall be

Sec. 29.10.070 [29.13.060]. CHARTER ELECTION. The proposed home rule charter for an existing municipality shall be submitted to the [MUNICIPAL] voters at [A REGULAR OR SPECIAL] an election held not less than 30 days or more than 90 days after [FROM THE PUBLICATION OF] the proposed charter is published. The proposed home rule charter for an unincorporated community or for an area in the unorganized borough shall be submitted to the voters at an incorporation election held under AS 29.05.110.

EDITOR NOTE: (a) The provision that the charter becomes effective on the date the election is certified has been added.

(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. 29.10.080 [29.13.070]. CHARTER ADOPTION.

(a) If a majority of those voting [ON THE QUESTION] in an existing municipality favor the proposed charter or if a majority of those voting in an unincorporated community or in an area in the unorganized borough favor incorporation of a home rule municipality, the proposed charter [IT] becomes the organic law of the municipality effective on the date the election is certified. Thereafter, a [THE] court shall take judicial notice of the charter. The new home rule municipality shall file the indicated number of copies of the charter with [THE]

- (1) the lieutenant governor -- two copies;
- (2) the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] -- two copies;
- (3) the district recorder -- one copy;
- (4) the municipal clerk -- one copy.

(b) At the time of voting on the proposed charter in a third class borough, voters shall vote also on whether the borough shall, on adoption of the charter, retain a combined assembly and school board or elect a separate assembly and board as otherwise provided for home rule boroughs. If a combined assembly and school board are approved at the charter election, the assembly serving at the time of the election continues to serve as the assembly and board on voter approval of the charter and until terms of assembly members expire as provided before adoption of the charter. If a separate board and assembly are approved at the charter election, a school board shall be elected in conformity with AS 14.12.030 - 14.12.100 at the next regular election, if it occurs within 90

days of the date of the charter election, or otherwise at a special election within 90 days of the date of the charter election. Expiration dates of terms of school board members elected at a special election must coincide with the date of the regular election. Until a board is elected and qualified, the assembly continues to serve as the board.

EDITOR NOTE: (a) No substantive change.

(b) This is new material providing that if incorporation of a home rule municipality is rejected, the proposed charter is rejected as well.

Sec. 29.10.090 [29.13.070 (b)]. CHARTER REJECTION.

(a) If a proposed charter for an existing municipality is rejected, the charter commission shall prepare another proposed charter to be submitted to the voters at [A REGULAR OR SPECIAL] an election to be held within one year after the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved and the question of adoption of a charter shall be treated as if it had never been proposed or approved.

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

EDITOR NOTE: The provision that a charter may be amended by initiative referendum has been deleted. The charter is amended as provided in the charter itself.

Sec. 29.10.100 [29.13.080]. CHARTER AMENDMENT.

(a) A home rule [MUNICIPAL] charter may be amended as provided in the charter [OR BY INITIATIVE REFERENDUM AS PROVIDED IN AS 29.28.110=29.28.110], except that no amendment is [SHALL BE] effective unless ratified by the voters.

(b) This section applies to home rule municipalities.

ARTICLE 2. HOME RULE LIMITATIONS.

EDITOR NOTE: 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;
- (27) alcoholic beverages;
- (31) assessment and collection of taxes;
- (32) land use regulation;
- (36) title to vacated areas;
- (38) property taxes (this adds sec. 29.45.450 - 500 and sec. 29.45.550 to the limitations listed under existing law);
- (42) construction;
- (46) 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 (this material was deleted from this bill);
- (40) expulsion of borough assembly men (this material is substantially rewritten and not made applicable as a home rule limitation);
- (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).

Sec. 29.10.200 [29.13.100]. LIMITATION OF HOME RULE POWERS. Only the following provisions of this title apply to home rule municipalities as prohibitions on acting otherwise than as provided. These provisions [THEY] supersede existing and prohibit future home rule enactments that [WHICH] provide otherwise:

- (1) AS 29.05.140 [AS 29.13.080] (transition) [(CHARTER AMENDMENT)]
- (2) AS 29.06.010 [AS 29.18.140] (change of municipal name) [(BOROUGH TRANSITION)]
- (3) AS 29.06.040 - 29.06.060 [AS 29.23.020 - 29.23.050] (annexation and detachment) [(BOROUGH ASSEMBLY REPRESENTATION) AS 29.23.021 (BOROUGH ASSEMBLY COMPOSITION AND APPORTIONMENT), AND AS 29.23.040 - 29.23.050 (BOROUGH ASSEMBLY MEMBERS)]
- (4) AS 29.06.090 - 29.06.170 [AS 29.23.250] (merger and consolidation) [(A) (ELECTION AND TERM OF MAYOR)]
- (5) AS 29.06.190 - 29.06.420 [AS 29.23.540] (unification of municipalities) [(PROHIBITIONS RESPECTING APPOINTMENT AND REMOVAL OF PERSONNEL)]
- (6) AS 29.06.450 - 29.06.530 [AS 29.23.560] (dissolution) [(MUNICIPAL REPORTS)]
- (7) AS 29.10.100 [AS 29.23.580] (charter amendment) [(MEETINGS PUBLIC)]
- (8) AS 29.20.010 [AS 29.28.010, 29.28.020] (conflict of interest) [(MUNICIPAL ELECTIONS)]
- (9) AS 29.20.020 [AS 29.28.130 - 29.28.250] (meetings public) [(RECALL)]
- (10) AS 29.23.010 (legislative [AREAWIDE BOROUGH] power[S])
- (11) AS 29.20.060 - 29.20.120 [AS 29.33.290(c)] (assembly composition and apportionment) [(ACQUISITION OF ADDITIONAL AREAWIDE POWERS)]
- (12) AS 29.20.140 [29.43.020 - 29.43.040] (qualifications of members of governing bodies) [(POWERS OF CITIES OUTSIDE BOROUGHS)]
- (13) AS 29.20.150 [AS 29.48.033] (term of office) [(GARBAGE AND SOLID WASTE SERVICES)]
- (14) AS 29.20.220 [AS 29.48.035(b)] (executive power) [(EFFECT OF AREAWIDE EXERCISE OF BOROUGH POWER)]
- (15) AS 29.20.630 [AS 29.48.035(c)] (prohibitions) [(BOROUGH BUILDING CODE JURISDICTION WITHIN CITIES)]
- (16) AS 29.20.640 [AS 29.48.037] (reports) [(EXTRATERRITORIAL JURISDICTION)]

- (17) AS 29.25.010(a)(10) [AS 29.48.040 - 29.48.100] (municipal exemption on contractor bond requirements) [(UTILITIES)]
- (18) AS 29.25.050 [AS 29.48.180] (codification)
- (19) AS 29.25.060 (resolutions)
- (20) AS 29.26.030 [AS 29.48.210] (notice of elections) [(EXPENDITURE OF BOROUGH REVENUE)]
- (21) AS 29.26.050 [AS 29.48.220] (voter qualification) [(POST AUDIT)]
- (22) AS 29.26.250 - 29.26.360 [AS 29.53.400] (recall) [(BOROUGH AND CITY PROPERTY TAXES)]
- (23) AS 29.35.020 [AS 29.53.4i5(d)] (extraterritorial jurisdiction) [(INTEREST ON SALES TAX)]
- (24) AS 29.35.030 [AS 29.58.180(b)] (eminent domain) [SECURITY FOR BONDS]
- (25) AS 29.35.050 [AS 29.58.315] (garbage and solid waste services) [(BOND ATTORNEYS, BOND AND FINANCIAL CONSULTANTS)]
- (26) AS 29.35.070 [AS 29.68.010] (public utilities) [(ANNEXATION AND EXCLUSION)]
- (27) AS 29.35.080 [AS 29.68.030 - 29.68.110] (alcoholic beverages) [(MERGER AND CONSOLIDATION)]
- (28) AS 29.35.120 [AS 29.68.500 - 29.68.580] (post audit) [(DISSOLUTION)]
- (29) AS 29.35.160 [AS 29.73.020] (education) [(EMINENT DOMAIN)]
- (30) AS 29.35.170(b) AS 29.73.030] (assessment and collection of taxes) [(ADVERSE POSSESSION)]
- (31) AS 29.35.180(b) [AS 29.73.040] (land use regulation) [(TAXATION OF MUNICIPALITIES)]
- (32) AS 29.35.250 [AS 29.73.050] (cities inside boroughs) [(MUNICIPAL NAME CHANGES)]
- (33) AS 29.35.260 [AS 29.23.555] (cities outside boroughs) [(CONFLICT OF INTEREST)]
- (34) AS 29.35.340 [AS 29.33.050, AS 29.41.010(a), AS 14.12.020(a)] (acquisition of areawide power) [(RESPONSIBILITY FOR EDUCATION ON MILITARY RESERVATIONS)]
- (35) AS 29.40.160(a) - (c) [AS 29.58.345 - 29.58.350] (title to vacated areas) [(BONDED DEBT FOR SCHOOL CONSTRUCTION)]
- (36) AS 29.40.200 [AS 29.63.065] (subdivisions of state land) [(EXEMPTION FROM SPECIAL ASSESSMENT)]

- (37) AS 29.53.010 - 29.53.400 [AS 29.33.090(d)] (property taxes)
[(ZONING OF STATE LAND FOR HOMESITE ENTRY)]
- (38) AS 29.53.415(d) [AS 29.48.130(a)(12)] (sales and use tax)
[(MUNICIPAL EXEMPTION ON CONTRACTOR BOND REQUIREMENTS)]
- (39) AS 29.46.090 [AS 29.33.150(b)] (exemption from special assessment) [(APPLICABILITY OF LOCAL PLATTING REGULATIONS TO STATE LAND IN A MUNICIPALITY)]
- (40) AS 29.47.200(b) [AS 29.23.060(c)] (security for bonds)
[(EXPULSION OF BOROUGH ASSEMBLYMAN)]
- (41) AS 29.47.260 [AS 29.23.130(f)] (construction) [(REMOVAL OF BOROUGH MAYOR FROM OFFICE)]
- (42) AS 29.60.050(a) [AS 29.23.210(b)] (limitation on computation and use of payment) [(EXPULSION OF CITY COUNCILMAN FROM OFFICE)]
- (43) AS 29.60.120(a) and (c) [AS 29.23.255] (state aid for health facilities and hospitals) [(REMOVAL OF MAYOR FROM OFFICE)]
- (44) AS 29.60.230 [AS 29.28.050(f)] (state aid for hospital and health facility construction) [(EXPULSION, REMOVAL FROM OFFICE)]
- (45) AS 29.65.010 - 29.65.140 [AS 29.73.070]
(general grant land) [(TAXPAYER NOTICE)]
- [(46) AS 29.88 (MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE)]
- [(47) AS 29.89 (STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES)]

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

CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

ARTICLE 1. CONFLICT OF INTEREST AND PUBLIC MEETINGS.

EDITOR NOTE: 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.

Sec. 29.20.010 [29.23.555]. CONFLICT OF INTEREST [S].

(a) Each [HOME RULE AND GENERAL LAW] municipality shall adopt a conflict of interest[s] ordinance that [WHICH OTHER PROVISIONS OF THIS CHAPTER NOTWITHSTANDING, INCLUDES PROVISION THAT AN OFFICER] provides that

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

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

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

(4) a municipal employee or official, other than a member of the governing body, [SHALL DISQUALIFY HIMSELF FROM PARTICIPATING] may not participate in an official action in which the employee or official [HE] has a substantial financial interest.

(b) If a [HOME RULE OR GENERAL LAW] municipality fails to adopt a conflict of interest[s] ordinance within 180 [90] days after [FROM] July 1, 1984 [SEPTEMBER 10, 1972], the [CONFLICT OF INTEREST] provisions of this section are [IS] automatically applicable to and binding upon that municipality.

(c) This section applies to home rule and general law municipalities.

EDITOR NOTE: "Assembly and council" is altered to "governing body" and the section is divided into subsections for ease of use.

Sec. 29.20.020 [29.23.580]. MEETINGS PUBLIC.

(a) Meetings of all municipal bodies shall be public as provided in AS 44.62.310. The governing body [ASSEMBLY AND COUNCIL] shall provide reasonable opportunity for the public to be heard at regular and special meetings.

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

ARTICLE 2. GOVERNING BODIES.

EDITOR NOTE: 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.

Sec. 29.20.050 [29.23.010]. LEGISLATIVE [GENERAL] POWER.

(a) The legislative power of a borough is vested in the assembly. The legislative power of a city is vested in the council.

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

[29.23.020 COMPOSITION, APPORTIONMENT AND REAPPORTIONMENT - REPEALED BY SEC. 24 CH 83 SLA 1979, EFFECTIVE JANUARY 1, 1981]

EDITOR NOTE: No substantive change. This is made specifically applicable to home rule municipalities, but is a home rule limitation now under AS29.13.100(3).

Sec. 29.20.060 [29.23.100(3), 29.23.021]. ASSEMBLY COMPOSITION AND APPORTIONMENT.

(a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

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

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

(d) A member of the assembly [OF A BOROUGH] may not be elected or appointed by and from the council of a city in the borough.

(e) This section applies to home rule and general law municipalities.

EDITOR NOTE: "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.

Sec. 29.20.070 [29.23.023]. ASSEMBLY COMPOSITION AND FORM OF REPRESENTATION.

(a) The [BOROUGH] assembly shall provide for its composition and for the form of its representation.

(b) Not later than the first regular election that occurs after the report of a federal decennial census, the assembly shall propose and submit to the voters of the borough, at that regular election or at a special election called for the purpose, one or more forms of [BOROUGH] assembly representation. The forms of representation that [WHICH] the assembly may submit to the voters are:

(1) election of members of the [BOROUGH] assembly at large by the [QUALIFIED] voters throughout the borough;

(2) election of members of the [BOROUGH] assembly by district, including

(A) election at large by the [QUALIFIED] voters throughout the borough, but with a requirement that a candidate live [WITH] in an election district established by the borough for election of assembly members; or

(B) election from election districts established by the borough for the election of assembly members by the [QUALIFIED] voters of a district;

(3) election of members of the [BOROUGH] assembly both at large and by district.

(c) A form of [BOROUGH] assembly representation that [WHICH] includes election of [BOROUGH] assembly members under (b)(2) or (b)(3) of this section shall be submitted to the voters of the borough with a plan of apportionment as required by AS 29.20.080 [29.23.025(a)].

(d) The [BOROUGH] assembly shall, within 30 days after certification of the results of the election held [ON A PROPOSED FORM OF REPRESENTATION] under this section, adopt an ordinance providing for [ITS]

(1) composition [AND THE FORM] of the assembly;

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

(3) if applicable, the apportionment of assembly seats in accordance [WHICH CORRESPONDS TO] with the [PROPOSED] form of representation that [WHICH] received the most votes [AT THE ELECTION].

(e) This section applies [DOES NOT APPLY] to home rule and general law municipalities, except it does not apply to a

(1) [TO A] unified municipality [INCORPORATED UNDER AS 29.68.240-29.68.440];

(2) [TO A] home rule borough if the home rule [BOROUGH] charter contains procedures for changing assembly composition and form of representation.

EDITOR NOTE: "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.

Sec. 29.20.080 [29.23.025]. ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT.

(a) Not later than two months after the official report of a federal decennial census, the [BOROUGH] assembly shall determine and declare by resolution whether the existing apportionment of the [BOROUGH] assembly meets the standards of AS 29.20.060 [29.23.021]. If the [BOROUGH] assembly submits to the voters a form of representation that [WHICH] includes election of assembly members under AS 29.20.070(b)(2) or (b)(3) [29.23.021(b)(2)], the assembly shall submit with the proposition a proposed plan of apportionment that [WHICH] corresponds to the form of representation proposed. The assembly shall describe the plan of apportionment in the ballot proposition, and may present the plan in any manner that [WHICH] it believes accurately describes the apportionment that [WHICH] is proposed under the form of representation. If the [BOROUGH] assembly determines that [WHICH] its existing apportionment meets the standards of AS 29.20.060 [29.23.021], the assembly may include the existing apportionment as a proposed plan of apportionment of assembly seats that corresponds to a form of representation that [WHICH] is proposed.

(b) The [BOROUGH] assembly shall provide, by ordinance, for a change in an existing apportionment of the [BOROUGH] assembly whenever it determines that the apportionment does not meet the standards of AS 29.20.060 [29.23.021]. At the same time, the [BOROUGH] assembly may, by ordinance, change the composition of the assembly.

(c) If a petition signed by not less than 50 [REGISTERED] voters [WHO ARE RESIDENTS OF THE BOROUGH] requests the assembly to determine whether the

existing apportionment meets the standards for apportionment in AS 29.20.060 [29.23.021], and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may make the determination requested. The [BOROUGH] assembly shall make a determination required by this subsection within two months of receipt of a petition that [WHICH] meets the requirements of this subsection.

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

(e) Within six months after a determination by the [BOROUGH] assembly under (b) or (c) of this section that the current apportionment does not meet the standards of AS 29.20.060 [29.23.061] the [BOROUGH] assembly shall adopt an ordinance providing for reapportionment and submit the ordinance to the voters. If, at the end of the six-month time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner [OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall provide for the reapportionment in accordance with the standards of AS 29.20.060 [29.23.021] by preparing an order of reapportionment and delivering the order to the borough mayor.

[(f) REPEALED BY SEC. 13 CH 128 SLA 1980.]

[(g) REPEALED BY SEC. 13 CH 128 SLA 1980.]

EDITOR NOTE: "Borough" is deleted as unnecessary when it appears before "assembly". "Of Community and Regional Affairs" appearing several times in this section, is deleted since "commissioner" is defined for the title. Statutory references are altered to reflect new numbering.

Sec. 29.20.090 [29.23.027]. APPORTIONMENT APPEALS.

(a) A reapportionment ordinance approved by the voters, or a decision of the [BOROUGH] assembly that the standards of AS 29.20.060 [29.23.021] do not require a change in apportionment, may be appealed to the commissioner [OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]. Fifty [REGISTERED] voters [WHO ARE RESIDENTS OF THE BOROUGH] may submit a petition to the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters meets the standards of AS 29.20.060 [29.23.021] or whether a decision of the [BOROUGH] assembly that the standards of AS 29.20.060 [29.23.021] do not require a change of apportionment is correct. If the petition asks the commissioner [OF COMMUNITY

AND REGIONAL AFFAIRS] to review an ordinance approved by the voters under AS 29.20.080(e) [29.23.025(e)], the petition shall be delivered to the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] not later than 20 days after certification of the election. If the petition asks the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] to review a decision of the [BOROUGH] assembly under AS 29.20.080(c) [29.23.025(c)], the petition shall be delivered to the commissioner within 20 days of the decision of the [BOROUGH] assembly.

(b) The commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] shall review the petition and may make the determination requested. The commissioner shall provide copies of the [HIS] determination to the persons petitioning for appeal and to borough officials not later than 60 days after the commissioner [HE] receives the petition.

(c) If the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] determines that [WHICH] the proposed reapportionment ordinance approved by the voters does not meet the standards of AS 29.20.060 [29.23.021], or if the commissioner [HE] determines that the decision of the [BOROUGH] assembly that the standards of AS 29.20.060 [29.23.021] do not require a change of apportionment is not correct, the commissioner shall, by order, direct the [BOROUGH] assembly to prepare a reapportionment ordinance that [WHICH] meets the standards of AS 29.20.060 [29.23.021] and submit the ordinance to the voters.

(d) When the [BOROUGH] assembly has been directed by the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] to prepare a reapportionment ordinance under (c) of this section, the [BOROUGH] assembly shall, within two months after its receipt of the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS]'s order, adopt an ordinance providing for reapportionment. The [BOROUGH] assembly shall submit an ordinance adopted under this subsection to the voters at an [REGULAR] election [OR SPECIAL ELECTION] held within 60 days after [OF] the date of adoption of the reapportionment ordinance.

(e) If at the end of the time period provided under (d) of this section an ordinance providing for reapportionment has not been approved by the voters, the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] shall provide for the reapportionment of the [BOROUGH] assembly in accordance with the standards of AS 29.20.060 [29.23.021] by preparing an order of reapportionment and delivering the order to the borough mayor.

EDITOR NOTE: "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.

Sec. 29.20.100 [29.23.029]. JUDICIAL REVIEW AND RELIEF.

(a) The commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] may request the superior court to enforce a reapportionment order issued under AS 29.20.090(e) [29.23.027(e)].

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

(1) a plan of reapportionment approved by the voters under AS 29.20.080(a) [29.23.025(a)];

(2) a determination by the [BOROUGH] assembly under AS 29.20.080 [29.23.025(c)] that the standards of AS 29.20.060 [29.23.021] do not require a change in apportionment;

(3) a reapportionment ordinance approved by the voters under AS 29.20.080(d) [29.23.025(d)];

(4) a reapportionment order of the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] made under AS 29.20.090(c) [29.23.027(c)];

(5) a reapportionment ordinance approved by the voters under AS 29.20.090(d) [29.23.027(d)]; and

(6) a reapportionment order of the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] made under AS 29.20.090(e) [29.23.027(e)].

[29.23.030. ELECTION AND APPOINTMENT. REPEALED BY SEC. 16 CH 118 SLA 1972.]

EDITOR NOTE: Statutory references are altered to reflect new numbering.

Sec. 29.20.110 [29.23.031]. EFFECTIVE DATE OF APPORTIONMENT.

(a) A change in [BOROUGH] assembly apportionment or composition under AS 29.20.080 [29.23.025] or 29.20.090 [29.23.027] is effective beginning with the first regular election for members of the [BOROUGH] assembly that [WHICH] is held more than 60 days after the later of

(1) approval of a reapportionment ordinance by the voters under AS 29.20.080(a) [29.23.025(a)], 29.20.080(e) [29.23.025 (e)], or 29.20.090(d) [29.23.027(d)]; or

(2) the delivery to the mayor of a reapportionment order of the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] under AS 29.20.090(d) [29.23.027(e)].

(b) The provisions of (a) of this section do not apply to a borough in which a change in assembly composition or apportionment is subject to review and approval or determination of nonobjection by the Attorney General of the United States under the Voting Rights Act of 1965, as amended (42 U.S.C. 1971 - 1974).

A change in assembly composition or apportionment subject to review under the Voting Rights Act of 1965, as amended, is effective beginning with the first regular election for members of the assembly that [WHICH] is held more than 60 days after

(1) receipt by the [BOROUGH] assembly of approval by the Attorney General of the United States of the proposed change in the composition or apportionment of the assembly;

(2) [RECEIPT BY THE BOROUGH ASSEMBLY OF A STATEMENT OF NON OBJECTION FROM THE ATTORNEY GENERAL OF THE UNITED STATES TO THE PROPOSED CHANGE IN THE COMPOSITION OR APPORTIONMENT OF THE ASSEMBLY; OR] the delivery to the mayor of a reapportionment order of the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] under AS 29.20.090(e); or

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

EDITOR NOTE: The statutory reference in (1) is deleted since "unified municipality" is defined for the title. Statutory references are revised to reflect new numbering.

Sec. 29.20.120 [29.23.033]. APPLICABILITY OF APPORTIONMENT PROVISIONS. The provisions of AS 29.20.080 [29.23.025] - 29.20.110 [29.23.031] [DO NOT] apply to home rule and general law municipalities, except they do not apply to a

(1) unified municipality [INCORPORATED UNDER AS 29.68.240 - 29.68.440,];

(2) [TC A] home rule borough if the borough, by home rule charter, provides for reapportionment of the [BOROUGH] assembly.

EDITOR NOTE: No change.

Sec. 29.20.130. [29.23.200(a)] CITY COUNCIL COMPOSITION [ELIGIBILITY, ELECTION AND TERM]. Each first class city has a council of six members elected by the voters at large. Each second class city has a council of seven members elected by the voters at large. The council of a first or second class city may by ordinance provide for election of members other than on an at-large basis for all members.

EDITOR NOTE: 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.

(b) Combines material currently found in different sections.

(c) This contains new material allowing a municipality to establish district residency requirements for members of the assembly or council. Current law allows an assembly man 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.

(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.

Sec. 29.20.140 [29.23.050, 29.23.200(a),(b)]. QUALIFICATIONS.

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

(b) A municipality may by ordinance establish a durational residency requirement not to exceed three years for members of the governing body.

(c) A municipality may by ordinance establish district residency requirements for members of its governing body. A member of the governing body who represents a district and who becomes a resident of another district in the municipality continues to serve until the next regular election unless provided otherwise by ordinance. [A RESIDENT OF THE BOROUGH IS ELIGIBLE TO BE AN ASSEMBLYMAN IF HE IS A BOROUGH VOTER. AN ASSEMBLY MAN WHO CEASES TO BE A BOROUGH VOTER IMMEDIATELY FORFEITS HIS OFFICE. AN ASSEMBLY MAN ELECTED FROM OR SELECTED TO REPRESENT A RESIDENT OF ANOTHER AREA MAY CONTINUE TO SERVE ONLY UNTIL THE NEXT REGULAR ELECTION. THE ASSEMBLY MAY BY ORDINANCE ESTABLISH RESIDENCE REQUIREMENTS

FOR ASSEMBLYMEN NOT EXCEEDING THREE YEARS. A CITY VOTER IS ELIGIBLE TO HOLD OFFICE AS A MEMBER OF THE COUNCIL. THE COUNCIL MAY BY ORDINANCE ESTABLISH RESIDENCE REQUIREMENTS FOR COUNCIL MEMBERS NOT EXCEEDING THREE YEARS. A COUNCIL MEMBER WHO CEASES TO BE ELIGIBLE TO BE A CITY VOTER IMMEDIATELY FORFEITS THAT OFFICE.]

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

(e) This section applies to home rule and general law municipalities [BOROUGH].

EDITOR NOTE: 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.

(b) No substantive change.

(c) The material permitting a different date to be prescribed by charter or ordinance is made applicable to city councils.

(d) This is added as a home rule limitation with respect to city councils.

Sec. 29.20.150.[29.23.040(a),(b),(c), 29.23.200(c)] TERM OF OFFICE.

(a) A member of the governing body is elected [ASSEMBLYMEN ARE SELECTED] for a three-year term and until a [THEIR] successor [ARE SELECTED AND HAVE QUALIFIED] qualifies, unless a different term not exceeding four years is [ARE] prescribed by home rule [BOROUGH] charter or ordinance.

(b) Except when otherwise required by a change in [OF] composition or apportionment, if the term of a member of a governing body [AN ASSEMBLYMAN] is changed by charter or ordinance[,], the term of the member [AN ASSEMBLYMAN] holding office when [AT THE TIME] the change becomes effective [TAKES EFFECT] is not affected [BY THAT CHANGE].

(c) [(B)] The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by [BOROUGH] charter or ordinance.

(d) [(C)] This section applies to home rule and general law municipalities [BOROUGH].

EDITOR NOTE: 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.

(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.

(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.

(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.

(e) Specifically provides that the journal shall be a public record.

(f) Requires a governing body to determine by ordinance, its rules and order of business.

Sec. 29.20.160 [29.23.060(a),(b),(c),(d), 29.23.240, 29.23.210(a),(b),(c)].
PROCEDURES OF GOVERNING BODIES.

(a) [(B)] The assembly shall elect from among its members a presiding officer and a deputy presiding officer to serve at the pleasure of the members, except that in a [MANAGER PLAN] borough[S] that has adopted a manager form of government under AS 29.20.460 - 29.20.510 the [BOROUGH] mayor serves as presiding officer. In a city the mayor serves as presiding officer. If the presiding officer is not present or if the presiding officer is personally disqualified [DISQUALIFIES HIMSELF], the deputy presiding officer shall preside.

(b) [(A)] A governing body [THE ASSEMBLY] shall hold [MEET] at least one regular meeting [ONCE] each month unless otherwise provided by ordinance.

[ALL MEETINGS SHALL BE PUBLIC MEETINGS.] If a majority of the members are given at least 24 hours oral or written notice and reasonable efforts are made to notify all members, a special meeting[S] of the governing body may be held at [ON] the call of [THE CHAIRMAN,] the presiding officer[,] or at least one-third of the members. A special meeting may be conducted with less than 24 hours notice [SHALL BE A LEGAL MEETING] if all members are present or [THERE IS A QUORUM AND ALL] if absent members have waived in writing the required notice. [A] Waiver of notice can be made [MAY BE EITHER] before or after the special [TIME OF THE] meeting is held. A [THE] waiver of notice shall be [ATTACHED TO AND] made a part of the journal for the [THAT] meeting.

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

(d) Actions of a governing body [THE ASSEMBLY] are adopted by a majority of the total membership of the body [VOTES AUTHORIZED ON THE QUESTION]. Each member [ALL ASSEMBLYMEN] present shall vote on every question unless [THE ASSEMBLY FOR SPECIAL REASONS PERMITS A MEMBER TO] required to abstain from voting on a question by law [EXCEPT NO ASSEMBLYMAN MAY VOTE ON A QUESTION IN WHICH HE HAS A SUBSTANTIAL DIRECT OR INDIRECT FINANCIAL INTEREST]. [(E)] The final vote of each member on each ordinance, resolution, or substantive motion shall be [IS A] recorded "yes" or "no", except that if the vote is unanimous it may be recorded "unanimous" [IS NECESSARY ONLY SO TO STATE].

(F) REPEALED BY § 16 CH 118 SLA 1972.

(G) REPEALED BY § 16 CH 118 SLA 1972.

(H) REPEALED BY § 16 CH 118 SLA 1972.

(I) REPEALED BY § 16 CH 118 SLA 1972.

(J) REPEALED BY § 16 CH 118 SLA 1972.]

(e) [29.23.060. (C) THE ASSEMBLY SHALL DETERMINE ITS OWN RULES AND ORDER OF BUSINESS AND PROVIDE FOR KEEPING] A governing body shall maintain a journal of its official proceedings that shall be a public record. [THE ASSEMBLY IS THE JUDGE AND QUALIFICATION OF THE ELECTION AND QUALIFICATION OF ITS MEMBERS AND, WITH THE CONCURRENCE OF TWO THIRDS OF ITS MEMBERS, MAY EXPEL A MEMBER FOR A CORRUPT PRACTICE. THE ASSEMBLY SHALL CONSIDER A CONVICTION OF A MEMBER FOR A FELONY OR MISDEMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE AT ITS FIRST MEETING FOLLOWING THE FINAL DETERMINATION OF THE CONVICTION.]

(f) [29.23.060 (C)] To the extent otherwise permitted by law, a governing body may [THE ASSEMBLY SHALL] determine by ordinance its own rules of procedure and order of business[AND PROVIDE FOR KEEPING A JOURNAL OF ITS PROCEEDINGS]. [THE ASSEMBLY IS THE JUDGE OF THE ELECTION AND QUALIFICATION OF ITS MEMBERS AND, WITH THE CONCURRENCE OF TWO THIRDS OF ITS MEMBERS, MAY EXPEL A MEMBER FOR A CONVICTION OF A FELONY OR MISDEMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE. THE ASSEMBLY SHALL CONSIDER A CONVICTION OF A MEMBER FOR A FELONY OR MISDEMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE AT ITS FIRST MEETING FOLLOWING THE FINAL DETERMINATION OF THE CONVICTION.]

EDITOR NOTE: 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.

Sec. 29.20.170 [29.23.060(c), 29.23.080 29.23.210(b), 29.23.220, 29.23.570. ASSEMBLY] VACANCIES. The governing body may [ASSEMBLY SHALL] provide by ordinance the manner in which a vacancy [IN ASSEMBLY REPRESENTATION] occurs in any elected office except the office of mayor or school board member. [A VACANCY IS FILLED BY THE MAJORITY OF THE REMAINING ASSEMBLYMEN, WHO DESIGNATE A VOTER AND, IF THE ASSEMBLY SEAT VACATED IS OTHER THAN AN AT LARGE SEAT, A RESIDENT OF THE BOROUGH AREA TO WHICH THE SEAT WAS APPORTIONED, TO SERVE UNTIL THE NEXT REGULAR ELECTION. HOWEVER, IF UNDER A BOROUGH APPORTIONMENT CITY COUNCILMEN ARE APPOINTED AS ASSEMBLYMEN OR ELECTED TO DUAL ASSEMBLY-COUNCIL SEATS, A VACANCY IN A COUNCILMAN'S SEAT ON THE ASSEMBLY SHALL BE FILLED BY A COUNCILMAN DESIGNATED BY A MAJORITY OF THE REMAINING MEMBERSHIP OF THE COUNCIL TO SERVE UNTIL THE NEXT REGULAR ELECTION.] Unless otherwise provided by ordinance, the governing body shall declare an elective office, other than the office of mayor or school board member, vacant when the person elected

(1) fails to qualify or take office within 30 days after [HIS] election or appointment;

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

(3) resigns and the [HIS] resignation is accepted;

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

(5) is convicted of a felony or of an offense involving a violation of the [HIS] oath of office;

[(5) IS REMOVED FROM OFFICE;]

(6) is convicted of a felony or misdemeanor described in AS 15.56 and two-thirds of the members of the governing body concur in expelling the person elected; THE ASSEMBLY IS THE JUDGE OF THE ELECTION AND QUALIFICATION OF ITS MEMBERS AND WITH THE CONCURRENCE OF TWO THIRDS OF ITS MEMBERS, MAY EXPEL A MEMBER FOR A CONVICTION OF A FELONY OR MISDEAMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE. THE ASSEMBLY SHALL CONSIDER A CONVICTION OF A MEMBER FOR A FELONY OR MISDEAMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE AT ITS FIRST MEETING FOLLOWING THE FINAL DETERMINATION OF THE CONVICTION.

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

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

(9) if a member of the governing body, misses three consecutive regular meetings and is not [UNLESS] excused.

EDITOR NOTE: (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 filling a vacancy in dual assembly council seats has been deleted.

(b) This is new material requiring appointments within seven days if needed to preserve a quorum.

(c) No substantive change.

Sec. 29.20.180 [29.23.080, 29.23.220]. FILLING A VACANCY.

(a) If a vacancy occurs in a governing body [THE COUNCIL], the [THE COUNCIL BY VOTE OF A MAJORITY OF ITS] remaining members shall, within 30 days unless a different period is provided by ordinance, appoint [DESIGNATE] a qualified person to fill the vacancy [UNTIL THE NEXT REGULAR ELECTION, AND UNTIL A SUCCESSOR IS ELECTED AND HAS QUALIFIED]. If less than 30 days remain in a term, a vacancy may not be filled.

(b) Notwithstanding (a) of this section, if the membership is reduced to fewer than the number required to constitute a quorum, the remaining members shall, within seven days, appoint a number of qualified persons to constitute a quorum.

(c) [29.23.080.] HOWEVER, IF UNDER A BOROUGH APPORTIONMENT CITY COUNCILMEN ARE APPOINTED AS ASSEMBLYMEN OR ELECTED TO DUAL ASSEMBLY-COUNCIL SEATS, A VACANCY IN A COUNCILMAN'S SEAT ON THE ASSEMBLY SHALL BE FILLED BY A COUNCILMAN DESIGNATED BY A MAJORITY OF THE REMAINING MEMBERSHIP OF THE COUNCIL TO} A person appointed under this section serves until the next regular election, when a successor shall be elected to serve the balance of the term.

ARTICLE 3 [4]. MUNICIPAL [CITY] EXECUTIVE AND ADMINISTRATOR.

EDITOR NOTE: 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.

(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.

(c) This section is a limitation on home rule municipalities. Under existing law, it is not listed as a limitation.

Sec. 29.20.220 [29.23.200(a),(c), 29.23.240]. EXECUTIVE POWER [MAYOR].

(a) The executive power in a municipality is vested in a mayor. The mayor of a home rule or unified municipality is elected by the voters. The mayors of other municipalities are elected in accordance with AS 29.20.230.

(b) The [EACH CITY HAS A] mayor [AS EXECUTIVE WHO SHALL PRESIDE AT COUNCIL MEETINGS,] acts as ceremonial head of government [THE CITY], executes official documents on authorization of the governing body [THE CITY'S BEHALF UPON COUNCIL AUTHORIZATION.], [IN CITIES WHICH HAVE NOT ADOPTED A MANAGER PLAN, THE MAYOR] and is responsible for additional [THE] duties and powers prescribed by [LISTED IN § 290 OF] this chapter or by home rule charter.

(c) This section applies to home rule and general law municipalities.

EDITOR NOTE: 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.

(b) The reference in AS 29.23.250(a) to additional residency requirements prescribed by charter is eliminated, so a home rule municipality may prescribe additional residency requirements by charter without statutory authority.

Sec. 29.20.230 [29.23.130(c), 29.23.250(b),(c),(d)]. ELECTION AND TERM OF MAYOR.

(a) [(B)] The mayor of a borough or first class city is elected at large. The mayor of a borough or first class city serves [FOR] a term of three years, unless by ordinance a different term not to exceed four years is provided [AND UNTIL A SUCCESSOR IS ELECTED AND HAS QUALIFIED]. [THE COUNCIL MAY PROVIDE BY ORDINANCE FOR A DIFFERENT TERM NOT TO EXCEED FOUR YEARS, EXCEPT THAT] The current term of an incumbent mayor may not be altered. The regular term of a mayor of a borough or first class city begins on the first Monday following certification of the election.

(b) [(C)] The mayor of a second class city is elected by and from the council, and serves [FOR A TERM OF ONE YEAR AND] until a successor is elected and qualifies [HAS QUALIFIED]. [(D)] The council of a second class city shall meet on the first Monday after certification of the regular election and elect a mayor who takes office immediately. The mayor of a second class city serves a one-year term, unless a longer term is provided by ordinance. The mayor of a second class city may serve only while a member of the council regardless of the term established for the office of mayor.

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

EDITOR NOTE: Rewritten to combine sections dealing with the mayor of a borough and the mayor of a city.

(a) No substantive change.

(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.

Sec. 29.20.240 [29.23.130(b), 29.23.250(a),(c)]. QUALIFICATIONS FOR THE OFFICE OF MAYOR [ELECTION AND TERM OF MAYOR].

(a) A voter of the municipality [A HOME RULE OR GENERAL LAW CITY] is eligible to hold the office of mayor in a borough or first class city [EXCEPT THAT A HOME RULE CITY MAY PRESCRIBE ADDITIONAL RESIDENCY REQUIREMENTS BY CHARTER.

THE COUNCIL FOR ALL OTHER CITIES, MAY BY ORDINANCE ESTABLISH RESIDENCE REQUIREMENTS FOR CANDIDATES FOR MAYOR NOT EXCEEDING THREE YEARS]. A member of the city council is eligible to hold the office of mayor in a second class city.

(b) [29.23.130. (B)] Residency requirements for the office of mayor not exceeding three years may be prescribed by ordinance. [A BOROUGH VOTER IS ELIGIBLE TO BE BOROUGH MAYOR. THE ASSEMBLY MAY BY ORDINANCE ESTABLISH RESIDENCE REQUIREMENTS FOR CANDIDATES FOR BOROUGH MAYOR NOT EXCEEDING THREE YEARS.]

EDITOR NOTE: 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.

(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.

Sec. 29.20.250 [29.23.130(a), 29.23.290, 29.23.160, 29.23.260]. POWERS AND DUTIES OF MAYOR [POWER GENERALLY].

(a) If a municipality [THE BOROUGH] has not adopted a manager plan of government, the mayor is the chief administrator and the mayor has the same powers and duties as those of a manager under AS 29.20.500. [THE BOROUGH EXECUTIVE AND ADMINISTRATIVE POWER IS VESTED IN AN ELECTED BOROUGH MAYOR. IF THE BOROUGH HAS ADOPTED A MANAGER PLAN, THE ADMINISTRATIVE POWER IS VESTED IN AN APPOINTED MANAGER AND THE EXECUTIVE POWER IN AN ELECTED BOROUGH MAYOR WHO HAS THE SAME FUNCTIONS AS THOSE OF THE MAYOR OF A MANAGER-PLAN CITY UNDER § 240 OF THIS CHAPTER.]

(b) [29.23.160. ASSEMBLY PARTICIPATION.] The [BOROUGH] mayor may take part in the discussion of a [ALL] matter[S] before the governing body. The mayor [ASSEMBLY BUT] may not vote [29.23.260. MAYOR'S VOTE.], except that the mayor of a first class city or the mayor of a borough with a manager form of government [IS NOT A COUNCIL MEMBER AND] may vote [ONLY] in the case of a tie. [(B)] The mayor of a second class city, as [IS] a council member, [AND] may vote on all matters.

EDITOR NOTE: No change, except for minor rewording for clarity.

Sec. 29.20.260 [29.23.150]. EXECUTIVE ABSENCE. The borough mayor, subject to assembly approval, shall designate a person to act as mayor during the borough

mayor's temporary absence or disability. If a manager plan has been adopted, the assembly shall designate by resolution a borough administrative official [OFFICER] to act as manager during the manager's [HIS] absence or disability.

EDITOR NOTE: 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.

(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.

(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.

Sec. 29.20.270 [29.23.170(a) & (b), 29.23.270(a) & (b)]. VETO.

(a) Except as provided in (c) and (d) [(B)] of this section, the [BOROUGH] mayor may veto an [ANY] ordinance, resolution, motion, or other action of the governing body [ASSEMBLY] and may [BY VETO] strike or reduce appropriation items [ITEMS IN APPROPRIATION ORDINANCES EXCEPT FOR SCHOOL BUDGET ITEMS].

(b) A veto must be exercised before the next regular meeting of the governing body and must be accompanied by a written explanation of the reasons for the veto. [HE SHALL SUBMIT TO THE ASSEMBLY AT ITS NEXT REGULAR MEETING A WRITTEN STATEMENT ADVISING OF HIS VETO AND GIVING HIS REASONS.] A [HIS] veto may be overridden by vote of two-thirds of [ALL THE VOTES TO WHICH THE ASSEMBLY IS ENTITLED ON THE QUESTION] the authorized membership of the governing body within 21 days following exercise of the veto, or at the next regular meeting, whichever is later.

(c) The veto does not extend to

(1) appropriation items in a school budget ordinance;

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

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

(d) [29.23.270. VETO. (B)] The mayor of a second class city has no veto power.

EDITOR NOTE: (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.

(b) No substantive change.

(c) No substantive change.

Sec. 29.20.280 [29.23.130(f), 29.23.55, 29.23.570, 29.180, 29.23.280(a) & (b)]. VACANCY IN THE OFFICE OF MAYOR.

(a) The governing body shall [ASSEMBLY], by [WITH THE CONCURRENCE OF] two-thirds concurring vote [OF ITS MEMBERS], declare the [MAY REMOVE THE BOROUGH MAYOR FROM OFFICE FOR A CONVICTION OF A FELONY OR MISDEMEANOR DESCRIBED IN AS 15.56 AS A CORRUPT PRACTICE.] office of mayor vacant only when the person elected [29.23.570. VACANCIES.]

(1) fails to qualify or take office within 30 days after [HIS] election or appointment;

(2) unless excused by the governing body, is physically absent [FROM THE MUNICIPALITY] for [A] 90[-DAY] consecutive days[PERIOD UNLESS EXCUSED BY THE ASSEMBLY OR COUNCIL];

(3) resigns and the [HIS] resignation is accepted;

(4) is physically or mentally unable to perform the duties of [HIS] office;

(5) is convicted of a felony or of an offense involving a violation of the oath of office [IS REMOVED FROM OFFICE];

(6) is convicted of a felony or misdemeanor described in AS 15.56; [MISSES THREE CONSECUTIVE REGULAR MEETINGS UNLESS EXCUSED; OR]

(7) is convicted of a [FELONY OR OF AN OFFENSE INVOLVING A] violation of AS 15.13 [HIS OATH OF OFFICE];

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

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

(b) [29.23.180. FILLING A VACANCY.] A vacancy in the office of [THE BOROUGH] mayor occurring [WITHIN] six months before [OF] a regular election shall be filled by the governing body [GOVERNING BODY]. The person appointed [DESIGNATED SHALL] serves until the next regular election when a successor [AND UNTIL A SUCCESSOR] is elected to serve the balance of the term [AND HAS QUALIFIED]. If a member of the governing body [AN ASSEMBLYMAN] is appointed mayor [CHOSEN], the member [HE] shall resign the [HIS ASSEMBLY] seat on the governing body. If a vacancy occurs more than six months before a regular election, the governing body [ASSEMBLY] shall call a special election to fill the unexpired term.

(c) [29.23.280. FILLING A VACANCY. (B)] Notwithstanding (b) of this section [IN A SECOND CLASS CITY], a vacancy in the office of mayor of a second class city shall be [IS] filled by and from the council. A mayor appointed under this subsection serves the balance of the term to which appointed, except the mayor may serve only while a member of the council..

ARTICLE 4 [5]. [SCHOOL] BOARDS AND COMMISSIONS.

EDITOR NOTE: 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.

Sec. 29.20.300 [29.23.310]. SCHOOL BOARDS [ELECTION].

(a) Each municipal [BOROUGH AND CITY] school district has a school board. Except as provided in (b) of this section, members of a school board are elected at the regular election [HELD ANNUALLY ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT ELECTION DATE OR INTERVAL OF YEARS IS PROVIDED BY ORDINANCE,] for three-year terms and until their successors take office. [ALL BOARD] Members are elected at large[, BUT SCHOOL ZONES FOR THE ELECTION OF BOROUGH SCHOOL BOARDS MAY BE ESTABLISHED, ALTERED, OR ABOLISHED AS PROVIDED BY § 100 OF THIS CHAPTER.] unless a different method of election has been approved by the voters in a regular election.

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

EDITOR NOTE: No change, except for minor rewording so the usage is consistent throughout the title.

Sec. 29.20.310 [29.23.340]. UTILITY BOARDS.

(a) The governing body [ASSEMBLY OR COUNCIL] of a municipality operating a public utility may provide by ordinance for a utility [MANAGING] board of five members and define the board's powers and duties.

(b) As determined by ordinance, members of a utility [THE] board are either appointed by the mayor [MUNICIPAL EXECUTIVE] and confirmed by the governing body [ASSEMBLY OR COUNCIL] or are elected at a [THE] regular election [HELD ANNUALLY ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT ELECTION DATE OR INTERVAL OF YEARS IS PROVIDED BY ORDINANCE]. The term of a utility board member is two years and until a successor is selected and qualifies [HAS QUALIFIED].

However, the governing body [ASSEMBLY OR COUNCIL] may by ordinance provide for a different term not to exceed four years. [AND NOT ALTERING] The current term of an elected incumbent may not be altered.

(c) Vacancies on a utility [IN THE] board are filled by the mayor [MUNICIPAL EXECUTIVE]. Executive appointments shall be confirmed by the governing body [ASSEMBLY OR COUNCIL]. A person appointed [SELECTED] to fill a vacancy on a utility board serves until the expiration of the term for which appointed and until a successor is elected and qualifies [HAS QUALIFIED].

(d) Unless otherwise provided by ordinance, a utility [THE] board shall

(1) choose its chairman and secretary;

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

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

[ARTICLE 7. OTHER OFFICES AND EMPLOYEES]

EDITOR NOTE: 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.

Sec. 29.20.320. OTHER BOARDS AND COMMISSIONS. [29.48.010(1). APPOINTMENT OF OFFICERS]

(a) The governing body may by ordinance establish advisory, administrative, technical, or quasi-judicial boards and commissions.

(b) [THE MUNICIPAL CLERK, ATTORNEY, TREASURER, AND POLICE CHIEF ARE APPOINTED BY THE CHIEF ADMINISTRATOR OR BY THE ASSEMBLY OR COUNCIL, AS DETERMINED BY ORDINANCE. OFFICERS SERVE AT THE PLEASURE OF THE APPOINTING AUTHORITY, SUBJECT TO ORDINANCE. Members of boards and commissions, except for members of the board of adjustment and assembly members serving on the board of equalization, are appointed by the mayor and confirmed [APPOINTMENTS BY THE CHIEF ADMINISTRATOR ARE SUBJECT TO CONFIRMATION] by the governing body.

ARTICLE 5 [7]. OTHER OFFICIALS [OFFICERS] AND EMPLOYEES.

EDITOR NOTE: 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 appointment by the chief administrator are

subject to confirmation, and this section allows a municipality to provide otherwise by ordinance.

Sec. 29.20.360 [29.23.360]. APPOINTMENT OF OFFICIALS [OFFICERS]. Unless otherwise provided by ordinance, the municipal clerk, attorney, treasurer, and police chief are appointed by the chief administrator [OR BY THE ASSEMBLY OR COUNCIL, AS DETERMINED BY ORDINANCE]. Unless otherwise provided by ordinance, an official described in this section [OFFICERS] serves at the pleasure of the appointing authority[, SUBJECT TO ORDINANCE] and, if appointed [APPOINTMENTS] by the chief administrator, must be confirmed [ARE SUBJECT TO CONFIRMATION] by the governing body.

EDITOR NOTE: No change, except for minor rewording to achieve consistent usage throughout the title.

Sec. 29.20.370 [29.23.370]. MUNICIPAL ATTORNEY. The municipal attorney is the legal advisor of the governing body [COUNCIL OR ASSEMBLY], the school board, and the other officials [OFFICERS] of the municipality. The municipal attorney [HE] represents the municipality as attorney in civil and criminal proceedings. The school board may [HAS THE RIGHT TO] hire independent counsel when in its judgment independent counsel is needed.

EDITOR NOTE: No change, except for minor rewording in order to achieve consistent usage.

Sec. 29.20.380 [29.23.380]. MUNICIPAL CLERK.

(a) The municipal clerk shall

(1) give notice of the time and place of meetings of the governing body to the governing body [TO THE ASSEMBLY OR THE COUNCIL] and to the public;

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

(3) arrange publication of notices, ordinances, and resolutions;

(4) maintain and make available for public inspection an indexed file containing [INCLUDING THE] municipal ordinances, resolutions, rules, regulations, and codes;

(5) attest deeds and other documents;

(6) perform other duties specified in this title or prescribed by the chief administrator [EXECUTIVE] or by the governing body.

(b) The governing body [ASSEMBLY OR COUNCIL] may combine the office of clerk with that of treasurer. If the offices are combined, the clerk-treasurer [CLERK] shall, as required of the treasurer, give [HIS] bond to the municipality for the faithful performance of the [HIS] duties as clerk-treasurer.

EDITOR NOTE: 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.

Sec. 29.20.390 [29.23.390]. MUNICIPAL TREASURER.

(a) Except as provided in AS 14.14.060, the treasurer is the custodian of all municipal funds. The treasurer [HE] shall keep an itemized account of money received and disbursed. The treasurer [HE] shall pay money on vouchers drawn against appropriations.

(b) The treasurer shall give bond to the municipality in a sum that [WHICH] the governing body [ASSEMBLY OR COUNCIL] directs.

EDITOR NOTE: Slightly reworded for clarity.

Sec. 29.20.400 [29.23.070]. DEPARTMENTS.

(a) The governing body [ASSEMBLY] may establish municipal departments and distribute functions among them.

(b) Each municipal department is administered by a department head. With the consent of the governing body [ASSEMBLY], the [BOROUGH] mayor may serve as [THE] head of one or more departments or a single administrator may serve [APPOINT ONE PERSON] as [THE] head of two or more departments.

EDITOR NOTE: Allows the governing body to provide for a classified service and to designate positions which are wholly or partially exempt from the classified service.

Sec. 29.20.410 [29.23.550]. PERSONNEL SYSTEM.

(a) Except as provided by (b) of this section, appointments and promotions of municipal employees are made on the basis of merit. The governing body may provide for a personnel system and classified service.

(b) By ordinance the governing body may designate confidential or managerial positions that are wholly or partially exempt from the classified service. A wholly or partially exempt position is filled by a person who serves at

the pleasure of the appointing authority and whose term of employment is determined by the appointing authority.

ARTICLE 6 [8].

[ADOPTION OR REPEAL OF] MANAGER PLAN.

EDITOR NOTE: No change except for minor rewording to achieve consistent usage.

Sec. 29.20.460 [29.23.410, 29.23.420]. MANAGER PLAN [APPLICATION]. A municipality may adopt a manager plan of government. Adoption of a manager plan may be initiated either by petition or by motion of the governing body [ASSEMBLY OR COUNCIL]. A petition for the adoption of a manager plan is submitted to the governing body [ASSEMBLY OR COUNCIL]. The petition must be signed by a number of [MUNICIPAL] voters equal to the following percentage of the votes cast at the preceding regular election:

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

(2) 15 percent if [WHEN] the municipality has 7,500 persons or more.

EDITOR NOTE: 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.

Sec. 29.20.470 [29.23.430]. ELECTION ON ADOPTION OF MANAGER PLAN. On [UPON] receipt of a [THE] petition to adopt a manager plan or on [UPON] its own motion to adopt a manager plan, the governing body [ASSEMBLY OR COUNCIL] shall provide by ordinance or resolution for a vote on the question at the next [REGULAR OR SPECIAL] election. [NOTICE OF THE ELECTION SHALL BE PUBLISHED AT LEAST 30 DAYS BEFORE THE ELECTION.]

EDITOR NOTE: No change, except for minor rewording to achieve consistent usage.

Sec. 29.20.480 [29.23.440]. ADOPTION OF MANAGER PLAN.

(a) If a [THE] manager plan is approved, the governing body shall, within 60 days, adopt the plan by ordinance or resolution.

(b) The governing body [ASSEMBLY OR COUNCIL] shall notify the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] of the adoption of a [THE] manager plan.

EDITOR NOTE: 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.

Sec. 29.20.490 [29.23.450, 29..23.460]. APPOINTMENT OF MANAGER.

(a) The governing body [ASSEMBLY OR COUNCIL] shall appoint a manager by a majority vote of its membership. A manager [HE] is chosen [SOLELY] on the basis of [HIS] [EXECUTIVE AND] administrative qualifications and receives the compensation set by the governing body [ASSEMBLY OR COUNCIL]. A member of the governing body [AN ELECTED MUNICIPAL OFFICIAL] may not be appointed manager of the municipality sooner than one year after leaving office, except [THAT,] by a vote of three-fourths of the [ITS] authorized membership[,], of the governing body [ASSEMBLY OR COUNCIL MAY AT ANY TIME APPOINT ONE OF ITS MEMBERS OR OTHER ELECTED MUNICIPAL OFFICIALS AS MANAGER].

(b) [29.23.460. TERM.] Subject to the contract of employment, the manager holds office at the pleasure of the governing body [ASSEMBLY OR COUNCIL].

EDITOR NOTE: 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.

Sec. 29.20.500 [29.23.140, 29.23.290]. POWERS AND DUTIES OF A MANAGER [BOROUGH ADMINISTRATOR]. [THE BOROUGH MAYOR OR MANAGER AS THE CASE MAY BE, AS THE CHIEF ADMINISTRATIVE OFFICER, IS RESPONSIBLE FOR THE PROPER ADMINISTRATION OF ALL BOROUGH AFFAIRS. THE MAYOR OR MANAGER OF THE BOROUGH SHALL (1) APPOINT BOROUGH EMPLOYEES AND ADMINISTRATIVE OFFICERS, EXCEPT AS PROVIDED OTHERWISE IN § 360 OF THIS CHAPTER AND AS 29.33.050;] The manager [HE] may hire necessary administrative assistants and may authorize an [APPOINTIVE] administrative official [OFFICER] to appoint, suspend, or remove subordinates [IN HIS DEPARTMENT]. As chief administrator the manager shall

(1) [(2)] appoint, suspend, or remove [BY WRITTEN ORDER] municipal [BOROUGH] employees and administrative officials [OFFICERS], except as provided otherwise in this title and AS 14.14.065 [§ 360 OF THIS CHAPTER AND AS 29.33.050];

(2) [(3)] supervise the enforcement of municipal [BOROUGH] law and carry out the directives of the governing body;

(3) [(4)] prepare and submit an [THE] annual budget and capital improvement[S] program for consideration by the governing body [THE ASS'MBLY], and execute the budget and capital improvement program adopted;

[(5) EXECUTE THE BUDGET AND CAPITAL IMPROVEMENT PROGRAM AS ADOPTED;]

(4) [(6)] make monthly financial reports and other reports [TO THE ASSEMBLY] on municipal [BOROUGH] finances and operations as required by the governing body;

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

(6) perform other duties required by law or by the governing body; and

[(7) REPORT TO THE ASSEMBLY AT THE END OF EACH FISCAL YEAR ON THE FINANCES AND ADMINISTRATIVE ACTIVITIES OF THE BOROUGH;

(8) PREPARE AND MAKE AVAILABLE FOR PUBLIC DISTRIBUTION AN ANNUAL REPORT ON BOROUGH AFFAIRS;]

(7) [(9)] serve as [BOROUGH] personnel officer, unless the governing body [ASSEMBLY] authorizes the manager [HJM] to appoint a personnel officer.

[(10) DIRECT AND SUPERVISE THE ADMINISTRATION OF

(A) THE FUNCTIONS OF ALL BOROUGH OFFICERS AND EMPLOYEES EXCEPT AS PROVIDED OTHERWISE IN THIS TITLE:

(B) THE CARE AND CUSTODY OF ALL BOROUGH BUILDINGS AND OF ALL REAL AND PERSONAL PROPERTY OF THE BOROUGH, EXCEPT AS PROVIDED OTHERWISE BY AS 29.33.050;

(C) THE CONSTRUCTION, MAINTENANCE, AND OPERATION OF ALL BOROUGH ROADS, BRIDGES, DRAINS, BUILDINGS AND OTHER PUBLIC WORKS;

(11) EXECUTE OTHER POWERS OR DUTIES SPECIFIED IN THIS TITLE OR LAWFULLY PRESCRIBED BY THE ASSEMBLY.]

Sec. 29.20.510.[29.23.130(e)] INTERGOVERNMENTAL APPOINTMENT OF MANAGER. [BOROUGH EXECUTIVE AND ADMINISTRATOR, POWER GENERALLY. (E)] A borough adopting a manager plan may, on [BY] agreement with a city in the borough, [ENTER INTO A CONTRACT PROVIDING FOR] provide that the manager of the [A] city [LOCATED WITHIN THE BOROUGH TO] serve also as borough manager. A city adopting a manager plan may, on [BY] agreement with the [A] borough in which it is located, provide that [ENTER INTO A CONTRACT PROVIDING FOR] the manager of the [A] borough [WITHIN WHICH THE CITY IS LOCATED TO] serve also as city manager. Appointment and service of the manager shall be as [OTHERWISE] provided [FOR MANAGERS] in AS 29.20.490 - 29.20.500 [AS 29.23.130 - 29.23.150 and AS 29.23.450 - 29.23.470]. Nothing in this section [SUBSECTION] affects the authority of the governing body [ASSEMBLY OR COUNCIL] to provide for other dual officeholding if the dual offices held are compatible, or otherwise to appoint officials [OFFICERS] and employees in accordance with law.

EDITOR NOTE: 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.

Sec. 29.20.520 [29.23.480]. REPEAL OF MANAGER PLAN. A municipality may repeal a [THE] manager plan in the same manner used for its adoption. Within 60 days [AT ITS FIRST MEETING] after repeal of a manager plan, the governing body [ASSEMBLY OR COUNCIL] shall enact provisions for the reorganization of the municipal executive and administrative functions [CHIEF ADMINISTRATOR].

ARTICLE 7 [9]. MISCELLANEOUS PROVISIONS.

EDITOR NOTE: No change, except for rewording to achieve uniform usage.

Sec. 29.20.600 [29.23.500]. OATHS OF OFFICE. [MUNICIPAL OFFICERS] Before taking office[,] a municipal official shall affirm in writing that the duties of the office [THEY] will be honestly, faithfully, and impartially performed by the official [PERFORM THEIR DUTIES]. The oath is filed with the municipal clerk.

[Sec. 29.23.510. COMBINING OFFICES. THE ASSEMBLY OR COUNCIL MAY COMBINE TWO OR MORE APPOINTIVE OR ADMINISTRATIVE OFFICES;]

EDITOR NOTE: No change except for minor rewording to achieve uniform usage.

Sec. 29.20.610 [29.23.520]. BONDING. The manager [ADMINISTRATOR] and the other municipal officials [OFFICERS] or employees that [WHICH] the governing body [ASSEMBLY OR COUNCIL] may designate shall give bond in the amount and with the surety prescribed by the governing body [ASSEMBLY OR COUNCIL]. Premiums on bonds are paid by the municipality.

EDITOR NOTE: 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.

Sec. 29.20.620 [29.23.530]. COMPENSATION FOR [SALARIES OF] ELECTED OFFICIALS [OFFICERS]. The governing body [ASSEMBLY OR COUNCIL] shall [FIX] by ordinance provide a method of determining the salaries of elected officials [OFFICERS]. The salary of the mayor may not be reduced during the [HIS] term of office of the mayor, unless during the term a manager plan is adopted. An elected official [OFFICER] may not receive [ANY OTHER] compensation for service to the municipality in addition to the salary received as an elected official, unless otherwise provided by ordinance. Per diem payments or reimbursements for expenses are not compensation under this section.

EDITOR NOTE: Material currently contained in AS 29.43.540(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.

Sec. 29.20.630 [29.23.540]. PROHIBITIONS.

(a) Subject to AS 14.14.140, a state employee or school district employee may not be denied the right to serve as an elected municipal official because of employment by the state or a school district [NO PERSON MAY BE

APPOINTED TO OR REMOVED FROM MUNICIPAL OFFICE OR IN ANY WAY FAVORED OR DISCRIMINATED AGAINST WITH RESPECT TO A MUNICIPAL POSITION BECAUSE OF HIS RACE, COLOR, SEX, CREED, NATIONAL ORIGIN OR, UNLESS OTHERWISE CONTRARY TO LAW, BECAUSE OF HIS POLITICAL OPINIONS OR AFFILIATIONS]. For purposes of this section a school district employee is not a municipal employee.

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

[(c) NO STATE EMPLOYEE OR SCHOOL DISTRICT EMPLOYEE MAY BE DENIED THE RIGHT TO SERVE AS AN ELECTED MUNICIPAL OFFICIAL BECAUSE OF HIS EMPLOYMENT BY THE STATE OR A SCHOOL DISTRICT UNLESS SPECIFICALLY PROHIBITED BY CHARTER OR ORDINANCE OF A MUNICIPALITY, ADOPTED AT A SPECIAL OR GENERAL ELECTION. HOWEVER, NO SCHOOL DISTRICT EMPLOYEE MAY SERVE ON A SCHOOL DISTRICT BOARD IN THE SCHOOL DISTRICT WHERE HE IS EMPLOYED. PROVISIONS OF THIS SECTION DO NOT APPLY TO TERM OF OFFICE IN EFFECT ON AUGUST 24, 1976.

(d) FOR PURPOSES OF THIS SECTION A SCHOOL DISTRICT EMPLOYEE IS NOT A MUNICIPAL EMPLOYEE.]

EDITOR NOTE: No changes, except for rewording for consistency and changes in statutory references to reflect renumbering.

Sec. 29.20.640 [29.23.560]. REPORTS.

(a) A municipality [HOME RULE AND GENERAL LAW MUNICIPALITIES] shall file with the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS:]

(1) maps and descriptions of all annexed or detached [EXCLUDED] territory;

(2) a copy of the annual audit, or, for a [IN THE CASE OF] second class city [CITIES], an audit or statement of annual income and expenditures;

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

[(4) REPEALED BY § 37 CH 127 SLA 1974.]

(4) [(5)] a copy of the current annual budget of the municipality;

(5) a summary of the optional property tax exemptions authorized together with the estimate of the revenues lost to [IN] the municipality [,TOGETHER WITH THE MUNICIPALITY'S ESTIMATE OF THE REVENUES LOST TO IT] by operation of each of the exemptions.

(b) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under AS 29.60.010 - 29.60.080 [AS 29.88] and state aid for miscellaneous municipal services under AS 29.60.100 - 29.60.180 [AS 29.89]. If a municipality does not comply with this section, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall

withhold the [ANNUAL] allocations [UNDER THOSE CHAPTERS IN THE EVENT OF NONCOMPLIANCE] until [SUCH TIME AS] the [REPORT REQUIREMENTS ARE MET] required reports are filed.

(c) This section applies to home rule and general law municipalities.

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

CHAPTER 25. MUNICIPAL ENACTMENTS.

EDITOR NOTE: 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.

Sec. 29.25.010. [29.48.130] ACTS REQUIRED TO BE BY ORDINANCE.

(a) In addition to other actions that [WHICH] this title requires to be by ordinance, the governing body [ASSEMBLY OR COUNCIL] of a municipality shall use ordinances to

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

(2) provide for a fine or other penalty, or establish rules or regulations for violation of which a fine or other penalty is imposed; [FIX THE COMPENSATION OF MEMBERS OF THE ASSEMBLY OR COUNCIL;]

(3) provide for the levying of taxes; [PROVIDE FOR A FINE OR OTHER PENALTY, OR ESTABLISH RULES OR REGULATIONS FOR VIOLATION OF WHICH A FINE OR OTHER PENALTY IS IMPOSED;]

(4) make appropriations, including supplemental appropriations or transfer of appropriations; [PROVIDE FOR THE LEVYING OF TAXES;]

(5) grant, renew, or extend a franchise; [MAKE APPROPRIATIONS AND SUPPLEMENTAL APPROPRIATIONS OR TRANSFER APPROPRIATIONS;]

(6) adopt, modify, or repeal the comprehensive plan, land use and subdivision regulations, building and housing codes, and the official map; [GRANT, RENEW, OR EXTEND A FRANCHISE;]

(7) approve the transfer of a power to a first or second class borough from a city; [REGULATE THE RATE CHARGED BY A PUBLIC UTILITY;]

(8) designate the borough seat; [ADOPT, MODIFY OR REPEAL THE COMPREHENSIVE PLAN, ZONING AND SUBDIVISION ORDINANCES, BUILDING AND HOUSING CODES, AND THE OFFICIAL MAP;]

(9) provide for the retention or sale of tax-foreclosed property; [APPROVE THE TRANSFER OF A POWER TO A BOROUGH FROM A CITY;]

(10) exempt contractors from compliance with general requirements relating to payment and performance bonds in the construction or repair of municipal public works projects within the limitations set out in AS 36.25.025; this paragraph applies to home rule and general law municipalities.

(b) This section grants no authority but requires the governing body to use ordinances in exercising certain of its powers. [DESIGNATE THE BOROUGH SEAT;]

EDITOR NOTE: This is substantially reorganized, but contains no substantive changes.

Sec. 29.25.020 [29.48.140, 29.48.250]. ORDINANCE PROCEDURE [FORM OF ORDINANCES].

(a) An ordinance[S] is [ARE] introduced in writing in the form required by the governing body [ASSEMBLY OR COUNCIL].

(b) [(A)] The following procedure governs the enactment of all ordinances, except emergency ordinances:

(1) an ordinance may be introduced by a member or committee of the governing body [ASSEMBLY OR COUNCIL], or by the mayor [MUNICIPAL EXECUTIVE] or manager [CHIEF ADMINISTRATOR]; [.]

(2) an ordinance shall be set [FOR HEARING] by the governing body for a public hearing by the affirmative vote of a majority of the votes authorized on the question [AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES AUTHORIZED ON THE QUESTION];

(3) at least five days before the public hearing a summary of the ordinance shall be published together with a notice of the time and place for the hearing [A SUMMARY OF THE ORDINANCE AND ITS AMENDMENTS IS PUBLISHED TOGETHER WITH A NOTICE OF TIME AND PLACE FOR PUBLIC HEARING.];

(4) copies of the ordinance shall [MUST] be available to all persons present at the hearing, or the ordinance shall [MUST] be read in full;

(5) during the hearing the governing body [THE ASSEMBLY OR COUNCIL] shall hear all interested persons wishing to be heard;

(6) after the public hearing the governing body [THE ASSEMBLY OR COUNCIL] shall consider the ordinance, and may adopt it with or without amendment; [.]

(7) the governing body [THE ASSEMBLY OR COUNCIL] shall print and make available copies of an [ADOPTED] ordinance[S] that is adopted.

(c) [(B)] An ordinance[S] takes effect upon adoption or at a later date specified in the ordinance.

EDITOR NOTE: No change, except for minor word changes in order to achieve maximum clarity.

Sec. 29.25.030 [29.48.160]. EMERGENCY ORDINANCES.

(a) To meet a public emergency the governing body [ASSEMBLY OR COUNCIL] may adopt an emergency ordinance[S] effective on adoption. Each [EVERY] emergency ordinance shall [MUST] contain a finding by the governing body [ASSEMBLY OR COUNCIL] that an emergency exists and a statement of the facts upon which the finding is based. An emergency [THE] ordinance may be adopted, amended and adopted, or rejected at the meeting at which it is introduced. The affirmative vote of all members present, or the affirmative vote of three-fourths of the total membership, whichever is less, is required for adoption of an emergency ordinance. The governing body shall [ASSEMBLY MUST] print and make available copies of adopted emergency ordinances.

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

(c) An emergency ordinance[S] is [ARE] effective for 60 days.

EDITOR NOTE: 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.

Sec. 29.25.040 [29.48.170]. CODES OF REGULATION. The governing body [ASSEMBLY OR COUNCIL] may in a single ordinance adopt or amend by reference provisions of a [STANDARD] published code of municipal regulations. The [REGULAR ORDINANCE] procedure under AS 29.25.020 applies [EXCEPT THAT NEITHER THE] to an ordinance adopted under this section, except that neither the ordinance [N] or its amendments must [NEED] be distributed to the public or read in full at the public hearing. For a period of 15 days before adoption of an ordinance under this section, at least five copies of the code of regulations shall be made available for public inspection at a time and place set out in the hearing notice. Only the [ADOPTING] ordinance must [NEED] be printed after it is adopted under this section [ADOPTION]. The governing body [ASSEMBLY OR COUNCIL] shall provide for an [THE] adopted code of regulations to be made available [SOLD] to the public at no more than cost.

EDITOR NOTE: (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.

Sec. 29.25.050 [29.48.180]. CODIFICATION.

(a) Each ordinance shall be codified after it is adopted [ADOPTION SHALL BE CODIFIED].

(b) Within three years after incorporation of a municipality, the municipal clerk or the clerk's designee [EXECUTIVE, WITH THE ADVICE AND ASSISTANCE OF A LEGAL ADVISOR,] shall have prepared a general codification of all municipal ordinances of general applicability having the force and effect of law. The municipal code shall be revised and printed at least every five years, unless the code is kept current by regular supplements.

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

(1) the ordinance has been given a serial number or other permanent identifying number, and, bearing a notation of the date of adoption and [THE DESIGNATION OF] the adopting authority, it has been entered by the municipal clerk in a properly indexed book maintained for the purposes of organizing and recording the ordinances; or

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

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

EDITOR NOTE: This has been made applicable as a home rule limitation.

Sec. 29.25.060 [29.48.185]. RESOLUTIONS.

(a) The governing body [ASSEMBLY OR COUNCIL] shall provide for the maintenance of a permanent file of resolutions that have been adopted.

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

EDITOR NOTE: A penalty not to exceed that imposed for a class E 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.

Sec. 29.25.070 [29.48.200]. PENALTIES.

(a) For the violation of an ordinance, a municipality [THE ASSEMBLY OR COUNCIL] may by ordinance prescribe penalties [PUNISHMENT] not to exceed those imposed for a class B misdemeanor [A FINE OF \$500 OR IMPRISONMENT FOR 30 DAYS, OR BOTH. HOWEVER, THE PUNISHMENT AUTHORIZED UNDER THIS SECTION MAY BE IMPOSED ONLY IF COPIES OF THE ORDINANCE ARE MAKE AVAILABLE FOR DISTRIBUTION TO THE PUBLIC AT COST.]

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

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

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

CHAPTER 26. ELECTIONS.

ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

EDITOR NOTE: 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.

Sec. 29.26.010 [~~29.28.010~~]. ADMINISTRATION. [(A)] The governing body [BOROUGH ASSEMBLY OR CITY COUNCIL] shall prescribe the [GENERAL] rules for conducting an [MUNICIPAL] election[S] and shall appoint an election board composed of at least three judges for each precinct [POLLING PLACE]. A judge shall be a voter of the precinct for which appointed unless no voter is willing to serve. [THE MUNICIPALITY MAY NOT ALTER VOTER QUALIFICATION REQUIREMENTS OF THIS TITLE. [(B) THIS SECTION APPLIES TO HOME RULE AND GENERAL LAW MUNICIPALITIES. (§ 2 CH 118 SLA 1972)]

EDITOR NOTE: 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.

Sec. 29.26.020 [~~29.28.015~~]. NOMINATIONS.

(a) Subject to other provisions of this title, the governing body [THE ASSEMBLY OR COUNCIL] shall provide by ordinance for nominations of elected officials [OFFICERS] by providing for declaration of candidacy or for petition requiring the signatures of not more than 10 voters, or for both.

(b) A person may be nominated for and occupy more than one office, but [HE] may not serve simultaneously as borough mayor and as a member of the [BOROUGH] assembly or, in a first class city, as city mayor and as a member of the council [OF A FIRST CLASS CITY].

EDITOR NOTE: 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.

Sec. 29.26.030 [29.28.020(b)]. NOTICE OF ELECTIONS

[(B)]. (a) Subject to other provisions of this title, a municipality shall give [THE ASSEMBLY OF COUNCIL MAY CALL A SPECIAL ELECTION UPON] at least 20 days notice of an election.

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

EDITOR NOTE: No change except for minor rewording for clarity.

Sec. 29.26.040 [29.28.020(a)]. DATE [ELECTION DATES]. [(A)] The date of a regular [MUNICIPAL] election is the first Tuesday of October annually, unless a different [OR ON A] date [OF ELECTION] or [AT AN] interval of years is provided by ordinance.

EDITOR NOTE: This has been reorganized. A municipality may require a person to be registered to vote in the precinct in which he seeks to vote.

Sec. 29.26.050 [29.28.030]. VOTER QUALIFICATION.

(a) A person may vote in a municipal election only if the person [ONLY IF HE]

(1) is a United States citizen who is qualified to vote in state elections; [AND]

(2) has been a resident of the municipality for 30 days immediately preceding the election; [AND WHO]

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

(4) is not disqualified under art. V of the state constitution.

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

(c) This section applies to home rule and general law municipalities.

EDITOR NOTE: 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.

Sec. 29.26.060 [29.28.040]. RUNOFF ELECTIONS [MAJORITY ELECTIONS].

(a) Unless otherwise provided by ordinance, a runoff election shall be held if no candidate receives over 40 percent of the votes cast for the office of

(1) mayor; or

(2) member of the governing body or school board if candidates run for a designated seat.

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

(c) Unless otherwise provided by ordinance, a runoff election shall be held within three weeks after the date of certification of the election for which a runoff is required, and notice of the runoff election shall be published at least five days before the election date. The runoff election shall be between the two candidates receiving the greatest number of votes for the seat. [IF IN A MUNICIPAL ELECTION NO CANDIDATE RECEIVES IN EXCESS OF 40 PER CENT OF THE VOTES CAST FOR HIS RESPECTIVE OFFICE, THE ASSEMBLY OR COUNCIL SHALL HOLD A RUNOFF ELECTION WITHIN TWO WEEKS FROM THE DATE OF CERTIFICATION OF THE ELECTION BETWEEN THE TWO CANDIDATES RECEIVING THE GREATEST NUMBER OF VOTES FOR THE OFFICE. NOTICE OF A RUNOFF ELECTION SHALL BE PUBLISHED AT LEAST FIVE DAYS BEFORE THE ELECTION. THE ASSEMBLY OR COUNCIL MAY BY ORDINANCE REQUIRE A MAJORITY VOTE FOR ELECTION OF OFFICIALS. A RUNOFF ELECTION OR OTHER MEANS OF OBTAINING A MAJORITY MAY BE USED.]

Sec. 29.26.070 [29.28.050]. ELECTION CONTEST AND APPEAL.

(a) The governing body [ASSEMBLY OR COUNCIL] may provide by ordinance the time and procedure for the contest of an election.

(b) Unless otherwise provided by ordinance, an election may be contested only by a voter by [UPON THE] filing [BEFORE OR AT THE TIME OF THE FIRST CANVASS OF BALLOTS BY THE ASSEMBLY OR COUNCIL, BY A PERSON QUALIFIED TO VOTE IN THE MUNICIPALITY OF HIS] a written affidavit with the municipal clerk specifying with particularity the grounds for the contest. [OR INVALIDITY OF THE ELECTION.] An election may be contested before or during the first canvass of ballots by the governing body.

(c) Unless otherwise provided by ordinance, the governing body [ASSEMBLY OR COUNCIL] shall declare the election results at the first meeting to canvass the election, [AND] record the results in the minutes of that meeting, and authorize the results to be certified.

(d) A [THE] contestant shall pay all costs and expenses incurred in a recount of an election demanded by the contestant if the recount fails to reverse a [ANY] result of the election, or the difference between the winning and [A] losing vote on the result contested is more than two percent.

(e) A [NO] person may not appeal or seek judicial review of [A CITY OR BOROUGH] an election for any cause [OR REASON] unless the person is a voter [QUALIFIED TO VOTE IN THE MUNICIPALITY], has exhausted all [HIS] administrative remedies before the governing body [ASSEMBLY OR COUNCIL], and has commenced, within 10 days after the governing body [ASSEMBLY OR COUNCIL] has [FINALLY] declared the election results, an action in the superior court in the judicial district in which the municipality is located. If court [NO SUCH] action is not commenced within the 10-day period, the election and election results are [SHALL BE] conclusive[, FINAL] and valid [IN ALL RESPECTS].

[(F) NOTWITHSTANDING THE PROVISIONS OF (E) OF THIS SECTION, THE EXPULSION OF A MEMBER OF A BOROUGH ASSEMBLY UNDER AS 29.23.060(C), OF A MEMBER OF A CITY COUNCIL UNDER AS 29.23.210(B), OF A BOROUGH MAYOR UNDER AS 29.23.130(F), OR OF A CITY MAYOR UNDER AS 29.23.255 IS FINAL AND IS NOT SUBJECT TO JUDICIAL REVIEW.]

ARTICLE 2. INITIATIVE AND REFERENDUM.

EDITOR NOTE: No substantive change.

Sec. 29.26.100 [29.28.060]. RESERVATION OF POWERS. The powers of initiative and referendum are reserved to the residents of municipalities, except the powers do not extend to matters restricted by art. XI, sec. 7 of the state constitution.

EDITOR NOTE: 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. 29.26.110. APPLICATION FOR PETITION.

(a) An initiative or referendum is proposed by filing an application with the municipal clerk containing the ordinance or resolution to be initiated

or the ordinance or resolution to be referred and the address to which all correspondence relating to the petition may be sent. An application shall be signed by at least 10 voters who will sponsor the petition. An additional sponsor may be added at any time before the petition is filed by submitting the name of the sponsor to the clerk. Within two weeks the clerk shall certify the application if the clerk finds that it is in proper form and, for an initiative petition, that the matter

(1) is not restricted by AS 29.26.100;

(2) includes only a single subject;

(3) relates to a legislative rather than to an administrative matter; and

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

(b) A decision by the clerk on an application for petition is subject to judicial review. [29.28.062. PETITION. A PETITION FOR INITIATIVE OR REFERENDUM IS FILED WITH THE MUNICIPAL CLERK AND AN INITIATIVE PETITION MUST BE FILED NOT LESS THAN 90 DAYS BEFORE THE NEXT REGULAR ELECTION.]

EDITOR NOTE: 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.

Sec. 29.26.120 [29.28.065]. CONTENTS OF PETITION.

(a) Within two weeks after certification of an application for an initiative or referendum petition, a [A] petition [FOR AN INITIATIVE OR REFERENDUM] shall be prepared by the municipal clerk. Each copy of the petition shall contain

(1) a summary of the ordinance or resolution to be initiated or the ordinance or resolution to be referred; [EMBRACE ONLY A SINGLE COMPREHENSIVE SUBJECT,]

(2) the complete ordinance or resolution sought to be initiated or referred as submitted by the sponsors; [SET OUT FULLY THE ORDINANCE OR RESOLUTION SOUGHT BY THE PETITION:]

(3) [STATE UPON THE PETITION, WHEN CIRCULATED,] the date on which [OF FIRST CIRCULATION OF] the petition is issued by the clerk;

(4) notice [CONTAIN THE STATEMENT, WHEN CIRCULATED] that [THE] signatures [ON THE PETITION] must be secured within 60 [90] days after [FROM] the date the petition is issued [OF THE FIRST CIRCULATION];

(5) spaces for each [HAVE THE REQUIRED] signature[S], the printed name of each signer, the date[S] each [OF] signature[S], is affixed, and the residence [RESIDENT] and mailing addresses of each [THE] signer;

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

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

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

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

EDITOR NOTE: 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.

Sec. 29.26.130 [29.28.070]. SIGNATURE REQUIREMENTS [REQUIRED SIGNATURES].

(a) The [NECESSARY] signatures on an initiative or referendum [A] petition shall be secured within 60 [90] days after the clerk issues [FROM THE

DATE OF THE FIRST CIRCULATION OF] the petition. The statement provided under AS 29.26.120(a)(6) shall be signed and dated by the sponsor. Signatures [THE PETITION] shall be [SIGNED] in ink or indelible pencil.

(b) The clerk shall determine the number of signatures required on a petition and inform each sponsor. A petition shall be signed by a number of voters based on the number of votes cast at the last regular election held before the date the petition was issued equal to [EVERY PETITION FOR EITHER THE INITIATIVE OR REFERENDUM IN THE GOVERNMENT OF A MUNICIPALITY SHALL BE SIGNED BY A NUMBER OF QUALIFIED VOTERS RESIDING WITHIN THE TERRITORIAL LIMITS OF THE MUNICIPALITY, OR, IF THE ACT SOUGHT TO BE INITIATED OR REFERRED PERTAINS EXCLUSIVELY TO THE AREA OUTSIDE CITIES OR TO A SERVICE AREA, BY A NUMBER OF QUALIFIED VOTERS RESIDING WITHIN THE AREA OUTSIDE CITIES OR WITHIN THE SERVICE AREA, AS THE CASE MAY BE, EQUAL TO THE FOLLOWING PER CENT OF THE TOTAL NUMBER OF VOTES CAST AT THE LAST GENERAL ELECTION IN THE CITY OR BOROUGH OR BOROUGH AREA CONCERNED, OR SPECIAL ELECTION CALLED FOR THE PURPOSE OF ELECTING CITY OR BOROUGH OFFICERS:]

(1) 25 percent[,] of the votes cast if a municipality [WHEN A CITY OR BOROUGH] has fewer than 7,500 persons; or

(2) 15 percent[,] of the votes cast if a municipality [WHEN A CITY OR BOROUGH] has 7,500 persons or more.

[(C) WHEN SIGNING A PETITION EACH VOTER SHALL WRITE OR PRINT AFTER HIS SIGNATURE THE DATE OF SIGNING THE PETITION AND HIS RESIDENT ADDRESS.]

(c) [(D)] Illegible signatures shall be rejected by the clerk unless accompanied by a legible printed name [MAY BE REJECTED BY THE MUNICIPAL CLERK]. Signatures not accompanied by a legible residence address shall be rejected.

(d) [(E)] A petition signer may withdraw the signer's signature on [HIS SIGNATURE UPON] written application to the clerk before certification of the petition [WITHIN SEVEN DAYS AFTER THE PETITION HAS BEEN FILED WITH THE CLERK].

EDITOR NOTE: 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.

Sec. 29.26.140 [29.28.073]. SUFFICIENCY OF PETITION.

(a) All copies of an initiative or referendum petition shall be assembled and filed as a single instrument. Within 10 days after the date the petition is filed, the municipal clerk shall [WITHIN 10 DAYS FROM THE FILING DATE, THE MUNICIPAL CLERK]

(1) [SHALL] certify on the petition whether [OR NOT] it is sufficient; and

(2) [(B)] if the petition is insufficient, identify the insufficiency and notify the sponsors at the address provided under AS 29.26.110(a) by certified mail [IT MAY BE AMENDED OR].

(b) A petition that is insufficient may be supplemented with additional signatures obtained and filed within 10 days after the date on which the petition is rejected [AS INSUFFICIENT].

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

EDITOR NOTE: No change, except for minor rewording for consistency.

Sec. 29.26.150 [29.28.075]. PROTEST. If the municipal clerk certifies an initiative or referendum [THE] petition is insufficient, a signer of the petition may file a protest with the mayor [MUNICIPAL EXECUTIVE] within seven days after the certification. The mayor [AND THE MUNICIPAL EXECUTIVE] shall present the protest at the next regular meeting of [TO] the governing body. [ASSEMBLY OR COUNCIL] The governing body [WHICH] shall hear and decide the protest.

EDITOR NOTE: "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.

Sec. 29.26.160 [29.28.077]. NEW PETITION. Failure to secure sufficient signatures does not preclude the filing of a new initiative or referendum petition. However, a new petition on substantially the same matter may not be filed sooner than six months after a petition is rejected as insufficient.

EDITOR NOTE: 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 governing body to reject a petition, as there is in current law.

Sec. 29.26.170 [29.28.080]. [PRESENTATION OF] INITIATIVE ELECTION.

(a) Unless substantially the same measure is adopted, when a petition seeks an initiative vote [ENACTMENT OF AN ORDINANCE OR RESOLUTION WITHIN THE POWERS OF THE ASSEMBLY OR COUNCIL AND NOT OTHERWISE RESTRICTED BY § 60 OF THIS CHAPTER,] the clerk shall submit the matter to the voters at the next regular election occur ring no sooner than 45 days after certification of the petition. If no regular election occurs within 75 days after the certification of a petition, the governing body shall hold a special election within 75 days, but not sooner than 45 days after certification [PRESENT IT TO THE ASSEMBLY OR COUNCIL AT ITS NEXT MEETING AFTER CERTIFICATION. THE ASSEMBLY OR COUNCIL MAY REJECT THE PETITION IF THE SUBJECT MATTER OF THE INITIATIVE OR REFERENDUM IS WITHIN THE RESTRICTIONS OF § 60 OF THIS CHAPTER].

(b) If the governing body adopts substantially the same measure, the petition is void and the matter initiated may not be placed before the voters. [UNLESS THE PETITION IS GRANTED WITHIN 30 DAYS OF ITS SUBMISSION TO THE ASSEMBLY OR COUNCIL, THE CLERK SHALL, WITH THE ASSISTANCE OF THE MUNICIPAL ATTORNEY, PREPARE AN ORDINANCE OR RESOLUTION TO IMPLEMENT THE PETITION AND SHALL SUBMIT IT TO THE VOTERS AT THE NEXT REGULAR ELECTION. THE ORDINANCE OR RESOLUTION SHALL BE PUBLISHED IN FULL IN THE NOTICE OF ELECTION BUT MAY BE SUMMARIZED ON THE BALLOT TO INDICATE CLEARLY THE PROPOSAL SUBMITTED.]

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

(d) [(C)] If a majority vote [OF THOSE VOTING] favors the ordinance or resolution [PROPOSAL], it becomes effective upon certification of the election, unless a different effective date is provided in the ordinance or resolution [WHEN THE ELECTION RESULTS ARE OFFICIALLY DECLARED].

[(D) THE ASSEMBLY OR COUNCIL MAY AT ANY TIME NOT LESS THAN 10 DAYS FROM THE DATE OF ELECTION ADOPT AN ORDINANCE OR RESOLUTION TO IMPLEMENT THE PETITION. IN THAT EVENT AN ELECTION SHALL NOT BE HELD.]

EDITOR NOTE: 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.

Sec. 29.26.180 [29.28.090]. [PRESENTATION OF] REFERENDUM ELECTION.

(a) Unless the ordinance or resolution is repealed, [W]hen a petition seeks a referendum vote [ON AN ORDINANCE OR RESOLUTION], the clerk shall submit the matter [ORDINANCE] to the voters [OF THE MUNICIPALITY] at the next [REGULAR OR SPECIAL] election occurring no sooner than 45 days after certification of the petition. If no [REGULAR OR SPECIAL] election occurs within 75 days of certification [THE FILING] of a [SUFFICIENT] petition [WITH THE CLERK], the governing body [ASSEMBLY OR COUNCIL] shall hold a special election within 75 days, but not sooner than 45 days after certification [OF FILING].

(b) If a [SUFFICIENT] petition [FOR REFERENDUM] is certified [FILED WITHIN 30 DAYS AFTER FINAL PASSAGE OF THE ORDINANCE, OR] before the effective date of the matter referred [ORDINANCE], the ordinance or resolution against which the petition is filed shall be suspended pending the referendum vote [ON THE ORDINANCE]. During the period of suspension, the governing body [ASSEMBLY OR COUNCIL] may not enact an ordinance or resolution substantially similar to the suspended measure [ORDINANCE BUT MAY REPEAL THE SUSPENDED ORDINANCE].

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

(d) [(E)] If a majority vote [OF THOSE VOTING] favors the repeal of the matter referred, it is repealed [REFERENDUM LEGISLATION; IT]. Otherwise, the matter referred remains in effect or, if it has been suspended, becomes effective on certification of the election [. IF A MAJORITY REJECTS THE LEGISLATION, IT IS REPEALED. A MUNICIPAL CHARTER MAY BE AMENDED AS PROVIDED IN THE CHARTER OR BY INITIATIVE AND REFERENDUM AS PROVIDED IN §§ 60 - 110 OF THIS CHAPTER.]

EDITOR NOTE: 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.

Sec. 29.26.190 [29.28.110]. EFFECT.

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

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

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

[(A) THE ASSEMBLY OR COUNCIL MAY NOT, WITHIN TWO YEARS, ACT IN ANY WAY TO MODIFY OR NEGATE THE EFFECT OF A SUCCESSFUL INITIATIVE OR REFERENDUM. IF AN ORDINANCE AGAINST WHICH A REFERENDUM IS DIRECTED HAS BEEN REPEALED BY THE ASSEMBLY OR COUNCIL AFTER A PETITION HAS BEEN FILED BUT BEFORE THE REFERENDUM, THE COUNCIL OR ASSEMBLY MAY NOT ENACT SUBSTANTIALLY SIMILAR LEGISLATION FOR A PERIOD OF ONE YEAR AFTER REPEAL.

(B) AN UNSUCCESSFUL INITIATIVE OR REFERENDUM PRECLUDES THE FILING OF A NEW PETITION FOR THE SAME PURPOSE SOONER THAN SIX MONTHS AFTER VOTER DISAPPROVAL OF THE INITIATIVE OR REFERENDUM.]

ARTICLE 3. RECALL.

EDITOR NOTE: 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 re-elected to the same office.

Sec. 29.26.240 [29.28.130]. RECALL. An [ELECTED] official who is elected or appointed to an elective municipal office [OF A HOME RULE OR GENERAL LAW MUNICIPALITY] may be recalled by the voters after the official [HE] has served the first 120 days of the term for which elected or appointed [SIX MONTHS IN OFFICE].

EDITOR NOTE: No change.

Sec. 29.26.250 [29.28.140]. GROUND FOR RECALL. Grounds for recall are misconduct in office, incompetence, or failure to perform prescribed duties.

EDITOR NOTE: 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. 29.26.260. APPLICATION FOR RECALL PETITION.

(a) An application for a recall petition shall be filed with the municipal clerk and shall contain

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

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

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

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

EDITOR NOTE: 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 were 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.

Sec. 29.26.270 [29.28.150]. RECALL PETITION.

(a) If the municipal clerk determines that [WHICH] an application for a recall petition meets the requirements of AS 29.26.260, the clerk shall prepare a recall petition [A PETITION SEEKING RECALL OF ONE OR MORE MUNICIPAL OFFICIALS IS FILED WITH THE MUNICIPAL CLERK]. [THE] All copies of the petition shall contain

(1) the name of the official sought to be recalled [THE SIGNATURES AND RESIDENT ADDRESSES OF A NUMBER OF VOTERS AS PRESCRIBED IN § 70(B) OF THIS CHAPTER FOR INITIATIVE AND REFERENDUM];

(2) the statement of the grounds for recall as set out in the application for petition; [THE DATE EACH VOTER SIGNED THE PETITION; AND]

(3) the date the petition is issued by the clerk [A STATEMENT OF THE GROUNDS OF THE RECALL STATED WITH PARTICULARITY AS TO SPECIFIC INSTANCES.];

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

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

(6) a statement, with space for the sponsor's sworn signature and date of signing, that [WHICH] the sponsor personally circulated the petition, that all signatures were affixed in the presence of the sponsor, and that the sponsor believes the signatures to be those of the persons whose names they purport to be; and

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

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

EDITOR NOTE: 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.

Sec. 29.26.280 [29.28.160, 29.28.150]. SIGNATURE REQUIREMENTS.

(a) The signatures on a recall petition shall be secured within 60 days after the date the clerk issues the petition. The statement provided under AS 29.26.270(a)(6) shall be completed and signed by the sponsor. Signatures shall be in ink or indelible pencil.

(b) The clerk shall determine the number of signatures required on a petition and inform 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 at the last regular election held before the date the petition was issued. If a petition seeks to recall an official who represents a district, the petition shall be signed by a number of the voters residing in the district equal to 25 percent of the number of votes cast in the district for that office at the last regular election held before the date the petition was issued.

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

(d) A petition signer may withdraw the signer's signature upon written application to the clerk before certification of the petition. [EXAMINATION FOR SUFFICIENCY. THE MUNICIPAL CLERK SHALL REVIEW THE PETITION FOR CONTENT AND SIGNATURES AND SHALL CERTIFY ON THE PETITION WITHIN 10 DAYS OF THE FILING DATE WHETHER IT IS ACCEPTED OR REJECTED. UNTIL THE PETITION IS ACCEPTED, A PETITION SIGNER MAY WITHDRAW HIS SIGNATURE UPON WRITTEN APPLICATION TO THE CLERK.]

EDITOR NOTE: 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.

Sec. 29.26.290 [29.28.170, 29.28.160]. SUFFICIENCY OF PETITION.

(a) The copies of a recall petition shall be assembled and filed as a single instrument. A petition may not be filed within 180 days before the end of the term of office of the official sought to be recalled. Within 10 days after the date a petition is filed, the municipal clerk shall

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

(2) if the petition is insufficient, identify the insufficiency and notify the sponsors at the address provided under AS 29.26.260(a)(2) by certified mail.

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

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

(2) the supplementary petition is filed more than 180 days before the end of the term of office of the official sought to be recalled.

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

[SUPPLEMENTAL PETITION. (A) IF THE PETITION IS REJECTED BECAUSE OF INSUFFICIENT SIGNATURES, IT MAY BE SUPPLEMENTED BY ADDITIONAL SIGNATURES WITHIN 10 DAYS AFTER THE DATE OF REJECTION. IF THE PETITION IS INSUFFICIENT FOR ANY OTHER REASON, IT SHALL BE REJECTED AND FILED AS A PUBLIC RECORD.

(B) WITHIN 10 DAYS AFTER SUPPLEMENTARY FILING, THE CLERK SHALL RECERTIFY THE PETITION. IF IT IS STILL INSUFFICIENT, THE PETITION IS REJECTED AND FILED AS A PUBLIC RECORD.]

EDITOR NOTE: 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.

Sec. 29.26.300 [29.28.180]. NEW RECALL PETITION APPLICATION. [FAILURE TO SECURE SUFFICIENT SIGNATURES DOES NOT PREVENT THE FILING OF A NEW RECALL PETITION. HOWEVER, A [a] new application for a petition to recall the same official may not be filed sooner than six months after a petition is rejected as insufficient.

EDITOR NOTE: No change, except for minor rewording for consistency.

Sec. 29.26.310 [29.28.190]. SUBMISSION. If a recall petition is sufficient, the clerk shall [IMMEDIATELY] submit it to the governing body [ASSEMBLY OR COUNCIL] at the next regular meeting or at a special meeting held before the next regular meeting.

EDITOR NOTE: 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.

Sec. 29.26.320 [29.28.200]. ELECTION.

(a) If a regular election occurs within 75 days but not sooner than 45 days after submission of the petition to the governing body [OF THE SUBMISSION], the governing body [ASSEMBLY OR COUNCIL] shall submit the recall at that election.

(b) If no regular election occurs within 75 days, the governing body [ASSEMBLY OR COUNCIL] shall hold a special election on the recall question within 75 days but not sooner than 45 days after a petition is submitted to the governing body [OF SUBMISSION].

(c) If a vacancy occurs in the office after a sufficient recall petition is filed with the clerk, the recall question may [PETITION SHALL] not be submitted to the voters. The governing body may not appoint to the same office an official who resigns after a sufficient recall petition is filed naming that official.

EDITOR NOTE: The grounds for recall must be stated in 200 words or less.

Sec. 29.26.330 [29.28.210]. FORM OF RECALL BALLOT. A recall ballot shall contain[S]

(1) the grounds for recall as stated in 200 words or less on the recall petition; [AS STATED IN THE RECALL PETITION]

(2) a [THE OFFICER'S] statement by the official named on the recall petition of 200 words or less, if the statement is filed with the clerk for publication and public inspection within 20 days before the election;

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

EDITOR NOTE: The provision that an office becomes vacant upon certification of the election is added.

Sec. 29.26.340 [29.28.230, 29.28.240]. EFFECT [MAJORITY REQUIRED].

(a) If a [A] majority vote favors recall, the office becomes vacant upon certification of the recall election [ON THE QUESTION IS REQUIRED TO RECALL AN OFFICER].

(b) [29.28.240.] If an official [INCUMBENT] is not recalled at the [RECALL] election, an application for a petition to recall the same official [INCUMBENT] may not be filed sooner than six months after the [RECALL] election.

EDITOR NOTE: 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 shall 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.

Sec. 29.26.350 [29.28.250]. [ELECTION OF] SUCCESSORS.

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

(b) If a member of the school board is recalled, the office of that member is filled in accordance with AS 14.12.070. If all members are recalled from a school board, the governor shall appoint three qualified persons to the

school board. The appointees shall appoint additional members to fill remaining vacancies in accordance with AS 14.12.070.

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

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

(e) Nominations for a successor may be filed until seven days before the last date on which a first notice of the election must be given. Nominations may not be filed before the certification of the recall election. [IF THE VOTERS RECALL AN OFFICER, THE CLERK SHALL CONDUCT AN ELECTION FOR A SUCCESSOR TO FILL THE UNEXPIRED TERM. THE ELECTION SHALL BE HELD AT LEAST 10 BUT NOT MORE THAN 45 DAYS FROM THE DATE OF THE RECALL ELECTION. HOWEVER, IF A REGULAR OR SPECIAL ELECTION OCCURS WITHIN 75 DAYS OF THE RECALL ELECTION, THE SUCCESSOR TO THE RECALLED OFFICIAL SHALL BE CHOSEN AT THAT REGULAR OR SPECIAL ELECTION. THE PROCEDURES AND REQUIREMENTS FOR THE REGULAR ELECTION FOR THE OFFICE FROM WHICH THE INCUMBENT IS RECALLED APPLY TO THE ELECTION CONDUCTED UNDER THIS SECTION.]

EDITOR NOTE: The sections dealing with recall are made applicable as limitations on home rule municipalities and are currently limitations under AS 29.13.100(9).

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

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

CHAPTER 35 [48]. MUNICIPAL POWERS AND DUTIES [APPLICABLE TO ALL MUNICIPALITIES].

ARTICLE 1. GENERAL POWERS.

EDITOR NOTE: (1) No change.

(2) No change, except for rewording due to a change in organization.

(3) No change.

(4) Minor rewording.

(5) Minor rewording.

(6) "and impose liens for their enforcement" is added.

(7) No change.

(8) "for a purpose authorized under this title, federal law, or other law, or in accordance with such law" is deleted as excessive verbage.

(9) "facility or service" is added.

(10) This is added as a general power. Under existing law, the power may be exercised by a first class borough on a non-areawide 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.

(11) No change.

(12) Minor rewording.

(13) Minor rewording.

(14) No change.

Sec. 29.35.010 [29.48.010, 29.23.510, 29.38.010, 29.48.035(a),(b)]. GENERAL POWERS. All municipalities have the following general powers, subject to other provisions of law:

(1)[2] to establish and prescribe a [FOR] salary [SALARIES] for an [THE] elected or [AND] appointed municipal official or [OFFICER AND] employee;

(2)[29.23.510] [THE ASSEMBLY OR COUNCIL MAY] to combine two or more appointive or administrative offices;

(3)[1] to establish and prescribe the functions of a municipal department[s], office[s], or agency [AGENCIES];

(4)[5] to require periodic and special reports from a municipal department to be submitted through the mayor [MUNICIPAL EXECUTIVE];

(5)[3] to [MAKE] investigate [INVESTIGATION OF THE] an affair[s] of the municipality and make inquiries into the conduct of a municipal department;

(6)[7] to levy a tax[es] or [AND] special assessment[s], and impose a lien for its enforcement;

(7)[8] to enforce an ordinance[s] and to prescribe a penalty [PENALTIES] for violation[s] of an ordinance;[TO LEVY TAXES AND SPECIAL ASSESSMENTS;]

(8)[9] to acquire, manage, control, use, and dispose of real and personal property, whether [OR NOT] the property is situated inside [WITHIN] or outside the municipal boundaries; this power includes the power of a [SECOND CLASS] borough to expend, for any purpose authorized by law, money received from the disposal of land in a service area established [CREATED] under AS 29.35.450 [29.63.090(f)];

(9)[11] to expend money [FUNDS] for a community purpose[s], 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;

(11)[12] to borrow money and issue evidences of indebtedness;

(12)[10] to acquire membership in an organization[s] that [WHICH] promotes legislation for the good of the municipality;

(13)[4] to enter into an agreement[s], including an [THOSE] agreement for cooperative or joint administration of any function[s] or power[s] with a municipality [LOCAL GOVERNMENT], [WITH] the state, or [WITH] the United States;

(14) [6] to sue and be sued.

EDITOR NOTE: 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, utility services, 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.

Sec. 29.35.020 [29.48.037]. EXTRATERRITORIAL JURISDICTION.

(a) To the extent a municipality is otherwise authorized by law to exercise the power necessary to provide the facility or service, the municipality may provide parks, playgrounds, cemeteries, emergency medical services, solid and septic waste disposal, utility services, airports, streets (including ice roads), trails, transportation facilities, wharves, harbors and other marine facilities outside its boundaries and may regulate their use and operation to the extent that the jurisdiction in which they are located does not regulate them. A regulation adopted under this section must state that it applies outside the municipality. [A MUNICIPALITY MAY PROVIDE PARKS ROADS (INCLUDING ICE ROADS), TRAILS, PLAYGROUNDS, EMERGENCY MEDICAL SERVICES, CEMETERIES AND AIRPORTS OUTSIDE ITS OPERATION. A REGULATION ADOPTED UNDER THIS SECTION MUST STATE THAT IT APPLIES OUTSIDE THE MUNICIPALITY.]

(b) A municipality may adopt an ordinance[S] to protect its water supply and watershed, and may enforce the ordinance [THEM] outside its boundaries. Before this power may be exercised inside [WITHIN] the boundaries of another municipality, the approval of the other [THAT] municipality must be given by ordinance.

(c) This section applies to home rule [GENERAL LAW] and general law [HOME RULE] municipalities.

EDITOR NOTE: 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).

Sec. 29.35.030 [29.73.020]. EMINENT DOMAIN.

(a) A [HOME RULE OR GENERAL LAW] municipality may exercise the powers of eminent domain and declaration of taking in the performance of a [AN AUTHORIZED] power or function of the municipality[,] under the procedures set out in AS 09.55.250 - 09.55.460 [IN ACCORDANCE WITH AS 90.55.250 - 09.55.460. IN THE CASE OF A SECOND CLASS CITY, BEFORE EXERCISING THE POWER, THE COUNCIL SHALL REQUEST OR PETITION THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS FOR PERMISSION TO EXERCISE THE POWER. THE COUNCIL MAY NOT EXERCISE THE POWER OF EMINENT

DOMAIN OR DECLARATION OF TAKING WITHOUT THE FORMAL APPROVAL OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. THE EXERCISE OF THE POWER OF EMINENT DOMAIN OR DECLARATION OF TAKING SHALL BE BY ORDINANCE WHICH SHALL BE SUBMITTED TO THE QUALIFIED VOTERS VOTING ON THE QUESTION IS REQUIRED FOR APPROVAL OF THE ORDINANCE.]

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

EDITOR NOTE: This becomes applicable when a disaster is declared by the governor as well as by the President. Since (s) 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 non-areawide powers do not apply has been eliminated as redundant.

Sec. 29.35.040 [29.48.270]. EMERGENCY DISASTER POWERS.

(a) A municipality that [WHICH] is wholly or partially in [WITHIN] an area that [WHICH] is declared by the President or governor to be a disaster area may participate in and provide for housing, urban renewal, and redevelopment in the same manner as a home rule city. The exercise of these powers by a borough shall be on a nonareawide basis, except a borough may exercise the powers transferred to it by a city as provided by AS 29.35.310 [IS LIMITED TO THE AREA OUTSIDE A CITY IN THE BOROUGH].

[(B) [A BOROUGH MAY EXERCISE THE POWERS FOR A HOUSING OR URBAN RENEWAL AND REDEVELOPMENT PROJECT TRANSFERRED TO IT BY A CITY LOCATED IN THE BOROUGH AS PROVIDED BY AS 29.33.260.

(C) AS 29.38.020 - 29.38.050 ARE NOT APPLICABLE TO THE HOUSING AND URBAN RENEWAL AND REDEVELOPMENT POWERS GRANTED BY THIS SECTION.]

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

EDITOR NOTE: 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.

Sec. 29.35.050 [29.48.033]. GARBAGE AND SOLID WASTE SERVICES.

(a) A municipality may by ordinance

(1) provide for the establishment, maintenance, and operation of

a system of garbage and solid waste collection and disposal for the entire municipality, or for districts or portions of it;

(2) require all persons in [WITHIN] the municipality or district to use the system and to dispose of their garbage and solid wastes as provided in the ordinance;

(3) award contracts for collection and disposal, or provide for the collection and disposal of garbage and solid waste by municipal officials and employees;

(4) pay for garbage and solid waste collection and disposal from available money [FUNDS];

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

(6) fix charges against the property owners or occupants of premises for the collection and disposal; and [PROVIDE THAT CHARGES FOR COLLECTION AND DISPOSAL SHALL BE PAID BY THE PROPERTY OWNER OR OCCUPANTS OF THE PREMISES]

(7) [AND] provide penalties for violations of the ordinances.

(b) The [COUNCIL OR] governing body of a municipality [ANY POLITICAL SUBDIVISION] may not prohibit a person holding a valid certificate from the Alaska Public Utilities Commission from continuing to collect and dispose of garbage, refuse, trash, waste material, or provide other related services in an [ANY] area in the municipality [POLITICAL SUBDIVISION] if the certificate authorizes the collection and disposal of garbage, refuse, trash, or other waste material and providing of other services in the area, and the certificate was originally issued before the municipality [POLITICAL SUBDIVISION] provided [LIKE OR] similar services. A municipality [POLITICAL SUBDIVISION] may not provide for a garbage, refuse, trash, or other waste material collection and disposal service in an [ANY] area to the extent it lies in [WITHIN] an area granted to a garbage, refuse, trash, or other waste material carrier by a certificate issued by the Alaska Public Utilities Commission to the carrier until it has purchased the certificate, equipment and facilities of the carrier, or that portion of the certificate that [WHICH] would be affected, at fair market value. A municipality [AND] may exercise the right of eminent domain to acquire the certificate, equipment and facilities of the carrier, or that portion of the certificate that would be affected [DETERMINE FAIR MARKET VALUE].

(c) This section applies to home rule and general law municipalities.

[REPEALED BY § 6 CH 76 SLA 1973.]

EDITOR NOTE: (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.

(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.

Sec. 29.35.060 [29.48.050(a)(b)]. FRANCHISES AND PERMITS.

(a) The assembly acting for the area outside all cities in the borough and the council acting for the area in [WITHIN] a city may grant franchises, including exclusive franchise privileges, to a person, corporation, organization, or utility not certificated by the Alaska Public Utilities Commission [FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF BUS TRANSPORTATION SYSTEMS AND PUBLIC UTILITIES NOT REGULATED UNDER AS 42.05] and may permit [THEM] the use of streets and other public places by the franchise holder under regulations prescribed by ordinance.

(b) Unless the grant is made on a competitive basis, the grant of an exclusive right to use a public street or right-of-way for more than five years to a utility or a transportation system not certificated by the Alaska Public Utilities Commission or by the Alaska Transportation Commission shall be valid only if approved by a majority of the voters at an election. [NO FRANCHISE IS VALID UNTIL IT HAS BEEN SUBMITTED TO THE QUALIFIED VOTERS OF THE CITY OR BOROUGH AREA OUTSIDE CITIES IN WHICH IT APPLIES AND AT LEAST 55 PER CENT OF THE VOTES CAST ARE IN FAVOR OF THE FRANCHISE. AT LEAST 30 DAYS NOTICE OF A FRANCHISE REFERENDUM ELECTION SHALL BE GIVEN IN THE SAME MANNER AS IS PROVIDED FOR NOTICE OF REGULAR MUNICIPAL ELECTIONS, AND THE NOTICE SHALL SPECIFY THE PURPOSE OF THE ELECTION. THE ORDINANCE GRANTING A FRANCHISE SHALL PROVIDE FOR ITS SUBMISSION FOR RATIFICATION TO THE QUALIFIED VOTERS OF THE CITY OR BOROUGH AREA OUTSIDE CITIES AT EITHER A REGULAR OR SPECIAL ELECTION, AND THE RESULT OF THE ELECTION SHALL BE CANVASSED PUBLICLY BY THE COUNCIL OR ASSEMBLY AND SPREAD UPON THE RECORDS OF THE MINUTES AND THE RESULT DECLARED AND CERTIFIED IN THE SAME MANNER AS IN A REGULAR ELECTION.]

[(C) PUBLIC UTILITIES REGULATED UNDER AS 42.05 HAVE THE RIGHT TO USE THE STREETS AND OTHER PUBLIC PLACES, UPON PAYMENT OF A REASONABLE PERMIT FEE AND ON REASONABLE TERMS AND CONDITIONS AND WITH REASONABLE EXCEPTIONS THE ASSEMBLY OR COUNCIL REQUIRES. A DISPUTE AS TO WHETHER FEES, TERMS, CONDITIONS, OR EXCEPTIONS ARE REASONABLE SHALL BE DECIDED BY THE ALASKA PUBLIC UTILITIES COMMISSION.]

EDITOR NOTE: The governing body may regulate a utility rate to the extent that it is not subject to regulation by the state and to the extent not otherwise prohibited by law. Under existing law, a municipality may regulate only a municipally owned utility which is not regulated by the state. This section applies as a home rule limitation, and is an existing limitation under AS 29.13.100(7).

Sec. 29.35.070 [29.48.060]. PUBLIC UTILITIES [RATES].

(a) The assembly acting for the area outside all cities in the borough and the council acting for the area in [WITHIN] a city may regulate, fix, establish, and change[, AS IT CONSIDERS PROPER,] the rates and charges imposed for a utility service provided [UTILITIES SERVICES GIVEN] to the municipality or its inhabitants by a [MUNICIPALLY OWNED] utility to the extent [NOT REGULATED UNDER AS 42.05 AND MAY REGULATE AND]

- (1) that it is not subject to regulation under AS 42.05; and
- (2) not otherwise prohibited by law.

(b) A municipality may provide for [WHAT IS] a reasonable deposit for meters and [SECURITY FOR] service to be given if [, PROVIDED THAT] if interest is paid on the deposit.

(c) Unless the utility is owned by the municipality, all rates, charges, and regulations established under this section shall be established by ordinance and shall be reasonable and [SHALL] permit a fair [AND REASONABLE] return on invested capital.

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

EDITOR NOTE: Requires municipal regulation of alcoholic beverages to conform to state requirements and is made a home rule limitation.

Sec. 29.35.080 [29.48.035(a)(10)]. ALCOHOLIC BEVERAGES.

(a) A municipality may regulate the barter, sale, importation, and consumption of alcoholic beverages in accordance with AS 04.11.480 - 04.11.506 and AS 04.21.010. [29.48.035. REGULATORY POWERS. (A) (10) ALCOHOLIC BEVERAGES AS PROVIDED BY AS 04.15.070;]

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

EDITOR NOTE: 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.

Sec. 29.35.090 [29.48.260]. MUNICIPAL PROPERTY. The governing body shall by ordinance establish a formal procedure for acquisition and disposal of land and interests in land by the municipality.

[Sec. 29.48.260. MUNICIPAL PROPERTIES.

(A) A MUNICIPALITY MAY ACQUIRE AND HOLD REAL AND PERSONAL PROPERTY OR INTEREST IN PROPERTY, AND MAY SELL, LEASE OR OTHERWISE DISPOSE OF PROPERTY NO LONGER REQUIRED FOR MUNICIPAL PURPOSES.

(B) NOTWITHSTANDING THE PROVISIONS OF (C) OF THIS SECTION, A MUNICIPALITY MAY SELL, LEASE, DONATE OR EXCHANGE WITH THE UNITED STATES, THE STATE, OR A POLITICAL SUBDIVISION REAL ESTATE OR OTHER PROPERTY, OR INTEREST IN PROPERTY, WHEN IN THE JUDGEMENT OF THE ASSEMBLY OR COUNCIL IT IS ADVANTAGEOUS TO THE MUNICIPALITY TO DO SO.]

[(C) THE ASSEMBLY OR COUNCIL SHALL BY ORDINANCE ESTABLISH A FORMAL PROCEDURE FOR THE SALE, LEASE OR DISPOSITION OF REAL PROPERTY OR INTEREST IN REAL PROPERTY. THE ORDINANCE SHALL REQUIRE

(1) AN ESTIMATED VALUE OF THE PROPERTY BY A QUALIFIED APPRAISER OR THE ASSESSOR;

(2) A NOTICE OF SALE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION DISTRIBUTED WITHIN THE MUNICIPALITY AT LEAST 30 DAYS BEFORE THE DATE OF THE SALE, LEASE, OR DISPOSITION, OR POSTED WITHIN THAT TIME IN AT LEAST THREE PUBLIC PLACES IN THE MUNICIPALITY;

(3) PUBLIC AUCTION OR OPENING OF SEALED BIDS, IF ANY; AND

(4) OTHER TERMS AND CONDITIONS FIXED BY THE ASSEMBLY OR COUNCIL.

HOWEVER, NO ORDINANCE FOR THE SALE, LEASE, OR DISPOSITION OF REAL PROPERTY OR INTEREST IN REAL PROPERTY VALUED AT \$25,000 OR MORE IS VALID UNLESS RATIFIED BY A MAJORITY OF THE QUALIFIED VOTERS VOTING AT A REGULAR OR SPECIAL ELECTION AT WHICH THE QUESTION OF THE RATIFICATION OF THE ORDINANCE IS SUBMITTED. THIRTY DAYS NOTICE SHALL BE GIVEN OF THE ELECTION AND DURING THAT PERIOD THE ASSEMBLY OR

COUNCIL SHALL HAVE PUBLISHED AT LEAST ONCE A WEEK IN A NEWSPAPER OF GENERAL CIRCULATION DISTRIBUTED WITHIN THE MUNICIPALITY A NOTICE STATING THE TIME OF THE ELECTION AND THE PLACE OF VOTING, DESCRIBING THE PROPERTY TO BE SOLD, LEASED OR DISPOSED OF, GIVING A BRIEF STATEMENT OF THE TERMS AND CONDITIONS OF THE SALE AND THE CONSIDERATION, IF ANY, AND STATING THE TITLE AND DATE OF PASSAGE OF THE ORDINANCE. NOTICE SHALL ALSO BE GIVEN BY POSTING A COPY OF IT IN AT LEAST THREE PUBLIC PLACES IN THE MUNICIPALITY AT LEAST 30 DAYS BEFORE THE ELECTION. IF NO NEWSPAPER OF GENERAL CIRCULATION IS DISTRIBUTED WITHIN THE MUNICIPALITY A NOTICE STATING THE TIME OF THE ELECTION AND THE PLACE OF VOTING, DESCRIBING THE PROPERTY TO BE SOLD, LEASED OR DISPOSED OF, GIVING A BRIEF STATEMENT OF THE TERMS AND CONDITIONS OF THE SALE AND THE CONSIDERATION, IF ANY, AND STATING THE TITLE AND DATE OF PASSAGE OF THE ORDINANCE. NOTICE SHALL ALSO BE GIVEN BY POSTING A COPY OF IT IN AT LEAST THREE PUBLIC PLACES IN THE MUNICIPALITY AT LEAST 30 DAYS BEFORE THE ELECTION. IF NO NEWSPAPER OF GENERAL CIRCULATION IS DISTRIBUTED WITHIN THE MUNICIPALITY, THE NOTICE GIVEN BY POSTING IS SUFFICIENT FOR THE PURPOSES OF THE SECTION.

(D) THE ASSEMBLY OR COUNCIL MAY BY ORDINANCE ESTABLISH A FORMAL PROCEDURE FOR ACQUISITION FROM THE STATE OF LAND OR RIGHTS IN LAND AND THE DISPOSAL OF THE LAND OR RIGHTS IN LAND, IN WHICH EVENT THE PROVISIONS OF (C) OF THIS SECTION DO NOT APPLY.

(E) A MUNICIPALITY, IN ORDER TO MAKE SITES AVAILABLE FOR BENEFICIAL NEW INDUSTRIES, MAY ACQUIRE AND HOLD REAL PROPERTY, EITHER INSIDE OR OUTSIDE THE CORPORATE LIMITS, AND MAY SELL, LEASE OR DISPOSE OF IT TO PERSONS WHO AGREE TO OPERATE A BENEFICIAL NEW INDUSTRY UPON THE TERMS AND CONDITIONS THE ASSEMBLY OR COUNCIL CONSIDERS ADVANTAGEOUS TO THE MUNICIPALITY.

(F) A DEED, CONTRACT OF SALE, LEASE, OR OTHER INSTRUMENT EVIDENCING DISPOSITION BY A BOROUGH OF LAND OR INTEREST IN LAND CLASSIFIED BY THE BOROUGH AS AGRICULTURAL LAND SHALL INCLUDE, AMONG OTHER TERMS, CONDITIONS AND LIMITATIONS WHICH MAY BE REQUIRED BY LAW OR WHICH THE ASSEMBLY MAY ELECT TO INCLUDE, A CONDITION THAT THE LAND IS RESTRICTED TO AGRICULTURAL USE. THE ASSEMBLY MAY NOT BY SUBSEQUENT ACTION WAIVE OR ABROGATE THE CONDITION FOR A PERIOD OF 50 YEARS. AN ABROGATION OF THE RESTRICTION TO AGRICULTURAL USE AFTER THE 50-YEAR PERIOD REQUIRES THE CONSENT OF ANY PARTY HAVING AN INTEREST IN THE LAND. THE ASSEMBLY SHALL PROVIDE FOR ENFORCEMENT BY APPROPRIATE LEGAL MEANS, INCLUDING BUT NOT LIMITED TO FORFEITURE OF THE PURCHASER'S INTEREST FOR VIOLATION OF THE CONDITION.]

EDITOR NOTE: 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.

Sec. 29.35.100 [29.48.190]. BUDGET AND CAPITAL PROGRAM.

(a) The governing body [ASSEMBLY OR COUNCIL] shall establish the manner for the preparation and submission of the budget[S] and capital program[S BY THE EXECUTIVE]. After a public hearing, the governing body [ASSEMBLY OR COUNCIL] may approve the bud get[S] with or without amendments, and shall appropriate the money [FUNDS] required for the approved budget.

[(B) A BOND, CONTRACT, LEASE, OR OTHER OBLIGATION REQUIRING THE PAYMENT OF FUNDS FROM THE APPROPRIATIONS OF A LATER FISCAL YEAR OR OF MORE THAN ONE FISCAL YEAR SHALL BE MADE OR APPROVED BY ORDINANCE ADOPTED BY A MAJORITY OF THE VOTES AUTHORIZED ON THE QUESTION.]

(b) [(C)] The governing body [ASSEMBLY OR COUNCIL] may make supplemental and emergency appropriations. [NO] Payment may not be authorized or made and an [NO] obligation may not be incurred except in accordance with appropriations.

[(D) NOTHING IN THIS SECTION IS INTENDED TO PREVENT THE AUTHORIZING OF PAYMENT OR MAKING OF CONTRACTS FOR CAPITAL IMPROVEMENTS TO BE FINANCED WHOLLY OR PARTLY BY THE ISSUANCE OF BONDS.]

EDITOR NOTE: This is rewritten for clarity.

Sec. 29.35.110 [29.48.210]. EXPENDITURE OF BOROUGH REVENUES. Borough revenues received through taxes [LEVIED AND] collected on an areawide basis by the [A HOME RULE OR GENERAL LAW] borough may be expended on general administrative costs and on areawide functions only. Borough revenues received through taxes collected on a nonareawide basis [LEVIED AND COLLECTED IN THE AREA OUTSIDE CITIES ONLY] may be expended on general administrative costs and functions that [WHICH] render service only to the area outside all cities in the borough [ONLY].

EDITOR NOTE: No change, except for minor rewording to achieve consistent usage throughout the title.

Sec. 29.35.120 [29.48.220]. POST AUDIT.

(a) The governing body [ASSEMBLY OR COUNCIL] shall provide for an annual independent audit of the accounts and financial transactions of the municipality or, in the case of a second class city, an audit or statement of annual income and expenditures. To make the audit the governing body [ASSEMBLY OR COUNCIL] shall designate a public accountant who has no personal interest, direct or indirect, in the fiscal affairs of the municipality. Copies of the audit shall be available to the public upon request.

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

EDITOR NOTE: No substantive change.

Sec. 29.35.130 [29.73.080]. EMERGENCY SERVICES COMMUNICATIONS CENTERS.

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

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

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

(1) combine or coordinate the existing emergency services communications programs of the participating municipalities and agencies;

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

(3) study the need for improvement in the timely delivery of emergency services to residents of the participating municipalities;

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

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

emergency services;

(6) enter into contracts to carry out the provisions of this section [CHAPTER];

(7) employ personnel necessary to carry out the provisions of this section [CHAPTER].

(d) In this section

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

[(2) "EMERGENCY SERVICE AGENCY" MEANS AN AGENCY THAT PROVIDES EMERGENCY SERVICES;]

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

ARTICLE 2. MANDATORY AREAWIDE POWERS.

[ARTICLE 1. SCOPE.]

EDITOR NOTE: 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).

Sec. 29.35.150 [29.33.010, 29.41.010(d)]. SCOPE OF AREAWIDE POWERS. A [(A) FIRST AND SECOND CLASS] borough[S] shall exercise the powers as specified and in the manner specified in AS 29.35.150 - 29.35.180 [THIS CHAPTER] on an areawide basis [BOTH INSIDE AND OUTSIDE CITIES WITHIN THEIR BOUNDARIES].

[(B) NO CITY, WHETHER HOME RULE OR NOT, MAY EXERCISE AN AREAWIDE POWER ONCE THAT POWER IS BEING EXERCISED BY A BOROUGH.]

[Sec. 29.41.010. POWERS OF THIRD CLASS BOROUGHS.

(D) A MILITARY RESERVATION WITHIN A THIRD CLASS BOROUGH IS NOT PART OF THE BOROUGH SCHOOL DISTRICT UNTIL THE MILITARY MISSION IS TERMINATED OR UNTIL INCLUSION IN THE BOROUGH SCHOOL DISTRICT IS APPROVED BY THE DEPARTMENT OF EDUCATION. HOWEVER, OPERATION OF THE MILITARY RESERVATION SCHOOLS BY THE BOROUGH SCHOOL DISTRICT MAY BE REQUIRED BY THE DEPARTMENT OF EDUCATION UNDER AS 14.14.110. OF THE MILITARY MISSION OF A MILITARY RESERVATION TERMINATES OR CONTINUED MANAGEMENT AND CONTROL BY A REGIONAL EDUCATION ATTENDANCE AREA IS DISAPPROVED BY THE DEPARTMENT OF EDUCATION, OPERATION, MANAGEMENT AND CONTROL OF SCHOOLS ON THE MILITARY RESERVATION TRANSFERS TO THE BOROUGH SCHOOL DISTRICT IN WHICH THE MILITARY RESERVATION IS LOCATED.]

EDITOR NOTE: 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).

Sec. 29.35.160 [29.33.050]. EDUCATION.

(a) Each borough constitutes a borough school district and establishes, maintains, and operates a system of public schools on an areawide basis as provided in AS 14.14.060. A military reservation in a [WITHIN AN ORGANIZED] borough is not part of the borough school district until the military mission is terminated or until inclusion in the borough school district is approved by the Department of Education. However, operation of the military reservation schools by the borough school district may be required by the Department of Education under AS 14.14.110. If the military mission of a military reservation terminates or continued management and control by a regional educational attendance area is disapproved by the Department of Education, operation, management, and control of schools on the military reservation transfers to the borough school district in which the military reservation is located.

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

EDITOR NOTE: The subsection dealing with collection by a borough of taxes levied by a city is made applicable as a limitation on home rule municipalities.

Sec. 29.35.170 [29.33.030]. ASSESSMENT AND COLLECTION OF TAXES.

(a) A borough[S] shall assess and collect property, sales, and use taxes that are levied in its boundaries, subject to AS 29.53 [WITHIN THEIR BOUNDARIES, SUBJECT TO CH 53 OF THIS TITLE].

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

EDITOR NOTE: 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. 29.35.180. LAND USE REGULATION.

(a) A first or second class borough shall provide for planning, platting, and land use regulation in accordance with AS 29.40.

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

ARTICLE 3. ADDITIONAL POWERS.

EDITOR NOTE: (a) Allows a first class borough to exercise on a non-areawide basis any power not otherwise prohibited by law. Under existing law, a first class borough may exercise on a non-areawide 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.

(b) No change.

(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.

Sec. 29.35.200 [29.38.010, 29.48.030, 29.48.035(b), 29.33.250]. [FIRST CLASS BOROUGH] POWERS.

(a) A [THE] first class borough may exercise by ordinance on a nonareawide basis any power not otherwise prohibited by law [IN THE AREA OUTSIDE CITIES ANY GENERAL LAW MUNICIPAL POWER. BEFORE EXERCISING A POWER OUTSIDE CITIES ONLY, TH BOROUGH SHALL SEEK TO HAVE THE IDENTICAL POWER TRANSFERRED FROM CITIES WITHIN THE BOROUGH OR PROPOSE JCINT BOROUGH CITY EXERCISE OF THE POWER].

(b) [29.48.030 MUNICIPAL FACILITIES AND SERVICES.] A first class borough [MUNICIPALITY] may by ordinance exercise the following powers [NECESSARY TO PROVIDE THE FOLLOWING PUBLIC FACILITIES AND SERVICES] on an areawide basis:

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

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

EDITOR NOTE: (a) Allows a second class borough to exercise certain powers on a non-areawide basis. Under existing law before a non-areawide 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.

(1) No change.

(2) No substantive change.

(3) No change.

(4) Under existing law, this power is subject to the section dealing with garbage and solid waste, sec. 29.35.050 of this bill.

(5) Under existing law, providing air pollution control is permitted on an areawide basis only.

(6) No change.

(7) Minor rewording.

(8) This is new material.

(9) No change.

(10) No change.

Under existing law, a second class borough may exercise the following additional nonareawide powers not specified in this bill:

(1) Powers approved at incorporation.

(2) Regulate snow vehicles, subject to other law.

(3) Licensing of day car facilities.

(b) (1) No change.

(2) No change.

(3) No change.

(4) No change.

(5) No change.

(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.

(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.

Sec. 29.35.210 [29.38.020(1)&((2)&(4)&(5)&(6)&(7)&(8)&(9), 29.48.030(a)(12), 29.48.035(a)(5)(17)(18)(20)&(b), 29.38.030, 29.38.040, 29.38.050, 29.33.250].
SECOND CLASS BOROUGH POWERS.

(a) A [THE] second class borough may by ordinance exercise the following powers on a nonareawide basis: [IN THE AREA OUTSIDE CITIES MUNICIPAL POWERS APPROVED AT INCORPORATION, CONFERRED BY AS 29.48.020, OR ADDED AS PROVIDED IN THIS CHAPTER. BEFORE EXERCISING A POWER OUTSIDE CITIES ONLY, THE BOROUGH SHALL SEEK TO HAVE THE IDENTICAL POWER TRANSFERRED FROM CITIES WITHIN THE BOROUGH OR PROPOSE JOINT BOROUGH-CITY EXERCISE OF THE POWER.]

- (1) provide transportation systems; [STREETS AND SIDEWALKS;]
- (2) regulate the offering for sale, exposure for sale, sale, use or explosion of fireworks; [SEWERS AND SEWAGE TREATMENT FACILITIES;]
- (3) license, impound, and dispose of animals; [HARBORS, WHARVES, AND OTHER MARINE FACILITIES;]
- (4) provide garbage, solid waste, and septic waste collection and disposal; [WATER COURSE AND FLOOD CONTROL FACILITIES;]
- (5) provide air pollution control in accordance with AS 46.03.140 - 46.03.230; [HEALTH SERVICES AND HOSPITAL FACILITIES;]
- (6) provide water pollution control; [CEMETERIES;]
- (7) participate in federal or state loan programs for housing rehabilitation and improvement for energy conservation; [POLICE PROTECTION AND JAIL FACILITIES;]
- (8) provide for economic development; [COLD STORAGE PLANTS;]
- (9) provide for the acquisition and construction of local service roads and trails under AS 19.30.111 - 19.30.251; [TELEPHONE SYSTEMS;]
- (10) establish an emergency services communications center under AS 29.35.130. [LIGHT, POWER AND HEAT;]

(b) A second class borough may by ordinance exercise the following powers on an areawide basis:

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

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

borough.

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

[(11) WATER;

(12) TRANSPORTATION SYSTEMS;

(13) COMMUNITY CENTERS;

(14) LIBRARIES, VISUAL OR PERFORMING ARTS CENTERS, OR MUSEUMS;

(15) RECREATION FACILITIES;

(16) AIRPORT AND AVIATION FACILITIES;

(17) GARBAGE AND SOLID WASTE COLLECTION AND DISPOSAL SERVICE AND FACILITIES SUBJECT TO § 33 OF THIS CHAPTER;

(18) FIRE PROTECTION SERVICE AND FACILITIES, NOT IN CONFLICT WITH AS 18.70.075, BUT NOT LIMITED TO AS 18.70.075;

(19) PARKING AND PARKING FACILITIES;

(20) HOUSING AND URBAN RENEWAL, REHABILITATION AND DEVELOPMENT;

(21) PRESERVATION, MAINTENANCE AND PROTECTION OF HISTORIC SITES, BUILDINGS AND MONUMENTS;

(22) CONSUMER PROTECTION;

(23) EMERGENCY MEDICAL SERVICES AND FACILITIES.]

EDITOR NOTE: (a) No substantive change.

(b) No substantive change.

(c) No substantive change.

(d) A third class borough may acquire any power not prohibited by law for exercise in a service area.

Sec. 29.35.220 [29.41.010]. [POWERS OF] THIRD CLASS BOROUGH[S] POWERS.

(a) [(C)] A third class borough may borrow money and issue negotiable or non-negotiable [GENERAL OBLIGATION, REVENUE OR REFUNDING] bonds or [AND] other evidences of indebtedness as provided by AS 29.47 [FOR FIRST AND SECOND CLASS BOROUGH[S] IN AS 29.58.150 - 29.58.340].

(b) [(A)] A THIRD CLASS BOROUGH SHALL EXERCISE THE AREAWIDE POWERS OF EDUCATION AND TAX ASSESSMENT AND COLLECTION IN THE MANNER PROVIDED FOR SECOND CLASS BOROUGH[S].] Areawide exercise of a power[S] by a third class borough other than education and tax assessment and collection is not authorized.

(c) [(B)] A third class borough may acquire the power to [BY A MAJORITY VOTE OF THE VOTERS IN A GENERAL OR SPECIAL ELECTION] provide for planning,

planning, and land use regulation as provided in AS 29.40 [ZONING IN ACCORDANCE WITH AS 29.33.070 - 29.33.245] for first and second class boroughs, except the power may only be exercised within a service area [AND MAY EXERCISE ANY GENERAL LAW MUNICIPAL POWER WHICH A SECOND CLASS BOROUGH IS AUTHORIZED TO ASSUME BY THIS TITLE. POWERS ASSUMED BY A THIRD CLASS BOROUGH UNDER THIS SECTION MAY BE EXERCISED ONLY WITHIN SERVICE AREAS. A THIRD CLASS BOROUGH MAY ESTABLISH, OPERATE, ALTER OR ABOLISH SERVICE AREAS IN THE MANNER PROVIDED BY AS 29.63.090 FOR SECOND CLASS BOROUGHES. THE ACQUISITION OF ADDITIONAL POWERS ON A SERVICE AREA BASIS MAY BE INITIATED IN EITHER OF TWO WAYS:

(1) A NUMBER OF VOTERS EQUAL TO 15 PER CENT OF THE NUMBER OF VOTES CAST IN THE PROPOSED SERVICE AREA AT THE PRECEDING REGULAR ELECTION MAY FILE A PETITION WITH THE ASSEMBLY; OR

(2) THE ASSEMBLY MAY PLACE THE QUESTION ON THE BALLOT.]

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

ARTICLE 4. CITY POWERS.

EDITOR NOTE: 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.

Sec. 29.35.250 [29.33.010(b), 29.43.040(b), 29.48.035(b)]. CITIES INSIDE BOROUGHES.

(a) A city inside a borough may exercise any power not otherwise prohibited by law.

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

(c) A home rule city in a third class borough shall provide for planning, platting, and land use regulation as provided by AS 29.35.180(b) for home rule boroughs. A first class city in a third class borough shall provide for planning, platting, and land use regulation as provided by AS 29.35.180(a)

for first and second class boroughs. A second class city in a third class borough may provide for planning, platting, and land use regulation as provided by AS 29.35.180(a) for first and second class boroughs.

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

[SEC. 29.33.010. SCOPE OF AREAWIDE POWERS. (B) NO CITY, WHETHER HOME RULE OR NOT, MAY EXERCISE AN AREAWIDE POWER ONCE THAT POWER IS BEING EXERCISED BY A BOROUGH.]

[SEC. 29.43.040. PLANNING AND ZONING. (B) HOME RULE AND FIRST CLASS CITIES WITHIN THIRD CLASS BOROUGHSHALL, AND SECOND CLASS CITIES WITHIN THIRD CLASS BOROUGHSHALL, MAY, PROVIDE FOR PLANNING, PLATTING AND ZONING, AS PROVIDED BY AS 29.33.070 - 29.33.245 FOR BOROUGHSHALL.]

[SEC. 29.48.035. REGULATORY POWERS. (B) FIRST AND SECOND CLASS BOROUGHSHALL MAY EXERCISE THE POWERS CONFERRED BY (A) OF THIS SECTION ONLY AFTER THEY HAVE BEEN ASSUMED IN THE MANNER REQUIRED UNDER AS 29.33.250 - 29.33.290 FOR AREAWIDE EXERCISE OR IN THE MANNER REQUIRED UNDER AS 29.38.010 - 29.38.050 FOR EXERCISE IN THE BOROUGH AREA OUTSIDE CITIES OR ARE CONFERRED BY § 29 OF THIS CHAPTER FOR EXERCISE IN THE BOROUGH AREA OUTSIDE CITIES. HOWEVER, AS TO POWERS CONFERRED UNDER (A)(5), (17), AND (20), IN THE BOROUGH AREA OUTSIDE CITIES IS AT THE OPTION OF THE BOROUGH AND IS NOT SUBJECT TO THOSE RESTRICTIONS ON ACQUISITION OF ADDITIONAL BOROUGH POWERS. UPON ADOPTION OF A BOROUGH ORDINANCE TO PROVIDE FOR AREAWIDE EXERCISE OF THE POWERS SPECIFIED, NO HOME RULE OR GENERAL LAW CITY WITHIN THE BOROUGH MAY EXERCISE THE POWERS, UNLESS THE BOROUGH ORDINANCE PROVIDES OTHERWISE OR THE BOROUGH BY SUBSEQUENT ORDINANCE CEASES TO EXERCISE THE POWER.]

EDITOR NOTE: (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.

(b) Minor rewording.

(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.

(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. 29.35.260 [29.43.010, 29.43.030, 29.43.040]. CITIES OUTSIDE BOROUGHS.

(a) [ADDITIONAL POWERS. IN ADDITION TO THE POWERS GRANTED BY CH. 48 OF THIS TITLE,] A city [CITIES] outside a borough[S] may exercise a [ARE GRANTED THE] power[S] not otherwise prohibited by law [SPECIFIED IN THIS CHAPTER]. A provision that is [POWERS OF THIS CHAPTER WHICH ARE] incorporated by reference to laws governing boroughs applies[Y] to home rule cities outside boroughs only if the provision is [IN THOSE CASES IN WHICH THEY ARE] made applicable to home rule boroughs [IN THE PROVISIONS INCORPORATED].

(b) [29.43.030. EDUCATION.] A home rule or [AND] first class city[IES] outside a borough[S] is a [CONSTITUTE] city school district[S] and shall establish, operate, and maintain[, AND OPERATE] a system of public schools as provided by AS 29.35.160 [AS 29.33.050] for boroughs. A second class city outside a borough is not a school district and may not establish a system of public schools.

(c) [29.43.040. PLANNING AND ZONING. (A)] A home rule [AND FIRST CLASS] city[IES] outside a [FIRST AND SECOND CLASS] borough[S] shall[, AND SECOND CLASS CITIES OUTSIDE FIRST AND SECOND CLASS BOROUGHS MAY,] provide for planning, platting, and land use regulation [ZONING] as provided by AS 29.35.180(b) [AS 29.33.070 - 29.33.245] for home rule boroughs. A first class city outside a borough shall, and a second class city outside a borough may, provide for planning, platting, and land use regulation as provided by AS 29.35.180(a) for first and second class boroughs.

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

ARTICLE 5. ACQUISITION OF ADDITIONAL [AREAWIDE] POWERS.

EDITOR NOTE: Combines material dealing with the acquisition of areawide and nonareawide powers.

Sec. 29.35.300 [29.33.250, 29.41.010]. ADDITIONAL [AREAWIDE] POWERS.

(a) A first [AND SECOND] class borough[S] acquires an additional areawide [MUNICIPAL] power[S] by transfer of the power by [FROM] a city or by holding an areawide election on the question[, EXCEPT AS PROVIDED OTHERWISE IN AS 29.48.030 AND 29.48.035(B)].

(b) A second class borough acquires an additional power by transfer of the power by a city or by holding an election on the question. For acquisition of an areawide power, the election shall be held areawide. For acquisition of a nonareawide power, the election shall be held nonareawide.

(c) A third class borough acquires an additional power to exercise in a service area by forming a service area in accordance with AS 29.35.490(b) or (c).

EDITOR NOTE: No change, except for minor rewording for consistent usage.

Sec. 29.35.310 [29.33.260]. TRANSFER BY CITY.

(a) A city in a first or second class borough may transfer to the [FIRST OR SECOND CLASS] borough in which it is located any of its powers or functions, subject to the approval of the [BOROUGH] assembly.

(b) A first or [AND] second class borough[S] shall exercise all powers transferred to it [THEM] by a city[IES].

EDITOR NOTE: 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.

Sec. 29.35.320 [29.33.270, 29.33.280, 29.33.290(a), 29.38.030, 29.38.040, 29.38.050(a), 29.41.010(b)]. INITIATION OF ACQUISITION OF POWER.

(a) An election on the question of adding an areawide power in a first class borough or of adding an areawide or nonareawide power in a second class borough may be initiated in two ways:

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

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

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

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

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

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

(d) Within 30 days after a petition is certified as containing the

required number of signatures or the assembly proposes the acquisition of a power, at least one public hearing shall be held in the borough on the question. The assembly shall then evaluate the ability of the borough to exercise the power and make its findings public. Within 60 days after its findings have been made public, the assembly shall order an election on the question.

[Sec. 29.33.270. PETITION FOR POWER. AN ELECTION ON THE QUESTION OF ADDING AN AREAWIDE POWER MAY BE INITIATED IN TWO WAYS:

(1) A NUMBER OF VOTERS EQUAL TO 15 PER CENT OF THE NUMBER OF VOTES CAST IN THE BOROUGH AT THE PRECEDING REGULAR ELECTION MAY FILE A PETITION WITH THE ASSEMBLY, OR

(2) THE ASSEMBLY MAY PROPOSE THE ACQUISITION OF THE POWER.

SEC. 29.33.280. INVESTIGATION. THE ASSEMBLY SHALL HOLD AT LEAST ONE PUBLIC HEARING IN THE BOROUGH ON THE QUESTION. THE ASSEMBLY SHALL THEN EVALUATE THE ABILITY OF THE BOROUGH TO EXERCISE THE POWERS AND MAKE ITS FINDINGS PUBLIC.

SEC. 29.33.290. ELECTION

(A) THE ASSEMBLY SHALL, WITHIN 30 DAYS AFTER ITS FINDINGS HAVE BEEN MADE PUBLIC, ORDER AN ELECTION TO BE HELD ON THE QUESTION. THE ELECTION SHALL BE HELD AT LEAST 30 DAYS AFTER THE ORDER AND NOT LATER THAN THE NEXT REGULAR ELECTION OCCURRING AFTER THE 30-DAY PERIOD.

SEC. 29.38.030. ADDITIONAL POWERS. THE SECOND CLASS BOROUGH MAY INITIATE THE ACQUISITION OF ADDITIONAL POWERS OUTSIDE CITIES IN EITHER OF TWO WAYS:

(1) A NUMBER OF VOTERS EQUAL TO 15 PER CENT OF THE NUMBER OF VOTES CAST IN THE AREA OUTSIDE CITIES AT THE PRECEDING REGULAR ELECTION MAY FILE A PETITION WITH THE ASSEMBLY, OR

(2) THE ASSEMBLY MAY PLACE THE QUESTION ON THE BALLOT.

SEC. 29.38.040. INVESTIGATION. THE ASSEMBLY SHALL HOLD AT LEAST ONE PUBLIC HEARING IN THE BOROUGH ON THE QUESTION. THE ASSEMBLY SHALL THEN EVALUATE THE ABILITY OF THE BOROUGH TO EXERCISE THE POWERS AND MAKE ITS FINDINGS PUBLIC.

SEC. 29.38.050. ELECTION.

(A) THE ASSEMBLY SHALL, WITHIN 30 DAYS AFTER ITS FINDINGS HAVE BEEN MADE PUBLIC, ORDER AN ELECTION ON THE QUESTION IN THE BOROUGH AREA OUTSIDE CITIES. THE ELECTION SHALL BE HELD AT LEAST 30 DAYS AFTER THE ORDER AND NOT LATER THAN THE NEXT REGULAR ELECTION OCCURRING AFTER THE 30-DAY PERIOD.

SEC. 29.41.010. POWERS OF THIRD CLASS BOROUGHS.

(B) A THIRD CLASS BOROUGH MAY BY A MAJORITY VOTE OF THE VOTERS IN A GENERAL OR SPECIAL ELECTION PROVIDE FOR PLANNING, PLATTING AND ZONING IN ACCORDANCE WITH AS 29.33.070 - 29.33.245 FOR BOROUGHS AND MAY EXERCISE ANY GENERAL LAW MUNICIPAL POWER WHICH A SECOND CLASS BOROUGH IS AUTHORIZED TO ASSUME

BY THIS TITLE. POWERS ASSUMED BY A THIRD CLASS BOROUGH UNDER THIS SECTION MAY BE EXERCISED ONLY WITHIN SERVICE AREAS. A THIRD CLASS BOROUGH MAY ESTABLISH, OPERATE, ALTER OR ABOLISH SERVICE AREAS IN THE MANNER PROVIDED BY AS 29.63.090 FOR SECOND CLASS BOROUGHES. THE ACQUISITION OF ADDITIONAL POWERS ON A SERVICE AREA BASIS MAY BE INITIATED IN EITHER OF TWO WAYS:

(1) A NUMBER OF VOTERS EQUAL TO 15 PERCENT OF THE NUMBER OF VOTES CAST IN THE PROPOSED SERVICE AREA AT THE PRECEDING REGULAR ELECTION FILE A PETITION WITH THE ASSEMBLY; OR

(2) THE ASSEMBLY MAY PLACE THE QUESTION ON THE BALLOT.]

EDITOR NOTE: No change, except for minor rewording to achieve consistent usage.

Sec. 29.35.330 [29.33.290(b)(c), 29.38.050(b)(c)]. ELECTION.

(a) [(B)] If more than one power is proposed for acquisition under AS 29.35.320, each shall appear[S] separately on the ballot.

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

(c) [THE BOROUGH MAYOR SHALL CERTIFY THE ELECTION RESULTS TO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] A [THE] vote on the question of adding an areawide power in a first or second class borough shall be tabulated in two separate classifications. One shall consist of all votes cast in all [THE HOME RULE AND FIRST CLASS] cities located in [OF] the borough. The other shall consist of all votes cast in the [REMAINING] borough area outside all cities. If the majority of the votes cast in each classification is favorable, the borough shall assume the added power within 30 days after [OF] certification of the election results.

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

(e) The borough mayor shall certify the election results to the department. [UPON ACQUISITION OF AN AREAWIDE POWER THE BOROUGH SUCCEEDS TO ALL OF THE RIGHTS, POWERS AND DUTIES OF ANY CITY OR SERVICE AREA WITH RESPECT TO THAT POWER. THE BOROUGH SUCCEEDS TO CLAIMS, FRANCHISES AND OTHER CONTRACTUAL OBLIGATIONS, LIABILITY FOR BONDED AND ALL OTHER INDEBTEDNESS AND TO ALL OF THE RIGHT, TITLE AND INTEREST IN THE REAL AND PERSONAL PROPERTY HELD BY THE CITY OR SERVICE AREA FOR THE EXERCISE OF THE POWER. THE BOROUGH ASSEMBLY MAY LEVY AND COLLECT SPECIAL CHARGES, TAXES OR ASSESSMENTS INCLUDING INTEREST FOR THE PURPOSE OF

AMORTIZING BONDED INDEBTEDNESS PREVIOUSLY INCURRED BY THE CITY OR SERVICE AREA FOR CONTINUING SERVICES IN THE AREA. WHEN A CITY OR SERVICE AREA HAD PREVIOUSLY INCURRED BONDED INDEBTEDNESS, NO LESS THAN ALL PROPERTY THAT WAS WITHIN THE CITY OR SERVICE AREA AT THE TIME THE BONDS WERE ISSUED SHALL REMAIN SUBJECT TO TAXATION TO PAY THE PRINCIPAL OF AND INTEREST ON THE BOND FOR AS LONG AS THEY REMAIN OUTSTANDING. UPON ACQUISITION OF ADDITIONAL AREAWIDE POWERS THE BOROUGH, IN CONSULTATION WITH THE CITY OR SERVICE AREA PERSONNEL, SHALL ARRANGE FOR AN ORDERLY AND EQUITABLE TRANSFER OF RIGHTS, ASSETS, LIABILITIES, POWERS, DUTIES AND OTHER MATTERS RELATED TO ACQUISITION OF THE AREAWIDE POWERS. THIS SUBSECTION APPLIES TO HOME RULE AND GENERAL LAW CITIES.

Sec. 29.38.050. ELECTION.

(B) IF MORE THAN ONE POWER IS PROPOSED, EACH APPEARS SEPARATELY ON THE BALLOT.

(C) THE BOROUGH MAYOR SHALL CERTIFY THE ELECTION RESULTS TO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. IF THE MAJORITY OF THE VOTES CAST ON THE QUESTION IS FAVORABLE, THE BOROUGH SHALL ASSUME THE ADDED POWER WITHIN 30 DAYS OF CERTIFICATION OF ELECTION RESULTS.]

EDITOR NOTE: Reorganized, but no substantive change.

Sec. 29.35.340 [29.33.290(c)]. EFFECT OF ACQUIRING AN AREAWIDE POWER [ELECTION].

(a) [(C) THE BOROUGH MAYOR SHALL CERTIFY THE ELECTION RESULTS TO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. THE VOTE ON THE QUESTION OF ADDING AN AREAWIDE POWER SHALL BE TABULATED IN TWO SEPARATE CLASSIFICATIONS. ONE SHALL CONSIST OF ALL VOTES CAST IN THE HOME RULE AND FIRST CLASS CITIES OF THE BOROUGH. THE OTHER SHALL CONSIST OF ALL VOTES CAST IN THE REMAINING BOROUGH AREA. IF THE MAJORITY OF THE VOTES CAST IN EACH CLASSIFICATION IS FAVORABLE, THE BOROUGH SHALL ASSUME THE ADDED POWER WITHIN 30 DAYS OF CERTIFICATION OF THE ELECTION RESULTS.] On [UPON] acquisition of an areawide power the first or second class borough succeeds to all of the rights, powers, and duties of any city or service area with respect to that power. The borough succeeds to claims, franchises, and other contractual obligations, liability for bonded and all other indebtedness, and to all of the right, title, and interest in the real and personal property held by a city or service area for the exercise of the power.

(b) The [BOROUGH] assembly may levy and collect special charges, taxes, or assessments including interest for the purpose of amortizing bonded indebtedness previously incurred by a [THE] city or service area for exercising an areawide power acquired by the borough [CONTINUING SERVICES IN THE AREA].

When a city or service area had previously incurred bonded indebtedness, [NO LESS THAN] all property that was in [WITHIN] the city or service area at the time the bonds were issued [SHALL] remains subject to taxation to pay the principal of and interest on the bonds [FOR AS LONG AS THEY REMAIN OUTSTANDING].

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

(d) This [SUB]section applies to home rule and general law cities.

EDITOR NOTE: This is new and provides a definition of "power".

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

ARTICLE 6. CONSTRUCTION OF POWERS.

EDITOR NOTE: No substantive change.

Sec. 29.35.400 [29.48.310]. GENERAL CONSTRUCTION. A liberal construction shall be given to all powers and functions of a municipality [BOROUGH AND CITIES] conferred in this title.

EDITOR NOTE: No substantive change.

Sec. 29.35.410 [29.48.320]. EXTENT OF POWERS. Unless otherwise limited by law, a municipality has [BOROUGH AND CITIES HAVE] and may exercise all powers and functions necessarily or fairly implied in or incident to the [OBJECT OR] purpose of all powers and functions conferred in this title.

EDITOR NOTE: No substantive change.

Sec. 29.35.420 [29.48.330]. ENUMERATION OF POWERS. Specific examples in [WITHIN] an enumerated power or function conferred upon a municipality [BOROUGH OR CITIES] in this title is illustrative of the object and not a limitation on or exclusion from the exercise of the power or function.

ARTICLE 7 [2]. SERVICE AREAS.

EDITOR NOTE: (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.

(b) No change.

Sec. 29.35.450 [SEC 29.63.090(a), (d)]. SERVICE AREAS.

(a) A service area[S] to provide special services in [WITHIN] a borough may be established, operated, altered, or abolished by [THE ASSEMBLY BY] ordinance. Special services include services not provided on an areawide or nonareawide basis in [WITHIN] the borough [OR THE BOROUGH AREA OUTSIDE CITIES], or a higher or different level of service than that provided on an areawide or nonareawide basis [OR IN THE BOROUGH AREA OUTSIDE CITIES. IN A FIRST CLASS BOROUGH THE ASSEMBLY MAY EXERCISE WITHIN A SERVICE AREA ANY POWER GRANTED A FIRST CLASS CITY BY GENERAL LAW. EXCEPT AS PROVIDED IN (F) OF THIS SECTION, A SECOND CLASS BOROUGH MAY EXERCISE THE POWERS GRANTED A FIRST CLASS CITY BY GENERAL LAW BUT THE EXERCISE OF THE POWERS MUST BE APPROVED BY A MAJORITY OF THE QUALIFIED VOTERS RESIDING WITHIN THE SERVICE AREA AND VOTING ON THE QUESTION AT A REGULAR OR SPECIAL ELECTION.] The borough may include a city in a service area if

(1) the city agrees by ordinance; or

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

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

EDITOR NOTE: No substantive change.

Sec. 29.35.460 [29.63.090(c)]. SERVICE AREA BOARDS. The assembly may provide for an appointed or elected board to supervise the furnishing of special services in a service area.

EDITOR NOTE: No substantive change.

Sec. 29.35.470 [29.63.090(b)(e)]. FINANCING. The assembly may levy or authorize the levying of taxes, charges, or assessments in a service area to finance the special services. If the assembly authorizes the levying of taxes, charges, or assessments, the rate of taxation and the issuance of bonds are subject to assembly approval.

EDITOR NOTE: No substantive change.

Sec. 29.35.480 [29.63.090(a)(e)]. SERVICE AREAS IN FIRST CLASS BOROUGHES. In a first class borough, the assembly may exercise in a service area any power granted a first class city by law. The assembly may exercise in a service area any nonareawide power that [WHICH] may be exercised by a first class borough.

EDITOR NOTE: 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.

(b) No change.

Sec. 29.35.490 [29..41.010(b), 29.63.090(a),(e), 29.68.010(f)]. SERVICE AREAS IN SECOND AND THIRD CLASS BOROUGHES.

(a) A second class borough may exercise in a service area any power granted a first class city by law or a nonareawide power that [WHICH] may be exercised by a first class borough if

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

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

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

(c) A second or third class borough may establish a service area that includes only vacant, unappropriated, and unreserved land owned by the borough. A second or third class borough may establish a service area, with the concurrence of the commissioner of natural resources, that [WHICH] includes only vacant, unappropriated, and unreserved land owned by the state and classified for disposal to individuals. By ordinance a second or third class borough may provide the services in a service area established under this subsection necessary to

develop state or municipal land as required by the planning, platting, and land use regulations of the borough.

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

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

EDITOR NOTE: 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.

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.

Sec. 29.40.010 [29.33.070]. PLANNING, PLATTING, AND LAND USE REGULATION.

(a) A first or [AND] second class borough[s] shall provide for planning, platting, and land use regulation [ZONING] on an areawide basis.

(b) If a city in a borough consents by ordinance, [(1)]the assembly may by ordinance delegate any of its powers and duties under this chapter to the city [DESIGNATE THE COUNCIL OF A CITY WITHIN THE BOROUGH AS A BOARD OF ADJUSTMENT WITHIN THE CITY]. [(2) DELEGATE OTHER PLANNING AND ZONING POWERS CONFERRED BY THIS CHAPTER TO A CITY WITHIN THE BOROUGH.] [(3)] The assembly may by ordinance, without first obtaining the consent of the city, revoke [OR MODIFY] any [PART OR ALL OF THE] power[s] or duty delegated under this [SUB]section.

EDITOR NOTE: 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.

Sec. 29.40.020 [29.33.080(a) and (b)]. PLANNING COMMISSION.

(a) Each first and second class borough shall establish a planning commission consisting of five residents unless a greater number is required by ordinance. [THE BOROUGH PLANNING COMMISSION CONSISTS OF FIVE RESIDENTS UNLESS A GREATER NUMBER IS OTHERWISE PROVIDED BY ORDINANCE.] Commission membership shall be apportioned so that the number of members from home rule and first class cities reflects the proportion of borough population residing [WITH]in [THOSE] home rule and first class cities located in the borough. A member[s] shall be appointed by the borough mayor [EXECUTIVE] for a term of three years subject to confirmation by the assembly, except that a member from a home rule or first class city shall be selected [APPOINTMENTS OF MEMBERS FROM FIRST CLASS CITIES ARE SELECTED] from a list of recommendations submitted by the [CITY] council. Members first appointed shall draw lots for one, two, and three year terms. Appointments to fill vacancies are for the unexpired term. The compensation and expenses of the planning commission and its staff are paid as directed by the assembly.

(b) In addition to the duties prescribed by ordinance, the planning commission shall

(1) prepare and submit [RECOMMEND] to the assembly a proposed comprehensive plan in accordance with AS 29.40.030 CONSISTING OF MAPS AND RELATED TEXTS] for the systematic and organized development of the borough;

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

[(2) A ZONING ORDINANCE TO IMPLEMENT THE PLAN;

(3) A SUBDIVISION ORDINANCE;

(4) THE OFFICIAL MAP OF THE BOROUGH;

(5) MODIFICATIONS TO THE DOCUMENTS SPECIFIED IN (1) - (4) OF THIS

SECTION.

EDITOR NOTE: 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.

Sec. 29.40.030 [29.33.085]. COMPREHENSIVE PLAN.

(a) The comprehensive plan is a compilation of policy statements, goals, standards, and maps for guiding the physical, social, and economic development, both private and public, of the first or second class borough, and may include, but is not limited to, the following:

- (1) statements of policies, goals, and standards;
- (2) a land use plan;
- (3) a community facilities plan;
- (4) a transportation plan; and
- (5) recommendations for [PLAN] implementation of the compre-
hensive plan.

(b) With the recommendations of the planning commission, the assembly shall adopt by ordinance a comprehensive plan [BASED UPON THE RECOMMENDATIONS OF THE PLANNING COMMISSION]. The assembly shall, after receiving the recommendations of the planning commission, periodically undertake an overall review of the comprehensive plan and update the plan as necessary. [THE ASSEMBLY MAY MODIFY THE PLAN, PROVIDED THAT IT FIRST OBTAINS THE RECOMMENDATIONS OF THE PLANNING COMMISSION. THE PLANNING COMMISSION SHALL UNDERTAKE AN OVERALL REVIEW OF THE PLAN AT LEAST ONCE EVERY TWO YEARS AND SHALL PRESENT RECOMMENDATIONS BASED ON THE REVIEW TO THE ASSEMBLY.]

EDITOR NOTE: (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.

(b) No substantive change.

Sec. 29.40.040 [29.33.090(a), 29.33.110(c)]. LAND USE REGULATION [ZONING].

(a) In accordance with a [THE] comprehensive plan adopted under AS 29.40.030 and in order to implement the plan, the assembly by ordinance shall [REGULATE AND RESTRICT] adopt or amend provisions governing the use and occupancy of land [AND IMPROVEMENTS BY DISTRICTS OR CONTRACT ZONING TO PERMIT SPECIFIC USES PROVIDED FOR IN THE CONTRACT] that may include, but are not limited to,

- (1) zoning regulations restricting the use of land and improve-
ments by geographic districts;

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

(3) measures to further the goals and objectives of the comprehensive plan. [REGULATIONS SHALL BE UNIFORM FOR EACH CLASS OR KIND OF BUILDING, STRUCTURE, LAND OR WATER AREA WITHIN EACH DISTRICT, BUT THE REGULATIONS MAY DIFFER AMONG DISTRICTS AND EXCEPTIONS MAY BE MADE IN ORDER TO PROVIDE FOR THE PRESERVATION, MAINTENANCE AND PROTECTION OF HISTORIC SITES, BUILDINGS AND MONUMENTS. IN THIS SECTION, "CONTRACT ZONING" MEANS A ZONING RECLASSIFICATION TO A LESS RESTRICTED USE WHEN THE OWNER OF THE REZONED PROPERTY, EITHER THROUGH AND AGREEMENT WITH THE ASSEMBLY OR A COVENANT IN FAVOR OF THE BOROUGH, PLACES RESTRICTIONS ON THE USE OF THE LAND BEYOND THE ZONING REQUIREMENTS GENERALLY ATTACHING TO THE NEW DISTRICT IN WHICH THE PROPERTY HAS BEEN PLACED. THE ASSEMBLY SHALL HOLD A PUBLIC HEARING ON THE PROPOSED CONTRACT ZONING.]

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

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

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

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

[(c) A VARIANCE SHALL NOT BE GRANTED BECAUSE OF SPECIAL CONDITIONS CAUSED BY ACTIONS OF THE PERSON SEEKING RELIEF OR FOR REASONS OF PECUNIARY HARDSHIP OR INCONVENIENCE. A VARIANCE SHALL NOT BE GRANTED WHICH WILL PERMIT A LAND USE IN A DISTRICT IN WHICH THAT USE IS PROHIBITED.]

EDITOR NOTE: (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.

(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.

Sec. 29.40.050 [29.33.110 (a),(b)]. APPEALS FROM ADMINISTRATIVE DECISIONS.
[BOARD OF ADJUSTMENT]

(a) [(B)] By ordinance the assembly shall provide for an appeal from an administrative decision of a municipal employee, board, or commission made in the

enforcement, administration, or application of a land use regulation adopted under this chapter. The assembly may provide for an appeal to a court, hearing officer, board of adjustment, or other body. The assembly shall provide for an appeal from a decision on a request for a variance from the terms of a land use regulation when literal enforcement would deprive a property owner of rights commonly enjoyed by other properties in the district. [THE BOARD OF ADJUSTMENT SHALL HEAR AND DECIDE

(1) APPEALS REGARDING ALLEGED ERRORS IN ENFORCEMENT OF ZONING ORDINANCES AND BUILDING CODES;

(2) APPEALS FROM THE DECISIONS OF THE PLANNING COMMISSION ON REQUESTS FOR CONDITIONAL USES;

(3) APPEALS FROM THE DECISIONS OF THE PLANNING COMMISSION ON REQUESTS FOR VARIANCES FROM THE TERMS OF THE ZONING ORDINANCE WHICH ARE NOT CONTRARY TO THE PUBLIC INTEREST, WHEN A LITERAL ENFORCEMENT WOULD DEPRIVE A PROPERTY OWNER OF RIGHTS COMMONLY ENJOYED BY OTHER PROPERTIES IN THE SAME DISTRICT.]

(b) [(A)] By ordinance the assembly may provide for appointment of a hearing officer, or for the composition, appointment, and terms of office of a board of adjustment or other body established to hear appeals from administrative actions. The assembly may define proper parties and prescribe evidentiary rules, standards of review, and remedies available to the hearing officer, board of adjustment, or other body. [THE ASSEMBLY IS THE BOARD OF ADJUSTMENT BUT MAY DELEGATE BY RESOLUTION OR ORDINANCE PART OR ALL OF ITS FUNCTIONS TO A CITY WITHIN THE BOROUGH FOR THE AREA WITHIN CITY BOUNDARIES IN ACCORDANCE WITH AS 29.33.070(B)(1) IN ADDITION TO MAKING DELEGATIONS AS PROVIDED FOR AN ASSEMBLY UNDER AS 29.33.245. MEETINGS OF THE BOROUGH BOARD ARE HELD AT THE CALL OF THE PRESIDING OFFICER AND OF THE CITY BOARD BY THE MAYOR. THE PRESIDING OFFICER OR MAYOR MAY ADMINISTER OATHS AND COMPEL ATTENDANCE OF WITNESSES. MEETINGS AND HEARINGS OF THE BOARD SHALL BE OPEN TO THE PUBLIC AND THE BOARD SHALL KEEP MINUTES OF ITS PROCEEDINGS AS A PUBLIC RECORD.]

EDITOR NOTE: (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.

(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.

Sec. 29.40.060 [29.33.130 (a),(b)(c),(d),(e)]. JUDICIAL REVIEW.

(a) The assembly shall provide by ordinance for an appeal[S] by a municipal officer or person aggrieved from a decision of a hearing officer, [FROM THE] board of adjustment, or other body to the superior court.

[(B) A MUNICIPAL OFFICER, A TAXPAYER, OR A PERSON, JOINTLY OR SEVERALLY AGGRIEVED, MAY APPEAL AN ACTION OF THE BOARD TO THE SUPERIOR COURT BY FILING WITH THE BOROUGH CLERK WITHIN THE TIME FIXED BY ORDINANCE, A NOTICE OF APPEAL SPECIFYING GROUNDS. WHEN THE NOTICE OR APPEAL IS FILED, THE BOARD SHALL AT ONCE TRANSMIT TO THE SUPERIOR COURT CLERK COPIES OF ALL THE PAPERS CONSTITUTING THE RECORD IN THE CASE.]

(C) AN APPEAL FROM THE BOARD OF ADJUSTMENT STAYS ENFORCEMENT PROCEEDINGS UNLESS THE COURT ISSUES AN ENFORCEMENT ORDER BASED ON A CERTIFICATE OF IMMINENT PERIL TO LIFE OR PROPERTY MADE BY THE BOARD.]

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

[(D) THE APPEAL IS HEARD UPON THE RECORD BY THE SUPERIOR COURT, AND THE COURT MAY REVERSE OR AFFIRM, WHOLLY OR PARTLY, THE DECISION APPEALED FROM.]

(E) ISSUES IN PROCEEDINGS UNDER THIS SECTION HAVE PREFERENCE OVER ALL OTHER CIVIL ACTIONS AND PROCEEDINGS. AN APPEAL LIES FROM THE DECISION OF THE SUPERIOR COURT AS IN OTHER CIVIL CASES.]

EDITOR NOTE: Material in paragraph (4) dealing with dedication of rights-of-way and easements is added.

Sec. 29.40.070 [29.33.150(a)]. PLATTING REGULATION [JURISDICTION AND POWER].

[(A) THE PLANNING COMMISSION ACTING AS THE PLATTING BOARD HAS JURISDICTION OVER PLATTING AND] By ordinance the assembly shall adopt platting requirements that may include [AND PUBLISH RULES AND REGULATIONS TO IMPLEMENT THIS POWER. JURISDICTION INCLUDES], but are [IS] not limited to, the control of

(1) form, size, and other aspects of subdivision, dedications, and vacations of land;

(2) dimensions and design of lots [OR TRACTS];

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

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

EDITOR NOTE: 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.

Sec. 29.40.080 [29.33.150(a)]. PLATTING AUTHORITY. [PLATTING JURISDICTION AND POWER]

(B)] (a) The assembly by ordinance shall establish a platting authority to administer subdivision regulations and to perform other duties as required by the assembly. The platting authority may consist of members of the planning commission or of other municipal residents.

(b) The assembly may by ordinance provide for an administrative official to act as the platting authority with regard to abbreviated plats. [(B) THE REGULATIONS ADOPTED UNDER (A) OF THIS SECTION APPLY TO SUBDIVISION PLATS OF UNDEVELOPED STATE LAND FOR DISPOSAL UNDER AS 38.05 OR AS 38.08 FILED WITH THE PLATTING BOARD. THE PLATTING BOARD MAY NOT DISAPPROVE THE SUBDIVISION PLAT ON THE BASIS OF REGULATIONS WHICH REQUIRE CAPITAL IMPROVEMENTS ON OR TO STATE LAND INCLUDED IN THE SUBDIVISION PLAT. REGULATIONS ADOPTED AFTER THE PLATTING BOARD IS NOTIFIED BY THE COMMISSIONER OF NATURAL RESOURCES OF A PROPOSED SALE OF SUBDIVIDED STATE LAND UNDER AS 38.05 OR AS 38.08 DO NOT APPLY TO THE STATE LAND IN THE PROPOSED SALE.]

EDITOR NOTE: (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 subdivisor meets requirements for an abbreviated plat and each lot is five acres or larger.

Sec. 29.40.090 [29.33.170]. ABBREVIATED PLATS AND WAIVERS [IN CERTAIN CASES].

(a) Notwithstanding other provisions of this chapter, the assembly shall by ordinance establish an abbreviated plat procedure for a plat that will [THE PLATTING AUTHORITY SHALL, IN INDIVIDUAL CASES, WAIVE THE PREPARATION, SUEMISSION FOR APPROVAL, AND RECORDING OF A PLAT UPON SATISFACTORY EVIDENCE THAT]

(1) subdivide a single lot into not more than four lots; [EACH TRACT OR PARCEL OF LAND WILL HAVE ADEQUATE ACCESS TO A PUBLIC HIGHWAY OR STREET;]

(2) provide legal and physical access to a public highway or street for each lot created by the subdivision; [EACH PARCEL CREATED IS FIVE ACRES IN SIZE OR LARGER AND THAT THE LAND IS DIVIDED INTO FOUR OR FEWER PARCELS;]

(3) not contain or require a dedication of a street, right-of-way, or other area; [THE CONVEYANCE IS NOT MADE FOR THE PURPOSE OF, OR IN CONNECTION WITH, A PRESENT OR PROJECTED SUBDIVISION DEVELOPMENT;]

(4) not require a vacation of a public dedication of land or a variance from a subdivision regulation. [NO DEDICATION OF A STREET, ALLEY, THOROUGHFARE OR OTHER PUBLIC AREA IS INVOLVED OR REQUIRED.]

(b) [IN OTHER CASES] The platting authority shall [MAY] waive the preparation, submission for approval, and recording of a plat on satisfactory evidence that the subdivision meets the requirements of (a) of this section and each lot created by the subdivision is five acres or larger [, IF THE TRANSACTION INVOLVED DOES NOT FALL WITHIN THE GENERAL INTENT OF §§ 29.33.150 - 29.33.240 OF THIS CHAPTER AND AS 40.15 IF IT IS NOT MADE FOR THE PURPOSE OF, OR IN CONNECTION WITH, A PRESENT OR PROJECTED SUBDIVISION DEVELOPMENT AND NO DEDICATION OF A STREET, ALLEY, THOROUGHFARE, PARK OR OTHER PUBLIC AREA IS INVOLVED OR REQUIRED.]

EDITOR NOTE: Rewritten for clarity.

Sec. 29.40.100 [29.33.180]. INFORMATION REQUIRED. A plat shall show

(1) initial point of survey;

(2) original or reestablished corners and their descriptions;

(3) [AND] actual traverse showing area of closure and all distances, angles, and calculations required to determine initial point, corners, and distances of the plat; and [,]

(4) [AS WELL AS] other information that may be required by ordinance.

EDITOR NOTE: This is rewritten for clarity. Material dealing with filing a preliminary subdivision plat contained in AS 29.33.160(c) has been eliminated.

Sec. 29.40.110 [29.33.160(a),(b),(c)]. PLAT PROCEDURE.

(a) The platting authority [BOARD] shall [WITHIN 60 DAYS OF FILING] approve or disapprove a [THE] plat within 60 days after it is filed, or shall return it to the applicant for modification or correction. Unless the applicant

for plat approval consents to an extension of time, [IF THE BOARD FAILS TO ACT,] the plat is considered approved and a certificate of approval shall be issued by the platting authority [BOARD] on demand if the platting authority fails to act within 60 days. [THE APPLICANT FOR PLAT APPROVAL MAY CONSENT TO THE EXTENSION OF THE PERIOD FOR ACTION BY THE BOARD. THE BOARD SHALL STATE ON ITS RECORD AND IN WRITING TO THE APPLICANT ITS REASON FOR DISAPPROVAL OF A PLAT.]

(b) The platting authority shall state in writing its reasons for disapproval of a plat. If the platting authority [BOARD SHALL SUBMIT AN] approves[D] a plat, the plat shall be acknowledged and filed [TO THE DISTRICT RECORDER] in accordance [COMPLIANCE] with AS 40.15.010 - 40.15.020.

EDITOR NOTE: 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.

Sec. 29.40.120 [29.33.200]. ALTERATION OR [OF] REPLAT PETITION. A [NO] recorded plat may not be altered or replatted except [UPON PETITION OF THE OWNERS OF A MAJORITY OF THE LAND AFFECTED BY THE ALTERATION OR REPLAT OR] by the platting authority [BOARD] on petition of the state, the borough, a public utility, or the owners of a majority of the land affected by the alteration or replat. A [NO] platted street may not be vacated, except on [UPON] petition of the state, the borough, a public utility, [MUNICIPALITY] or owners of a [THE] majority of the [FRONT FEET OF THE] land fronting the part of the street sought to be vacated. The petition shall be filed with the platting authority and [BOARD. IT] shall be accompanied by a copy of the existing plat showing the proposed alteration or replat.

EDITOR NOTE: 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.

Sec. 29.40.130 [29.33.210]. NOTICE OF HEARING. The platting authority [BOARD] shall fix a time for a hearing on an alteration or replat [THE] petition that may [WHICH SHALL] not be more than 60 days after the petition is filed [FILING]. [THE] Notice shall be published by the platting authority stating when and by whom the petition was filed, its purpose, and the time and place of the hearing. The notice shall generally describe the alteration or replat sought. [THE NOTICE SHALL BE PUBLISHED ONCE A WEEK FOR TWO CONSECUTIVE WEEKS IN A NEWSPAPER OF GENERAL CIRCULATION IN THE AREA.] The platting authority [BOARD] shall also mail a copy of the notice to each affected property owner who did not sign [ING] the petition.

EDITOR NOTE: Rewritten for clarity.

Sec. 29.40.140 [29.33.220]. HEARING AND DETERMINATION.

(a) [AT THE HEARING] The platting authority [BOARD] shall consider the alteration or replat petition at a hearing and make its decision on the merits of the proposal.

(b) [NO] Vacation of a city street may not be made without the consent of the [CITY] council. [NO] Vacation of a street in the borough area outside all cities may not be made without the consent of the [BOROUGH] assembly. The governing body [ASSEMBLY OR COUNCIL] shall have 30 days from the decision of the platting authority in which to veto a vacation of a street [THE BOARD DECISION]. If no veto is received by the platting authority [BOARD] within the 30-day period, [THE] consent is [OF THE CITY OR BOROUGH SHALL BE] considered to have been given to the vacation.

EDITOR NOTE: Requires a plat to be acknowledged and filed by the recorder with a certificate that taxes have been paid.

Sec. 29.40.150 [29.33.230]. RECORDING. If the alteration or replat is approved, the revised plat shall be acknowledged and filed in accordance with AS 40.15.010 - 40.15.020 [MUST BE RECORDED BY THE PLATTING BOARD AND IS THEREAFTER THE LAWFUL PLAT].

EDITOR NOTE: 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.

Sec. 29.40.160 [29.33.240]. TITLE TO VACATED AREA.

(a) The title to the street or other public area vacated on a plat attaches to the lot or lands bordering [ON] the area in equal proportions, except that if the area was originally dedicated by different persons, original boundary lines shall be adhered to so that the street area that [WHICH] lies on one side of the boundary line shall attach to the abutting property on that side, and the street area that [WHICH] lies on the other side of the boundary line shall attach to the property on that side. The portion of a vacated street that [WHICH] lies inside [WITHIN] the limits of a platted addition attaches to the lots of the platted addition bordering on the area. If a public square is vacated, the title to it vests in a [THE] city if it lies inside [WITHIN] the city, and in [TO] the borough if it lies inside [WITHIN] the borough but outside all [A] cities[Y]. If the property vacated is a lot [OR TRACT], title vests in the rightful owner.

(b) If the municipality [BOROUGH OR CITY] acquired the street or other public area vacated for legal consideration or by express dedication to [AND ACCEPTANCE BY] the municipality [BOROUGH OR CITY] other than as a [REQUIRED] subdivision platting requirement, before the final act of vacation the fair market value of the street or public area shall be deposited with the platting authority to be paid to [OVER TO] the municipality [BOROUGH OR CITY] on final vacation.

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

(d) [(C)] [THE PROVISIONS OF (A) OF THIS SECTION NOTWITHSTANDING,] The council of a second class city located outside a [AN ORGANIZED] borough may vacate [THOSE] streets, alleys, crossings, sidewalks, or other public ways that may have been previously dedicated or established when the council[, IN ITS DISCRETION,] finds that the streets, alleys, crossings, sidewalks, or other public ways are no longer necessary for the public welfare, or when the public welfare will be enhanced by the vacation. If the council determines that all or a portion of the area vacated under this subsection should be devoted to another public purpose, title to the area vacated and held for another public purpose does not vest as provided in (a) of this section but remains in the city.

EDITOR NOTE: Rewritten for clarity.

Sec. 29.40.170 [29.33.245]. DELEGATIONS. [THE ASSEMBLY MAY BY ORDINANCE AUTHORIZE] The planning commission and [,] the platting authority [BOARD AND THE BOARD OF ADJUSTMENT] may, as authorized by ordinance, [TO] delegate powers to

hear and decide cases under [IN] this chapter [IN A MANNER AUTHORIZED BY THE ORDINANCE], including, but not limited to, delegations to

(1) one or more members of the planning commission or platting authority; [BOARD,]

(2) [TO] other boards or commissions;[,]

(3) [OR TO] a hearing officer designated by the planning commission or platting authority [BOARD]. [THE ASSEMBLY SHALL PRESCRIBE PROCEDURES FOR HEARINGS AND APPEALS. THE COMMISSION OR BOARD SHALL HEAR AND DECIDE APPEALS DE NOVO.]

EDITOR NOTE: 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.

Sec. 29.40.180 [29.33.190]. VIOLATIONS [PENALTIES]. It is unlawful for the owner of land located in a subdivision to transfer, sell, offer to sell, or enter into a contract to sell land in a subdivision before a plat of the subdivision has been prepared, approved, and filed in accordance with this chapter. It is unlawful for a person to file a plat or other document depicting subdivided land in a public recorder's office unless the plat or document has been approved by the platting authority. A person convicted of violating a provision of this chapter, a subdivision regulation adopted under this chapter, or a term, condition, or limitation imposed by a platting authority in the exercise of its powers under this chapter is guilty of a class B misdemeanor. [(A) THE OWNER OR AGENT OF THE OWNER OF LAND LOCATED WITHIN A SUBDIVISION WHO TRANSFERS, SELLS, OR ENTERS INTO A CONTRACT TO SELL LAND IN A SUBDIVISION BEFORE A PLAT OF THE SUBDIVISION HAS BEEN PREPARED, APPROVED, AND RECORDED, IS GUILTY OF A MISDEMEANOR AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN \$500 FOR EACH LOT OR PARCEL TRANSFERRED, SOLD, OR INCLUDED IN A CONTRACT TO BE SOLD. THE BOROUGH MAY ENJOIN A TRANSFER, SALE, OR CONTRACT TO SELL, AND MAY RECOVER THE PENALTY BY APPROPRIATE LEGAL ACTION.

(B) NO PERSON MAY RECORD A PLAT OR SEEK TO HAVE A PLAT RECORDED UNLESS IT BEARS THE APPROVAL OF THE PLATTING BOARD. A PERSON WHO KNOWINGLY VIOLATES THIS REQUIREMENT IS PUNISHABLE UPON CONVICTION BY A FINE OF NOT MORE THAN \$500.]

EDITOR NOTE: 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.

Sec. 29.40.190 [29.33.190]. REMEDIES [PENALTIES].

(a) The municipality or an aggrieved person may institute a civil action against a person who violates a provision of this chapter, a subdivision regulation adopted under this chapter, or a term, condition, or limitation imposed by a platting authority. In addition to other relief, a civil penalty not to exceed \$1,000 may be imposed for each violation. An action to enjoin a violation may be brought notwithstanding the availability of any other remedy. Upon application for injunctive relief and a finding of a violation or threatened violation, the superior court shall grant the injunction. [THE OWNER OR AGENT OF THE OWNER OF LAND LOCATED WITHIN A SUBDIVISION WHO TRANSFERS, SELLS, OR ENTERS INTO A CONTRACT TO SELL LAND IN A SUBDIVISION BEFORE A PLAT OF THE SUBDIVISION HAS BEEN PREPARED, APPROVED, AND RECORDED, IS GUILTY OF A MISDEMEANOR AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN \$500 FOR EACH LOT OR PARCEL TRANSFERRED, SOLD, OR INCLUDED IN A CONTRACT TO BE SOLD, THE BOROUGH MAY ENJOIN A TRANSFER, SALE, OR CONTRACT TO SELL, AND MAY RECOVER THE PENALTY BY APPROPRIATE LEGAL ACTION.]

(b) Each day that an unlawful act or condition continues constitutes a separate violation. [NO PERSON MAY RECORD A PLAT OR SEEK TO HAVE A PLAT RECORDED UNLESS IT BEARS THE APPROVAL OF THE PLATTING BOARD. A PERSON WHO KNOWINGLY VIOLATES THIS REQUIREMENT IS PUNISHABLE UPON CONVICTION BY A FINE OF NOT MORE THAN \$500.]

EDITOR NOTE: 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(19).

Sec. 29.40.200 [29.33.150(b)-(g)]. SUBDIVISIONS OF STATE LAND [PLATTING JURISDICTION AND POWER].

(a) [(B)] The subdivision requirements [REGULATIONS] adopted under [(A) OF] this chapter [SECTION] apply to a subdivision plat[S] of undeveloped state

land for disposal under AS 38.05 or AS 38.08 filed with the platting authority [BOARD]. The platting authority [BOARD] may not disapprove the subdivision plat on the basis of requirements [REGULATIONS] for [WHICH REQUIRE] capital improvements on or to state land included in the subdivision plat. Subdivision ordinances and regulations adopted after the platting authority [BOARD] is notified by the commissioner of natural resources of a proposed sale of subdivided state land under AS 38.05 or AS 38.08 do not apply to the state land in the proposed sale.

(b) [(C)] The platting authority [BOARD] must approve and sign a [THE] subdivision plat of state land within 60 days after [OF] its receipt from the commissioner of natural resources unless the platting authority [BOARD]

(1) determines that the plat does not comply with subdivision requirements [REGULATIONS] other than those requiring capital improvements to state land; and

(2) notifies the commissioner of each determination of noncompliance within the 60-day period established in this subsection.

(c) [(D)] The commissioner of natural resources may withdraw the subdivision plat and amend it in response to the determination of noncompliance by the platting authority [BOARD] under (b) [(C)] of this section. The platting authority [BOARD] shall respond within 30 days to the amendment or response from the commissioner of natural resources.

(d) [(E)] Notwithstanding any other provision of law, the provisions of [(B) - (F) OF] this section apply to all disposals of land under AS 38.05 or [AND] AS 38.08.

(e) [(F)] Nothing in this section relieves the Department of Natural Resources of its obligation to provide legal access to a [THE] subdivision.

(f) [(G)] As used in this section, "capital improvements" includes but is not limited to access roads, other physical improvements, and their design and engineering.

(g) This section applies to home rule and general law municipalities.

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

CHAPTER 45 [53]. MUNICIPAL [ASSESSMENT AND] TAXATION.

ARTICLE 1. MUNICIPAL PROPERTY TAX.

EDITOR NOTE: Authorizes a municipality to levy a property tax on real or on personal property. The distinction between areawide and non-areawide 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.

Sec. 29.45.010 [29.53.010]. [GENERAL] PROPERTY TAX.

(a) A unified municipality may levy a property tax. A [HOME RULE AND GENERAL LAW] borough[S] may levy

(1) an areawide property tax for areawide functions; [, AND]

(2) a nonareawide property tax for functions limited to the area outside cities; [.]

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

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

(c) [A PROPERTY TAX] If a tax is levied on real property or on personal property, the tax must be assessed, levied, and collected [ON REAL AND PERSONAL PROPERTY] as provided in this chapter.

EDITOR NOTE: No substantive change.

Sec. 29.45.020 [29.73.070(a),(c)]. TAXPAYER NOTICE. (a) If a municipality levies and collects [REAL OR PERSONAL] property taxes, the governing body shall provide the following notice:

"NOTICE TO TAXPAYER

For the current fiscal year the (city)(borough) has been allocated the following amount of state aid for school and municipal purposes under the applicable financial assistance Acts:

PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE

(AS 14.17)

§

STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT <u>(AS 14.11.100)</u> [(AS 43.18.100)]	\$
MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE <u>(AS 29.60.010 - 29.60.080)</u> [(AS 29.880)]	\$
STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES <u>(AS 29.60.100 - 29.60.180)</u> [(AS 29.890)]	\$
TOTAL AID	\$

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

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

Notice shall be provided

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

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

[(B) IF THE MUNICIPALITY LEVIES AND COLLECTS ONLY A SALES TAX, THE GOVERNING BODY SHALL PROVIDE A NOTICE SUBSTANTIALLY IN THE FORM SET OUT IN (A) OF THIS SECTION. IN PROVIDING NOTICE UNDER THIS SUBSECTION, THE COUNCIL OR ASSEMBLY SHALL SUBSTITUTE FOR THE MILLAGE EQUIVALENCY ITS ESTIMATE OF THE EQUIVALENT SALES TAX RATE FOR EACH OF THE CATEGORIES OF FINANCIAL ASSISTANCE SET OUT IN (A) OF THIS SECTION. NOTICE SHALL BE PROVIDED

(1) BY PUBLISHING IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE MUNICIPALITY A COPY OF THE NOTICE ONCE EACH WEEK FOR A PERIOD OF THREE SUCCESSIVE WEEKS, WITH PUBLICATION TO OCCUR NOT LATER THAN 45 DAYS AFTER THE FINAL ADOPTION OF THE MUNICIPALITY'S BUDGET; OR

(2) IF THERE IS NO NEWSPAPER OF GENERAL CIRCULATION IN THE MUNICIPALITY, BY POSTING A COPY OF THE NOTICE FOR AT LEAST 20 DAYS IN AT LEAST TWO PUBLIC PLACES WITHIN THE MUNICIPALITY, WITH POSTING TO OCCUR NOT LATER THAN 45 DAYS AFTER THE FINAL ADOPTION OF THE MUNICIPALITY'S BUDGET.]

(b) [(C)] Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under AS 29.60.010 - 29.60.080 [AS 29.88] and state aid for miscellaneous municipal services under AS 29.60.100 - 29.60.180 [AS 29.89]. The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall withhold annual allocations under those sections [CHAPTERS] until municipal officials demonstrate that the requirements of this section have been met.

EDITOR NOTE: Household furniture is exempt from taxation without regard to the value of the furniture. Property of an auxiliary of a non-business 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 non-profit, educational groups for classroom space, or by non-profit 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.

Sec. 29.45.030 [29.53.020]. REQUIRED EXEMPTIONS. (a) The following property is exempt from general taxation:

(1) municipal, state, or federally owned property, except that a private leasehold[S], contract[S], or other interest in the property is [SHALL BE] taxable to the extent of the [THOSE] interest[S];

(2) household furniture of the head of a family or household[ER NOT EXCEEDING \$500 DOLLARS IN VALUE];

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

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

than dishonorable [OR THE PROPERTY OF THE AUXILIARY OF SUCH ORGANIZATION];

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that [WHICH] is exempt from taxation under 43 U.S.C. 1620(d), as amended [TO THE EXTENT AND SUBJECT TO THE CONDITIONS PROVIDED IN (J) OF THIS SECTION.]

[(3) INVENTORIES LOCATED WITHIN A FOREIGN TRADE ZONE ESTABLISHED UNDER AS 45.77.010, BEFORE THOSE INVENTORIES ARE CLEARED BY THE UNITED STATES CUSTOMS SERVICE AND ADMITTED INTO DOMESTIC COMMERCE.]

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

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

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

[(3) LOTS SUPPORTING AND ADJACENT TO A STRUCTURE OR RESIDENCE MENTIONED IN (1) OR (2) OF THIS SUBSECTION WHICH ARE NECESSARY TO CONVENIENT USE;

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

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

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

(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property. [ONLY ONE EXEMPTION MAY BE GRANTED WITH RESPECT TO THE SAME PROPERTY, THE PARTIES SHALL DECIDE BETWEEN OR AMONG THEMSELVES WHICH SHALL RECEIVE THE BENEFIT OF THE EXEMPTION.] [NO] Real property may not be exempted under this subsection that the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 and 44.62.570.

(f) An [NO] exemption may not be granted under (e) of this section except upon written application for the exemption on a form prescribed by the state assessor for use by local assessors. The claimant must file the application no later than January 15, or a date provided by ordinance that is not later than March 31, of the assessment year for which the exemption is sought, [,BUT DURING THE SAME YEAR] The governing body of the municipality for good cause shown may waive during a year the claimant's failure to make timely application for exemption for that year and authorize the assessor to accept the application as if timely filed. The claimant must file a separate application for each assessment year in which the exemption is sought. If an application is filed within the required time and is approved by the assessor, the assessor [HE] shall allow an exemption in accordance with the provisions of this section. If a [CLAIMANT WHOSE] failure to file by January 15, or a date provided by ordinance that is not later than March 31, of the assessment year has been waived as provided in this subsection and the application for exemption is approved, the amount of tax that [WHICH] the claimant has already paid for the assessment year for [WITH RESPECT TO] the property exempted shall be refunded to the claimant [HIM]. The assessor may at any time require proof in the form the assessor [HE] considers necessary of the right and amount of an exemption claimed under (e) of this section.

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of (e) of this section. However, reimbursement will be made to a municipality [BOROUGH OR CITY] for revenue lost to it only to the extent that the loss exceeds an exemption that [WHICH] was granted by the municipality [BOROUGH OR CITY], or that [WHICH] on [UPON] proper application by an individual would have been granted [BY THE BOROUGH OR CITY] under AS 29.45.050(a) [AS 29.53.025(A)].

(h) Except as provided in (g) of this section, nothing in (e) - (j) [(I)] of this section affects similar exemptions from property taxes granted by a municipality [IES] on September 10, 1972, or prevents a municipality [IES] from granting similar exemptions by ordinance as provided in AS 29.45.050 [AS 29.53.025(A)].

(i) In (e) - (i) of this section [THE TERM] "real property" includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes.

(j) One motor vehicle per household owned by a resident 65 years of age or older on January 1 of the assessment year is exempt either from taxation on its assessed value or from the registration tax under AS 28.10.431. An

exemption may be granted under this subsection only upon written application on a form prescribed by the Department of Public Safety. The state shall reimburse a municipality for tax revenues lost to it because of the exemption required by this subsection. Reimbursement to a municipality equals the amount of registration tax authorized under AS 28.10.431(b) for each vehicle exempted under this subsection.

(k) The department shall adopt regulations to implement the provisions of (g) and (j) of this section.

(1) [(J)] Two percent of the assessed value of a structure is exempt from taxation if the structure contains a fire protection system approved under AS 19.70.081 [AS 18.70.081], in operating condition, and incorporated as a fixture or part of the structure. The exemption granted by this subsection is limited to

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

(2) an amount equal to two percent of the value of the structure based on the assessment as of January 1 of the year immediately following the installation of the fire protection system if the fire protection system becomes a fixture of the structure after January 1, 1981.

(m)[k] For the purpose of determining property exempt under (a)(7) 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 [WHICH] 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 that [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;

(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 [WHICH] conveys rights of exploration and development, this exemption shall continue with respect to that [WHICH] portion of the

leased tract that [WHICH] is used solely for the purpose of exploration.

(n)[1] If property or an interest in property that [WHICH] is determined not to be exempt under (a)(7) 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)(7) and (m) of this section.

EDITOR NOTE: No change, except that "Department of Community and Regional Affairs" is replaced by "department".

Sec. 29.45.040 [29.73.060]. PROPERTY TAX EQUIVALENCY PAYMENTS.

(a) A resident of the state 65 years of age or older who rents a permanent place of abode is eligible for tax equivalency payments from the state through the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS].

(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 [HOME RULE OR GENERAL LAW] municipality that [WHICH] levies a [GENERAL] property tax [AT THE RATE OF ONE PERCENT PER MIL]. The property tax equivalent percentage applied to the annual rent charged to the applicant equals the property tax equivalency payment payable under this section.

(c) To obtain tax equivalency payments the eligible resident must apply to the department for payment for the preceding year by January 15 of each year on forms and in the manner prescribed by the department. Each applicant shall submit with the application rental receipts or, if rental receipts are not available, other evidence satisfactory to the department for determination of the fact of payment of rent and the amount paid.

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for tax equivalency payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. However, tax equivalency payments to an eligible applicant may not be reduced because the spouse is less than 65 years of age. If all occupants in a residence are eligible for tax equivalency payments under this section, the occupants shall decide between and among themselves which shall receive payment.

EDITOR NOTE: (a) No change, except "regular or special" is deleted since "election" is defined.

(b) Eliminates the requirement that a tax based upon tonnage not exceed five 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.

- (c) The reference to "weighted" voting is eliminated.
- (d) "Act" has been changed to "chapter".
- (e) No substantive change.
- (f) Minor rewording.
- (g) No change.

Sec. 29.45.050 [29.53.025]. OPTIONAL EXEMPTIONS AND EXCLUSIONS.

(a) A municipality[IES] may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at an [A REGULAR OR SPECIAL] election. An exclusion or exemption authorized by this section may not exceed the assessed value of \$10,000 for any one residence.

(b) A municipality[IES] may by ordinance

(1) classify boats and vessels for the purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage; [A TAX BASED UPON A TONNAGE VALUATION SHALL NOT EXCEED \$5 A YEAR FOR A BOAT OR VESSEL FOR MORE THAN FIVE NET TONS;]

(2) classify and exempt from taxation

[(A) THE HOUSEHOLD FURNITURE OVER \$500 IN VALUE AND THE EFFECTS OF THE HEAD OF A FAMILY OR A HOUSEHOLDER; AND]

(A) [(B)] the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes if the [, PROVIDED THAT] income derived from rental of that [SUCH] property does not exceed the actual cost to the owner of the use by the renter; [AND]

(B) [(C)] historic sites, buildings, and monuments;

(C) [(D)] land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c);

(3) exempt personal property from taxation;

(4)[3] exempt business inventories from taxation.

(c) The provisions of (a) of this section notwithstanding,

(1) a [HOME RULE OR FIRST OR SECOND CLASS] borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of a city in the borough [WITHIN IT], including but not limited to, excluding personal property from taxation, establishing exemptions, and extending the redemption period;

(2) a home rule or first class city has the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes if

(A) [, PROVIDED THAT] the exemptions or exclusions have been adopted as to city taxes; and

(B) [FURTHER PROVIDED THAT] the city appropriates to the borough sufficient money to equal revenues lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly [WITHOUT WEIGHTED VOTING];

(3) a [HOME RULE OR GENERAL LAW] city in a [WITHIN AN ORGANIZED] borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of the borough, including but not limited to exempting or partially exempting property from taxation.

(d) Exemptions or exclusions from property tax that [WHICH] have been granted by a home rule municipality[IES] in addition to exemptions authorized or required by law, and that [WHICH] are in effect on September 10, 1972, and not later withdrawn, are not affected by this chapter [ACT].

(e) A municipality[IES] may by ordinance classify and exempt or partially exempt from taxation privately owned land, wet land and water areas for which a scenic, conservation, or public recreation use easement is granted to a governmental body. To be eligible for a tax exemption, or partial exemption, the easement must be in perpetuity. However, the easement is automatically terminated before an eminent domain taking of fee simple title or less than fee simple title to the property, so that the property owner is compensated at a rate that [WHICH] does not reflect the easement grant.

(f) A municipality may by ordinance exempt from taxation all or [ANY] part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of the natural features of the land, or new maintenance, repair, or renovation of an existing structure, and if the alteration, maintenance, repair, or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. An [NO] exemption may not be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use in [WITHIN] the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed, or from the date of approval for the exemption by the local assessor, whichever is later.

(g) A municipality may by ordinance exempt from taxation all or [ANY] part of the increase in assessed value of improvements to a single-family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed, or from the date of approval of an application for the exemption by the local assessor, whichever is later.

EDITOR NOTE: 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.

Sec. 29.45.060 [29.53.035]. FARM OR AGRICULTURAL LAND[S].

(a) Farm use land included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use and may [SHALL] not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the [FARM USE] land for both full and true value and farm use value. If [SHOULD] the [FARM USE] land is [BE] sold, leased, or otherwise disposed of for uses incompatible with farm use or [BE] converted to a use incompatible with farm use by the owner, the owner is liable to pay an amount equal to the additional tax at the current mill levy together with eight percent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section for the preceding seven years. The balance of the payment shall be made to the municipality [CITY OR BOROUGH].

(b) An owner of farm use land must, to secure the assessment under this section, apply [MAKE APPLICATION] to the assessor before May 15 of each year in which the assessment is desired. The application shall be made upon forms prescribed by the state assessor for the use of the local assessor, and shall include information that [WHICH] may reasonably be required to determine the entitlement of the applicant. If the [FARM USE] land is leased for farm use purposes, the applicant shall furnish to the assessor a copy of the lease bearing the signatures of both lessee and lessor along with the completed application. The applicant shall furnish the assessor a copy of the lease covering the period for which the exemption is requested.

(c) In this section "farm use" means the use of land for profit for raising and harvesting crops, [OR] for the feeding, breeding, and management of

livestock, [OR] for dairying, or another agricultural use, [FOR PROFIT] or any combination of these [THEREOF]. To be farm use land, the owner or lessee must be actively engaged in farming the land, and derive at least 10 percent of [HIS] yearly gross income from the [FARM USE] land. [THE PROVISIONS OF] This section does [DO] not apply to land for [RESPECTING] which the owner has granted, and has outstanding, a lease or option to buy the surface rights. A property owner wishing to file for farm use classification having no history of farm-related income may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the land and the anticipated percentage of income. An applicant using this procedure shall file with the assessor before February 1 of the following year a notarized statement of the percentage of gross income attributable to the [FARM USE] land. Failure to make the filing required in this subsection forfeits the exemption.

(d) In the event of a crop failure by an act of God the previous year, the owner or lessee may submit an affidavit affirming that 10 percent of [HIS] gross income for the past three years was from farming.

(e) Subject to legislative appropriations for the purpose, the state shall reimburse a borough or city, as appropriate, for the [REAL] property tax revenues lost to it by the operation of this section.

EDITOR NOTE: No substantive change.

Sec. 29.45.070 [29.58.040]. MOBILE HOMES. Mobile homes, trailers, house trailers, trailer coaches and similar property used or intended to be used for residential, office, or commercial purposes and attached to the land or connected to water, gas, electric, or sewage facilities are classified as real property for tax purposes unless [EXCEPT WHERE] expressly classified as personal property by ordinance. This section does not apply to house trailers and mobile homes that [WHICH] are unoccupied and held for sale by persons engaged in the business of selling mobile homes.

EDITOR NOTE: No substantive change.

Sec. 29.45.080 [29.53.045]. TAX ON OIL AND GAS PRODUCTION AND PIPELINE PROPERTY.

(a) A municipality may levy and collect taxes on [TAXABLE] property taxable under AS 43.56 only by using one of the methods set out in (b) or (c) of this section.

(b) A municipality may levy and collect a tax on the full and true value of [TAXABLE] property taxable under this chapter and under AS 43.56 as valued by the Department of Revenue at a rate not to exceed that which produces an amount of revenue from the total municipal property tax equivalent to \$1,500 a year for each person residing in [WITHIN] its boundaries.

(c) A municipality may levy and collect a tax on the full and true value of that portion of [TAXABLE] property taxable under this chapter and under AS 43.56 as assessed by the Department of Revenue which value, when combined with the value of property otherwise taxable by the municipality, does not exceed the product of 225 percent 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. For purposes of this subsection, the average per capita assessed full and true value of property in the state shall be calculated without regard to the assessed value of taxable property under AS 43.58.

(d) By February 1 of each assessment year a taxing municipality must inform the Department of Revenue which method of taxation the municipality will use.

(e) For purposes of this section, population shall be determined by the commissioner of community and regional affairs based on the latest statistics of the United States Bureau of the Census or on other reliable population data, and the commissioner shall advise each municipality of its population [AS SO DETERMINED] by January 15 of each year.

EDITOR NOTE: 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.

Sec. 29.45.090 [29.53.050]. TAX LIMITATION.

(a) A [NO] municipality may not, during a year, levy and tax for any purpose in excess of three percent of the assessed value [VALUATION] of property in [WITHIN] the municipality [IN ANY ONE YEAR]. All property on which a tax is levied shall be taxed at the same rate during the year.

(b) A [NO] municipality, or combination of municipalities occupying the same geographical area, in whole or in part, may not levy taxes

(1) that [WHICH] will result in tax revenues from all sources exceeding \$1,500 [\$1,000] a year for each person residing within the municipal [THEIR] boundaries; or

(2) upon value that [WHICH], when combined with the value of property otherwise taxable by the municipality, exceeds the product of 225 percent 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.

(c) [.]The commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] shall apportion the lawful levy and equitably divide the tax [THESE] revenues on the basis of need, services performed, and other considerations in the public interest if two or more municipalities occupying the same geographical area, in whole or in part, attempt to levy a tax

(1) the combined levy of which would result in tax revenues from all sources exceeding \$1,500 a year for each person residing within the municipal boundaries; or

(2) upon value that, when combined with the value of property otherwise taxable by the municipality, exceeds the product of 225 percent 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.

(d) For the purpose of (b) and (c) of this section [SUBSECTION], population shall be determined by the commissioner [OF COMMUNITY AND REGIONAL AFFAIRS] based on the latest statistics of the United States Bureau of the Census or on other reliable population data. For purposes of (b) and (c) of this section [SUBSECTION], the average per capita assessed full and true value of property in the state shall be calculated without regard to the assessed value of taxable property under AS 43.58.

EDITOR NOTE: Statutory references are altered to reflect new numbering.

Sec. 29.45.100 [29.53.055]. NO LIMITATIONS ON TAXES TO PAY BONDS. The limitations provided for in AS 29.45.080 - 29.45.090 [AS 29.53.045. OR 29.53.050] do not apply to taxes levied or pledged to pay or secure the payment of the principal and interest on bonds. Taxes to pay or secure the payment of principal and interest on bonds may be levied without limitation as to rate or amount, regardless of whether the bonds are in default or in danger of default.

EDITOR NOTE: Statutory references are altered to reflect new numbering.

Sec. 29.45.110 [29.53.060]. FULL AND TRUE VALUE.

(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, [AND] AS 29.45.060, and 29.45.230 [AS 29.53.030, 29.53.035 AND 29.53.160]. The full and true value is the estimated price that [WHICH] the property would bring in an

open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.

(b) Assessment of business inventories may be based on the average monthly method of assessment rather than the value existing on January 1. The method used to assess business inventories shall be prescribed by the governing body.

(c) In the case of cessation of business during the tax year, the municipality [ASSEMBLY] may provide for reassessment of business inventories using the average monthly method of assessment for the tax year rather than the value existing on January 1 of the tax year, and for reduction and refund of taxes. In enacting an ordinance authorized by this section, the municipality [ASSEMBLY] may prescribe procedures, restrictions, and conditions of assessing or reassessing business inventories and of remitting or refunding taxes.

EDITOR NOTE: "Assembly" is replaced by "governing body".

Sec. 29.45.120 [29.53.070]. RETURNS.

(a) The municipality may require each [EVERY] person having ownership or control of or an interest in property to submit a return in the form prescribed by the assessor, based on property values existing on January 1, except as otherwise provided in this chapter.

(b) The assessor may, by written notice, require a person to provide additional information within 30 days.

EDITOR NOTE: Allows the assessor to seek a court order to compel production of records, as well as to compel entry.

Sec. 29.45.130 [29.53.080]. INDEPENDENT INVESTIGATION.

(a) The assessor is not bound to accept a return as correct. The assessor [HE] may make an independent investigation of property returned or of taxable property on [UPON] which no return has been filed. In either case, the assessor may make the assessor's [HIS] own valuation of the taxable property and this valuation [WHICH] is prima facie evidence of the value of the property.

(b) For investigation, the assessor or the assessor's [HIS] agent may enter a [ANY] premise during reasonable hours and may examine property on the premise[S]. The assessor or the assessor's agent [HE] may examine all property records involved. A person shall, on [UPON] request, furnish to the assessor or

the assessor's [HIS] agent every facility and assistance for the [PURPOSE OF THE] investigation. [IF REFUSED ENTRY] The assessor may seek a court order to compel entry and production of records needed for assessment purposes.

(c) An assessor may examine a person on oath. On [UPON] request, the person shall submit to [PRESENT HIMSELF FOR] examination at a reasonable time and place selected by the assessor.

EDITOR NOTE: 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.

Sec. 29.45.140 [29.53.790]. VIOLATIONS [STATEMENT]. A person who knowingly fails to file a statement required by ordinance or who knowingly makes a false affidavit to a statement required by a tax ordinance relative to the amount, location, kind or value of property subject to taxation with intent to evade the taxation, is guilty of a class B misdemeanor. [UPON CONVICTION HE IS PUNISHABLE BY A FINE OF NOT MORE THAN \$500, OR BY IMPRISONMENT FOR NOT MORE THAN 30 DAYS, OR BY BOTH TOGETHER WITH COSTS OF PROSECUTION.]

EDITOR NOTE: "Assembly" is replaced by "governing body" and "borough" is replaced by "municipality".

Sec. 29.45.150 [29.53.095]. REEVALUATION. A systematic reevaluation of taxable real and personal property undertaken by the assessor, whether of specific areas in which real property is located or of specific classes of real or personal property to be assessed, shall be made only in accordance with a resolution or other act of the municipality [ASSEMBLY] directing a systematic reevaluation of all taxable property in [WITHIN] the municipality [BOROUGH] over the shortest period of time practicable, as [DETERMINED BY THE ASSEMBLY AND] fixed in the resolution or [OTHER] act [OF THE ASSEMBLY].

EDITOR NOTE: Minor rewording.

Sec. 29.45.160 [29.53.100]. ASSESSMENT ROLL.

(a) The assessor shall prepare an annual assessment roll. The roll shall contain[S]

- (1) a description of all taxable property;
- (2) the assessed value of all taxable property;
- (3) the names and addresses of persons with property subject to assessment and taxation.

(b) The assessor may list real property by any description that may be made certain. Real property is assessed to the [OWNER OF] record owner. [AS SHOWN IN THE RECORDS OF] The district recorder[, WHO] shall at least monthly provide the assessor a copy of each recorded change of ownership showing the name and mailing address of the owner and the name and mailing address of the person [PARTY] recording the change of ownership. Other persons having an interest in the property may be listed on the assessment records with the owner. The person in whose name property is listed as owner is conclusively presumed to be the legal [OWNER OF] record owner. If the property owner is unknown, the property may be assessed to "unknown owner". An [NO] assessment is not invalidated by a mistake, omission, or error in the name of the owner, if the property is correctly described.

EDITOR NOTE: Minor rewording.

Sec. 29.45.170 [29.53.110]. ASSESSMENT NOTICE.

(a) The assessor shall give each [EVERY] person named in the assessment roll a notice of assessment, showing the assessed value of the person's [HIS] property. On each notice is printed a brief summary of the dates when taxes are payable, delinquent, and subject to penalty and interest, and the dates when the board of equalization will sit.

(b) Sufficient assessment notice is given if mailed by first class mail 30 days before the equalization hearings. If the address is not known to the assessor, the notice may be addressed to the person at the post office nearest the property. Notice is effective on the date of mailing.

EDITOR NOTE: Minor rewording for clarity.

Sec. 29.45.180 [29.53.120]. CORRECTIONS.

(a) A person receiving an assessment notice shall advise the assessor of errors or omissions in the assessment of the person's [HIS] property. The

assessor may correct errors or omissions in the roll before the board of equalization hearing.

(b) If errors found in the preparation of the assessment roll are adjusted, the assessor shall mail a corrected notice allowing 30 days for appeal to the board of equalization.

EDITOR NOTE: Minor rewording for clarity.

Sec. 29.45.190 [29.53.130]. APPEAL.

(a) A person whose name appears on the assessment roll or the [HIS] agent or assigns of that person may appeal to the board of equalization for relief from an alleged error in valuation not adjusted by the assessor to the taxpayer's satisfaction.

(b) The appellant shall, within 30 days after [FROM] the date of mailing of notice of assessment, submit to the assessor a written appeal specifying grounds in the form that [WHICH] the board of equalization may require. Otherwise, the right of appeal ceases unless the board of equalization finds that the taxpayer was unable to comply.

(c) The assessor shall notify an appellant[S] by mail of the time and place of [THEIR] hearing.

(d) The assessor shall prepare for use by the board of equalization a summary of assessment data relating to each assessment that [WHICH] is appealed.

(e) A city in a borough may appeal an assessment to the borough board of equalization in the same manner as a taxpayer. Within five days after receipt of the appeal, the assessor shall notify the person whose property assessment is being appealed by the city.

EDITOR NOTE: (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.

(b) Allows the board to alter an assessment only if an appeal is filed as to that particular lot.

(c) This subsection is new, allowing an appeal directly to the superior court on the issue of whether property is taxable.

Sec. 29.45.200 [29.53.135]. BOARD OF EQUALIZATION.

(a) The governing body [ASSEMBLY] sits as a board of equalization for the purpose of hearing an [ANY] appeal from a determination[S] of the [BOROUGH] assessor, or it may delegate this authority to one or more [A] boards appointed by it [FOR THAT PURPOSE]. An appointed board may be composed of not less than three persons, who may be members of the governing body, municipal residents, or a combination of members of the governing body and residents. The governing body shall by ordinance establish the qualifications for membership. [THE BOARD OF EQUALIZATION SHALL CONSIST OF AT LEAST THAT NUMBER OF MEMBERS OF THE ASSEMBLY OVER AND ABOVE THE NUMBER REQUIRED FOR A QUORUM TO TRANSACT BUSINESS.]

(b) The board of equalization is governed in its proceedings by rules adopted by ordinance that [WHICH] are [SUCH PROCEDURES] consistent with general rules of administrative procedure [LAW AND THE LAWS GOVERNING EQUALIZATION PROCEEDINGS AS MAY BE ADOPTED BY ORDINANCE, INCLUDING BUT NOT LIMITED TO QUORUM AND VOTING REQUIREMENTS]. The board may alter an assessment of a lot only pursuant to an appeal filed as to the particular lot.

(c) Notwithstanding other provisions in this section, a determination of the assessor as to whether property is taxable under law may be appealed directly to the superior court. [THE ASSEMBLY SHALL ADOPT RULES FOR THE MEMBERSHIP AND CONDUCT OF THE BOARD.]

EDITOR NOTE: 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.

Sec. 29.45.210 [29.53.140]. HEARING.

(a) If an appellant fails to appear, the board of equalization may proceed with the hearing in the [HIS] absence of the appellant.

(b) The appellant bears the burden of proof. [(C)] The only grounds for adjustment of assessment are [IS] proof of unequal, excessive, [OR] improper, or under valuation based on facts that [WHICH] are stated in a valid written appeal [TIMELY FILED] or proven[D] at the appeal hearing. If a valuation is found to be too low, the board of equalization may raise the assessment.

(c) [(D)] The board of equalization shall certify its actions to the assessor within seven days. Except as to supplementary assessments, [(E)] the assessor shall enter the changes and certify the final assessment roll by June 1.

(d) [(F)] An appellant or the assessor may appeal a determination of the board of equalization to the superior court as provided by rules of court applicable to appeals from the decisions of administrative agencies [AND IS ENTITLED TO, TRIAL DE NOVO OF THE BOARD'S ACTION]. Appeals are heard on the record established at the hearing before the board of equalization. [EITHER PARTY TO THE APPEAL MAY DEMAND A JURY TRIAL.]

EDITOR NOTE: No change.

Sec. 29.45.220 [29.53.150]. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor shall include property omitted from the assessment roll on a supplementary roll, using the procedures set out in this chapter for the original roll.

EDITOR NOTE: 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.

Sec. 29.45.230 [29.53.160]. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATURAL DISASTER.

(a) The municipality [ASSEMBLY] may provide for assessment or reassessment and reduction of taxes for property destroyed, damaged, or otherwise reduced in value as a result of a natural disaster.

(b) An assessment or [A] reassessment under this section may be made by the assessor only upon the receipt of a sworn statement of the taxpayer that [HIS] losses exceed \$1,000. A reduction of taxes may be made only on losses in excess of \$1,000 for the remainder of the year following the disaster. On [UPON] reassessment, the municipality [BOROUGH] shall recompute this tax and refund taxes that [WHICH] have already been paid.

(c) The municipality [BOROUGH] shall give [MAKE] notice of assessment or reassessment under this section and shall hold an equalization hearing as provided in this chapter, except that a notice of appeal must be [IS] filed with the board of equalization within 10 days after notice of assessment or reassessment is given to the person appealing. Otherwise, the right of appeal ceases unless the board finds that the taxpayer is unable to comply.

(d) In enacting an ordinance or resolution authorized by this section[,] the municipality [ASSEMBLY] may, consistent with this section, prescribe procedures, restrictions, and conditions of assessing or reassessing property and of remitting, refunding, or forgiving taxes.

(e) In this section "disaster" means a major disaster declared by the President of the United States under the provisions of the Federal Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g, or other federal law, or a disaster declared by the governor under AS 26.23.010 - 26.23.110.

EDITOR NOTE: Minor rewording.

Sec. 29.45.240 [29.53.170]. TAX LEVY AND RATE.

(a) The power granted to a municipality [THE ASSEMBLY] to assess, levy, and collect a [GENERAL] property tax shall be exercised by means of an [GENERAL] ordinance[S]. [BUT] The rate of levy, the date of equalization, and the date when taxes become delinquent shall be fixed by resolution.

(b) A municipality [THE ASSEMBLY] shall annually determine the rate of levy before June 15. By July 1 the tax collector shall mail tax statements setting out the levy, dates when taxes are payable and delinquent, and penalties and interest.

EDITOR NOTE: 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.

Sec. 29.45.250 [29.53.180]. RATES OF PENALTY AND INTEREST.

(a) [IF THE TAXPAYER IS REQUIRED TO PAY THE ENTIRE TAX ON THE DUE DATE SET BY THE ASSEMBLY,] A penalty not to exceed 20 [10] percent of the tax due may be added to all delinquent taxes, and interest not to exceed 15 [AT THE RATE OF EIGHT] percent a year shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full. A municipality may impose a penalty not to exceed 20 percent of the tax due upon the late return of personal property

assessment forms. A penalty under this section may be imposed according to a formula that increases the amount of the penalty as the length of time increases during which payment is delinquent or assessment forms are not returned.

(b) If a taxpayer is given the right to pay the tax in two installments, penalty and interest on an unpaid installment accrues from the date the installment becomes due [AND THE FIRST HALF IS NOT PAID WHEN DUE, THE ENTIRE TAX BECOMES DELINQUENT AND PENALTY AND INTEREST ACCRUE AS FOLLOWS:].

(1) IF THE FIRST HALF IS PAID WHEN DUE, THE SECOND HALF IS PAYABLE ON THE DUE DATE FIXED BY THE ASSEMBLY FOR THE SECOND HALF AND IF NOT PAID IS DELINQUENT AFTER THAT DATE;

(2) A PENALTY NOT TO EXCEED EIGHT PER CENT SHALL BE ADDED TO ALL TAXES DELINQUENT UNTIL THE DUE DATE FIXED FOR PAYMENT OF THE SECOND HALF, AND INTEREST AT THE RATE OF EIGHT PER CENT A YEAR SHALL BE CHARGED ON THE WHOLE OF THE UNPAID TAXES, NOT INCLUDING PENALTY, FROM DUE DATE UNTIL PAID IN FULL;

(3) AFTER THE DUE DATE FOR THE PAYMENT OF THE SECOND HALF, A TOTAL PENALTY OF NOT MORE THAN 10 PER CENT MAY BE ADDED TO ALL DELINQUENT TAXES, AND INTEREST AT THE RATE OF EIGHT PER CENT A YEAR SHALL ACCRUE UPON ALL UNPAID TAXES, NOT INCLUDING PENALTIES, FROM DUE DATE UNTIL DATE PAID IN FULL.

(B) IF THE ASSEMBLY IMPOSES A PENALTY FOR THE NONPAYMENT OF PROPERTY TAXES WHEN DUE, OR THE LATE RETURN OF PERSONAL PROPERTY ASSESSMENT FORMS, THE RATE OF PENALTY OR COMBINED RATES OF PENALTY MAY NOT EXCEED 10 PER CENT OF THE TAX DUE ON THE PROPERTY CONCERNED.

(C) IF THE ASSEMBLY CHARGES INTEREST ON PROPERTY TAXES NOT PAID WHEN DUE, THE RATE OF INTEREST MAY NOT EXCEED EIGHT PER CENT A YEAR UPON THE DELINQUENT TAXES AND SHALL BE CHARGED FROM THE DUE DATE UNTIL PAID IN FULL.

ARTICLE 2. ENFORCEMENT OF TAX LIENS.

EDITOR NOTE: No substantive change.

Sec. 29.45.290 [29.53.200]. VALIDITY. Certified assessment and tax rolls are valid and binding on all persons, notwithstanding a [ANY] defect, error, omission, or invalidity in the assessment rolls or proceedings pertaining to the assessment roll.

EDITOR NOTE: 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.

Sec. 29.45.300 [29.53.210]. TAX LIABILITY.

(a) The owner of assessed personal property [ASSESSED] is personally liable for the amount of taxes assessed against the [HIS] property. The tax, together with penalty and interest, may be collected in a personal action brought in the name of the municipality [BOROUGH].

(b) [REAL] Property taxes, together with penalty and interest, are a lien upon the property assessed, and the lien is prior and paramount to all other liens or encumbrances against the property.

EDITOR NOTE: 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.

Sec. 29.45.310 [29.53.220]. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY DISTRAINT AND SALE.

(a) A [THE] lien for [OF] personal property taxes may be enforced by distraint and sale of the property. The municipality [ASSEMBLY] shall provide the procedure for distraint and sale by ordinance. A [NO] seizure, levy, or distraint is not legal unless demand is first made of the person assessed for the amount of the tax, penalty, and interest, and a [NO] sale is not valid unless made at public auction no sooner than [AFTER] 15 days after notice is published [GIVEN BY POSTING OR PUBLICATION]. The seizure is made by virtue of a warrant issued by the municipal [BOROUGH] clerk to a peace officer.

(b) If the personal property sold is not sufficient to satisfy the tax, penalty, and interest, and costs of sale, the warrant may authorize the seizure of other personal property sufficient to satisfy the tax, penalty, interest, and costs of sale. If the property is sold for more money than is needed to satisfy the tax, the municipality shall remit the excess to the former record owner upon presentation of a proper claim. A claim for the excess filed after six months of the date of sale is forever barred.

EDITOR NOTE: Reworded slightly, and the statutory reference is altered to reflect new numbering.

Sec. 29.45.320 [29.53.230]. REAL PROPERTY TAX COLLECTION.

(a) The municipality [BOROUGH] shall enforce delinquent real property tax liens by annual foreclosure, unless otherwise provided by ordinance.

(b) If the tax on property described in AS 29.45.070 [§ 40 OF THIS CHAPTER] or on a taxable [LEASEHOLD] interest in tax-exempt property is not paid when due, a municipality [BOROUGH] may enforce the tax by a personal action against the delinquent taxpayer brought in the district or superior court, in addition to other remedies available to enforce the lien.

EDITOR NOTE: Minor rewording.

Sec. 29.45.330 [29.53.240]. FORECLOSURE LIST.

(a) A municipality [THE BOROUGH] shall

(1) annually present a petition for judgment and a certified copy of the foreclosure list for the previous year's delinquent taxes in the superior court for judgment;

(2) publish the foreclosure list for four consecutive weeks in a newspaper of general circulation distributed in [WITHIN] the municipality [BOROUGH] or, if there is no newspaper of general circulation distributed in [WITHIN] the municipality [BOROUGH], post the list at three public places for at least 30 days;

(3) within 10 days after the first publication or posting, mail to the last known owner of each property as the owner's [HIS] name and address appear on the list a notice advising of the foreclosure proceeding in which a petition for judgment of foreclosure has been filed and describing the property and the amount due as stated on the list.

(b) The list shall be arranged in alphabetical order as to the last name and shall include

(1) the last known owner;

(2) the property description as stated on the assessment roll;

(3) years and amounts of delinquency;

(4) penalty and interest due;

(5) a statement that the list is available for public inspection at the clerk's office;

(6) a statement that the list has been presented to the superior court with a petition for judgment and decree.

(c) Completion of the requirements of (a) of this section constitutes and has the same force and effect as the filing of an individual and separate

complaint and service of summons to foreclose a lien against each property described on the foreclosure list.

EDITOR NOTE: "Borough" is altered to "municipality".

Sec. 29.45.340 [29.53.250]. CLEARING DELINQUENCIES. During the publication or posting of the foreclosure list and up to the time of transfer to the municipality [BOROUGH] a person may pay the taxes, together with the penalty, interest, and costs. The collector shall note payment on the foreclosure list.

EDITOR NOTE: "Such" is altered to "the".

Sec. 29.45.350 [29.53.260]. LIST TO LIENHOLDER. A holder of a mortgage or other lien on real property may request the clerk to send by certified mail notice of a foreclosure list that [WHICH] includes the [SUCH] real property.

EDITOR NOTE: Minor rewording, and the statutory reference is altered to reflect new numbering.

Sec. 29.45.360 [29.53.270]. GENERAL FORECLOSURE. A municipality [THE BOROUGH] shall bring one general foreclosure proceeding in rem against the properties included in the foreclosure list. If the owner is unknown, the property is proceeded against as belonging to "unknown owner." [TAX FORECLOSURE PROCEEDINGS HAVE PRIORITY OVER ALL OTHER CIVIL PROCEEDINGS EXCEPT BOARD OF ADJUSTMENT APPEALS AS PROVIDED IN AS 29.33.130(E).]

EDITOR NOTE: "Tract" is altered to "lot".

Sec. 29.45.370 [29.53.280]. ANSWER AND OBJECTION. A person having an interest in a lot [TRACT] on the foreclosure list may file an answer within 30 days of the date of last publication, specifying the person's [HIS] objection. The court shall make its decision in summary proceedings. The foreclosure list is prima facie evidence that the assessment and levy of the tax is valid and that the tax is unpaid.

EDITOR NOTE: Minor rewording.

Sec. 29.45.380 [29.53.290]. JUDGMENT. The court shall in a proper case give judgment and decree that the tax liens be foreclosed. It is a several judgment against each lot and a lien on each lot [PARCEL].

EDITOR NOTE: Minor rewording and reorganization.

Sec. 29.45.390 [29.53.300]. TRANSFER AND APPEAL.

(a) Foreclosed properties are transferred to the municipality [BOROUGH] for the lien amount. When answers are filed the court may enter judgment against and order the transfer to the municipality [BOROUGH] of all other properties on the list pending determination of the matters in controversy. The court shall hear and determine the issues raised by the complaint and answers in the same manner and under the same rules as it hears and determines other actions.

(b) The court clerk shall deliver a certified copy of the judgment and decree to the municipal [BOROUGH] clerk. The certified judgment and decree constitutes a transfer to the municipality [BOROUGH].

(c) The judgment and decree stops objections to it that [WHICH] could have been presented before judgment and decree. [(D)] Appeal from a judgment and decree of foreclosure, or from a final order in the proceeding, may be taken in the manner provided for appeals in civil actions.

EDITOR NOTE: 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.

Sec. 29.45.400 [29.53.310]. REDEMPTION PERIOD. [(A)] Properties transferred to the municipality [BOROUGH] are held by the municipality [BOROUGH] for at least one year. During the redemption period a party having an interest in the property may redeem it by paying the lien amount plus penalties, interest, and costs, including all costs incurred under AS 29.45.440(a) [AS 29.53.350(A)]. Property redeemed is subject to all accrued taxes, assessments, liens, and claims as though it had continued in private ownership. Only the amount applicable under the judgment and decree must be paid in order to redeem the property.

[(B) A PERSON HOLDING A MORTGAGE OR OTHER LIEN OF RECORD COVERING A PART ONLY OF A PARCEL OF REAL PROPERTY INCLUDED IN THE JUDGMENT AND AMOUNT APPLICABLE UNDER THE JUDGMENT AND DECREE.

EDITOR NOTE: Receipt of redemption money by the municipality releases the judgement obtained through foreclosure. Under existing law, receipt of redemption by the clerk releases all claims of the municipality to the property.

Sec. 29.45.410 [29.53.320]. EFFECT. Receipt of redemption money by the municipality [CLERK] releases the judgment obtained under AS 29.45.380 [ALL CLAIMS OF THE BOROUGH TO THE PROPERTY]. The clerk or the clerk's designee shall record the redemption and issue a certificate containing a property description, the redemption amount, and the dates of judgment and decree of foreclosure. The clerk or the clerk's designee shall collect the recording fee at the time of redemption and shall file the certificate with the record[ER AND COLLECT THE RECORDING FEE FORM THE PERSON REDEEMING AT THE TIME OF REDEMPTION. THE COURT CLERK SHALL FILE THE CERTIFICATE] as part of the judgment roll.

EDITOR NOTE: No change.

Sec. 29.45.420 [29.53.330]. ADDITIONAL LIENS. If a property included in a foreclosure list is removed after payment of delinquencies or redemption by another lienholder, the payment represented by receipt for payment constitutes an additional lien on the property, collectible by the lienholder in the same manner as the original lien.

EDITOR NOTE: No substantive change.

Sec. 29.45.430 [29.53.340]. POSSESSION DURING REDEMPTION PERIOD. Foreclosure does not affect the former owner's right to possession during the redemption period. If [IN THE EVENT THAT] waste is committed by the former owner[,] or by anyone acting under the [HIS] permission or control of the former owner, the municipality [BOROUGH] may declare an immediate forfeiture of the right to possession.

EDITOR NOTE: 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.

Sec. 29.45.440 [29.53.350]. EXPIRATION.

(a) At least 30 days before the expiration of the redemption period the clerk or the clerk's designee shall publish a redemption period expiration notice. The notice shall contain the date of judgment, the date of expiration of the period of redemption, and a warning [TO THE EFFECT] that all properties ordered sold under the judgment, unless redeemed, shall be deeded to the municipality [BOROUGH OR CITY] immediately on expiration of the period of redemption and that every right or interest of a [ANY] person in the properties will be forfeited forever to the municipality [BOROUGH OR CITY]. The notice appears [IS PUBLISHED] once a week for four consecutive weeks in a newspaper of general circulation distributed in [WITHIN] the municipality [BOROUGH]. If there is no newspaper of general circulation distributed in [WITHIN] the municipality [BOROUGH], the notice is posted in three public places for at least four consecutive weeks. The clerk shall send a copy of the [PUBLISHED] notice by certified mail to each record owner of property against which a judgment of foreclosure has been taken and, if the assessed value of the property is more than \$20,000 [\$10,000], to all holders of mortgages or other liens of record on the property. The notice shall be mailed within five days after [OF] the first publication. The mailing shall be sufficient if mailed to the property owner and to the holder of a mortgage or recorded lien at the last address of record.

(b) The right of redemption [SHALL] expires 30 days after the date of the first notice publication [NOTICE].

(c) [(B)] Costs incurred in the determination of holders of mortgages and other liens of record and costs of notice publication [OF NOTICE] incurred by a municipality under (a) of this section are a lien on the property and may be recovered by the municipality.

EDITOR NOTE: Minor rewording.

Sec. 29.45.450 [29.53.360]. DEED TO BOROUGH OR CITY.

(a) Unredeemed property[IES] in the area of the borough outside all cities is [ARE] deeded to the borough by the clerk of the court. Unredeemed property[IES] in [WITHIN] a city is [ARE] deeded to the city subject to the payment by the city of unpaid borough taxes and costs of foreclosure levied against the property before foreclosure. The deed[S] shall be recorded in the recording district in which the property is located.

(b) Conveyance gives the municipality [BOROUGH OR CITY] clear title, except for prior recorded tax liens of the United States and the state.

(c) If unredeemed property lies in [WITHIN] a city and if the city has no immediate public use for the property but the borough does have an immediate public use, the city shall deed the property to the borough. If unredeemed property lies in [WITHIN] the borough outside all [A] cities[Y] and if the borough does not have an immediate public use for the property but a [THE] city does have an immediate public use, the borough shall deed the property to the city.

(d) No deed is invalid for irregularities, omissions, or defects in the proceedings under this chapter unless the former owner has been misled so as to be injured. [AFTER] Two years after [FROM] the date of the deed, its validity is conclusively presumed and a [ANY] claim of the former owner or other person having an interest in the property is forever barred.

EDITOR NOTE: 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.

Sec. 29.45.460 [29.53.370]. DISPOSITION AND SALE OF FORECLOSED PROPERTY[IES].

(a) The municipality [ASSEMBLY OF A BOROUGH OR COUNCIL OF A CITY] shall determine by ordinance whether foreclosed property deeded to the municipality [UNDER AS 29.53.360] shall be retained [BY THE MUNICIPALITY] for a public purpose. The ordinance shall contain the legal description of the property, the address or a general description of the property sufficient to provide the public with notice of its location, and the name of the last record owner of the property as the [HIS] name appears on the assessment rolls [OF THE MUNICIPALITY].

(b) Tax-foreclosed property[IES] conveyed to a municipality [BOROUGH OR CITY] by tax foreclosure and not required for a public purpose may be sold. Before the sale of tax-foreclosed property held for a public purpose, the municipality [ASSEMBLY OR COUNCIL], by ordinance, shall determine that a public need does not ex'st. The ordinance shall contain the information required under [IN] (a) of this section.

(c) The clerk or the clerk's designee shall send a copy of the published notice of hearing of an ordinance to consider a determination required under [BY] (a) or (b) of this section by certified mail to the former record owner of the [PARCEL OF] property that [WHICH] is the subject of the ordinance. The notice shall be mailed within five days after [OF] its first publication and shall be sufficient if mailed to the last record owner of the property [OWNER] as the name appears on the assessment rolls of the municipality [AT THE LAST ADDRESS OF RECORD].

(d) The provisions of (c) of this section do not apply with respect to property that [WHICH] has been held by the municipality for a period of more than 10 years after the close of the redemption period.

EDITOR NOTE: Minor rewording.

Sec. 29.45.470 [29.53.375]. REPURCHASE BY RECORD OWNER.

(a) The record owner at the time of tax foreclosure of property acquired by a municipality [BOROUGH OR CITY], or the [HIS] assigns of that record owner, may, within 10 years and [AT ANY TIME] before the sale or contract of sale of the tax-foreclosed property by the municipality [BOROUGH OR CITY], repurchase the property. The municipality [BOROUGH OR CITY] shall sell the property for the full amount applicable to the property under the judgment and decree, with interest not to exceed 15 [AT THE RATE OF EIGHT] percent a year from the date of entry of the judgment of foreclosure to the date of repurchase, delinquent taxes assessed and levied as though it had continued in private ownership, and costs of foreclosure and sale[, INCLUDING BUT NOT LIMITED TO, COSTS OF PUBLICATION OF NOTICE AND ANY COSTS ASSOCIATED WITH THE DETERMINATION OF HOLDERS OF MORTGAGES AND OTHER LIENS OF RECORD UNDER AS 29.53.350(A)].

(b) After adoption of an ordinance providing for the retention of [A PARCEL OF] tax-foreclosed property by the municipality for a public purpose, the right of the former record owner to repurchase the property ceases.

EDITOR NOTE: No substantive change.

Sec. 29.45.480 [29.53.380]. PROCEEDS OF TAX SALE.

(a) On [UPON] sale of foreclosed real or personal property the municipality [BOROUGH OR CITY] shall divide the proceeds less cost of collection, between the borough and the city having unpaid taxes against the property. The division is in proportion to the respective municipal taxes against the property at the time of foreclosure.

(b) If [THE FORMER RECORD OWNER OF] tax-foreclosed real property that [WHICH] has been held by a municipality for less than 10 years after the close of the redemption period and never designated for a public purpose [WHICH] is sold at a tax- foreclosure sale, the former record owner is entitled to the portion of the proceeds of the sale that [WHICH] exceeds the amount of [SUFFICIENT TO SATISFY] unpaid taxes, the amount equal to [DELINQUENT] taxes that would have been assessed and levied after foreclosure [AS] if the property had continued in

private ownership, penalty, interest, and costs to the municipality of foreclosing and selling the property [OF PROPERTY SOLD, INCLUDING COSTS INCURRED UNDER AS 29.53.350(A)]. If the proceeds of the sale of tax-foreclosed property exceed the total of unpaid and delinquent taxes, penalty, interest, and costs, the municipality [BOROUGH OR CITY] shall provide the former owner of the property written notice advising of the amount of the excess and the manner in which a claim for the balance of the proceeds may be submitted. Notice is sufficient under this subsection if mailed to the former record owner at the [HIS] last address of record of the former record owner. On [UPON] presentation of a proper claim, the municipality shall remit the excess to the former record owner. A claim for the excess filed after six months of the date of sale is forever barred.

EDITOR NOTE: "City or borough" is changed to "municipality".

Sec. 29.45.490 [29.53.385]. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a municipality [CITY OR BOROUGH] [HOLDS OR] takes title to tax-foreclosed property for a public purpose, the municipality [CITY OR BOROUGH] shall satisfy unpaid taxes and assessments against the property held by other municipalities, with accrued interest but without penalty. If the amount required to satisfy the unpaid taxes and assessments exceeds the assessed value [VALUATION] of the property, the municipality [BOROUGH] shall pay the other municipalities the assessed value [VALUATION], which shall be divided between the other municipalities in proportion to their respective taxes and assessments against the property at the time of foreclosure.

EDITOR NOTE: 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.

Sec. 29.45.500 [29.53.390]. REFUND OF TAXES.

(a) If a taxpayer pays taxes under protest, the taxpayer [HE] may bring suit in the superior court against the municipality [BOROUGH] for recovery of the taxes. If judgment for recovery is given against the municipality [BOROUGH], or, if in the absence of suit, it becomes obvious to the governing body that judgment for recovery of the taxes would be obtained if legal

proceedings were brought, the municipality [BOROUGH] shall refund the amount of the taxes to the taxpayer with interest at eight percent from the date of payment plus costs.

(b) If, in payment of taxes legally imposed, a remittance by a taxpayer through error or otherwise exceeds the amount due, and the municipality [BOROUGH], on audit of the account in question, is satisfied that this is the case, the municipality [BOROUGH] shall refund the excess to the taxpayer with interest at eight percent from the date of payment. A claim for refund filed one year after [OF] the due date of the tax is forever barred.

(c) The governing body may correct manifest clerical errors at any time.

ARTICLE 3. CITY PROPERTY TAX.

EDITOR NOTE: Minor rewording.

Sec. 29.45.550 [29.43.020]. CITIES OUTSIDE BOROUGHES [ASSESSMENT AND TAX COLLECTION]. Home rule and first class cities outside boroughs may assess, levy, and collect a [GENERAL] property tax. A property tax if levied must be assessed, levied, and collected as provided by AS 29.45.010 - 29.45.500 [CH. 53 OF THIS TITLE FOR BOROUGHES. CITIES OUTSIDE BOROUGHES MAY LEVY AND COLLECT SALES AND USE TAXES AS PROVIDED BY CH 53 OF THIS TITLE FOR BOROUGHES].

EDITOR NOTE: 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.

Sec. 29.45.560 [29.53.400]. CITIES INSIDE BOROUGHES [POWER OF LEVY]. Home rule and first class cities inside [WITHIN] boroughs may levy a [GENERAL] property tax. A property tax, if levied, [SHALL BE LEVIED IN THE MANNER PROVIDED FOR BOROUGH LEVIES IN § 170(A) OF THIS CHAPTER AND] is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.100, 29.45.250, 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500 [§§ 10 - 25, 50 - 55 AND 310 - 359 OF THIS CHAPTER]. The council shall by June 15 of each year present to the borough assembly a statement

of the city's rate of levy unless a different date is agreed upon by the borough and city.

EDITOR NOTE: This is new, applying the provisions dealing with property taxes to home rule municipalities as a limitation.

Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to home rule and general law municipalities.

EDITOR NOTE: Minor rewording.

Sec. 29.45.580 [29.53.405]. DIFFERENTIAL TAX ZONES. A city[IES] may by ordinance establish, alter, and abolish differential tax zones to provide and levy property taxes for services not provided generally in [WITHIN] the city or a different level of service than that provided generally in [WITHIN] the city.

EDITOR NOTE: No substantive change.

Sec. 29.45.590 [29.53.410]. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS CITIES. A second class city may by referendum levy [REAL AND PERSONAL] property taxes as provided for first class cities. However, levy by a second class city may not exceed one-half of one percent of the assessed value [VALUATION] of the property taxed, except that the limit does not apply to a levy necessary to avoid a default upon payment of principal and interest of bonded or other indebtedness that [WHICH] is secured by a pledge to levy ad valorem or other taxes without limit to meet debt payments.

EDITOR NOTE: 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. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A SECOND CLASS CITY. A petition for second class city incorporation may request that [WHICH] a property tax proposal be placed on the same ballot. The petition must state the proposed tax rate. The petition may request that [WHICH] incorporation be

dependent on the passage of the property tax proposition. If so, the incorporation proposition fails if the property tax fails.

ARTICLE 4. BOROUGH SALES AND USE TAX.

EDITOR NOTE: 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.

Sec. 29.45.650 [29.53.415]. SALES AND USE TAX.

(a) A borough may levy and collect a sales tax not exceeding six percent on sales, [OR] rents, and on services provided in [MADE WITHIN] the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

(b) A borough levying a sales tax may also by ordinance levy a use tax on the storage, use, or consumption of tangible personal property in [WITHIN] the borough. The use tax rate must equal the sales tax rate and the use tax shall be levied only on [UPON] buyers.

(c) A person who furnishes proof, in the form required by the borough tax collector, that the person [HE] has paid a sales tax on the source on which a use tax is levied by the borough is required to pay the use tax only to the extent of the difference between the amount of the sales tax paid and the amount of the use tax levied by the borough. This subsection applies to a sales tax levied in any taxing jurisdiction whether inside or outside the state.

(d) If the assembly [OF A HOME RULE OR GENERAL LAW BOROUGH] charges interest on sales taxes not paid when due, the rate of interest may not exceed 15 [EIGHT] percent a year on [UPON] the delinquent taxes and shall be charged from the due date until paid in full. This subsection applies to home rule and general law municipalities.

(e) A borough may provide for the creation, recording, and notice of a lien on real or personal property to secure the payment of a sales and use tax, and the interest, penalties, and administration costs in the event of delinquency. When recorded, a lien authorized under this section has priority over other liens except those for property taxes and special assessments.

EDITOR NOTE: Minor rewording.

Sec. 29.45.660 [29.73.070(b),(c)]. [TAXPAYER] NOTICE OF SALES AND USE TAX.

(a) [(B)] If the borough [MUNICIPALITY] levies and collects only a sales tax and use tax, the assembly [GOVERNING BODY] shall provide a notice substantially in the form set out in AS 29.45.020 [(A) OF THIS SECTION]. In providing notice under this subsection, the [COUNCIL OR] assembly shall substitute for the millage equivalency its estimate of the equivalent sales tax rate for each of the categories of financial assistance set out in AS 29.45.020 [(A) OF THIS SECTION]. Notice shall be provided

(1) by publishing in a newspaper of general circulation in [WITHIN] the borough [MUNICIPALITY] a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the borough's [MUNICIPALITY'S] budget; or

(2) if there is no newspaper of general circulation in the borough [MUNICIPALITY], by posting a copy of the notice for at least 20 days in at least two public places in [WITHIN] the borough [MUNICIPALITY], with posting to occur not later than 45 days after the final adoption of the borough's [MUNICIPALITY'S] budget.

(b) [(C)] Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under AS 29.60.010 - 29.60.080 [AS 29.88] and state aid for miscellaneous municipal services under AS 29.60.100 - 29.60.180 [AS 29.89]. The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall withhold annual allocations under those sections [CHAPTERS] until municipal officials demonstrate that the requirements of this section have been met.

EDITOR NOTE: 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.

Sec. 29.45.670 [29.53.420(a)]. REFERENDUM, ADOPTION, AND MODIFICATION. [(A)] A new sales and use tax or an increase in the rate of levy of a sales tax approved by ordinance does not take effect until ratified by a majority of the voters at an election. [THE ASSEMBLY SHALL HOLD A REFERENDUM VOTE ON THE QUESTION OF ENACTING A SALES TAX OR INCREASING THE RATE OF LEVY OF SALES TAXES. BOROUGH SALES TAX PROPOSITIONS MAY BE PRESENTED ONLY ONCE IN ANY 12-MONTH PERIOD.

A SALES TAX PROPOSITION MAY BE SUBMITTED TO THE VOTERS AT A REGULAR OR SPECIAL ELECTION OR AT A GENERAL ELECTION OF THE STATE.]

ARTICLE 5. CITY SALES AND USE TAXES.

EDITOR NOTE: 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.

Sec. 29.45.700 [29.53.440, 29.53.450]. POWER OF LEVY.

(a) A city[IES] in [WITHIN] a borough that [WHICH] levies and collects areawide sales and [OR] use taxes [FOR AREAWIDE BOROUGH FUNCTIONS] may levy sales and [OR] use taxes on [UPON] all sources taxed by the borough in the manner provided for boroughs, except that the assembly may by ordinance authorize a city to levy and collect sales and use taxes on other sources.

(b) A city[IES] in [WITHIN] a borough that [WHICH] does not levy and collect sales and [OR] use taxes for areawide borough functions may levy and collect sales and [OR] use taxes in the manner provided for boroughs.

(c) A city outside a borough may levy and collect sales and use taxes in the manner provided for boroughs.

EDITOR NOTE: No substantive change.

Sec. 29.45.710 [29.53.460]. COMBINING SALES AND USE TAX WITH INCORPORATION OF A SECOND CLASS CITY. A petition for incorporation of a second class city [INCORPORATION] may request that a sales and use tax proposal be placed on the same ballot. The petition must state the proposed tax rate. The petition may request that incorporation be dependent on [UPON] the passage of the [SALES] tax proposition. If so, the incorporation proposition fails if the tax fails.

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

CHAPTER 46. SPECIAL ASSESSMENTS.

EDITOR NOTE: Minor rewording and the statutory reference is altered to reflect new numbering.

Sec. 29.46.010 [29.63.010]. ASSESSMENT AND PROPOSAL. The municipality [ASSEMBLY OR COUNCIL] may assess against the property of a state or federal governmental unit and private real property to be benefited by an improvement all or a portion of the cost of acquiring, installing, or constructing [OR IMPROVING] capital improvements. The state shall pay an assessment levied, except as otherwise provided by law and subject to its right of protest under AS 29.46.020-(b) [§ 15 (A) (8) OF THIS CHAPTER]. If a governmental unit other than the state benefited by an improvement [ASSESSMENT] refuses to pay the assessment, it shall be denied the benefit of the improvement. An improvement proposal may be initiated by

- (1) petition to the governing body [ASSEMBLY OR COUNCIL] of the owners of one-half in value of the property to be benefited; or
- (2) the governing body [ASSEMBLY OR COUNCIL].

EDITOR NOTE: 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.

Sec. 29.46.020 [29.63.015]. PROCEDURE.

(a) The municipality [ASSEMBLY OR COUNCIL] may prescribe by ordinance the [COMPLETE SPECIAL ASSESSMENT] procedures relating to creating special assessment districts, making [FOR] local improvements, levying and collecting assessments, and financing improvements, including [AND SUBJECT TO] the following:

- (1) a [THE] procedure for filing petitions;
- (2) a survey and report by the mayor [BOROUGH OR CITY EXECUTIVE] concerning the need for, desirable extent of, and estimated cost of each proposed local improvement;

(3) a public hearing on the necessity for the proposed local improvement;

(4) a resolution or ordinance [OF THE ASSEMBLY OR COUNCIL] determining to proceed or not to proceed with the proposed local improvement;

(5) a public hearing by the governing body [ASSEMBLY OR COUNCIL] on the special assessment roll for the proposed local improvement;

(6) published notice of each public hearing required by this section and mailing notice to each record owner of real property in [WITHIN] the special assessment district;

(7) a resolution or ordinance confirming the special assessment roll for the proposed local improvement.

(b) [(8)] If protests as to the necessity of a proposed local improvement are made by owners of property that [WHICH] will bear 50 percent or more of the estimated cost of the improvement, the governing body [ASSEMBLY OR COUNCIL] may not proceed with the improvement until the objections have been reduced to less than 50 percent, except on approval of not fewer than three-fourths of the governing body [ASSEMBLY OR COUNCIL].

(c) [(B)] To the extent that [IF] the municipality [ASSEMBLY OR COUNCIL] does not prescribe a procedure for special assessments as permitted by this section, the municipality [ASSEMBLY OR COUNCIL] shall comply with the special assessment procedures set out in AS 29.46.030 - 29.46.100 [§§ 20 - 70 OF THIS CHAPTER].

EDITOR NOTE: The heading is altered from "DECISION AND NOTICE" to "CREATION OF DISTRICT". Minor rewording.

Sec. 29.46.030 [29.63.020]. CREATION OF DISTRICT [DECISION AND NOTICE].

(a) When an improvement proposal is [HAS BEEN] filed with the municipal clerk and presented to the governing body [ASSEMBLY OR COUNCIL], the municipality [ASSEMBLY OR COUNCIL] shall find by resolution or ordinance whether

(1) the improvement requested is necessary and should be made, and
(2) if by petition, the request has sufficient and proper petitioners. The findings under this section [OF THE ASSEMBLY OR COUNCIL] are conclusive.

(b) If the municipality approves [ASSEMBLY OR COUNCIL PASSES A RESOLUTION APPROVING] an improvement proposal [WITH THE NECESSARY FINDINGS], it shall develop a proposed improvement plan including the total cost estimate and the percentage of the [IMPROVEMENT PLAN] cost to be assessed against the

benefited property [BENEFITED]. The improvement [THIS] plan shall [IS TO] be filed with the municipal clerk.

(c) The governing body [ASSEMBLY OR COUNCIL] shall set a time for public hearing on the improvement plan and the period for filing objections to the plan. The governing body [ASSEMBLY OR COUNCIL] shall publish a notice of the hearing and of the period during which objections may be filed at least once a week for four consecutive weeks in a newspaper of general circulation if distributed in the municipality and shall send notice by mail to every record owner of property in [WITHIN] the special assessment district.

EDITOR NOTE: Minor rewording for clarity.

Sec. 29.46.040 [29.63.025]. RECORD OWNER. The person in whose name property is listed on the municipal property tax roll as owner is conclusively presumed to be the legal owner of record. If the owner is unknown, the assessment roll may designate [BE MADE AGAINST] "unknown owner".

EDITOR NOTE: 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.

Sec. 29.46.050 [29.63.030]. OBJECTIONS AND REVISION.

(a) Objections to an [THE] improvement plan may be filed during a period of [NOT LESS THAN 30 NOR MORE THAN] 60 days after publication of notice [ON A DATE SPECIFIED BY THE ASSEMBLY OR COUNCIL]. The municipality [ASSEMBLY OR COUNCIL] may by resolution or ordinance approve the plan and order [PROCEED WITH] the improvement subject to the limitation of (b) of this section [IF THE OWNERS OF ONE-HALF IN VALUE OF THE PROPERTY TO BE BENEFITED DO NOT OBJECT IN WRITING].

(b) If objections are made in writing during the period set for objections by the owners of property bearing 50 percent or more [ONE-HALF] of the estimated total cost of the improvement, the governing body [ASSEMBLY OR COUNCIL] may not proceed with the improvement unless it revises the plan to meet the objections and the objections are reduced to less than 50 percent. A revised plan shall be approved and adopted as an original plan in accordance with AS 29.46.030.

EDITOR NOTE: Minor rewording.

Sec. 29.46.060 [29.63.040]. ASSESSMENT ROLL.

(a) At any time after [PROJECT] approval of an improvement plan, the governing body [ASSEMBLY OR COUNCIL] shall assess the authorized percentage of the cost against property in the district included in the plan in proportion to the benefit received. [ASSESSMENTS MAY NOT EXCEED ACTUAL COSTS.]

(b) The special assessment roll shall contain[S] property descriptions, names of record owners [OF RECORD], and assessment amounts.

(c) The governing body [ASSEMBLY OR COUNCIL] shall fix a time to hear objections to the roll. The municipal clerk shall send an assessment and hearing notice by mail to each record owner of an assessed property [TRACT] not less than 15 days before the hearing.

EDITOR NOTE: 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.

Sec. 29.46.070 [29.63.050]. HEARING AND SETTLEMENT. After the public hearing, the governing body [ASSEMBLY OR COUNCIL] shall correct errors and [ANY] inequalities in the roll. If an assessment is increased, a new hearing shall be set and notice published, except that a new hearing and notice is not required if all record owners of property subject to the increased assessment consent in writing to the increase. Objections to the increased assessment shall be limited to record owners of property on which the assessment was increased. When the roll is corrected, it shall be confirmed by resolution or ordinance. [WHEN THE ROLL IS CORRECTED, THE CLERK SHALL SO CERTIFY.]

EDITOR NOTE: Minor rewording for clarity and statutory references are altered to reflect new numbering.

Sec. 29.46.080 [29.63.060]. PAYMENT.

(a) The governing body [ASSEMBLY OR COUNCIL] shall fix times of payment, penalties on delinquent payments, and the rate of interest on the unpaid balance of the [INSTALLMENTS, AND DELINQUENCY OF] assessment[S. PAYMENT MAY NOT BE REQUIRED SOONER THAN 60 DAYS AFTER ASSESSMENT.] Payment may be in one sum or by installments[, BUT A SUM OR INSTALLMENT MAY NOT EXCEED 25 PER CENT OF THE ASSESSED VALUE OF THE PROPERTY AFFECTED. PENALTY AND INTEREST ARE THE SAME AS FOR REAL PROPERTY TAXES.] If payment is to be in one sum, payment may not be required sooner than 60 days after mailing of the assessment statement. The entire assessment may be prepaid without interest or penalty within 30 days after mailing of the assessment statement, and thereafter the assessment may be prepaid in whole or in part with interest to the payment date.

(b) Within 30 days after fixing the time of payment the municipal clerk shall mail a statement to the record owner [OF RECORD] of each property assessed. The statement designates the property, the assessment amount, method of payment, rate of interest on the unpaid balance of the assessment, the time of delinquency, and penalties on delinquent payments.

[(C)] Within five days after the statements are mailed, the clerk shall have [PUBLISH] notice published that the statements have been mailed.

(c) [(D)] Assessments are liens on the property assessed and are prior and paramount to all liens except municipal tax liens. They may be enforced as provided in AS 29.53.200 - 29.53.390 for enforcement of property tax liens.

EDITOR NOTE: 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)

Sec. 29.46.090 [29.63.065]. EXEMPTION.

(a) The real property owned and occupied by a resident 65 years of age or over, or the spouse, widow, widower, or minor heir of the original applicant, on which is located only the [HIS] permanent abode of the applicant that is a single-family residence, is exempt from

(1) special sewer assessments levied by a [HOME RULE OR GENERAL LAW] municipality after September 2, 1975, and

(2) special water assessments levied by a [HOME RULE OR GENERAL LAW] municipality after September 2, 1975. Only one exemption may be granted with respect to the same property, and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. [NO] Real property may not be exempted under this subsection that [WHICH] the municipality determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the municipality is appealable under AS 44.62.560 - 44.62.570.

(b) An [NO] exemption may not be granted under this section except upon written application for the exemption on a form prescribed by the state assessor for use by local assessors and in accordance with the following requirements:

(1) The claimant must file the initial application during the period of time between the date the assessment roll is confirmed [CERTIFIED] and the time of payment fixed by the governing body [ASSEMBLY OR COUNCIL]. Within one year after [OF] the date the assessment roll is confirmed [CERTIFIED] the governing body [ASSEMBLY OR COUNCIL] for good cause shown may waive the claimant's failure to make timely initial application for the exemption and authorize the assessor to accept the application as if timely filed.

(2) A claimant receiving the exemption must file with the asses-
sor [DEPARTMENT] by March 15 of each subsequent year a separate application
proving eligibility as of January 1 in order to retain the exemption. Within the
same year the assessor [DEPARTMENT] for good cause shown may waive the claimant's
failure to make timely application and approve the application as if timely
filed.

(3) If an application is filed within the required time under
this subsection and is approved by the governing body [ASSEMBLY OR COUNCIL], the
exemption shall be allowed in accordance with the provisions of this section. If
a waiver under this subsection is granted and the application for exemption
approved, the amount of any assessment, penalty, or interest that [WHICH] the
claimant has [MAY HAVE] already paid on the assessment shall be refunded to the
claimant [HIM]. The municipality may at any time require proof in the form
considered necessary of the right and amount of an exemption claimed under this
section.

(c) The state shall reimburse a [HOME RULE OR GENERAL LAW] munic-
ipality for the sewer and water assessment revenues that [WHICH] it would receive
but for the operation of this section. Reimbursement under this subsection is a
lien in favor of the state against the property exempted to the extent of the as-
sessment against the property exempted. When properly recorded, [UPON
RECORDATION IN THE RECORDING OFFICE OF THE DISTRICT IN WHICH THE PROPERTY
EXEMPTED IS LOCATED] the lien is prior and superior to other liens against the
property except for property [GENERAL] taxes or other special assessments and may
be enforced by lien foreclosure [AS PROVIDED IN AS 34.10.070 - 34.10.220]. The
lien becomes immediately due and payable

(1) upon sale or other transfer of the property except to a
spouse, widow, widower, or minor heir; however, if the property is transferred to
a minor heir the lien becomes due and payable on the date the minor heir reaches
the age of 25 years; [OR]

(2) when property exempted under (a)(1) or (2) of this section
receives more than one sewer connection or more than one water connection; or

(3) when the claimant fails to prove eligibility under (b)(2) of
this section.

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

(e) [(D)] In this section

[(1) "RESIDENT" MEANS A PERSON WHO FOR 12 CONSECUTIVE MONTHS HAS
MAINTAINED HIS PERMANENT PLACE OF ABODE IN THE STATE;]

(1) [(3)] "minor heir" means a person who, at the time of transfer of the property, has not attained the age of 19 years or who, if under [HE HAS NOT ATTAINED THE AGE OF] 22 years of age, is a full-time student at an educational institution or a member of the armed forces of the United States;[.]

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

EDITOR NOTE: Minor reorganization and rewording.

Sec. 29.46.100 [29.63.070]. REASSESSMENT.

(a) The governing body [ASSEMBLY OR COUNCIL] shall within one year correct any deficiency in a special assessment found by a court.

[(B)] Notice and hearing must conform to the initial assessment procedures.

(b)[(C)] Payments on the initial assessment are credited to the property upon reassessment.

[(D)] The reassessment becomes a charge upon the property notwithstanding failure to comply with any provision of the assessment procedure.

EDITOR NOTE: (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.

Sec. 29.46.110. ALLOWABLE COSTS.

(a) When a special assessment district is created, there may be included in the assessments

(1) all of the cost of acquiring, installing, making, or constructing the local improvement;

(2) the costs of all engineering and surveying to be done in connection with creating the district or improvement;

(3) the cost of mailing and publishing notices;

(4) interest on interim financing;

(5) the cost of legal services and other expenses incurred in the formation of the special assessment district;

(6) the cost of completing the improvement and financing the improvement, including the issuance of bonds.

(b) [29.63.040(a). ASSESSMENT ROLL.] The total amount of the assessment roll may not exceed actual costs, but actual costs may include reasonable estimates of the costs to be incurred in connection with issuance of bonds. [AT ANY TIME AFTER PROJECT APPROVAL, THE ASSEMBLY OR COUNCIL SHALL ASSESS THE AUTHORIZED PERCENTAGE OF THE COST AGAINST TRACTS IN PROPORTION TO BENEFIT RECEIVED. ASSESSMENTS MAY NOT EXCEED ACTUAL COSTS.]

EDITOR NOTE: Minor rewording and reorganization.

Sec. 29.46.120 [29.63.080]. OBJECTION AND APPEAL.

(a) The [REGULARITY OR] validity of an assessment may not be contested by a person who did not file with the municipal clerk a written objection to the assessment roll before its confirmation.

(b) The decision of the governing body on [ASSEMBLY OR COUNCIL UPON] an objection may be appealed to the superior court within 30 days after [OF] the date of confirmation of the assessment roll.

[(C)] If no objection is filed or appeal taken within that [THE] time [PROVIDED IN THIS SECTION], the assessment procedure is [SHALL BE] considered [REGULAR AND] valid in all respects.

EDITOR NOTE: 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. 29.46.130. INTERIM FINANCING.

(a) A municipality may provide by resolution or ordinance for the issuance of notes in payment of the costs of a local improvement project, payable out of special assessments for the improvement. The notes shall bear interest at a rate or rates authorized by the resolution or ordinance, and shall be redeemed either in cash or bonds for the improvement project.

(b) Notes issued against assessments shall be claims against the assessments that are prior and superior to a right, lien or claim of a surety on the bond given to the municipality to secure the performance of its contract for a local improvement project, or to secure the payment of persons who have performed work or furnished materials under the contract.

(c) The municipal treasurer may accept notes against special assessments on conditions prescribed by the governing body in payment of

(1) assessments against which the notes were issued in order of priority;

(2) judgments rendered against property owners who have become delinquent in the payment of assessments; and

(3) certificates of purchase when property has been sold under execution or at tax sale for failure to pay the assessments.

EDITOR NOTE: Minor rewording. The last line of AS 29.63.085(c), providing that interest on the guarantee funds are a cost of th improvement district, is eliminated.

Sec. 29.46.140 [29.63.085]. SPECIAL ASSESSMENT BONDS.

(a) The municipality [ASSEMBLY OR COUNCIL] may by ordinance authorize the issuance and sale of special assessment bonds to pay all or part of the cost of an improvement in a special assessment district. The principal and interest of bonds issued shall be payable solely from the levy of special assessments against the property to be benefited. The assessments shall constitute a sinking fund for the payment of principal and interest on the bonds. The benefited property [BENEFITED] may be pledged by the governing body [ASSEMBLY OR COUNCIL] to secure a payment.

(b) On [UPON] default in a payment due on a special assessment bond, a bondholder may enforce payment of principal, [AND] interest, and costs of collection in a civil action in the same manner and with the same effect as actions for the foreclosure of mortgages on real property. Foreclosure shall be against all property on which assessments are in default. The period for redemption is [SHALL BE] the same as for [IN THE CASE OF] a mortgage foreclosure on real property.

(c) Before the governing body [ASSEMBLY OR COUNCIL] may issue special assessment bonds, it shall establish a guarantee fund and appropriate to the fund annually a sum adequate to cover a deficiency in meeting payments of principal and interest on [OF] bonds if the [ISSUED BY] reason for the deficiency is [OF] nonpayment of assessments when due. Money received from actions taken against property for nonpayment of assessments shall be credited to the guarantee fund. [INTEREST ON THE GUARANTEE FUNDS SHALL BE A COST OF THE IMPROVEMENT DISTRICT.]

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

CHAPTER 47 [58]. MUNICIPAL DEBT.

ARTICLE 1. REVENUE ANTICIPATION NOTES.

EDITOR NOTE: Minor rewording.

Sec. 29.47.010 [29.58.010]. BORROWING IN ANTICIPATION OF REVENUE. A municipality that [WHICH] 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.

EDITOR NOTE: Minor rewording.

Sec. 29.47.020 [29.58.020]. ISSUANCE OF NOTES. [THE GOVERNING BODY OF] A municipality may[,] by ordinance or resolution[,] authorize the issuance of revenue anticipation notes [AND PRESCRIBE THE FORM AND DETAILS OF THE NOTES AND THE MANNER OF THEIR EXECUTION]. The governing body [OF THE MUNICIPALITY] 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 [WHICH] provides for the manner of their sale.

[Sec. 29.58.030. LIMITATION ON ISSUANCE OF NOTES. REPEALED BY §3 CH 88 SLA 1974.]

EDITOR NOTE: Minor rewording.

Sec. 29.47.030 [29.58.040]. ISSUANCE OF NOTES IN ANTICIPATION OF STATE, FEDERAL GRANTS.

(a) [THE GOVERNING BODY OF] A municipality, on [UPON] adoption of a long-range capital improvement budget by ordinance or resolution, may by resolution provide for negotiable or non-negotiable 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 [OF THE MUNICIPALITY] 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 [SHALL] mature not later than the end of the next fiscal year.

EDITOR NOTE: Minor rewording.

Sec. 29.47.040 [29.58.050]. PRIORITY OF REPAYMENT. The payment of the principal and interest on revenue anticipation notes is [SHALL BE] payable from revenues, and their payment additionally shall be secured by a pledge of the full faith and[,] credit [AND UNLIMITED TAXING POWER] of the municipality issuing them.

ARTICLE 2. BOND ANTICIPATION NOTES.

EDITOR NOTE: Minor rewording.

Sec. 29.47.080 [29.58.070]. BOND ANTICIPATION BORROWING. A municipality may borrow money in anticipation of the sale of general obligation and revenue bonds if

(1) the general obligation bonds to be sold have been authorized by ordinance [THE ASSEMBLY OR COUNCIL] and ratified by a majority vote at an [A REGULAR OR SPECIAL] election;

(2) the revenue bonds to be sold have been authorized by ordinance.

EDITOR NOTE: "Assembly or council" is replaced with "governing body".

Sec. 29.47.090 [29.58.080]. ISSUANCE OF NOTES. The governing body [ASSEMBLY OR COUNCIL] shall issue negotiable or nonnegotiable notes for the amounts borrowed with a maturity date not to exceed one year from the date of issue. All notes and the interest on them are payable at fixed places on or before a fixed time from the proceeds of the sale of bonds in anticipation of which the original note or notes were issued, unless the bonds have not been sold by the maturity date of the notes.

EDITOR NOTE: "Assembly or council" is replaced with "governing body".

Sec. 29.47.100 [29.58.090]. ISSUANCE OF NEW NOTES. If the sale of the bonds has not occurred before the maturity of the notes issued in anticipation of the sale, the governing body [ASSEMBLY OR COUNCIL] shall issue new notes in order to meet payment of the notes then maturing, or shall renew the outstanding bond anticipation notes. New notes issued or renewals of outstanding bond anticipation notes bear a maturity date not to exceed one year from the date of issue. Notes, new notes, and renewals of notes may [SHALL] not be outstanding for a total elapsed time of more than three years.

EDITOR NOTE: No substantive change.

Sec. 29.47.110 [29.58.100]. REPAYMENT OF NOTES. Every note is payable from the proceeds of the sale of bonds that [WHICH] the notes anticipated or from the proceeds of the sale of new bond anticipation notes.

EDITOR NOTE: Minor rewording.

Sec. 29.47.120 [29.58.110]. SECURITY.

(a) Notwithstanding [ANY] other provisions of this chapter as to payment of notes, notes issued in anticipation of the sale of general obligation bonds and the interest on them are secured by the full faith and[,] credit[, TAXING POWER AND RESOURCES] of the municipality. The municipality may levy ad valorem taxes for payment without limitation of rate or amount.

(b) Notes issued in anticipation of the sale of revenue bonds and the interest on them are secured in the same manner as are the revenue bonds in anticipation of which the notes are issued.

EDITOR NOTE: Minor rewording.

Sec. 29.47.130 [29.58.120]. LIMITATION. The total amount of notes issued and outstanding may [SHALL] at no time exceed the total amount of bonds authorized to be issued.

EDITOR NOTE: No change.

Sec. 29.47.140 [29.58.130]. USE OF PROCEEDS. The proceeds from the sale of notes shall be used only for the purposes for which the proceeds from the sale of bonds may be used, or to meet payment of outstanding bond anticipation notes."

ARTICLE 3. GENERAL OBLIGATION BONDS.

EDITOR NOTE: Minor rewording.

Sec. 29.47.180 [29.58.150]. GENERAL OBLIGATION BONDS. A municipality may acquire, construct, improve, and equip capital improvements and issue negotiable or nonnegotiable general obligation bonds for these purposes.

EDITOR NOTE: Minor rewording. The reference to a charter is eliminated since this section does not apply as a home rule limitation.

Sec. 29.47.190 [29.58.160]. VOTE AND NOTICE OF EXISTING INDEBTEDNESS REQUIRED.

(a) A municipality may incur general obligation bond debt only after a bond authorization ordinance is approved by a majority vote [OF THOSE VOTING ON THE QUESTION] at an [A REGULAR OR SPECIAL] election. Any municipal voter may vote in the bond election, except as otherwise provided by [CHARTER OR] law.

(b) Before a general obligation bond issue election, the governing body [ASSEMBLY OR COUNCIL] shall have published a notice of the [MUNICIPALITY'S] total existing bond indebtedness at least once a week for three consecutive weeks. The first notice shall be published at least 20 days before the date of the election. A notice shall include

- (1) the current total general obligation bonded indebtedness, including authorized but unsold bonds of the municipality;
- (2) the cost of the debt service on the current indebtedness;
- (3) the total assessed value of property in [VALUATION WITHIN] the municipality.

EDITOR NOTE: 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)

Sec. 29.47.200 [29.58.180]. PAYMENT.

(a) The full faith and credit of a municipality are pledged for the payment of principal and interest on general obligation bonds. The municipality may levy ad valorem taxes for payment without limitation of rate or amount to pay or secure the payment of the principal and interest on bonds, regardless of whether the bonds are in default or in danger of default.

(b) General obligation bonds issued for acquiring, constructing, improving and equipping a municipally owned utility or other revenue-generating enterprise may be additionally secured by a pledge of the revenue derived from operation. Bonds so secured are not subject to a debt limitation imposed by a [BOROUGH OR CITY] home rule charter. This subsection applies to home rule and general law municipalities.

ARTICLE 4. REVENUE BONDS.

EDITOR NOTE: Rewritten for clarity.

Sec. 29.47.240 [29.58.200]. REVENUE BONDS.

(a) A municipality may issue negotiable or nonnegotiable revenue bonds for a public enterprise or public corporation of the municipality where the only security is the revenue of the public enterprise or corporation. [A MUNICIPALITY MAY ACQUIRE, CONSTRUCT, IMPROVE AND EQUIP CAPITAL IMPROVEMENTS TO BE OPERATED UPON A REVENUE-PRODUCING BASIS, AND BONDS FOR THESE PURPOSES ARE PAYABLE SOLELY FROM UNPLEDGED REVENUE OF THE PUBLIC FACILITIES FOR WHICH THE BONDS ARE ISSUED.]

(b) A municipality may issue its revenue bonds to finance the purchase of residential mortgage loans. The revenue bonds issued under this subsection are payable solely from the principal and interest of the mortgage loans and from [ANY] other amounts pledged by the municipality, except the pledge of revenues derived from taxes. Revenue bonds issued under this subsection do not constitute a general obligation of the municipality.

[(C) A MUNICIPALITY MAY ALSO ISSUE REVENUE BONDS FOR ANY LAWFUL PURPOSE. THE BONDS ARE PAYABLE FROM ANY AMOUNTS PLEDGED BY THE MUNICIPALITY EXCEPT TAXES AND DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE MUNICIPALITY.]

EDITOR NOTE: Minor rewording.

Sec. 29.47.250 [29.58.205]. NO ELECTION REQUIRED. An [NO] election is not required to authorize the issuance and sale of revenue bonds, unless otherwise provided by ordinance.

EDITOR NOTE: 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. 29.47.260. CONSTRUCTION. The prohibitions of AS 37.10.085 do not apply to the issuance of revenue bonds or the use of proceeds from revenue bonds by a home rule or general law municipality.

ARTICLE 5. REFUNDING BONDS.

EDITOR NOTE: Minor rewording.

Sec. 29.47.300 [29.58.240]. AUTHORIZATION. If a municipality has outstanding general obligation or revenue bonds and the governing body [ASSEMBLY OR COUNCIL] determines that it would be financially advantageous to refund the bonds, the municipality [ASSEMBLY OR COUNCIL] may provide by ordinance or resolution for the issuance of negotiable [GENERAL OBLIGATION] or nonnegotiable [REVENUE REFUNDING BONDS.]

- (1) general obligation refunding bonds; or
- (2) revenue refunding bonds.

EDITOR NOTE: No substantive change.

Sec. 29.47.310 [29.58.250]. EFFECT OF REFUNDING BONDS. The refunding bonds may take up and refund all or [ANY] part of outstanding bonds at or before their maturity or redemption date. The governing body [ASSEMBLY OR COUNCIL] may include various series and issues of bonds in a single issue of refunding bonds.

EDITOR NOTE: "Assembly or council" is replaced by "governing body".

Sec. 29.47.320 [29.58.260]. NO ELECTION REQUIRED. An [NO] election is not required to authorize the issuance and sale of refunding bonds. Their issuance may be authorized and all proceedings with reference to them prescribed by ordinance [OF THE ASSEMBLY OR COUNCIL]. However, when it is desirable to use

general obligation bonds to refund a revenue bond issue, the governing body shall call an election on the question.

EDITOR NOTE: The statutory reference is altered to reflect new numbering and the fact that sections dealing with payment on bonds are combined into one section.

Sec. 29.47.330 [29.58.270]. PAYMENT OF REFUNDING BONDS. General obligation refunding bonds are payable according to AS 29.47.200 [§ 180 OF THIS CHAPTER]. Revenue refunding bonds are payable according to AS 29.47.240 [§ 220 OF THIS CHAPTER].

EDITOR NOTE: The requirement that refunding bonds be exchanged at par for bonds being refunded is eliminated, so that refunding 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.

Sec. 29.47.340 [29.58.280]. SALE OF REFUNDING BONDS. General obligation or revenue refunding bonds may, at [IN] the discretion of the governing body [ASSEMBLY OR COUNCIL], be exchanged [AT PAR] for the bonds being refunded, or may be sold at public or private sale [FOR AN AMOUNT NOT LESS THAN PAR AND ACCRUED INTEREST]. They may be issued and delivered at any time before the date of maturity or redemption of the refunded bonds.

ARTICLE 6. MISCELLANEOUS PROVISIONS.

EDITOR NOTE: 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.

Sec. 29.47.390. [29.58.200(c)] OTHER MUNICIPAL FINANCING.

(a) A municipality may authorize by ordinance or resolution the issuance of negotiable or nonnegotiable [ALSO ISSUE] revenue bonds to finance any project that serves a [FOR ANY LAWFUL] public purpose, and[.] the bonds shall be secured and [ARE] payable from any source except revenues, including tax revenue, [AMOUNTS PLEDGED BY THE MUNICIPALITY EXCEPT TAXES AND DO NOT CONSTITUTE GENERAL OBLIGATIONS] of the municipality.

(b) Bonds issued under this section are not a debt or liability of the municipality and do not create or constitute an indebtedness, liability, or obligation of the municipality, nor do they constitute a pledge of faith, credit, or taxing power of the municipality. Each bond must contain on its face a statement that the municipality is not obligated to pay the principal or the interest on the bonds except from those sources indicated, and that neither the faith and credit nor the taxing power of the municipality is pledged to the payment of principal or interest on the bond.

(c) A municipality may

- (1) loan the proceeds of the bonds issued under this section;
- (2) pledge, mortgage or assign money, leases, agreements, property, or other assets of the project being financed;
- (3) enter into covenants and agreements concerning bonds issued under this section that [WHICH] the municipality determines to be desirable;
- (4) provide for any matter that [WHICH] affects the security of the bonds.

(d) In this section

- (1) "bonds" means bonds, notes, or other evidence of indebtedness;
- (2) "project" includes but is not limited to commercial, manufacturing, agricultural, industrial, residential housing, recreation, tourism, and medical projects and programs.

EDITOR NOTE: 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.

Sec. 29.47.400.[29.58.060, 29.58.140, 29.58.300] SALE. Bonds and notes issued under this chapter may be sold at either public or private sale by the municipality in the manner and at the price it determines.

[Sec. 29.58.060. SALE OF NOTES. THE MUNICIPALITY MAY SELL REVENUE ANTICIPATION NOTES IN THE MANNER AND AT THE PRICE IT DETERMINES, AT EITHER PUBLIC OR PRIVATE SALE.]

SEC. 29. 58.140. SALE OF NOTES. NOTES ISSUED UNDER THIS CHAPTER SHALL BE SOLD BY THE MUNICIPALITY IN THE MANNER AND AT THE PRICE IT DETERMINES, AT EITHER PUBLIC OR PRIVATE SALE, BUT NO NOTE MAY BE SOLD FOR LESS THAN PAR AN ACCRUED INTEREST.]

SEC. 29.58.300. PUBLIC SALE. THE MUNICIPALITY SHALL SELL ALL BONDS AT A PUBLIC OR PRIVATE SALE AS PROVIDED BY ORDINANCE. NO BONDS MAY BE SOLD AT LESS

THAN PAR VALUE.]

EDITOR NOTE: Minor rewording.

Sec. 29.47.410 [29.58.170, 29.58.210]. FORMS AND TERMS [OF SALE]. The municipality may by ordinance or resolution [ASSEMBLY OR COUNCIL SHALL] fix the date [OF THE BONDS], denominations, maturities, rate or rates of interest, [PLACE AND MANNER OF PAYMENT,] redemption terms, registration privileges, manner of execution, [AND] signatures required, purchase price, manner of sale, and other requirements for issuing bonds or notes under this chapter. If an official [OFFICER] whose signature appears on the bonds or coupons ceases to be an official [OFFICER] before delivery of the bonds, the [HIS] signature of the former official is valid as if the former official [HE] had remained in office until delivery.

[Sec. 29.58.210. FORMS AND TERMS. THE ASSEMBLY OR COUNCIL SHALL FIX THE DATE OF THE BONDS, DENOMINATIONS, MATURITIES, RATE OR RATES OF INTEREST, PLACE AND MANNER OF PAYMENT, REDEMPTION TERMS, REGISTRATION PRIVILEGES, MANNER OF EXECUTION, SIGNATURES REQUIRED, AND OTHER DETAILS OF THE BONDS. IF AN OFFICER WHOSE SIGNATURE APPEARS ON THE BONDS OR COUPONS CEASES TO BE AN OFFICER BEFORE DELIVERY OF THE BONDS, HIS SIGNATURE IS VALID AS IF HE HAD REMAINED IN OFFICE UNTIL DELIVERY.]

EDITOR NOTE: 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.

Sec. 29.47.420 [29.58.310]. INTEREST RATE. The interest rate payable on a [NO MUNICIPAL] bond or note issued under this chapter shall be determined by the municipality and is not subject to the usury rate limitations of AS 45.45.010 [MAY BEAR AN INTEREST RATE EXCEEDING THE CONTRACT USURY RATE OF INTEREST PROVIDED BY LAW].

EDITOR NOTE: No substantive change.

Sec. 29.47.430 [29.58.320]. REDEMPTION BEFORE MATURITY. A bond or note issued under this chapter may be made subject to redemption before maturity as stated in the authorization or in the bond or note.

EDITOR NOTE: Rewritten for clarity. The statutory reference is altered to reflect new numbering.

Sec. 29.47.440 [29.58.340]. BOROUGH INDEBTEDNESS.

(a) A borough[S] may incur indebtedness

- (1) on an areawide basis for areawide functions; or
- (2) on a nonareawide [NONCITY] basis for functions performed only in the borough [IN THE] area outside all cities [ONLY]; or
- (3) on a service area basis for functions performed only in a service area [ONLY].

(b) Payment of debt principal and interest as well as other costs shall be derived from [LIMITED TO] the area incurring the debt under (a)(2) or (a)(3) of this section, except that the full faith and credit of the entire borough may be pledged to guarantee payment of principal and interest.

(c) If the bonded debt to be incurred by a borough is an areawide debt, the vote is areawide. [;] If the full faith and credit of the entire borough is pledged for the payment of the debt of the borough area outside all cities or of a service area, an areawide election is held and the proposition must pass both areawide and in the area that [WHICH] will benefit from the improvement. [;] If the bonded indebtedness to be incurred is limited to the borough area[S] outside all cities [ONLY OR TO SERVICE AREAS], the vote is limited to voters outside all cities [IN THOSE AREAS]. If the indebtedness to be incurred is limited to a service area, the vote is limited to voters in the service area. Only the full faith and credit of the area voting on the indebtedness is pledged for the payment of the debt.

(d) The indebtedness of a municipality reclassified under AS 29.-04.040 - 29.04.060 [AS 29.08.040] is not affected by reclassification. [NOT LESS THAN] All property in [WITHIN] a municipality that [WHICH] is reclassified remains subject to taxation to amortize bonded or other indebtedness affecting the municipality and authorized on the effective date of reclassification.

EDITOR NOTE: 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.

Sec. 29.47.450. SERVICE AREA DEBT. The indebtedness of a service area acquired under AS 29.47.440 remains the indebtedness of the area that incurred the debt, notwithstanding a subsequent court determination that the service area

was not validly formed under law or by virtue of a defect in the proceedings creating the service area. All property in the service area remains subject to taxation to pay the bonded indebtedness.

* Sec. 14. AS 29 is amended by adding a new chapter to read:

CHAPTER 55. MUNICIPAL PROGRAMS.

EDITOR NOTE: "General or home rule" is eliminated since "municipality" includes by definition both a general law and a home rule municipality.

Sec. 29.55.010 [29.48.108]. CREATION OF LOCAL HISTORICAL DISTRICT COMMISSIONS. The governing body of a [GENERAL LAW OR HOME RULE] municipality may establish a local historical district commission or designate the planning commission or itself to serve as the historical district commission.

EDITOR NOTE: The statutory reference to the preceding section is eliminated as unnecessary.

Sec. 29.55.020 [29.48.110]. ESTABLISHMENT OF HISTORICAL DISTRICTS.

(a) In addition to existing municipal authority providing for the preservation, protection, and maintenance of historic sites, the local historical district commission [ESTABLISHED UNDER AS 29.43.108], in consultation with the Historic Sites Advisory Committee in [WITHIN] the Department of Natural Resources, may establish [A] historical districts within the boundaries of the municipality.

(b) A historical district shall be a reasonably compact area of historical significance in which two or more structures important in state or national history, and related by physical proximity or historical association, are located. For purposes of this section, "structures important in state or national history" means properties recommended by historical district commissions that [WHICH] are listed in the National Register of Historic Places or are characteristic of the Russian-American period before October 18, 1867, the early territorial period before 1930, or early Native heritage, reflecting the indigenous characteristics of Native culture in Alaska. On [UPON] recommendation of the governing body of a [GENERAL LAW OR HOME RULE] municipality and the Historic Sites Advisory Committee, the Department of Natural Resources may by regulation formulate additional criteria for the establishment of historical districts not inconsistent with this subsection.

(c) The establishment of a historical district under this section shall be consistent with any applicable comprehensive plan for the municipality.

* Sec. 15. AS 29 is amended by adding a new chapter to read:

CHAPTER 60 [88]. STATE PROGRAMS [MUNICIPAL TAX RESOURCE EQUALIZATION].

ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

EDITOR NOTE: "Local government services" is replaced by "municipal services".

Sec. 29.60.010 [29.88.010]. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICIPAL [LOCAL GOVERNMENT] SERVICES.

(a) During each fiscal year the department shall compute an equalization entitlement for municipal [LOCAL GOVERNMENT] services provided by a taxing unit.

(b) The equalization entitlement computed for a taxing unit is based on the population, relative ability to generate revenue, and local tax burden of the taxing unit and is determined by the application of the formula

$$\text{Entitlement} = P \times R$$

where P = population, and

R = millage rate equivalent, determined by dividing the sum of the locally generated revenue of the taxing unit by one-tenth of one percent [(0.1)] of the full and true value of assessed property of the taxing unit determined under AS 29.60.030(d) [AS 29.88.020(D)]; however, the per capita property value used under this subsection may not be less than 15 percent of the statewide average per capita full and true assessed property value.

(c) For purposes of this section, locally generated revenue

(1) includes

(A) the actual revenue derived from the levy and collection of local taxes in the taxing unit for municipal [LOCAL GOVERNMENT] services during the preceding fiscal year of the taxing unit;

(B) motor vehicle payments received by the municipality during the preceding fiscal year under AS 28.10.431;

(C) revenue from fees, rentals, leases, penalties, licenses or permits received during the preceding fiscal year by the municipality for a function or service over which it has control, including revenues derived from parks and recreation services, mass transit, offstreet parking, and garbage and solid waste disposal services;

(D) special assessments received during the preceding fiscal year; and

(E) payments received by a municipality from a utility that [WHICH] are in place of taxes levied and collected by the municipality;

(2) excludes

(A) revenue derived from the levy and collection of municipal taxes and appropriated for the operating expenses and debt service of utilities;

(B) revenue from interest earned on investments and from the sale and lease of land or equipment; and

(C) all other revenue from whatever service derived.

EDITOR NOTE: 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.

Sec. 29.60.020 [29.88.015]. DETERMINATION OF POPULATION.

[(a)] For purposes of AS 29.60.010 - 29.60.080 [THIS CHAPTER], the population of a taxing unit shall be determined annually by the latest figures of the United States Bureau of the Census or other population data that [WHICH,] in the judgment of the department[,] is reliable.

[(b) THE POPULATION OF THE TAXING UNIT INCLUDES THE POPULATION OF ANY MILITARY RESERVATION WHICH IS PART OF THE TAXING UNIT.]

EDITOR NOTE: Statutory references are added since this material is no longer located in a separate chapter.

Sec. 29.60.030 [29.88.020]. DETERMINATION OF MILLAGE RATE EQUIVALENT.

(a) The department may require a municipality to return a certification, signed by the municipal treasurer or manager and the mayor, that [WHICH] provides an estimate of the locally generated revenue received by the municipality during the preceding fiscal year.

(b) By October 15 of each year, the department shall make an initial determination of the millage rate equivalent of each taxing unit to be used for computing and distributing equalization entitlements for the current fiscal year under AS 29.60.010 - 29.60.080 [THIS CHAPTER]. The department shall base the initial determination on the estimates in the certification returned by a municipality under (a) of this section.

(c) As early as possible, but not later than December 15 of each year, the department shall make a final determination of the millage rate equivalent of

each taxing unit to use to compute and distribute equalization entitlements under AS 29.60.010 - 29.60.080 [THIS CHAPTER]. The department shall base the determination on audits, financial statements and other financial reports prepared and submitted by a municipality. The department shall adjust the locally generated revenue reported by a municipality to exclude the municipal revenue claimed that [BY THE MUNICIPALITY WHICH] does not qualify for inclusion in or recognition as locally generated revenue for municipal [LOCAL GOVERNMENT PURPOSES] purposes under AS 29.60.010(c)(1) [AS 29.88.010(C)(1)]. The adjustment shall be made by deducting from total revenue claimed by the municipality the amount of the department's estimate of revenue that [WHICH] is not recognized for municipal [LOCAL GOVERNMENT] purposes.

(d) The full and true assessed property value shall be determined by the department in the manner provided for the computation of state aid to education under AS 14.17.140. When the determination of locally generated revenue includes revenue of a utility received under AS 29.60.010(c)(1)(E) [AS 29.88.010(C)(1)(E)], the full and true assessed property value shall include the computed assessed value of the utility, determined by dividing the amount of the payment in place of taxes made by the utility by the millage rate that [WHICH] would apply to the utility if the utility were subject to levy and collection of taxes under AS 29.53.010 - 29.53.420 [AS 29.53].

(e) In addition to the computation for municipalities that [WHICH] levy and collect a property tax, the department shall determine an estimated full and true assessed property value under (d) of this section for

(1) each municipality that [WHICH] is a school district and that [WHICH] does not levy and collect a property tax;

(2) each second class city with a population of 750 or more persons; however, a computation is not required under this paragraph more often than once during a period of three successive calendar years; and

(3) all other second class cities, by determining the average per capita full and true assessed property value of all cities having a population of less than 750 persons in which an assessment has been completed by a municipality or for which a determination is not made under (1) or (2) of this subsection.

(f) The department shall annually compute a statewide average per capita full and true assessed property value.

EDITOR NOTE: Statutory references are added since this material no longer appears as a separate chapter.

Sec. 29.60.040 [29.88.025]. REPORTS. A payment of an equalization entitlement may not be made to a municipality under AS 29.60.010 - 29.60.080 [THIS CHAPTER] until the municipality has submitted its certificate of estimated revenue and its financial report to the department for the fiscal year preceding the year for which the equalization entitlement is sought, together with a budget for the municipality's current fiscal year. The financial report shall include a listing of general revenue collected from taxes levied and assessed [BY THE MUNIICPALITY] and any other revenue that [WHICH], in the opinion of the municipal officials, is eligible for inclusion in computations of the locally generated revenue of the taxing unit.

EDITOR NOTE: 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".

Sec. 29.60.050 [29.88.030]. LIMITATION ON COMPUTATION AND USE OF PAYMENTS.

(a) An equalization entitlement generated by the [GENERAL] tax levy of a taxing unit may be used only for authorized expenditures of that taxing unit, but up to 15 percent of the payment of an equalization entitlement generated by areawide revenue of a municipality may be used by the municipality for areawide or nonareawide purposes at the discretion of its governing body [ASSEMBLY OR COUNCIL]. This subsection applies to home rule and general law municipalities.

(b) An equalization entitlement determined with reference to revenue other than revenue obtained from the levy and collection of taxes may be used for areawide or nonareawide purposes, at the discretion of the governing body [ASSEMBLY OR COUNCIL].

EDITOR NOTE: 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.

Sec. 29.60.060 [29.88.035]. TAX EQUALIZATION ACCOUNT. The tax equalization account is established. Money to carry out the provisions of AS 29.60.010 - 29.60.080 [THIS CHAPTER] shall be allocated by the department to the account. The amount allocated to the account shall be fully distributed by the department as payments to municipalities to fulfill each [MUNICIPALITY'S] share authorized under AS 29.60.010 [AS 29.88.010]. The amount allocated to the

account shall be distributed by the department pro rata among eligible municipalities.

EDITOR NOTE: 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.

Sec. 29.60.070 [29.88.040]. ADMINISTRATION.

(a) The department may adopt regulations necessary to implement AS 29.60.010 - 29.60.080 [THIS CHAPTER]. The regulations shall include, among other provisions,

(1) procedures and filing dates for submitting certification and financial reports;

(2) procedures for obtaining information required to compute and determine the municipality's millage rate equivalent; and

(3) procedures by which the department shall notify a municipality in writing of the reasons for a proposed disallowance or adjustment of any factor bearing upon the determination of the municipality's entitlement and by which the municipality will be provided reasonable time in which to respond or to challenge the department's determination.

(b) The department shall make reasonable efforts to advise and assist municipalities in collecting information and completing reports necessary for the determination of entitlements under AS 29.60.010 - 29.60.080 [THIS CHAPTER].

(c) The department shall, by regulation, classify for inclusion or exclusion as a component of a municipality's millage rate equivalent under AS 29.60.010 [AS 29.88.010] any tax revenue appropriated for a utility not included in the definition set out in AS 29.60.080(2) [AS 29.88.045(4)].

EDITOR NOTE: Definitions of "department" and "municipality" are eliminated since these are now defined with respect to the entire title.

Sec. 29.60.080 [29.88.045]. DEFINITIONS. In AS 29.60.010 - 29.60.080 [THIS CHAPTER]

[(1) "DEPARTMENT" MEANS THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS;

(2) "MUNICIPALITY" MEANS A CITY, BOROUGH OR UNIFIED MUNICIPALITY INCORPORATED UNDER THE LAWS OF THE STATE;]

(1) [(3)] "taxing unit" means a municipality and

(A) in a borough or unified municipality, a service area or the entire area outside cities;

(B) in a city, a differential tax zone;

(2) "utility[IES]" means electric, water, sewer, gas heat, [OR] telephone [SERVICES], or [AND] refuse and garbage collection service[S].

ARTICLE 2 [CHAPTER 89]. STATE AID FOR MISCELLANEOUS [MUNICIPAL] PURPOSES.

EDITOR NOTE: Statutory references are altered to reflct new numbering. Provision for revenue sharing payable to a "Native village government" is altered to "an unincorporated community".

Sec. 29.60.100 [29.89.010]. REVENUE SHARING PAYABLE. In addition to the equalization entitlements paid under AS 29.60.010 - 29.60.080 [AS 29.88], during each fiscal year the department shall pay aid

(1) to a municipality or other eligible recipient that [WHICH] has the power to provide the services described in AS 29.60.110 - 29.60.130 [AS 29.89.020 - 29.89.040] and exercises the power in the manner required by AS 29.60.100 - 29.60.180 [THIS CHAPTER];

(2) to an unincorporated community [A NATIVE VILLAGE GOVERNMENT] under AS 29.60.140 [AS 29.89.050].

EDITOR NOTE: "Local government" is replaced by "municipality".

Sec. 29.60.110 [29.88.020]. STATE AID TO MUNICIPALITIES FOR ROADS.

(a) The department shall pay to a municipality that [WHICH] has power to provide for road maintenance and exercises that [WHICH] power, \$2,500 a mile for each mile of road, street, or highway maintained by the municipality [LOCAL GOVERNMENT], excluding

(1) the official state highway system,
(2) roads, streets, or highways not dedicated to public use,
(3) roads, streets, or highways maintained under the local service road program (AS 19.30.111 - 19.30.251), and

(4) alleyways, in accordance with regulations adopted by the Department of Transportation and Public Facilities. A payment may not be made under this subsection for maintenance of a road that [WHICH] is not used by automotive equipment.

(b) A frozen waterway and a connection from an inhabited area to a waterway that [WHICH] may be safely used for public transportation by automotive equipment and is so used during a portion of a year is eligible for a payment of \$1,500 per mile if the waterway and connection are maintained during the period of use by a municipality or combination of municipalities. The department, after consultation with the Department of Transportation and Public Facilities, shall determine which waterways and connections qualify and, where the waterways or connections lie outside the corporate limits of a municipality, which municipalities shall receive the payments under this subsection, unless the municipalities involved have agreed in writing to a particular distribution.

EDITOR NOTE: 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).

Sec. 29.60.120 [29.89.030]. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS.

(a) The department shall pay
(1) to a municipality that [WHICH] has the power to provide hospital facilities and services and that [WHICH] exercises that power, \$1,000

per bed for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the hospital, or \$250,000 a hospital for those hospitals with 10 or more beds, or \$50,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; money received under this paragraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines;

(2) on the basis set out in (1) of this subsection to a municipality for a nonprofit hospital not operated by a municipality if the municipality first certifies to the department that the nonprofit hospital is in compliance with all standards for hospitals that [WHICH] have been adopted by the municipality; money may not be paid on behalf of a nonprofit hospital without this certification; payments to the municipality shall be transferred to the nonprofit hospital in accordance with the basis by which the payment was generated by the hospital, and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(3) to a municipality in which a health facility is operated, \$2,000 per bed for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the health facility, or \$8,000 per health facility as the municipality determines.

(b) A hospital may not receive payment under both (a)(1) and (a)(2) of this section.

(c) Money received by a municipality under (a)(3) of this section shall be used for expenses of health services or operation and maintenance of health facilities as the municipality determines.

(d) Before money may be distributed under this section, the commissioner of health and social services shall certify to the commissioner of community and regional affairs that [WHICH] any accumulation of assets by nonprofit corporations or other recipients under this section is dedicated irrevocably to a public purpose.

(e) Subsections (a) and (c) of this section apply to home rule and general law municipalities.

(f) In this section

(1) "health facility"

(A) means a facility that is licensed, when required, by the state under AS 18.20.010 - 18.20.130 and that is owned or operated or both by a municipality or by a nonprofit corporation or other nonprofit sponsor;

(B) includes a public health center, maternity home, community mental health center, facility for the mentally or physically handicapped, nursing home, or convalescent center;

(C) excludes a facility operated or wholly supported by the state or the federal government;

(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.

EDITOR NOTE: "Borough or city" is replaced by "municipality".

Sec. 29.60.130 [29.89.040]. STATE AID TO VOLUNTEER FIRE DEPARTMENTS NOT IN [THE] ORGANIZED MUNICIPALITY [UNORGANIZED BOROUGH].

(a) The department shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized municipality [BOROUGH OR CITY] a sum for protection purposes equal to \$10 per capita for the population served by the fire department, as determined by the state fire marshal.

(b) A grant shall be made under (a) of this section to facilitate the organization of a volunteer fire department in an area not in an organized municipality [BOROUGH OR CITY], upon application of the proposed fire protection group to the state fire marshal and upon approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal.

EDITOR NOTE: 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 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.

Sec. 29.60.140 [29.89.050]. STATE AID TO UNINCORPORATED COMMUNITIES [NATIVE VILLAGE GOVERNMENTS].

(a) The department [STATE] shall pay to each unincorporated community an entitlement of \$25,000 [TO A NATIVE VILLAGE GOVERNMENT FOR A VILLAGE WHICH IS NOT INCORPORATED AS A CITY UNDER THIS TITLE] each fiscal year to be used for a

public purpose.

[IN THIS SECTION, "NATIVE VILLAGE GOVERNMENT" MEANS

(1) A LOCAL GOVERNING BODY ORGANIZED BY AUTHORITY OF THE ACT OF CONGRESS OF JUNE 18, 1934 (25 U.S.C. § 476); OR

(2) A TRADITIONAL VILLAGE COUNCIL OR, IF THERE IS NO TRADITIONAL VILLAGE COUNCIL, THE PARAMOUNT CHIEF OR OTHER GOVERNING BODY OF A NATIVE VILLAGE WHICH MEETS THE REQUIREMENTS OF THE ALASKA NATIVE CLAIMS SETTLEMENT ACT(43 U.S.C. §§ 1601 - 1628).]

The department with advice from the Department of Law shall determine whether there is in each unincorporated community or incorporated nonprofit entity or a Native village council that will agree to receive and spend the entitlement. If there is more than one qualified entity in an unincorporated community, the department shall pay the money under the entitlement to the entity that the department finds most qualified to receive and spend the money. The department may not pay money under an entitlement to a Native village council unless the council waives immunity from suit for claims arising out of activities of the council related to the entitlement. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. If there is no qualified incorporated nonprofit entity or Native village council in an unincorporated community that is willing to receive money under an entitlement, the entitlement for that unincorporated community may not be paid. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council.

(b) In this section "unincorporated community" means a place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit.

EDITOR NOTE: 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.

Sec. 29.60.150 [29.89.060]. POPULATION DETERMINATION. For purposes of AS 29.60.100 - 29.60.180 [THIS CHAPTER], population shall be determined by the latest figures of the United States Bureau of the Census or other [RELIABLE] population data [INCLUDING BUT NOT LIMITED TO PUBLIC SCHOOL ENROLLMENT FIGURES, PUBLIC UTILITY CONNECTION, REGISTERED VOTERS OR CERTIFIED EMPLOYMENT PAYROLLS] that in the judgment of the department is reliable.

EDITOR NOTE: Statutory references are altered to reflect new numbering.

Sec. 29.60.160 [29.89.070]. AREA COST-OF-LIVING DIFFERENTIAL.

(a) Payments to a municipality or other eligible recipient under AS 29.60.110 - 29.60.130 [AS 29.89.020 - 29.89.030] shall reflect area cost-of-living differentials. Payments shall be based on the sum of per capita, per mile and per bed or facility grants due each municipality or other recipient multiplied by the appropriate area cost-of-living differential. The area cost-of-living differential for each recipient shall be determined annually by election district under the provisions of AS 39.27.030. Application of the area cost-of-living differential may not result in distribution of an amount less than the amount of the payment determined without reference to application of this section.

(b) The election districts used to establish area cost-of-living differentials under (a) of this section are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965.

EDITOR NOTE: 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.

Sec. 29.60.170 [29.89.080]. MISCELLANEOUS SERVICES ACCOUNT. The miscellaneous services account is established. Money to carry out the provisions of AS 29.60.100 - 29.60.180 [THIS CHAPTER] shall be allocated by the department to the account in accordance with AS 29.60.280 [AS 29.95.010]. If amounts in the account are insufficient to pay each municipality's or other recipient's share authorized under AS 29.60.100 - 29.60.180 [THIS CHAPTER], the amounts that [WHICH] are available shall be distributed pro rata among eligible municipalities and other recipients.

EDITOR NOTE: Statutory references area added, since this material is no longer organized as a separate chapter.

Sec. 29.60.180 [29.89.090]. REGULATIONS. The department shall adopt regulations necessary to carry out the purposes of AS 29.60.100 - 29.60.180 [THIS CHAPTER]. The regulations shall include minimum standards required to qualify a municipality or other recipient for payments for each service. The department

may require a municipality or other recipient to submit a performance report adequate to demonstrate to the department that a service for which payment is requested under AS 29.60.100 - 29.60.180 [THIS CHAPTER] was performed by the municipality or other recipient and meets minimum standards of service prescribed by regulation.

ARTICLE 3 [CHAPTER 95]. ADMINISTRATION OF STATE AID
[MUNICIPAL FINANCIAL ASSISTANCE] PROGRAMS.

EDITOR NOTE: The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.60.280 [29.95.010]. ALLOCATION AND DISTRIBUTION.

(a) Each year, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall allocate money appropriated to the accounts established in AS 29.60.060, 29.60.170, and former AS 29.90.020 [AS 29.88, AS 29.89, AND AS 29.90] in the amounts determined by the legislature.

(b) Money in the miscellaneous services account established in AS 29.60.170 [AS 29.89.080] that [WHICH] exceeds the amount required to fully fund distribution authorized by AS 29.60.100 - 29.60.180 [AS 29.89] shall be reallocated to the tax equalization account established in AS 29.60.060 [AS 29.88.035] and distributed according to the provisions of AS 29.60.010 - 29.60.080 [AS 29.88].

(c) Money in the hospital and health facility construction assistance account established in former AS 29.90.020 that [WHICH] exceeds the amount required to fully fund distributions authorized by sec. 9, ch. 95, SLA 1983 [AS 29.90] shall be reallocated to the tax equalization account established in AS 29.60.060 [AS 29.88.035] and distributed according to the provisions of AS 29.60.010 - 29.60.080 [AS 29.88].

EDITOR NOTE: The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.60.290 [29.95.020]. QUALIFICATION FOR MINIMUM PAYMENT.

(a) A municipality qualifying for an entitlement under AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 [AS 29.88 OR AS 29.89] shall receive a minimum payment of \$25,000 plus an area cost-of-living differential for each fiscal year if

(1) the municipality has conducted a regular election [UNDER AS 29.28.010 - 29.28.050] during the fiscal year preceding the year for which payment of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 [AS 29.88. OR AS 29.89] and has reported the results of the election to the commissioner [OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS];

(2) regular [COUNCIL] meetings of the governing body are held in the municipality [IN ACCORDANCE WITH THE REQUIREMENTS OF AS 29.23.210] during the fiscal year preceding the year for which payment of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 [AS 29.88 OR AS 29.89] and a record of the proceedings is maintained;

(3) a municipal budget has been adopted for the fiscal year during which payment of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 [AS 29.88 OR AS 29.89] and an audit or financial statement for the preceding fiscal year has been prepared and furnished to the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in accordance with AS 29.20.640(a) [AS 29.23.560]; and

(4) local ordinances adopted by the [GOVERNING BODY OF THE] municipality have been codified in accordance with AS 29.25.050 [AS 29.48.180].

(b) The area cost-of-living differential payable to each municipality under this section shall be determined annually by election district under the provisions of AS 39.27.030. Except as provided in AS 29.60.300 [AS 29.95.030], application of the area cost-of-living differential may not result in a payment that [WHICH] is less than the minimum payment determined under (a) of this section. For purposes of this subsection, the election districts used are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965.

(c) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall pay to each municipality eligible to receive a minimum payment under this section an amount equal to the difference between the minimum payment determined under (a) and (b) of this section and the sum of the amounts payable for the same fiscal year under AS 29.60.010 - 29.60.080 and 29.60.100 - 29.60.180 [AS 29.88. AND AS 29.89].

(d) A payment under this section may be prorated and reduced under AS 29.60.300 [AS 29.95.030].

(e) Payments under this section shall be made from the money allocated to the tax equalization account established in AS 29.60.060 [AS 29.88.035].

EDITOR NOTE: The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.60.300 [29.95.030]. PRORATION OF PAYMENTS.

(a) Payments under AS 29.60.290 and 29.60.010 - 29.60.180 [AS 29.95.020 AND AS 29.88] shall equal the amount allocated to the tax equalization account (AS 29.60.060) [(AS 29.88.035)], adjusted in accordance with AS 29.60.280 [AS 29.95.010].

(b) Adjustments of payments shall be determined by prorating amounts payable under AS 29.60.290 [AS 29.95.020] and amounts payable under AS 29.-60.010 - 29.60.180 [AS 29.88] by a factor that [WHICH], when applied, reduces all payments in equal proportion so that payment[S] under AS 29.60.290 [AS 29.95.020] and payments under AS 29.60.010 - 29.60.180 [AS 29.88] equal the amount allocated to the tax equalization account established in AS 29.60.060 [AS 29.88.035].

ARTICLE 4. MUNICIPAL ASSISTANCE.

EDITOR NOTE: Administration of the municipal assistance fund is transferred from the department of Revenue to the Department of Community and Regional Affairs.

Sec. 29.60.350 [43.20.016(a)]. MUNICIPAL ASSISTANCE FUND [SHARING OF CORPORATE INCOME TAX REVENUE WITH MUNICIPALITIES].

(a) There is established in [WITHIN] the department the municipal assistance fund. The legislature may appropriate to the municipal assistance fund during each fiscal year an amount equal to or greater than 30 percent of the income tax revenue received by the state under AS 43.20.011(e) [AND AS 43.21] for the previous fiscal year.

(b) The department shall distribute money from the municipal assistance fund to each municipality [ORGANIZED BOROUGH AND EACH CITY OF ANY CLASS] on an annual basis as provided in AS 29.60.360 and 29.60.370 [(B) AND (C) OF THIS SECTION]. A municipality [BOROUGH OR CITY] may not receive payment [UNDER (B) OR (C) OF THIS SECTION] until it submits to the department a resolution approved by the governing body of the municipality that requests the money [FUNDS]. Distribution of money from the municipal assistance fund to a municipality [CITY OR ORGANIZED BOROUGH] with a fiscal year beginning on January 1 shall be made on February 1 of the state fiscal year for which the appropriation to the fund is made. Distribution of money from the municipal assistance fund to all other municipalities [CITIES AND ORGANIZED BOROUGH] shall be made on June 1 of the

state fiscal year for which the appropriation to the fund is made. A municipality [BOROUGH OR CITY] that incorporates after December 31 of a state fiscal year is not eligible for a distribution under this section until the following state fiscal year.

EDITOR NOTE: No substantive changes.

Sec. 29.60.360 [43.20.016 (b)]. BASE AMOUNT OF ASSISTANCE.

(a) The base amount to be distributed from the municipal assistance fund to each municipality [BOROUGH AND CITY] for the fiscal year shall be the amount received by the municipality [BOROUGH OR CITY] during fiscal year 1978 under AS 43.70.080[; HOWEVER, IF THE AMOUNT APPROPRIATED TO THE FUND BY THE LEGISLATURE UNDER (A) OF THIS SECTION IS INSUFFICIENT FOR DISTRIBUTION OF THE FULL BASE AMOUNT, THE DEPARTMENT SHALL PRORATE THE AMOUNT AVAILABLE FOR DISTRIBUTION ON THE BASIS OF AMOUNTS RECEIVED DURING FISCAL YEAR 1978 UNDER AS 43.70.080]. A city incorporated within a [AN ORGANIZED BOROUGH] borough after June 30, 1977, shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside a [AN ORGANIZED] borough after June 30, 1977, shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977, shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

(b) If the amount appropriated to the municipal assistance fund by the legislature during a fiscal year is insufficient for distribution of the full base amount to each municipality, the department shall prorate the amount available for distribution on the basis of amounts received during the fiscal year 1978 under AS 43.70.080.

EDITOR NOTE: No substantive change.

Sec. 29.60.370 [43.20.016(c),(d)]. INCREASED ASSISTANCE.

(a) [(c)] If the amount in the municipal assistance fund at the time of distribution exceeds the base amount to be distributed under AS 29.60.360 [(B) OF THIS SECTION], the excess amount shall be distributed to each municipality [BOROUGH AND CITY] on the basis of population. [FOR THE PURPOSE OF THIS SUBSECTION, THE POPULATION OF A CITY WITHIN AN ORGANIZED BOROUGH SHALL BE

DEDUCTED FROM THE POPULATION OF THE BOROUGH.] Population for the purpose of this section shall be as certified by the commissioner of community and regional affairs. In determining the population of a borough, the population of all cities in the borough shall be deducted from the total population of the borough.

(b) [(D)] The intent of (a) [(C)] of this section is that a municipality [LOCAL GOVERNMENTS] that [WHICH] levies[Y] property taxes reduce those levies in reasonable proportion to the amount of increased state aid received by the municipality [A LOCAL GOVERNMENT]. The governing body of each municipality [LOCAL GOVERNMENT] shall furnish a notice with each [THE] tax statement describing its use of this increased state aid.

ARTICLE 5. COMMUNITY FACILITIES GRANTS.

EDITOR NOTE: This entire section moved by revisor in 1983 from Title 43 to Title 29 for clarity and then renumbered . No substantive change.

Sec. 29.60.400.[43.18.300] GRANTS FOR COMMUNITY FACILITIES.

(a) Within the limits of appropriations for the purpose the Department of Commerce and Economic Development shall make matching grants in accordance with the provisions of AS 29.60.410 - 29.60.440 to municipalities or their nonprofit designees equal to

(1) 50 percent of the estimated reasonable costs of construction of municipal civic, convention, and community recreation centers; and

(2) 50 percent of the cost of feasibility studies relating to the construction of municipal civic, convention, and community recreation centers.

(b) A grant may be made under this section only to a municipality with the power to implement the study or project for which the grant is authorized or to its nonprofit designee. A grant for only one study and one project may be awarded to a municipality or its designee under this section.

(c) In this section "costs of construction" means, in addition to costs directly related to a project, the sum of all costs of financing and carrying out the project, including the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment necessary to the project; an allocable portion of the administrative and operating expenses of the grantee; and the cost of financing the project, including interest on bonds issued to finance the project, the cost

of indemnity and surety bonds, premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and the costs associated with the issuance of bonds. It does not include the cost of feasibility studies.

Sec. 29.60.410. GRANT PROCEDURES.

(a) An application for a grant under AS 29.60.400 shall be made in a form prescribed by the commissioner of commerce and economic development.

(b) A grant shall be allotted in accordance with an agreement made between the commissioner of commerce and economic development on behalf of the state and the grantee. The agreement may include any provision agreed upon by the parties and shall include in substance the following provisions:

(1) estimates of reasonable costs of the study or project as approved by the commissioner after consultation with the Department of Transportation and Public Facilities;

(2) a schedule of disbursements of money from the grant if the commissioner determines that the grant money is not to be disbursed in one sum;

(3) agreement by the grantee

(A) to proceed with and complete the proposed study or project expeditiously;

(B) not to discontinue operation or dispose of all or part of a community facility for which it receives a grant without the approval of the commissioner;

(C) to apply for and make reasonable efforts to secure federal assistance that may be available for the study or project, subject to any conditions the commissioner may require to maximize the amounts of that assistance available for all projects in the state;

(D) to provide for payment of the grantee's share of the cost of the study or project;

(E) that, if federal assistance for a study or project becomes available to the grantee that was not included in the calculation of the amount of the grant, the value of the federal assistance shall be subtracted from the total value of the project and the balance shall be equally divided between the grantee and the state;

(4) alteration or modification of an approved study or project;

(5) alteration or modification of an existing facility that would have qualified for a grant at the time of initial construction if AS 29.60.400 - 29.60.440 had been in effect;

(6) remedies in case of failure to perform the agreement or non-compliance with regulations adopted under AS 29.60.420.

(c) The commissioner of commerce and economic development shall require in negotiations and in each grant agreement that continued maintenance of the community facility is the responsibility of the municipality. The municipality must show the feasibility of continuing to maintain the facility before state money may be authorized for a grant.

Sec. 29.60.420. POWERS AND DUTIES OF THE COMMISSIONER.

(a) The commissioner of commerce and economic development shall provide an annual report to the legislature about grants made under AS 29.60.400.

(b) The commissioner of commerce and economic development shall adopt regulations to carry out the purposes of AS 29.60.400 - 29.60.440.

Sec. 29.60.430. ALLOCATION OF MONEY. If the amount of money appropriated by the legislature for grants under AS 29.60.400 is not adequate to satisfy amounts required for approved grant applications, money shall be allocated on the basis of priority established by regulations of the Department of Commerce and Economic Development.

Sec. 29.60.440. LIMITATION. AS 29.60.400 - 29.60.440 does not require that a recipient of a grant for a feasibility study must proceed with construction of the project, regardless of whether the project is determined to be feasible.

CHAPTER 65. GENERAL GRANT LAND.

EDITOR NOTE: No change.

Sec. 29.65.010. [29.18.201] DETERMINATION OF ENTITLEMENT OF BOROUGH AND UNIFIED MUNICIPALITIES. The general grant land entitlement of each of the municipalities in this section is the amount set out opposite each:

- (1) Municipality of Anchorage - 44,893 acres;
- (2) City and Borough of Juneau - 19,584 acres;

- (3) City and Borough of Sitka - 10,500 acres;
- (4) Bristol Bay Borough - 2,898 acres;
- (5) Fairbanks North Star Borough - 112,000 acres;
- (6) Haines Borough - 2,800 acres;
- (7) Kenai Peninsula Borough - 155,780 acres;
- (8) Ketchikan Gateway Borough - 11,593 acres;
- (9) Kodiak Island Borough - 56,500 acres;
- (10) Matanuska-Susitna Borough - 355,210 acres;
- (11) North Slope Borough - 89,850 acres.

EDITOR NOTE: No substantive change.

Sec. 29.65.020. [29.18.202] DETERMINATION OF ENTITLEMENT FOR CITIES. The general grant land entitlement of a city formerly eligible to receive general grant land under the provisions of former AS 29.18.190 and 29.18.200 [, AS REPEALED BY THIS ACT,] is 10 percent of the maximum total acreage of vacant, unappropriated, unreserved land in the boundaries of each city at any time between the initial date of eligibility under former AS 29.18.190 [28] and 29.18.200 and July 1, 1978. Within six months after July 1, 1978, the commissioner shall determine the entitlement for each city eligible to receive general grant land under this section and certify that entitlement to the city.

EDITOR NOTE: Minor rewording.

Sec. 29.65.030 [29.18.203] DETERMINATION OF ENTITLEMENT FOR NEWLY INCORPORATED MUNICIPALITIES.

(a) The general grant land entitlement of a municipality incorporated after July 1, 1978, is 10 percent of the total acreage of vacant, unappropriated, unreserved land within the boundaries of the municipality on the date of its incorporation [OF THAT MUNICIPALITY].

(b) Within six months after the date of incorporation of a municipality that [WHICH] is incorporated after July 1, 1978, the commissioner [DIRECTOR] shall determine the entitlement of each municipality eligible to receive general grant land under (a) of this section and certify the entitlement to the municipality.

EDITOR NOTE: The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.65.040 [29.18.204.] STATUS OF ENTITLEMENTS.

(a) After July 1, 1978, general grant land entitlements provided in AS 29.65.010 and 29.65.020 [AS 29.18.201 and 29.18.202] are vested property rights that [WHICH] must be fulfilled as provided in AS 29.65.050 or 29.65.080 [AS 29.18.205 or 29.18.208].

(b) General grant land entitlements provided by AS 29.65.030 [AS 29.18.203] are property rights that [WHICH] vest on the date of incorporation of the municipality. The entitlement must be fulfilled as provided in AS 29.65.050 [AS 29.18.205].

(c) Land may be selected or nominated for selection by a municipality to satisfy a general grant land entitlement under former AS 29.18.201 and 29.18.202 at any time before October 1, 1980. However, if a municipal selection or nomination or a part of a municipal selection or nomination is rejected by the commissioner [DIRECTOR], the municipality may, not later than 90 days after receipt of the [DIRECTOR'S] rejection, select additional state land as necessary to satisfy its entitlement.

(d) Land may be selected by a municipality to satisfy a general grant land entitlement under AS 29.65.030 [AS 29.18.203] at any time within one year after the commissioner [DIRECTOR] certifies the entitlement to the municipality.

(e) The time limitations imposed by (c) and (d) of this section for exercising a vested general grant land entitlement do not apply to

(1) the portion of an entitlement that [WHICH] cannot be satisfied by that date because of a shortage of land suitable for residential, commercial, and industrial purposes that [WHICH] is vacant, unappropriated, unreserved land;

(2) payments for land deficiency under AS 29.65.080 [AS 29.18.208];

(3) the portion of an entitlement that [WHICH] cannot be satisfied because the land selected by a municipality has been selected by a party entitled to select land owned by the United States or the state; or

(4) the portion of an entitlement that [WHICH] cannot be satisfied because the land nominated for selection by the municipality is not tentatively approved for patent to the state.

EDITOR NOTE: The statutory references currently contained in this section are altered to reflect new numbering.

Sec. 29.65.050 [29.18.205] FULFILLMENT OF LAND ENTITLEMENTS.

(a) The acreage of each municipality's land selections [UNDER FORMER AS 29.18.190 AND 29.18.200] for which patent has been issued before July 1, 1978, shall be credited toward fulfillment of the entitlement of that municipality.

(b) All approved selections under former AS 29.18.190 and 29.18.200 for which patent has not been issued to a municipality on July 1, 1978, shall be reviewed by the commissioner [DIRECTOR] within nine months after July 1, 1978. Any approved selection of land that [WHICH] was vacant, unappropriated, or unreserved on the date of selection is valid as of the date of the approval under former AS 29.18.190 and 29.18.200, and a patent shall be issued to the municipality within three months after approval by the commissioner [DIRECTOR] of a plat of survey. The acreage shall be credited toward fulfillment of the municipality's entitlement. A [NO] municipality is not entitled to receive patent under this chapter to more than its entitlement determined under AS 29.65.010 - 29.65.030 [AS 29.18.201 - 29.18.203]. Any prior approval by the commissioner [DIRECTOR] of municipal selections for land that [WHICH] was not vacant, unappropriated, or unreserved on the date of selection shall be rescinded, and patent may not be issued except when disposal to a third party by sale or lease has occurred. Transfers of land to municipalities under this chapter are subject to AS 38.05.321. Classification actions as reflected on the land status records of the Department of Natural Resources are determinative of land classification status for purposes of this chapter.

[(c) REPEALED BY § 45 CH 85 SLA 1979.]

[(d) REPEALED BY § 45 CH 85 SLA 1979.]

[(e) REPEALED BY § 45 CH 85 SLA 1979.]

(c) [(f)] The commissioner [DIRECTOR] shall approve each selection for patent within nine months of its selection by a municipality, and a patent shall be issued to the municipality for land selected in satisfaction of a general grant land entitlement vested under AS 29.65.010 - 29.65.030 [AS 29.18.201 - 29.18.203] within three months after approval by the commissioner [DIRECTOR] of a plat of survey.

[(g) REPEALED BY § 45 CH 85 SLA 1979.]

[(h) REPEALED BY § 45 CH 85 SLA 1979.]

[(i) REPEALED BY § 45 CH 85 SLA 1979. (§ 2 CH 180 SLA 1978; AM §§ 3, 45 CH 85 SLA 1979.)

EDITOR NOTE: Statutory references are altered to reflect new numbering.

Sec. 29.65.060 [29.18.206]. SCHOOL [UNIVERSITY] AND MENTAL HEALTH LAND.

(a) If an entitlement determined in AS 29.65.010 or 29.65.020 [AS 29.18.201 OR 29.18.202] results in a per capita entitlement for the municipality of less than one and one-half acre, the municipality may select vacant school [, UNIVERSITY] or mental health land in [WITHIN] the municipality in partial fulfillment of its land entitlement under this chapter. School [, UNIVERSITY] or mental health land may be selected notwithstanding the fact that these lands are not unappropriated and unreserved within the meaning of this chapter and under former AS 29.18.190 and 29.18.200, [REPEALED BY THIS ACT,] but each selection of school or mental health land by a municipality must be vacant, unappropriated, or unreserved land as defined in this chapter, except that it need not be general grant land.

(b) The acreage of school [, UNIVERSITY] or mental health land, if any, in [WITHIN] a municipality may not be included in the determination of entitlement under AS 29.65.010 or 29.65.020 [AS 29.18.201 OR 29.18.202].

(c) Land conveyed under this section will be credited against a municipality's remaining land entitlement under this chapter.

(d) Within six months after approval of a municipal selection of school [, UNIVERSITY] or mental health land, the commissioner [DIRECTOR] shall identify state general grant land of approximately equal value to the land requested by the municipality and shall propose the replacement land for the concurrence of the appropriate board. If a proposal by the commissioner [DIRECTOR] is rejected by the board, the commissioner [DIRECTOR] shall meet with the board as often as necessary to determine the type and amount of equal value replacement land that would be required to obtain the board's concurrence, and shall propose the replacement land for consideration by the board. The replacement land shall thereafter be managed for the purposes for which the land selected by the municipality was acquired by the Territory and State of Alaska.

(e) The notice and review provisions of [AS 38.05.305 AND] AS 38.05.-345 apply to [ARE APPLICABLE TO] the designation of other general grant land as school or mental health land in replacement of land selected under this section. The provisions of AS 38.50 [AND 38.05.032] do not apply to such designations under this section. The provisions of AS 38.05.030(a) that [, 38.05.030(e), AND 38.05.035(a)(13) WHICH] require the approval of the respective trust board before disposal of land[S] by the commissioner [DIRECTOR] do not apply to selections of school [, UNIVERSITY] or mental health land by a local government under this section.

(f) For purposes of determining the per capita entitlement under (a) of this section, the population of a municipality shall be the population determined by the commissioner [OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] under former AS 43.18.010 for the program year beginning July 1, 1978, for a municipality whose entitlement is determined under AS 29.65.010 [AS 29.18.201 OR 29.18.202. (§ 2 CH 180 SLA 1978.)]

EDITOR NOTE: No substantive change.

Sec. 29.65.070 [29.18.207]. SELECTION AND CONVEYANCE PROCEDURE.

[(a) REPEALED BY § 45 CH 85 SLA 1979.]

[(b) REPEALED BY § 45 CH 85 SLA 1979.]

(a) [(c)] If land selected by a municipality is unsurveyed at the time of approval, the commissioner [DIRECTOR] shall survey, or may approve the municipality's survey of, the exterior boundaries of an approved selection without interior subdivision, and shall issue patent in terms of the exterior boundary survey. The cost of the survey shall be borne by the municipality. If land selected by a municipality has been surveyed at the time of its selection, the boundaries shall conform to the public land subdivisions established by the approved survey.

(b) The commissioner may approve municipal selections of land that [WHICH] have been tentatively approved or patented to the state by the federal government[,], but [HE] may not issue patent to a municipality until the land has first been patented to the state. After approval of a selection by the commissioner [DIRECTOR], but before patent to a municipality, the municipality may execute conditional leases and make conditional sales only with the consent of the commissioner [DIRECTOR]. Conditional sales and conditional leases made before July 1, 1978, do not require the consent of the commissioner [DIRECTOR].

(c) [(e)] Nothing in this chapter affects a valid existing claim, location, or entry under the laws of the state or the United States whether for homestead, mineral, right-of-way, or other purposes. Nothing in this chapter affects the rights of an owner, claimant, locater, or entryman to the full use and enjoyment of the land so occupied.

EDITOR NOTE: Reworded for clarity. The statutory references contained in this section are altered to reflect new numbering.

Sec. 29.65.080 [29.18.208]. PAYMENT FOR LAND DEFICIENCY.

(a) The Alaska municipal land account is [THERE IS] established in [WITHIN] the general fund [THE ALASKA MUNICIPAL LAND ACCOUNT] for the following purposes:

(1) providing payment to the boroughs and unified municipalities designated in AS 29.65.010 [AS 29.18.201] for a deficiency of land physically suitable for residential, commercial, or industrial purposes; or

(2) providing payment to the boroughs and unified municipalities designated in AS 29.65.010 [AS 29.18.201] for certain general grant lands selected by the state and conveyed to a Native corporation under the provisions of the Alaska Native Claims Settlement Act.

(b) A municipality shall receive payment for its land deficiency from the municipal land account [ESTABLISHED IN THIS SECTION]. A municipality is eligible to receive payment for land deficiency if, after July 1, 1980, the amount of land selected by a municipality that [WHICH] is physically suitable for residential, commercial, or industrial purposes amounts to less than one-third acre per capita. Any entitlement under AS 29.65.010 [AS 29.18.201] that [WHICH] is less than one-third acre per capita will, for the purposes of this subsection, be considered a land deficiency. An unselected remaining entitlement will, for the purpose of deficiency payment under this subsection, be considered as land physically suitable for residential, commercial, or industrial purposes. A municipality eligible under this subsection is entitled to receive a payment for land deficiency equal to \$1,000 per acre for a number of acres equal to the difference between one-third of the population of the municipality less the number of acres physically suitable for residential, commercial or industrial purposes which has been selected by the municipality. For the purpose of this subsection, the population of the municipality shall be the population determined in accordance with AS 29.65.060(f) [AS 29.18.205(f)]. No payment may be made to a municipality under this subsection in excess of \$9,000,000.

(c) If a municipality selected vacant, unappropriated, unreserved land on or before December 18, 1971, to which the state had received tentative approval or patent, and that [SUCH] land was also selected by a Native corporation organized under the Alaska Native Claims Settlement Act (P.L. 95-603), and title to that land is ultimately vested in that Native corporation, the municipality may, at its option, request payment for land deficiency from the municipal land account [ACCOUNT ESTABLISHED IN (a) OF THIS SECTION]. The acceptance of payment under this subsection by a municipality constitutes a relinquishment of any other right, title, or claim to the land by that municipality.

The total payment to a municipality under this subsection may not exceed \$1,000 per acre to a maximum of 8,000 acres.

(d) The governor shall annually submit to the legislature a request for an appropriation to the municipal land account for the municipalities that [WHICH] have elected to receive payments under (b) or (c) of this section. The request for appropriation shall distinguish between amounts necessary to make payments for land deficiency under (b) of this section and those required to make payments for land deficiency under (c) of this section.

(e) For purposes of fulfilling entitlements under this section, the legislature is authorized to appropriate

(1) not more than \$4,000,000 per fiscal year, and not more than \$12,000,000 in total, for the purpose of paying entitlements under (b) of this section;

(2) not more than \$1,000,000 per fiscal year, and not more than \$8,000,000 in total, for the purpose of paying entitlements under (c) of this section.

(f) If an annual appropriation is not sufficient to meet the amount due to all municipalities that [WHICH] have elected to accept payment for land deficiency under (b) or (c) of this section, the governor shall apportion the appropriation among the municipalities in proportion to the payment calculated for each municipality for that year. When a distribution of payments is made under (c) of this section, the remaining entitlement of a municipality to which payment is made shall be reduced in an amount equal to the number of acres for which payment was received. An appropriation made under this section is in addition to other grants and entitlements authorized to eligible municipalities.

(g) Payments authorized by this section may not be made to a municipality eligible for an entitlement under AS 29.65.020 or 29.65.030 [\$ 202 OR 203 OF THIS CHAPTER].

(h) Payments made under this section shall be used by a municipality that levies [THOSE LOCAL GOVERNMENTS WHICH LEVY] property taxes to reduce the levy [THOSE LEVIES] in proportion to the amount of state payments received by the municipality [A LOCAL GOVERNMENT] for a given fiscal year. The governing body of each municipality [LOCAL GOVERNMENT] shall furnish a notice with the tax statement describing the effect on property tax levies of payments received under this section.

EDITOR NOTE: "Any" is changed to "a".

Sec. 29.65.090 [29.18.209]. AUTHORIZATION FOR LAND EXCHANGES. The [DIRECTOR, WITH THE CONCURRENCE OF THE] commissioner, and a [ANY] municipality are authorized to exchange land or interests in land when it is in the public interest. Land or interests in land exchanged under this section must be of approximately equal value, including the nonmonetary value of public benefits. Exchange procedures shall comply with applicable law and municipal ordinances. The notice and review provisions of [AS 38.05.305 AND] AS 38.05.345 apply [ARE APPLICABLE TO] to exchanges of land under this section. The provisions of AS 38.50 do not apply to exchanges of land under this section.

EDITOR NOTE: The statutory reference contained in this section is altered to reflect new numbering.

Sec. 29.65.100 [29.18.210]. PUBLIC PURPOSE AND EXPANSION NEEDS.

(a) Consistent with the best interests of the state, if a municipality does not contain and cannot reasonably acquire sufficient nonfederal land within its boundaries to meet its legitimate needs for public or private settlement or development, it shall be the policy of the state to select federal land reasonably necessary to meet the needs of the municipality and to make the land selected available to the municipality under AS 38.05.315 or (b) of this section.

(b) Where state land is the most logical location for demonstrated municipal expansion for nonpublic settlement and development purposes, and when an exchange of land under AS 29.65.090 [§ 209 OF THIS CHAPTER] is not possible or is not in the public interest, it is the policy of the state to sell or lease the land at public auction. The state may contract with a municipality to act as its agent in an auction of state land under applicable statutes. When a municipality acts as the agent of the state in an auction, the municipality may retain from the proceeds of the auction the expenses that the commissioner [WHICH THE DIRECTOR] determines to be necessary and reasonable.

(c) Nothing in this chapter limits or impairs the authority of the commissioner [DIRECTOR] to transfer land to municipalities, without limit or consideration, for public purposes in accordance with AS 38.05.315. If there is a remaining entitlement of the municipality, land transferred under AS 38.05.315 shall be credited toward fulfillment of the entitlement.

EDITOR NOTE: The statutory reference contained in this section is altered to reflect new numbering.

Sec. 29.65.110 [29.18.211]. ELECTION OF BENEFITS.

(a) A municipality that [WHICH] on July 1, 1978, is engaged in litigation, or that [WHICH] becomes engaged in litigation, regarding a claim to state land under former AS 29.18.190 and 29.18.200 [§§ 190 AND 200 OF THIS CHAPTER] shall elect either to obtain the benefits provided in [§§ 201 - 213 OF] this chapter or to pursue the litigation and [THEREBY] waive any claim to entitlement under [§§ 201 - 213 OF] this chapter. An election shall be made by filing a motion for dismissal with prejudice in the court in which the litigation is pending. If the claim involves a municipality identified in AS 29.65.010 [§ 201 OF THIS CHAPTER] , the municipality shall file its motion for dismissal within 60 days after July 1, 1978. If a [THE] claim involves a city eligible to receive an entitlement under AS 29.65.020 [§ 202 OF THIS CHAPTER] the city shall file its motion for dismissal within 60 days after receiving the certificate of entitlement provided by the commissioner [DIRECTOR] under AS 29.65.020 [§ 202 OF THIS CHAPTER]. Failure of the municipality to file a motion for dismissal during the time period provided in this subsection is [SHALL BE] considered a waiver of entitlement under [§§ 201 - 213] this chapter.

(b) A municipality that [WHICH] was eligible to file land selections under former AS 29.18.190 and 29.18.200 [§§ 190 AND 200 OF THIS CHAPTER] and that [WHICH] does not enter into litigation over a claim to rights under those sections before the expiration of the time period within which it could make an election under (a) of this section is [SHALL BE] considered to have elected to receive benefits under [§§ 201 - 213 OF] this chapter and to have waived any claim that [WHICH] might have been raised under former AS 29.18.190 and 29.18.200 [§§ 190 AND 200 OF THIS CHAPTER].

(c) The provisions of [§§ 201 - 213 OF] this chapter do not affect the rights [, IF ANY] of a [ANY] party to litigation regarding the former AS 29.18.190-29.18.200 or 29.18.420 [WHICH LITIGATION IS] maintained by a municipality that [WHICH] has elected not to obtain the benefits provided by [§§ 201 - 213 OF] this chapter.

EDITOR NOTE: Since this material is now organized in a separate chapter, the statutory reference to the sections dealing with general grant land is eliminated.

Sec. 29.65.120 [29.18.212]. ADMINISTRATION. The commissioner may adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) necessary to carry out the purposes of [AS 29.18.201 - 29.18.213] this chapter.

EDITOR NOTE: 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.

Sec. 29.65.130 [29.18.213]. DEFINITIONS. In this chapter [AS 29.18.201 - 29.18.213], unless the context otherwise requires,

[(1) REPEALED BY § 45 CH 85 SLA 1979.]

(1) [(2)] "approved selection" means a municipal land selection that [WHICH] has been approved in writing by director for transfer by patent to a municipality;

(2) [(3)] "commissioner" ["DIRECTOR"] means the commissioner [DIRECTOR] of [THE DIVISION OF LANDS, DEPARTMENT OF] [N]natural [R]resources, or the commissioner's [HIS] designee;

(3) [(4)] "general grant land" means land patented or tentatively approved to the state from the United States under sec. [§] 6(a) or (b) of the Alaska Statehood Act;

(4) [(5)] "mental health land" means land granted under Title II, sec. [§] 202 of P.L. 84-830, as amended before or after July 1, 1978;

(5) [(6)] "municipal land selection" means a request by a municipality, filed in writing with the Department of Natural Resources [DIRECTOR] under authority of former AS 29.18.190 and 29.18.200 or under this chapter [REPEALED BY THIS ACT OR UNDER AS 29.18.201 - 29.18.213] for vacant, unappropriated, unreserved general grant land within its municipal boundaries in partial fulfillment of its municipal entitlement;

[(7)] "MUNICIPALITY MEANS A HOME RULE OR GENERAL LAW CITY OR ORGANIZED BOROUGH OF ANY CLASS, AND INCLUDES UNIFIED MUNICIPALITIES ESTABLISHED UNDER AS 29.68.240 - 29.68.440,]

(6) [(8)] "patent" means a document, issued [BY THE DIRECTOR] to a municipality for a previously approved selection, that conveys and quitclaims all the right, title, and interest of the state without reservation or condition except as may be required by law;

(7) [(9)] "remaining entitlement" means the general grant land entitlement determined in accordance with this chapter [AS 29.18.201 - 29.18.213], reduced by the total acreage of approved selections, including both patented and unpatented parcels;

(8) [(10)] "school land" means those rectangular sections 16 and 36 within each township surveyed on or before January 3, 1959, and confirmed and transferred to the State of Alaska upon its admission under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other land designated solely for school revenues;

[(11) "UNIVERSITY LAND" MEANS ALL SECTIONS 33 RESERVED TO THE UNIVERSITY UNDER 38 STAT. 1214, AS AMENDED (48 U.S.C. 353) AND ALL LAND GRANTED TO OR RESERVED FOR THE BENEFIT OF THE UNIVERSITY:]

(9) [(12) "vacant, unappropriated, unreserved land" means general grant land as defined in (4) of this section, excluding minerals as required by sec. 6(i) of the Alaska Statehood Act, that [WHICH]

(A) has not been set aside by statute for one or more particular uses or purposes;

(B) has not been approved for patent to a municipality under [AS 29.18.201 - 29.18.213] this chapter or former AS 29.18.190 and 29.18.200 [REPEALED BY THIS ACT]; or

(C) is unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, commercial, industrial, private recreational, residential, utility, or open-to-entry purposes, or is [WHERE] classified in accordance with an agreement between a municipality and the state providing for state management of land of the municipality.

EDITOR NOTE: 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.

Sec. 29.65.140. APPLICATION. This chapter applies to home rule and general law municipalities.

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

CHAPTER 71 [73]. GENERAL [MISCELLANEOUS] PROVISIONS.

EDITOR NOTE: No substantive change.

Sec. 29.71.010 [29.18.030]. ADVERSE POSSESSION. A [HOME RULE OR GENERAL LAW] municipality may not be divested of title to real property by adverse possession.

EDITOR NOTE: 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. This section is applicable to home rule municipalities.

Sec. 29.71.020. DEDICATION OF MUNICIPAL PROPERTY. Dedication of streets, rights-of-way, easements or other areas for public use may not be construed to require the municipality to maintain, improve or provide for municipal services in the area dedicated and the dedication does not impose any liability on the municipality for the condition of the area dedicated.

EDITOR NOTE: No substantive change.

Sec. 29.71.030 [29.73.040]. TAXATION OF MUNICIPALITIES. No state law or regulation may assess or tax, or be construed to assess or tax, a municipality [HOME RULE OR GENERAL LAW CITIES OR BOROUGHES OF THE STATE,] unless the law or regulation expressly provides that the municipality is [CITIES OR BOROUGHES ARE] to be assessed or taxed by the particular law or regulation.

EDITOR NOTE: The following definitions are added or changed from existing law:

- (1) "areawide" is defined to include cities in the borough;
- (4) 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, while under existing law, only "regular election" is defined;

(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 corporation;

(14) "non-areawide" includes the area of a borough outside cities in the borough, while under existing law "non-areawide power" is defined;

(15) "owner" or "record owner" means the owner of record shown in the records of the district recorder;

(20) minor rewording;

(21) this has been added;

(23) subparagraph (A) has been reworded and (B) is new;

(24) this has been added;

(25) minor rewording;

The definition of "municipal election" has been eliminated.

Sec. 29.71.800 [29.78.010]. DEFINITIONS. In this title, unless otherwise provided or the context otherwise requires,

(1) "areawide" means throughout a borough, both inside and outside all cities in the borough; ["BOROUGH" MEANS A GENERAL LAW FIRST, SECOND OR THIRD CLASS ORGANIZED BOROUGH;]

(2) "assembly" means the governing body of a borough; ["CITY" MEANS A GENERAL LAW FIRST OR SECOND CLASS CITY;]

(3) "borough" means a general law borough or a home rule borough; ["CONDITIONAL USE" MEANS EXCEPTION, SPECIAL EXCEPTION, SPECIAL USE, OR SPECIAL PERMIT DESIGNATED IN THE ZONING ORDINANCE;]

(4) "city" means a general law first or second class city or a home rule city; ["CONSOLIDATION" MEANS DISSOLUTION OF TWO OR MORE MUNICIPALITIES AND THEIR INCORPORATION AS A NEW MUNICIPALITY;]

(5) "commissioner" means the commissioner of community and regional affairs; ["MAJORITY" MEANS A SIMPLE MAJORITY;]

(6) "consolidation" means dissolution of two or more municipalities and their incorporation as a new municipality; ["MERGER" MEANS DISSOLUTION OF A MUNICIPALITY AND ITS ABSORPTION BY ANOTHER MUNICIPALITY;]

(7) "council" means the governing body of a city; ["MUNICIPAL ELECTION" INCLUDES BUT IS NOT LIMITED TO ELECTIONS TO CHOOSE CITY COUNCILMEN, BOROUGH ASSEMBLYMEN, SCHOOL BOARD MEMBERS AND UTILITY BOARD MEMBERS;]

(8) "department" means the Department of Community and Regional Affairs; ["MUNICIPALITY" MEANS A GENERAL LAW MUNICIPAL CORPORATION AND POLITICAL SUBDIVISION, WHICH IS A FIRST OR SECOND CLASS BOROUGH OR CITY, OR A THIRD CLASS BOROUGH, INCORPORATED UNDER THE LAWS OF THE STATE;]

(9) "election" means a regular or special municipal election and does not include a state election; ["OWNER", "RECORD OWNER", OR "OWNER OF RECORD" MEANS OWNER OF RECORD OR PURCHASER OF RECORD;]

(10) "governing body" means the legislative body of a municipality that is the assembly of a borough or the council of a city; ["PERSONAL PROPERTY" MEANS TANGIBLE PROPERTY OTHER THAN REAL PROPERTY, SUCH AS MERCHANDISE AND STOCK IN TRADE, MACHINERY AND EQUIPMENT, FURNITURE AND FIXTURES, MOTOR VEHICLES AND VEHICLES, BOATS AND VESSELS AND AIRCRAFT;]

(11) "majority" means a simple majority; ["PROPERTY" MEANS REAL AND PERSONAL PROPERTY;]

(12) "merger" means dissolution of a municipality and its absorption by another municipality; ["PUBLISHED" MEANS APPEARING AT LEAST ONCE IN A NEWSPAPER OF GENERAL CIRCULATION DISTRIBUTED WITHIN THE MUNICIPALITY OR, IF THERE IS NO NEWSPAPER OF GENERAL CIRCULATION DISTRIBUTED WITHIN THE MUNICIPALITY, POSTING IN THREE PUBLIC PLACES FOR AT LEAST FIVE DAYS;]

(13) "municipality" means a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough, or a unified municipality; ["REAL PROPERTY" MEANS LAND AND IMPROVEMENTS AND ALL POSSESSORY RIGHTS AND PRIVILEGES APPURTENANT TO THE PROPERTY, AND INCLUDES PERSONAL PROPERTY AFFIXED TO THE LAND OR IMPROVEMENTS;]

(14) "nonarcawide" means throughout the area of a borough outside all cities in the borough; ["REGULAR ELECTION" MEANS THE MUNICIPAL ELECTION HELD ON THE FIRST TUESDAY OF OCTOBER ANNUALLY, OR ON AN ELECTION DATE OR AT AN INTERVAL OF YEARS PROVIDED BY ORDINANCE;]

(15) "owner" or "record owner" means the owner of record or purchaser of record as shown in the records of the district recorder; ["STREET" INCLUDES STREETS, AVENUES, BOULEVARDS, ROADS, LANES, ALLEYS, AND OTHER WAYS;]

(16) "personal property" means tangible property other than real property, such as merchandise, stock in trade, machinery, equipment, furniture, fixtures, vehicles, boats, and aircraft; ["SUBDIVISION" MEANS THE DIVISION OF A TRACT OR PARCEL OF LAND INTO TWO OR MORE LOTS, SITES, OR OTHER DIVISIONS FOR THE PURPOSE, WHETHER IMMEDIATE OR FUTURE, OF SALE OR BUILDING DEVELOPMENT, INCLUDES RESUBDIVISION, AND, WHEN APPROPRIATE TO THE CONTEXT, RELATES TO THE PROCESS OF SUBDIVIDING OR TO THE LAND OR AREA SUBDIVIDED;]

(17) "property" means real and personal property; ["VOTER" MEANS A UNITED STATES CITIZEN WHO IS QUALIFIED TO VOTE IN THE STATE ELECTIONS AND HAS BEEN A RESIDENT OF THE MUNICIPALITY FOR 30 DAYS IMMEDIATELY PRECEDING THE ELECTION AND WHO IS REGISTERED TO VOTE IN STATE ELECTIONS AND IS NOT DISQUALIFIED UNDER ART. V OF THE STATE CONSTITUTION.]

(18) "published" means appearing at least once in a newspaper of general circulation distributed in the municipality or, if there is no newspaper of general circulation distributed in the municipality, posting in three public places for at least five days; ["AREAWIDE POWER" MEANS A POWER OF AN ORGANIZED BOROUGH EXERCISED THROUGHOUT THE BOROUGH;]

(19) "real property" means land and improvements, all possessory rights and privileges appurtenant to the property, and includes personal property affixed to the land or improvements; ["NONAREAWIDE POWER" MEANS A POWER OF AN ORGANIZED BOROUGH EXERCISED BY THE BOROUGH ONLY IN THE AREA OUTSIDE OF CITIES.]

(20) "regular election" means the municipal election held on the first Tuesday of October annually, or on a different date or interval of years provided by ordinance or charter;

(21) "special election" means a municipal election and does not include a regular election or a state election;

(22) "street" includes streets, avenues, boulevards, roads, lanes, alleys, and other ways;

(23) "subdivision"

(A) means the division of a parcel of land into two or more lots or other divisions for the purpose of sale or building development, includes resubdivision, and relates to the process of subdividing or to the land subdivided;

(B) does not include cadastral plats, cadastral control plats, open-to-entry plats, or remote parcel plats created by or on behalf of the state regardless of whether these plats include easements or other public dedications;

(24) "unified municipality" means a municipality unified in accordance with AS 29.06.190 - 29.06.410;

(25) "voter" means a United States citizen who is qualified to vote in state elections, has been a resident of the municipality for 30 days immediately preceding the election, is registered to vote in state elections, and is not disqualified under art. V of the state constitution.

* Section 18. AS 01.10.060 is amended by adding a new paragraph to read:

EDITOR NOTE: A definition of "municipality" is added for all Alaska Statutes.

(15) "municipality" means a political subdivision incorporated under the laws of the state that [WHICH] is a home rule or general law city, a home rule or general law borough, or a unified municipality.

EDITOR NOTE: Section 19 - 93 are altered statutory references reflecting new number with little or no substantive changes as each section indicates. The typing of the sections are done in the prescribed way and you will find the original text of the statute with the changes marked.

* Section 19. AS 05.35.040 is amended to read:

Sec. 05.35.040. POWER OF MUNICIPALITY. A municipality may own, maintain and employ a facility constructed under AS 05.35.010 - 05.35.070. The exercise of this power on an areawide basis is at the option of the borough and is not subject to the restrictions on acquiring additional areawide powers in AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.290].

* Section 20. AS 09.55.275 is amended to read:

Sec. 09.55.275. REPLAT APPROVAL. No agency of the state or municipality may acquire property located within a municipality exercising the powers conferred by AS 29.35.180 or 29.35.260(c) that [WHICH] [AS 29.33.150 - 29.33.245] results in a boundary change unless the agency or municipality first obtains from the municipal platting authority preliminary approval of a replat showing clearly the location of the proposed public streets, easements, rights-of-way, and other taking of private property. Final approval of replat shall be similarly obtained. However, if a state agency clearly demonstrates an overriding state interest, a waiver to the approval requirements of this section may be granted by the governor. The platting authority shall treat applications for replat made by state or local governmental agencies in the same manner as replat petitions originated by private landowners.

* Sec. 21. AS 09.65.070(e)(1) is amended to read:

(1) "municipality" has the meaning given in AS 01.10.060(15) and [MEANS A HOME RULE BOROUGH OR CITY, A GENERAL LAW BOROUGH OR CITY OF ANY CLASS, A UNIFIED MUNICIPALITY ESTABLISHED UNDER AS 29.68.240 - 29.68.440, OR A MUNICIPALITY ESTABLISHED BY MERCER OR CONSOLIDATION UNDER AS 29.68.030 - 29.68.110; THE TERM] includes a public corporation established by a municipality;

* Section 22. AS 14.08.071(b) is amended to read:

(b) Except for the first election of regional school members under (a) of this section, elections shall be held annually on the first Tuesday in October. Elections shall be supervised by the commissioner [DIRECTOR] of elections in the office of the lieutenant governor, but shall be administered within second class cities as part of the regular municipal election. The lieutenant governor shall adopt [PROMULGATE] regulations for the conduct of the election of regional school board members comparable, as far as practicable, to those prescribed for election of school board members under AS 14.12 and AS 29.20.300 [AS 29.28] except that the majority election requirements of AS 29.-26.060 [AS 29.28.040] do not apply to, nor may the regulations require runoff elections for, the first election of regional school board members under (a) of this section or, if a school board by resolution so requests, to subsequent elections in the regional educational attendance area served by that school board.

* Section 23. AS 14.08.081 is amended to read:

Sec. 14.08.081. RECALL. The members of a regional school board are subject to recall in accordance with AS 29.26.240 - 29.26.360 [AS 29.28.130 - 29.28.250], except that the commissioner [DIRECTOR] of the division of elections shall perform the functions of a municipal clerk, and the lieutenant governor shall perform the functions of the assembly or council under those sections.

* Section 24. AS 14.12.030(c) is amended to read:

(c) The [NOTWITHSTANDING THE] provisions of (a) and (b) of this section do not apply if [, WHERE] the [BOROUGH] assembly serves as the school

board of the borough school district [UNDER AS 29.41.020 THE NUMBER OF MEMBERS OF THE ASSEMBLY-SCHOOL BOARD SHALL BE DETERMINED IN THE MANNER PRESCRIBED BY AS 29.23.020].

* Section 25. AS 14.12.110 is amended to read:

Sec. 14.12.110. SINGLE BODY AS ASSEMBLY AND SCHOOL BOARD. Notwithstanding the provisions of this chapter or other law, a single body may serve as both the [BOROUGH] assembly and [BOROUGH] school board in the manner provided for third class boroughs under AS 29.20.300(b) [AS 07.17.030], if

(1) an [A BOROUGH] ordinance for that purpose is approved by the assembly and ratified by a referendum of a majority of the qualified borough voters voting on the question at a regular or special election; [,] and

(2) [IF] the public school population within the borough is 500 pupils or less.

* Section 26. AS 14.14.020 is amended to read:

Sec. 14.14.020. BOND REQUIRED. Before the officer responsible for custody [OF], investment, or management of school district money enters upon the duties of office, the district, or the municipality if the treasury is centralized, shall obtain a bond with sufficient sureties in an amount equal to the money that [WHICH] may come into the officer's official custody, but not to exceed \$50,000. The bond shall be conditioned on the officer's honest and faithful disbursement and accounting of all money that [WHICH] may come into the official custody of the officer. The bond shall be filed with the clerk of the school board. This section does not apply to an officer who has been bonded under AS 29.20.610 [AS 29.23.520].

* Section 27. AS 14.14.050(d) is amended to read:

(d) The school board shall not make the audit if an audit that [WHICH] satisfies the requirements of this section and that [WHICH] is filed and posted as required by this section [,] is made according to AS 29.35.110 [AS 29.48.220].

* Section 28. AS 15.13.010(a) is amended to read:

(a) This chapter applies in every election for governor, lieutenant governor, a member of the state legislature, a delegate to a constitutional convention, or judge seeking electoral confirmation. It also applies to every candidate for election to a municipal office in a municipality [CITY OR BOROUGH] with a population of more than 1,000 inhabitants according to the latest United States census figures or estimates of population certified as correct for administrative purposes by the Department of Community and Regional Affairs. A municipality may exempt its elected municipal officers from the requirements of this chapter if a majority of the voters voting on the question at a [ANY] regular election, as defined by AS 29.71.800(20) [AS 29.78.010(14)], or a special municipality-wide election called for that purpose, vote to exempt its elected municipal officers from the requirements of this chapter. The question of exemption from the requirements of this chapter may be submitted by the governing body [CITY COUNCIL OR BOROUGH ASSEMBLY] by ordinance or by initiative election [ORDINANCE]. Nothing in this chapter prohibits a municipality from regulating by ordinance campaign contributions and expenditures.

* Section 29. AS 15.13.120(f)(3) is amended to read:

(3) AS 29.20.170 [AS 29.23.060(c)], if the candidate is a candidate for the borough assembly;

* Section 30. AS 15.13.120(f)(4) is amended to read:

(4) AS 29.20.280 [AS 29.23.130(f)], if the candidate is a candidate for borough mayor;

* Section 31. AS 15.13.120(f)(5) is amended to read:

(5) AS 29.20.170 [AS 29.23.210(b)], if the candidate is a candidate for city council;

* Section 32. AS 15.13.120(f)(6) is amended to read:

(6) AS 29.20.280 [AS 29.23.255], if the candidate is a candidate for city mayor;

* Section 33. AS 15.56.110(b)(2) is amended to read:

(2) a member of the borough assembly [ASSEMBLYMAN] under AS 29.20.170(6) [AS 29.23.060(c)];

* Section 34. AS 15.56.110(b)(3) is amended to read:

(3) a borough mayor under AS 29.20.280(6) [AS 29.23.130(f)];

* Section 35. AS 15.56.110(b)(4) is amended to read:

(4) a member of the city council [COUNCILMAN] under AS 29.-20.170(6) [AS 29.23.210(b)];

* Section 36. AS 15.56.110(b)(5) is amended to read:

(5) a city mayor under AS 29.20.280(5) [AS 29.23.255];

* Section 37. AS 16.20.036(g) is amended to read:

(g) The establishment of a refuge under this section does not impair or alter existing rights of a municipality [BOROUGH OR CITY] to state land selected [SELECT STATE LAND] under former AS 29.18.190 - 29.18.200.

* Section 38. AS 16.20.038(g) is amended to read:

(g) The establishment of a refuge under this section does not impair or alter existing rights of a municipality [BOROUGH OR CITY] to state land selected [SELECT STATE LAND] under former AS 29.18.190 - 29.18.200.

* Section 39. AS 18.26.250(2) is amended to read:

(2) municipality [MUNICIPAL CORPORATION OR POLITICAL SUBDIVISION OF THE STATE AS THE TERMS ARE USED IN AS 29];

* Section 40. AS 18.80.290(d) is amended to read:

(d) The governing [LEGISLATIVE] body of a general law or home rule municipality has the authority under AS 29.20.320 [AS 29.48.035] to grant to local commissions powers and duties similar to those exercised by the Alaska Human Rights Commission under the provisions of this chapter [ACT].

* Section 41. AS 19.30.241(2) is amended to read:

(2) "home rule city" means a city as defined in AS 29.04.010 [AS 29.08.010];

* Section 42. AS 19.30.241(3) is amended to read:

(3) "local government" means an organized borough of any class, a unified municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.440], a home rule city, or a first class city [OF THE FIRST CLASS];

* Section 43. AS 26.23.230(5) is amended to read:

(5) "political subdivision" means a home rule or general law borough or city [, WHETHER HOME RULE OR OTHERWISE,] including a unified municipality [MUNICIPALITIES UNIFIED UNDER AS 29.68.240 - 29.68.440], an unincorporated village, or other unit of local government;

* Section 44. AS 28.15.051(d) is amended to read:

(d) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] may issue a special driver's permit to a person who is at least 14 years of age with the consent of the person's [HIS] parents or guardians for the purpose of driving a motor-driven cycle. This permit may be issued upon application and successful completion of all prescribed tests and fees, and is valid for the same period of time as a driver's license. The permit is not valid in a municipality that [WHICH] by ordinance prohibits the driving of a motor-driven cycle by a person under the age of 16 years; a borough may adopt the ordinance on a nonareawide basis only, unless the power to adopt it on an areawide basis is acquired under AS 29.35.300 - 29.35.330 or former AS 29.33.250 - 29.33.290.

* Section 45. AS 38.04.020(b)(1) is amended to read:

(1) land nominated for selection or selected by a municipality to satisfy a general grant land entitlement under AS 29.65 or former AS 29.18.201 - 29.18.213;

* Section 46. AS 38.04.020(e)(4) is amended to read:

(4) for preliminary feasibility studies, engineering design work, and construction of access roads and capital improvements required by municipal subdivision ordinance or regulation of the platting authority [BOARD UNDER AS 29.33.150]; if an accurate determination of the amounts necessary for access roads or capital improvements cannot be made at the time the estimate is submitted, a schedule for obtaining the estimates, constructing the access roads or capital improvements, and disposing of the land shall be submitted;

* Section 47. AS 38.04.021(a) is amended to read:

(a) A municipality may apply for financial assistance for the execution of a land disposal program of general grant land entitlements received from the state under AS 29.65 or former AS 29.18.201 - 29.18.213 by submitting a request to the commissioner for inclusion in the request submitted to the legislature under AS 38.04.020(e). A municipality may request financial assistance for expenses of surveying land, designing subdivision plats, installing improvements required by municipal ordinance or regulation of the local platting authority [BOARD], and other reasonable direct costs of land disposal.

* Section 48. AS 38.04.021(d) is amended to read:

(d) A grant made under this section may not exceed five times the amount of money appropriated by a first class city, a borough, or a unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440] for the disposal of municipal land in the current fiscal year unless the commissioner exempts the municipality from this subsection.

* Section 49. AS 38.04.021(e)(2) is amended to read:

(2) a first class city, a borough, or a unified municipality that [UNIFIED UNDER AS 29.68.240 - 29.68.440 WHICH] is exempted by the commissioner under (d) of this section.

* Section 50. AS 38.04.900(b) is amended to read:

(b) A municipality has standing to petition the commissioner for the adoption of a regulation, or for the amendment or repeal of an existing regulation, or to appeal a decision of the commissioner with respect to classification, management, or disposal of land made under authority of a regulation adopted under (a) of this section with respect to state land outside the corporate boundaries of the municipality to protect any interest which the municipality is authorized to regulate outside its boundaries under AS 29.35.020 [AS 29.48.037].

* Section 51. AS 38.05.127(d) is amended to read:

(d) Upon application by a municipality or an affected owner of land, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] may vacate, release, modify, or relocate an easement and right-of-way for public access to or along navigable or public waters reserved by the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in a patent issued under AS 29.65 or former AS 29.18.011 - 29.18.460, [AS 29.18] if the commissioner determines the action is consistent with the public interest.

* Section 52. AS 38.05.290(b) is amended to read:

(b) Consistent with the best interests of the state, in the selection of general grant land it is the policy of the state to make available the maximum land area from which municipalities may fulfill land entitlements under AS 29.65 or former AS 29.18.201 - 29.18.213.

* Section 53. AS 38.05.321(b) is amended to read:

(b) State land classified as agricultural land that [WHICH] has been selected by a municipality under former AS 29.18.190 - 29.18.200 or former AS 29.18.205(e) may be approved by the commissioner [DIRECTOR] for patent under AS 29.65.050(c) [AS 29.18.205(f)]; however, only rights in the land for agricultural purposes may be transferred and all other interests in the land will remain with the state. Agricultural land approved for patent to a municipality [UNDER AS 29.18.205(f)] shall be credited, acre for acre, toward fulfillment of that municipality's entitlement under AS 29.65.010 - 29.65.030 or former

AS 29.18.201 - 29.18.203. If the commissioner [DIRECTOR] later determines it to be in the best interests of the state to transfer some or all of the additional rights in that approved or patented agricultural land, those rights shall pass without consideration to the municipality in which the land is located. The notice and review provisions of [AS 38.05.305 AND] AS 38.05.345 are applicable to conveyance of rights under this section.

* Section 54. AS 38.05.321(c) is amended to read:

(c) The provisions of this section do not apply to state land classified as agricultural land which has been selected by a municipality under the provisions of former AS 29.18.190 - 29.18.200 if the selection is an approved selection before April 1, 1978 and is otherwise valid under AS 29.65.050(b) or former AS 29.18.205(b).

* Section 55. AS 38.05.362(b) is amended to read:

(b) Nothing in this section affects the selection rights of a municipality [BOROUGH OR CITY] under former AS 29.18.190 - 29.18.200 for areas selected as of July 1, 1977, or a valid existing claim, location, or entry under law, as of July 1, 1976.

* Section 56. AS 38.09.080 is amended to read:

Sec. 38.09.080. LAND WITHIN MUNICIPALITIES.

(a) If a municipality has filed a selection of state lands under AS 29.65 or former AS 29.18.201 - 29.18.213 with the commissioner, the state lands selected may not be designated for homestead entry; if the commissioner determines that land selected by a municipality is not available for patent to the municipality under AS 29.65 or former AS 29.18.201 - 29.18.213, the state land is available for designation by the commissioner for homestead entry under AS 38.09.010.

(b) The disposal of homestead entry land is subject to local platting, recording, or subdivision requirements established under AS 29.35.180 [AS 29.33] and AS 40.15.

* Section 57. AS 39.50.145 is amended to read:

Sec. 39.50.145. PARTICIPATION BY MUNICIPALITIES. A municipality may exempt its municipal officers from the requirements of this chapter if a majority of the voters voting on the question at a [ANY] regular election, as defined by AS 29.71.800(20) [AS 29.78.010(14)], or a special municipality-wide election, vote to exempt its municipal officers from the requirements of this chapter. The question of exemption from the requirements of this chapter may be submitted by the city council or borough assembly by ordinance or by initiative election [ORDINANCE].

* Section 58. AS 39.50.200(a)(6) is amended to read:

(6) "municipal officer" includes a borough or city mayor, borough assemblyman, city councilman, school board member, elected utility board member, city or borough manager, members of a city or borough planning or zoning commission within a home rule or general law city or borough or [INCLUDING BUT NOT LIMITED TO] a unified municipality [UNDER AS 29.68];

* Section 59. AS 40.15.075 is amended to read:

Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH AND THIRD CLASS BOROUGHS. The division of lands is the platting authority in the area outside organized boroughs and outside cities in the unorganized borough and in the third class borough for only the purposes of hearing and acting on petitions for the change or vacation of plats and shall execute this function substantially in conformity with the provisions of AS 29.40.130 - 29.40.160 [AS 29.33.210 - 29.33.240]. Costs of publication and mailing [AS WELL AS OTHER COSTS] authorized in AS 29.40.130 [AS 29.33.210] shall be paid to the division by the petitioner. The Department of Natural Resources shall adopt reasonable regulations governing the exercise of the authority conferred by this section upon the division of lands.

* Section 60. AS 40.15.200 is amended to read:

Sec. 40.15.200. APPLICATION TO STATE AND POLITICAL SUBDIVISIONS. All subdivisions of land made by the state, its agencies, instrumentalities and political subdivisions are subject to the provisions of this chapter and

AS 29.40.070 - 29.40.160 [AS 29.33.150 - 29.33.240], or home rule ordinances or regulations governing subdivisions, and shall comply with ordinances and other local regulations adopted under this chapter and AS 29.40.070 - 29.40.160 or former AS 29.33.150 - 29.33.240, or under home rule authority, in the same manner and to the same extent as subdivisions made by other landowners.

* Section 61. AS 41.35.180(5) is amended to read:

(5) consult with local historical district commissions regarding the establishment of historical districts under AS 29.55.010 - 29.55.020 [AS 29.48.108 - 29.48.110] and the approval of project alterations under AS 45.98.040; recommend, if appropriate, the formulation of additional criteria for the designation of historical districts under AS 29.55.020(b) [AS 29.48.110(b)]; approve plans for and evaluate the suitability of specific structures for purposes of loan eligibility and continuance under the historical district revolving loan fund (AS 45.98); and consult with the Department of Commerce and Economic Development relative to the adoption of regulations for historical district loans under AS 45.98.

* Section 62. AS 41.98.175(d) is amended to read:

(d) In (a) of this section "municipalities" includes cities or organized boroughs of any class and unified municipalities exercising powers to initiate projects described in AS 41.98.170 and acquire parks and open space land, as otherwise authorized by law [, AND INCLUDES BUT IS NOT LIMITED TO UNIFIED MUNICIPALITIES ORGANIZED UNDER AS 29.68.240 - 29.68.440].

* Section 63. AS 42.05.711(1) is amended to read:

(1) A person, utility, or cooperative that [WHICH] is exempt from regulation under AS 42.05.711(a) or (d) - (k) is not subject to regulation by a municipality under AS 29.35.070 [AS 29.48.060 - 29.48.090].

* Section 64. AS 43.75.130(1) is amended to read:

(1) to each unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440,] and to each city located in the unorganized borough, 50 percent of

the amount of tax revenue collected in the municipality from taxes levied by AS 43.75;

* Section 65. AS 44.33.403(2)(A) is amended to read:

(A) has the authority under AS 29.35 [AS 29.41 OR AS 29.48] to provide and maintain a cultural facility;

* Section 66. AS 44.47 is amended by adding new sections to read:

ARTICLE 12. BOROUGH FEASIBILITY STUDIES.

Sec. 44.47.700. BOROUGH FEASIBILITY STUDIES.

(a) The commissioner may contract for studies of the feasibility of establishing boroughs in the unorganized borough. A study may be conducted under this section only if

- (1) appropriations are available for that purpose; and
- (2) the study is requested by a person residing in the area to be studied or by a city located in the area to be studied.

Sec. 44.47.710. REQUESTS FOR STUDIES. A request for a study of the feasibility of establishing a borough in the unorganized borough shall be submitted to the commissioner in writing and shall include

- (1) a description of the boundaries of the area of the proposed study; and
- (2) an indication of local interest in the proposed study consisting of either

(A) a petition requesting the study containing the signatures and addresses of five percent of the voters residing in the area of the proposed study based on the number of voters who voted in the area in the last statewide election; or

(B) resolutions requesting the study adopted by the governing bodies of at least five percent of the cities within the area of the proposed study.

Sec. 44.47.720. BOUNDARIES. The boundaries of an area studied shall conform to the boundaries indicated in the request for the study under AS 44.47.710 unless the commissioner, after a public hearing held in the area of the proposed study, determines that the boundaries should be altered. In determining the boundaries of an area to be studied, the commissioner shall consider

- (1) the standards applicable to the incorporation of boroughs under AS 29.05.030;
- (2) boundaries of regional corporations established under 43 U.S.C. 1606;
- (3) census divisions of the state used for the 1980 census;
- (4) boundaries of the regional educational attendance areas established under AS 14.08.031; and
- (5) boundaries of coastal resource service areas organized under AS 46.40.110 - 46.40.210.

Sec. 44.47.730. CONTRACTS.

(a) The commissioner shall contract for a study of the feasibility of establishing a borough in the unorganized borough by following the procedures set out in AS 36.98. The commissioner shall include terms in the contract that [WHICH] provide for

- (1) public participation in the preparation of the study;
- (2) completion of the study not later than June 30 of the third year after the year the contract is executed.

(b) A study under this section shall include

- (1) a recommendation for or against incorporation of a borough containing all or part of the area studied;
- (2) an evaluation of the economic development potential of the area studied;
- (3) an evaluation of capital facility needs of the area studied;
- (4) an evaluation of demographic, social, and environmental factors affecting the area studied;
- (5) an evaluation of the relationships among regional educational attendance areas, coastal resource service areas, and other regional entities responsible for providing services in the area studied;
- (6) an evaluation of the relationships between the existing cities within the area studied and regional entities responsible for providing services in the area; and
- (7) specific recommendations for
 - (A) organization of a home rule or general law borough government if one is recommended;
 - (B) changes in organization of cities in the area studied;

or

(C) the improvement of the delivery of services to the public by the state in the area studied.

* Section 67. AS 44.83.162(m) is amended to read:

(m) For purposes of (c) of this section, the number of residents of the community equals the number of residents of the community determined by the Department of Community and Regional Affairs in accordance with AS 29.60.020 [AS 29.88.015].

* Section 68. AS 44.85.270(i) is amended to read:

(i) All references to the "reserve fund" in this section include special accounts within the reserve fund which may be created by the authority to secure the payment of particular bonds, including, without limitation, bonds issued by the capital city established under AS 29.14.010 [AS 29.18.510]. The commissioner of revenue may lend surplus money in the general fund to the authority for deposit to any account in the reserve fund in an amount equal to the required debt service reserve. The loans shall be made on such terms and conditions as may be agreed upon by the commissioner of revenue and the authority, including, without limitation, terms and conditions providing that the loans need not be repaid until the obligations of the corporation secured and to be secured by the account in the reserve fund are no longer outstanding.

* Section 69. AS 44.85.410(3)(D) is amended to read:

(D) a bond of a borough issued as a general obligation of a service area under AS 29.47.440 or former AS 29.58.340; [.]

* Section 70. AS 45.98.020 is amended to read:

Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and plan approval by a local historical district commission established under AS 29.55.010 or former AS 29.48.108 and the recommendation of a majority of the members of the Historic Sites Advisory Committee, the Department of Commerce and Economic Development may make loans to a person, firm, business or municipality subject to applicable laws for the restoration, improvement, rehabilitation, or maintenance of a structure that [WHICH] is

(1) within the boundaries of a historical district established under AS 29.55.020 or former AS 29.48.110;

(2) identified as important in state or national history as provided for in AS 29.55.020(b) or former AS 29.48.110(b); and

(3) another building or structure within a historical district, and suitable for superficial modification so that [WHICH]it can conform to the period or motif of the surrounding buildings or structures that [WHICH]are the reason for the area's designation as a historical district.

* Section 71. AS 46.03.210(a) is amended to read:

(a) A municipality with a population in excess of 1,000 may, within five years from August 5, 1969, establish and administer within its jurisdiction an air pollution control program. Organized boroughs may establish an air pollution control program on an areawide basis, and the exercise of powers with respect to the program is not subject to the restrictions on acquiring additional areawide powers specified in AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.290]. Local programs shall

(1) provide by ordinance for requirements compatible with those imposed by the provisions of AS 46.03.140 and 46.03.170 and applicable regulations;

(2) provide for the enforcement of the requirements imposed through appropriate administrative and judicial processes;

(3) provide for a local administrative organization, staff, and other resources necessary to effectively carry out the purposes of the program; and

(4) be approved by the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS]as being satisfactory to meet the requirements of AS 46.03.140 - 46.03.170 and the applicable regulations.

* Section 72. AS 46.11.040(3)(A) is amended to read:

(A) is constructed under an exception to the municipal building code granted because the exception will result in increased energy efficiency [UNDER AS 29.33.080(g)];

* Section 73. AS 46.11.900(8) is amended to read:

(8) "state financial assistance" means a loan, grant, guarantee, insurance, payment, rebate, subsidy, or other form of state assistance (other than aid under AS 29.60 [AS 29.88, AS 29.89, AS 29.90, AS 29.95] and AS 43.18) including the purchase by a state agency of a loan to finance the construction of a new residential, commercial, or industrial building;

* Section 74. AS 46.35.200(3) is amended to read:

(3) "local government" means a city or borough including a unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440];

* Section 75. AS 46.40.140(h) is amended to read:

(h) Members of coastal resource service area boards are subject to recall on the same grounds and in the same manner as provided for recall of municipal officials in AS 29.26.240 - 29.26.350 [AS 29.28.130 - 29.28.250]. The lieutenant governor functions in place of the assembly or council and municipal clerk for receipt and review of recall petitions and the conduct of recall elections.

* Section 76. AS 46.40.210(2)(A) is amended to read:

(A) unified municipalities [ESTABLISHED UNDER AS 29.68.240 - 29.68.440];

* Section 77. AS 47.35.010(b) is amended to read:

(b) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall, within 90 days after receiving a written request that [WHICH] it do so, delegate its powers relating to nurseries under this section and under AS 47.35.040 - 47.35.060 to a municipality that [WHICH] has adopted an ordinance providing for day care licensing under home rule powers or as authorized under AS 29.35.200 - 29.35.210 [AS 29.48.035(a)(20)]. A municipality to which these powers have been delegated may waive or modify any regulation or standard established by the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] under the authority of AS 47.35.010 - 47.35.080 as it applies to nurseries or the applica-

tion of any such regulation or standard as it applies to a particular day care licensee but must notify the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] of any waiver.

* Section 78. AS 29.10.200(37) is amended to read:

(37) AS 29.45.010 - 29.45.570 [AS 29.53.010 - 29.53.400] (property taxes)

* Section 79. AS 29.10.200(38) is amended to read:

(38) AS 29.45.650(c) and (d) [AS 29.53.415(d)] (sales and use tax)

* Section 80. AS 29.35.170(a) is amended to read:

(a) A borough shall assess and collect property, sales, and use taxes that [WHICH] are levied in its boundaries, subject to AS 29.45 [AS 29.53].

* Section 81. AS 29.46.080(c) is amended to read:

(c) Assessments are liens on the property assessed and are prior and paramount to all liens except municipal tax liens. They may be enforced as provided in AS 29.45.320 - 29.45.470 [AS 29.53.200 - 29.53.390] for enforcement of property tax liens.

* Section 82. AS 29.60.030(d) is amended to read:

(d) The full and true assessed property value shall be determined by the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in the manner provided for the computation of state aid to education under AS 14.17.140. When the determination of locally generated revenue includes revenue of a utility received under AS 29.60.010(c)(1)(E), the full and true assessed property value shall include the computed assessed value of the utility, determined by dividing the amount of the payment in place of taxes made by the utility by the millage rate that [WHICH] would apply to the utility if the utility were subject to levy and collection of taxes under AS 29.45 [AS 29.53.010. - 29.53.420].

* Section 83. AS 14.17.140(a) is amended to read:

(a) To determine the equalized percentage to be applied to basic need under AS 14.17.021, and the matching ratio for required local effort under AS 14.17.071, the Department of Community and Regional Affairs, in consultation with the assessor for each district, shall determine the full value of the taxable real and personal property in each district. Exemptions granted under ch. 129, SLA 1957, known as the Alaska Industrial Incentive Act (AS 43.25), shall be honored. If there is no local assessor or current local assessment for a district, then the Department of Community and Regional Affairs shall make the determination of full value from information available. In making the determination, the Department of Community and Regional Affairs shall be guided by AS 29.45.110 [AS 29.53.060]. The determination of full value shall be made before October 1 and sent by certified mail, return receipt requested, before that [WHICH] date to the president of the school board in each district. Duplicate copies shall be sent to the commissioner. The governing body of the municipality that [BOROUGH OR CITY WHICH] is the district may obtain judicial review of the determination by filing a motion in the superior court of the judicial district in which the district is located within 30 days after receipt of the determination. The superior court may modify the determination of the Department of Community and Regional Affairs only upon a finding of abuse of discretion or upon a finding that there is no substantial evidence to support the determination.

* Section 84. AS 43.56.010(b) is amended to read:

(b) A municipality may levy and collect a tax under AS 29.45.080 [AS 29.53.045] at the rate of taxation that [WHICH] applies to other property taxed by the municipality. The tax shall be levied at a rate no higher than the rate applicable to other property taxable by the municipality. No municipality may exempt from taxation property authorized to be taxed under this chapter. Exemptions shall be limited to those in AS 29.45.030, 29.45.050, [AS 29.53.020 AND AS 29.53.025] and AS 43.56.020.

* Section 85. AS 43.56.010(c) is amended to read:

(c) If the total value of assessed property of a municipality taxing under AS 29.45.080(c) [AS 29.53.045(c)] exceeds the product of 225 percent of the average per capita assessed full and true value of property in the state (to be determined by the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] and reported to each municipality by January 15 of each year) multiplied by the number of residents of the taxing municipality, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall designate the portion of the tax base against which the local tax may be applied. For purposes of this subsection the average per capita assessed full and true value of property in the state shall be calculated without regard to the assessed value of taxable property under AS 43.58.

* Section 86. AS 43.56.010(d) is amended to read:

(d) A tax paid to a municipality under AS 29.45.080 or former AS 29.53.045 on or before June 30 of the tax year shall be credited against the tax levied under (a) of this section for that tax year. If, however, a tax is not paid to a municipality until after June 30 of the taxable year, the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] upon application shall refund to the taxpayer the amount of tax paid to the municipality under AS 29.45.080 or former AS 29.53.045. The credit or refund of taxes paid to a municipality may not exceed the total amount of tax levied by the department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] upon the taxpayer for the tax year, under (a) of this section.

* Section 87. AS 43.56.060(a) is amended to read:

(a) The department [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] shall assess property for the tax levied under AS 43.56.010(b) and AS 29.45.080 [AS 29.53.045] on property used or committed by contract or other agreement for use for the pipeline transportation of gas or unrefined oil or for the production of gas or unrefined oil at its full and true value as of January 1 of the assessment year.

* Section 88. AS 44.85.410(3)(A) is amended to read:

(A) a general obligation bond that is a direct and general obligation of a political subdivision of the state, all the taxable property within which is subject to taxation to pay the bond, note or evidence of debt, and the interest without limitation, as to rate or amount generally to the extent permitted by law or to avoid a default as provided for second class cities under AS 29.45.590 [AS 29.53.410]; or

* Section 89. The following laws are repealed: AS 04.11.400(c); AS 04.-21.080(b)(11); AS 14.56.065(b), 14.56.180(3); AS 15.13.130(6); AS 18.55.950(10); AS 19.20.015(f); AS 24.55.330(3); AS 28.35.260(a)(10); AS 29.08; AS 29.13; AS 29.18; AS 29.23; AS 29.28; AS 29.33; AS 29.38; AS 29.41; AS 29.43; AS 29.48; AS 29.58; AS 29.63; AS 29.68; AS 29.73; AS 29.78; AS 29.88; AS 29.89; AS 29.95; AS 30.15.070(3); AS 30.30.170(2); AS 35.15.120(3); AS 42.06.630(6); AS 43.20.016; AS 43.56.210(8); AS 44.07.360(8); AS 44.33.417(6); AS 44.47.310(5); and AS 44.85.410(4).

* Section 90. AS 29.53 is repealed.

* Section 91. A right or liability of a municipality existing on July 1, 1984, is not affected by the enactment of this Act. Ordinances and regulations in effect on July 1, 1984, remain in effect unless they conflict with provisions of this Act. Ordinances and regulations in effect on July 1, 1984, that conflict with provisions of this Act remain in effect for 180 days after July 1, 1984. The terms of elected or appointed municipal officials in office on July 1, 1984, are not affected by this Act, and their terms expire as provided before July 1, 1984.

* Section 92. AS 29.45 as enacted in sec. 11 of this Act and secs. 78 - 88 and 90 of this Act are effective January 1, 1985.

* Section 93. Except for AS 29.45 as enacted in sec. 11 of this Act and except for secs. 78 - 89 and 90 of this Act, this Act takes effect July 1, 1984.

SEC. 29.18.220. LEGISLATIVE FINDINGS. THE LEGISLATURE FINDS THAT THE DEVELOPMENT OF NATURAL RESOURCES ISOLATED AND RELATIVELY UNPOPULATED AREAS REQUIRES A POLICY AND PROCEDURE WHICH WILL PROVIDE PLANNING, FINANCIAL AND OTHER ASSISTANCE NECESSARY FOR ENCOURAGING ORDERLY DEVELOPMENT OF WELL-PLANNED, DIVERSIFIED AND ECONOMICALLY SOUND NEW CITIES NECESSARY TO SUPPORT THE SOUND DEVELOPMENT OF THE STATE'S RESOURCES BY BOTH THE PRIVATE AND PUBLIC SECTOR. IT IS THE PURPOSE OF §§ 220 - 460 OF THIS CHAPTER TO SET OUT THE MUTUAL RESPONSIBILITIES OF THE PRIVATE AND PUBLIC SECTORS TO ACHIEVE THESE OBJECTIVES WITH A VIEW TO SECURING INFORMATION VALUABLE TO FUTURE LEGISLATURES SO THAT GENERAL LEGISLATION APPLICABLE TO THE ESTABLISHMENT OF DEVELOPMENT CITIES MAY BE PERFECTED. (§19 CH 118 SLA 1972)]

[SEC. 29.18.230. DEVELOPMENT CITIES. SUBJECT TO RECLASSIFICATION UNDER § 400 (C) OF THIS CHAPTER, A DEVELOPMENT CITY IS A CITY OF THE CLASS DESIGNATED BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 20.18.240. INCORPORATION. AN AREA NOT SERVED BY AN EXISTING MUNICIPALITY WHICH IS NOT REASONABLY PRACTICABLE TO BE SERVED BY AN EXISTING MUNICIPALITY MAY BE INCORPORATED AS A DEVELOPMENT CITY BY

(1) PETITION OF THE INDUSTRIAL DEVELOPER TO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS TO BE ACTED ON BY THE LOCAL BOUNDARY COMMISSION; OR

(2) ACT OF THE LEGISLATURE. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.250. PETITION FOR INCORPORATION. A DEVELOPMENT CITY INCORPORATION PETITION PROPOSED BY AN INDUSTRIAL DEVELOPER SHALL INCLUDE THE FOLLOWING INFORMATION ABOUT THE PROPOSED CITY:

(1) CLASS,

(2) NAME,

(3) BOUNDARIES,

(4) COMPOSITION OF THE COUNCIL,

(5) MAPS, DOCUMENTS, PRELIMINARY ECONOMIC DEVELOPMENT PROJECTIONS, PRELIMINARY POPULATION PROJECTIONS, OUTLINE OF THE INDUSTRIAL DEVELOPER'S INVESTIGATIVE AND DEVELOPMENT EXPENDITURES AND ITS PROPOSED CAPITAL PROGRAM, AND OTHER INFORMATION REQUIRED BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS TO SHOW THAT THE PROPOSED CITY MEETS THE STANDARDS FOR INCORPORATION,

(6) THE PROPOSED AGREEMENT REQUIRED UNDER § 330 OF THIS CHAPTER. (§19 CH 118 SLA 1972; AM §§ 9 CH 200 SLA 1972)]

[SEC. 29.18.260. REVIEW. THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL REVIEW THE PETITION FOR CONTENT AND SHALL RETURN DEFICIENT PETITIONS FOR CORRECTION AND COMPLETION. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

In addition to the material already noted as having been deleted from this bill, the following sections have been eliminated entirely:

[Sec. 29.58.220. PAYMENT. BONDS ISSUED UNDER AS 29.58.200 - 29.58.220 OR THE PROCEEDINGS OF THE ASSEMBLY OR COUNCIL AUTHORIZING THEIR ISSUANCE MAY CONTAIN THE COVENANTS WHICH THE ASSEMBLY OR COUNCIL CONSIDERS ADVISABLE CONCERNING

(1) THE RATES OR FEES TO BE CHARGED FOR SERVICES RENDERED BY THE PUBLIC FACILITIES, THE REVENUE OF WHICH IS PLEDGED TO THE PAYMENT OF THE BONDS, OR THE TERMS AND CONDITIONS OF ANY OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(2) THE DEPOSIT AND USE OF THE REVENUE OF THE PUBLIC FACILITIES OR OF OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(3) THE ISSUANCE OF ADDITIONAL BONDS PAYABLE FROM REVENUE OF THE PUBLIC FACILITIES OR OF OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(4) THE RIGHTS OF THE BONDHOLDERS IN CASE OF DEFAULT IN THE PAYMENT OF THE PRINCIPAL OR INTEREST ON THE BONDS, INCLUDING THE APPOINTMENT OF A RECEIVER TO OPERATE THE PUBLIC FACILITIES;

(5) OTHER COVENANTS AS THE ASSEMBLY OR COUNCIL DETERMINES.

[29.53.030. MINING CLAIMS. THE ASSESSED VALUE OF AN UNIMPROVED UNPATENTED MINING CLAIM WHICH IS NOT PRODUCING, AND A NONPRODUCING PATENTED MINING CLAIM UPON WHICH THE IMPROVEMENTS ORIGINALLY REQUIRED FOR PATENT HAVE BECOME USELESS AND VALUELESS THROUGH DEPRECIATION, REMOVAL OR OTHERWISE, IS FIXED AT \$200 FOR EACH 20 ACRES OR FRACTION OF 20 ACRES. IF THE SURFACE GROUND OF A CLAIM HAS SEPARATE AND INDEPENDENT VALUE FOR NONMINING USES, THE REAL AND PERSONAL PROPERTY IS ASSESSED AT ITS FULL AND TRUE VALUE.]

[Sec. 29.58.315. BOND ATTORNEYS, BOND AND FINANCIAL CONSULTANTS. THE GOVERNING BODY OR ITS DESIGNEE OF A HOME RULE OR GENERAL LAW MUNICIPALITY SHALL BE THE SOLE CONTRACTING AUTHORITY FOR BOND ATTORNEYS, BOND CONSULTANTS AND FINANCIAL CONSULTANTS ENGAGED IN LONG-RANGE FINANCIAL PLANNING OF THE MUNICIPALITY WHICH LEADS TO SALE OF BONDS.]

[Sec. 29.58.345. BONDED INDEBTEDNESS FOR SCHOOL CONSTRUCTION. A HOME RULE CITY LEVYING PROPERTY TAXES FOR SCHOOLS, UPON FURNISHING PROOF SATISFACTORY TO THE DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS OF THE NEEDS FOR SCHOOL FACILITIES WHICH, IF PROVIDED, WILL REQUIRE THE CITY TO EXCEED LIMITS ON AUTHORIZING OR ISSUING BONDS WHICH MAY BE ESTABLISHED BY CHARTER, MAY EXCEED THE LIMITS TO THE EXTENT NECESSARY TO PAY COSTS OF SCHOOL CONSTRUCTION. IN THIS SECTION "COSTS OF SCHOOL CONSTRUCTION" MEANS COSTS AS DEFINED IN AS 43.18.100(G) (2) (\$ 1 CH 137 SLA 1974).]

ARTICLE 4. DEVELOPMENT CITIES

ALTERNATIVE REQUEST THE LOCAL BOUNDARY COMMISSION TO APPROVE INCORPORATION OF A DEVELOPMENT CITY.

(D) THE LOCAL BOUNDARY COMMISSION MAY DISSOLVE A DEVELOPMENT CITY ESTABLISHED UNDER § 20 OF THIS CHAPTER IF SUBSEQUENT TO ITS INCORPORATION

(1) THE MAJOR ECONOMIC DEVELOPMENT PROJECTED DOES NOT OCCUR WITHIN A PERIOD OF FIVE YEARS; AND

(2) IF THE DEVELOPMENT PROJECT HAD BEEN REVIEWED AS A NEW PROJECT THE LOCAL BOUNDARY COMMISSION DETERMINES IT WOULD HAVE REJECTED THE PETITION ON THE BASIS THAT IT IS IMPROBABLE THE PROPOSED DEVELOPMENT WOULD HAVE TAKEN PLACE.

(E) A COMMISSION DECISION UNDER THIS SECTION MAY BE APPEALED UNDER THE ADMINISTRATIVE PROCEDURE ACT (AS 44.62). (§ 19 CH 118 SLA 1972).]

[SEC. 29.18.300. PRELIMINARY PLANNING. THE CITY SHALL PREPARE AND SUBMIT TO THE STATE PRELIMINARY PLANS IN ADVANCE OF COMPLETION OF THE FINAL BASIC COMPREHENSIVE PLAN FOR THE CITY. THE PRELIMINARY PLANS SHALL INCLUDE

(1) MAPS, DOCUMENTS, PRELIMINARY ECONOMIC DEVELOPMENT PROJECTIONS, PRELIMINARY POPULATION PROJECTIONS, OUTLINE OF THE INDUSTRIAL DEVELOPER'S INVESTIGATIVE AND DEVELOPMENT EXPENDITURES AND ITS PROPOSED CAPITAL PROGRAM, AND OTHER INFORMATION REQUIRED BY REVIEWING AGENCIES OF THE STATE;

(2) A REPORT ON THE PHYSICAL AND BIOLOGICAL CHARACTER OF THE PROPOSED CITY'S SITE AND A LAND AND WATER USE PLAN AND THE DESIGN AND SITING OF THE COMMUNITY TO BE DEVELOPED BASED UPON THESE NATURAL FACTORS. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.310. REVIEW AND REPORT. (A) THE DIVISION OF PLANNING AND RESEARCH, IN CONJUNCTION WITH THE DEPARTMENTS OF COMMUNITY AND REGIONAL AFFAIRS, NATURAL RESOURCES, AND ENVIRONMENTAL CONSERVATION AND OTHER DEPARTMENTS AS DETERMINED APPROPRIATE BY THE DIVISION OF PLANNING AND RESEARCH, SHALL REVIEW THE PRELIMINARY PLANNING AND ADDITIONAL DATA MAY BE REQUESTED.

(B) THE DIVISION OF PLANNING AND RESEARCH SHALL COORDINATE THE PREPARATION OF A REPORT AND RECOMMENDATIONS, IF ANY, WHICH SHALL BE SUBMITTED TO THE GOVERNOR WITHIN 60 DAYS OF RECEIPT BY THE STATE OF THE PRELIMINARY PLANS FROM THE CITY. THE CITY MAY PROCEED TO THE COMPLETION OF THE FINAL BASIC COMPREHENSIVE PLAN UPON SATISFYING ANY SPECIFIC RECOMMENDATIONS CONTAINED IN THE REPORT.

(C) DURING THE COURSE OF PLANNING TOWARD COMPLETION OF THE BASIC COMPREHENSIVE DEVELOPMENT PLAN THE DIVISION OF PLANNING AND RESEARCH AND THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL BE KEPT CURRENTLY INFORMED AND THE FINAL PLAN SHALL BE SUBJECT TO REVIEW AND RECOMMENDATION BY THE DIVISION OF PLANNING AND RESEARCH, WHICH SHALL ACT IN ITS COORDINATING CAPACITY TO SECURE

[SEC. 29.18.270. INVESTIGATION. IF THE PETITION CONTAINS THE REQUIRED INFORMATION, THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL INVESTIGATE THE PROPOSAL TO DETERMINE WHETHER THE DEVELOPMENT EXPENDITURES AND PROPOSED CAPITAL PROGRAM BY THE DEVELOPER SERVE THE PUBLIC INTEREST AND DEMONSTRATE A PROBABILITY OF BEING CARRIED FORWARD TO A SUCCESSFUL CONCLUSION. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.280. REPORT. (A) THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL REPORT ITS FINDINGS TO THE LOCAL BOUNDARY COMMISSION WITH ITS RECOMMENDATIONS REGARDING THE INCORPORATION WITHIN 50 DAYS OF RECEIPT OF THE PETITION FOR INCORPORATION.

(B) THE LOCAL BOUNDARY COMMISSION SHALL REVIEW THE PETITION AND THE FINDINGS AND RECOMMENDATIONS OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS WITHIN 60 DAYS OF RECEIVING THEM. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.290. DECISION ON DEVELOPMENT CITY INCORPORATION. (A) THE LOCAL BOUNDARY COMMISSION MAY REJECT A PETITION FOR INCORPORATION IF IT FINDS THAT

(1) THE AREA PROPOSED FOR INCORPORATION IS SERVED BY AN EXISTING MUNICIPALITY OR COULD BE SERVED BY AN EXISTING MUNICIPALITY;

(2) IT IS IMPROBABLE THAT THE PROPOSED DEVELOPMENT WILL TAKE PLACE;

(3) THE PROGRAM AND ACTIVITIES CONTEMPLATED BY THIS CHAPTER MAY BE UNDERTAKEN THROUGH EXPANSION OF THE CORPORATE LIMITS OF AN EXISTING CITY AND THEN DECLARES THAT CITY TO BE A DEVELOPMENT CITY FOR THE PURPOSE OF PREFERENTIAL DESIGNATION UNDER §§ 10 AND 340 - 460 OF THIS CHAPTER;

(4) THE PROGRAM AND ACTIVITIES CONTEMPLATED BY THIS CHAPTER MAY BE UNDERTAKEN BY ESTABLISHING A SERVICE AREA WITHIN AN EXISTING ORGANIZED BOROUGH FOR A DEVELOPMENT PROJECT, AND DECLARES THE SERVICE AREA TO BE ELIGIBLE FOR PREFERENTIAL DESIGNATION UNDER §§ 410 AND 450 OF THIS CHAPTER;

(5) THE PROPOSED DEVELOPMENT DOES NOT SERVE THE PUBLIC INTEREST.

(B) IF THE LOCAL BOUNDARY COMMISSION FINDS THAT A SERVICE AREA WITHIN AN ORGANIZED BOROUGH IS TO BE DESIGNATED FOR PREFERENTIAL TREATMENT UNDER (A)(4) OF THIS SECTION, THE ASSEMBLY MAY UNDERTAKE THE PROJECT IN THE MANNER OF A DEVELOPMENT CITY AND SHALL PRESENT TO THE LOCAL BOUNDARY COMMISSION A CONTRACTUAL AGREEMENT OUTLINING RESPONSIBILITIES ASSUMED BY THE BOROUGH AND THE INDUSTRIAL DEVELOPER TO IMPLEMENT THE PROPOSED DEVELOPMENT PROGRAM.

(C) THE ASSEMBLY MAY DECLINE FINDINGS UNDER (B) OF THIS SECTION TO ESTABLISH A SERVICE AREA AND IN THE

[SEC. 29.18.350. FILLING A VACANCY. IF A VACANCY OCCURS IN THE COUNCIL AS CONSTITUTED UNDER § 340 OF THIS CHAPTER, THE APPLICABLE APPOINTING AUTHORITY SHALL DESIGNATE THE REPLACEMENT DURING THE DEVELOPMENT STAGE OF THE CITY. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.360. POWERS AND DUTIES OF COUNCIL. DURING THE DEVELOPMENT STAGE THE COUNCIL OF A DEVELOPMENT CITY MAY

(1) EXERCISE THE POWERS AND DUTIES OF A SCHOOL BOARD IF THE CITY IS LOCATED OUTSIDE AN ORGANIZED BOROUGH;

(2) EXERCISE THE POWERS AND DUTIES OF A PLANNING COMMISSION UNDER AS 29.33.080, EXCEPT THAT DURING THE FIRST FIVE YEARS OR UNTIL THE DEVELOPMENT CITY HAS 400 PERMANENT RESIDENTS, ZONING AND ZONING CHANGES WILL BE REVIEWED AND APPROVED BY THE DIVISION OF PLANNING AND RESEARCH AND THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.370. POWERS AND DUTIES OF DEVELOPMENT CITY EXECUTIVE DIRECTOR. DURING THE DEVELOPMENT STAGE THE CITY COUNCIL SHALL APPOINT AN EXECUTIVE DIRECTOR OF THE DEVELOPMENT CITY, WHO MAY BE ONE OF ITS MEMBERS, TO SERVE AT THE PLEASURE OF THE COUNCIL. THE EXECUTIVE DIRECTOR SHALL HAVE THE POWERS AND DUTIES OF ALL EXECUTIVE AND ADMINISTRATIVE CITY OFFICIALS SET OUT IN THIS TITLE IN ORDER TO DEVELOP THE CITY UNDER A COMPREHENSIVE COMMUNITY DEVELOPMENT PLAN. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.380. PROCEDURES. DURING THE DEVELOPMENT STAGE, THE COUNCIL MAY PROVIDE FOR CONFERENCE TELEPHONE OR RADIOPHONE MEETINGS AT TIMES DETERMINED BY THE COUNCIL AND SHALL DETERMINE ITS OWN RULES AND ORDER OF BUSINESS. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.390. DEVELOPMENT CITY CAPITAL IMPROVEMENT FUNDS. ALL STATE AGENCIES SHALL, WHERE APPROPRIATE, ADOPT PROCEDURES TO INSURE THAT, DURING THE DEVELOPMENT STAGE, THE NEEDS OF A DEVELOPMENT CITY ARE CAREFULLY CONSIDERED IN THE ALLOCATION OF FUNDS AVAILABLE FOR CAPITAL IMPROVEMENT PROJECTS WHERE THOSE FUNDS HAVE NOT OTHERWISE BEEN COMMITTED BY THE LEGISLATURE. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.400. TRANSITION. (A) WHEN A DEVELOPMENT CITY HAS 400 PERMANENT RESIDENTS ELECTIONS SHALL TAKE PLACE ACCORDING TO THE FOLLOWING SCHEDULE:

(1) IN THE FIRST YEAR TWO ADDITIONAL COUNCILMEN WHO SHALL BE CITY RESIDENTS ELECTED FOR THREE-YEAR TERMS;

(2) IN THE SECOND YEAR TWO COUNCILMEN WHO SHALL BE CITY RESIDENTS ELECTED FOR THREE-YEAR TERMS TO REPLACE ONE OF THE COUNCILMEN NOMINATED BY THE INDUSTRIAL

REVIEW BY THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION AND OTHER STATE AGENCIES AS APPROPRIATE. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.320. LIMITATION. THE CITY MAY NOT PROCEED WITH COMMITMENT OF FUNDS OR FORMAL UNDERTAKINGS FOR PHYSICAL DEVELOPMENT UNTIL IT HAS A SIGNED CONTRACT OR CONTRACTS FOR SALE OF THE COMPANY'S PRODUCTS IN QUANTITIES SHOWN IN THE ECONOMIC DATA AND SUBMITTED BY THE COMPANY TO BE ADEQUATE TO SUSTAIN AN ECONOMICALLY VIABLE OPERATION. THE COMPANY MAY SUBMIT ALTERNATIVE VALID EVIDENCE THAT THE PROJECTED OPERATION WILL PROCEED. THE COMPANY SHALL NOTIFY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS OF THE MEETING OF THIS REQUIREMENT. UNLESS THE DEPARTMENT OF ECONOMIC DEVELOPMENT MAKES A DETERMINATION THAT THE DATA IS INSUFFICIENT, THE CITY MAY PROCEED. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.330. LOCAL HIRE. IN CONSIDERATION OF THE INCORPORATION OF A DEVELOPMENT CITY UNDER THIS CHAPTER, THE MAJOR DEVELOPER SHALL ENTER INTO AN AGREEMENT WITH THE APPROPRIATE AGENCIES OF THE STATE CONCERNING

(1) ESTABLISHING AND MAINTAINING AN APPROVED DEPARTMENT OF LABOR ON-THE-JOB TRAINING PROGRAM TO QUALIFY ALASKA RESIDENTS LACKING IN THE REQUISITE TECHNICAL SKILLS OF THE ACTIVITIES TO BE UNDERTAKEN;

(2) ESTABLISHING RESIDENT HIRE GOALS IN TERMS OF PER CENT OF EMPLOYEES AT THE END OF THE FIRST YEAR, SECOND YEAR AND THIRD YEAR OF OPERATION;

(3) ESTABLISHING THE RESPONSIBILITIES OF THE VARIOUS STATE AGENCIES TOWARDS PROVIDING TECHNICAL ASSISTANCE, MANPOWER PROCUREMENT, RELOCATION ASSISTANCE, JOB OPPORTUNITY SERVICES TO RESIDENTS IN THE AREA, SUPPLEMENTAL VOCATIONAL TRAINING, AND THE SCOPE OF EFFORT EACH STATE AGENCY HAS IN THIS REGARD WITH SPECIFIC COMMITMENTS IN TERMS OF NUMBERS OF RESIDENTS, TIME SCHEDULE AND DOLLAR VALUE OF TRAINING;

(4) ESTABLISHING THE PENALTIES AND CONDITIONS OF NONCOMPLIANCE WITH THE AGREEMENT. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.340. DEVELOPMENT CITY COUNCIL. THE COUNCIL OF A DEVELOPMENT CITY HAS FIVE MEMBERS CONSISTING OF THE COMMISSIONER OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS, OR HIS DESIGNEE, AND FOUR PUBLIC MEMBERS DESIGNATED BY THE GOVERNOR. THE GOVERNOR SHALL APPOINT NO FEWER THAN TWO PUBLIC MEMBERS FROM A LIST OF NOMINEES DESIGNATED BY THE MAJOR DEVELOPER PROVIDING THE INDUSTRIAL BASE OF THE CITY AS MEASURED BY EMPLOYMENT AND CAPITAL INVESTMENT. THE COUNCIL SHALL SERVE AT THE PLEASURE OF THE GOVERNOR. THE DESIGNATED COUNCILMEN NEED NOT BE RESIDENTS OF THE CITY DURING ITS DEVELOPMENT STAGE. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.450. APPLICABILITY OF OTHER PROVISIONS OF THIS TITLE. ALL APPLICABLE PROVISIONS OF THIS TITLE CONSISTENT WITH THE PROVISIONS OF THIS CHAPTER APPLY TO DEVELOPMENT CITIES. PROVISIONS OF THIS CHAPTER PREVAIL OVER OTHER PROVISIONS OF THIS TITLE WHICH ARE INCONSISTENT. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.460. DEFINITION. IN THIS CHAPTER "DEVELOPMENT STAGE" MEANS THAT PERIOD OF TIME EXTENDING FROM THE DATE OF INCORPORATION OF A DEVELOPMENT CITY UNTIL SUCH TIME AS THE CITY MAY ATTAIN A POPULATION OF 400 PERMANENT RESIDENTS, OR FIVE YEARS FROM THE DATE OF INCORPORATION, WHICHEVER IS EARLIER. (§ 19 CH 118 SLA 1972)]

[ARTICLE 5. CAPITAL CITY INCORPORATION.

SEC. 29.18.510. INCORPORATION. THERE IS CREATED AND INCORPORATED A CITY OF THE STATE AS THE CAPITAL CITY OF ALASKA WHICH IS A CITY OF THE FIRST CLASS. THE CAPITAL CITY HAS ALL THE POWERS OF A FIRST CLASS CITY. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.520. BOUNDARIES. THE BOUNDARIES OF THE CAPITAL CITY SHALL INCLUDE ALL OF THAT AREA OF LAND DESIGNATED BY THE VOTERS OF ALASKA AS THE NEW CAPITAL SITE OF THE STATE. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.530. CITY COUNCIL. (A) UNTIL COUNCIL MEMBERS ELECTED BY THE RESIDENTS OF THE CAPITAL CITY TAKE OFFICE AS PROVIDED IN § 570 OF THIS CHAPTER, THE COUNCIL OF THE CAPITAL CITY SHALL HAVE FIVE MEMBERS, FOUR OF WHOM SHALL BE APPOINTED BY THE GOVERNOR AND SHALL SERVE AT THE PLEASURE OF THE GOVERNOR. THE DEVELOPMENT CORPORATION SHALL DESIGNATE ONE PERSON TO SERVE AS A MEMBER OF THE COUNCIL. THE COUNCIL MEMBERS APPOINTED BY THE GOVERNOR OR DESIGNATED BY THE DEVELOPMENT CORPORATION SHALL SERVE AN INITIAL TERM WHICH EXPIRES ON THE MONDAY FOLLOWING THE FIRST TUESDAY IN OCTOBER OF THE CALENDAR YEAR FOLLOWING THE CALENDAR YEAR OF INITIAL APPOINTMENT OR DESIGNATION. COUNCIL MEMBERS MAY BE REAPPOINTED BY THE GOVERNOR OR REDESIGNATED BY THE DEVELOPMENT CORPORATION. EXCEPT AS PROVIDED IN § 470 OF THIS CHAPTER, THE SUCCESSORS OF THE INITIAL APPOINTEES AND DESIGNEE SHALL SERVE FOR A TERM OF TWO YEARS COMMENCING ON THE DATE THE INITIAL APPOINTMENTS AND DESIGNATION EXPIRE. EACH APPOINTEE AND DESIGNEE SHALL HOLD OFFICE FOR THE TERM OF HIS APPOINTMENT AND UNTIL HIS SUCCESSOR HAS BEEN APPOINTED OR DESIGNATED AND HAS QUALIFIED.

(B) COUNCIL MEMBERS APPOINTED BY THE GOVERNOR OR DESIGNATED BY THE DEVELOPMENT CORPORATION NEED NOT BE RESIDENTS OF THE CAPITAL CITY.

(C) THE COUNCIL SHALL ELECT A CHAIRMAN FROM AMONG ITS MEMBERSHIP. THE CHAIRMAN PRESIDES AT COUNCIL MEETINGS, DETERMINES THE AGENDA FOR COUNCIL MEETINGS, AND CARRIES

DEVELOPER AND ONE OF THE PUBLIC MEMBERS DESIGNATED BY THE GOVERNOR;

(3) IN THE THIRD YEAR TWO COUNCILMEN WHO SHALL BE CITY RESIDENTS ELECTED FOR THREE-YEAR TERMS TO REPLACE THE COMMISSIONER OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AND ONE OF THE COUNCILMEN NOMINATED BY THE INDUSTRIAL DEVELOPER;

(4) IN THE FOURTH YEAR A MAYOR WHO SHALL BE A CITY RESIDENT ELECTED FOR A THREE-YEAR TERM TO REPLACE THE REMAINING COUNCILMAN NOMINATED BY THE INDUSTRIAL DEVELOPER.

(B) AT THE TIME OF THE ELECTION UNDER (A)(4) OF THIS SECTION, OR ANY TIME AFTER IT, THE ELECTORATE MAY EXERCISE THE RIGHT TO BECOME A HOME RULE CITY AS AUTHORIZED UNDER THIS TITLE.

(C) IF, WITHIN A PERIOD OF FIVE YEARS FROM THE INCORPORATION OF A DEVELOPMENT CITY, THE NUMBER OF PERMANENT RESIDENTS DOES NOT REACH 400, THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL ORDER AN ELECTION FOR CITY OFFICIALS AND DESIGNATE A SUCCESSOR CLASS OF CITY BASED ON POPULATION AS PROVIDED IN THIS TITLE. IF THE DEPARTMENT DESIGNATES A SUCCESSOR CLASS OF CITY, THE PROVISIONS OF THIS TITLE RELATING TO THAT CLASS OF CITY APPLY, AND THE CITY SHALL BE RECLASSIFIED ACCORDINGLY. (S 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972))

[SEC. 29.18.410. HOUSING POWERS. FROM THE TIME OF THE APPOINTMENT OF THE FIRST CITY COUNCIL AND FOR A PERIOD OF 10 YEARS FOLLOWING THE FIRST ELECTION OF COUNCILMEN, THE COUNCIL MAY ACT AS ITS OWN HOUSING AND URBAN RENEWAL AUTHORITY IF SUCH POWERS HAVE BEEN GRANTED TO CITIES UNDER APPLICABLE PROVISIONS OF LAW. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.420. LAND SELECTION. REPEALED BY § 5 CH 180 SLA 1978, EFFECTIVE JULY 1, 1978.]

[SEC. 29.18.430. REVENUE BONDS. REVENUE BONDS MAY BE ISSUED BY A DEVELOPMENT CITY UNDER THE PROVISIONS OF AS 29.58.200 - 29.53.220. HOWEVER, NO VOTE OF THE PEOPLE IS REQUIRED TO ISSUE REVENUE BONDS DURING THE DEVELOPMENT STAGE. DURING THE DEVELOPMENT STAGE REVENUE BONDS MAY BE ISSUED BY A MAJORITY VOTE OF THE CITY COUNCIL. (§ 19 CH 118 SLA 1972)]

[SEC. 29.18.440. SHARED REVENUE. A DEVELOPMENT CITY IS ENTITLED TO SHARED REVENUE AND OTHER STATE FUNDS ON THE SAME BASIS AS A CITY OR ORGANIZED BOROUGH OF THE FIRST CLASS OR, IF RECLASSIFIED UNDER § 400(C) OF THIS CHAPTER, ON THE BASIS OF THE RECLASSIFICATION. DURING THE DEVELOPMENT STAGE THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS MAY ESTABLISH AN ASSUMED POPULATION FIGURE WHICH SHALL BE USED TO DETERMINE SHARED REVENUE BASED ON POPULATION ON PER CAPITA GRANTS. (§ 19 CH 118 SLA 1972; AM § 9 CH 200 SLA 1972)]

[SEC. 29.18.590. TRANSFER OF UTILITIES TO CAPITAL CITY. THE DEVELOPMENT CORPORATION, IN COOPERATION WITH THE CAPITAL CITY, SHALL ARRANGE FOR AND AGREE TO AN ORDERLY SCHEDULE FOR TRANSFERRING TO THE CAPITAL CITY OWNERSHIP OF, AND FINANCIAL AND OPERATIONAL RESPONSIBILITY FOR UTILITIES AND ANY OTHER FACILITIES WHICH THE DEVELOPMENT CORPORATION CONSIDERS TO BE INTEGRAL PARTS OF THE CAPITAL CITY INFRASTRUCTURE. BEFORE JANUARY 1, 1985, THE DEVELOPMENT CORPORATION AND THE COUNCIL OF THE CAPITAL CITY SHALL JOINTLY RETAIN INDEPENDENT CONSULTANTS TO STUDY AND DETERMINE AND ORDERLY SCHEDULE FOR TRANSFER OF THESE UTILITIES AND FACILITIES TO THE CAPITAL CITY. THE EXISTING AND ANTICIPATED RESIDENTS TO FINANCE THE COST OF THESE UTILITIES AND OTHER FACILITIES AND THEIR OPERATING EXPENSES. THE CONSULTANTS SHALL PROPOSE A RECOMMENDED SCHEDULE FOR AND TERMS OF TRANSFER WHICH ARE COMMENSURATE WITH THE CAPITAL CITY'S EXISTING AND ANTICIPATED POPULATION, TAX BASE AND ANY OTHER FACTORS RELATING TO ITS CAPABILITY TO FINANCE AND OPERATE THESE FACILITIES AS THEY CONSIDER APPROPRIATE. THE DEVELOPMENT CORPORATION SHALL, AFTER CONSIDERING THE CONSULTANTS' REPORT, PROPOSE A SCHEDULE OF AND TERMS AND CONDITIONS OF THE TRANSFER TO THE CAPITAL CITY, WHICH SHALL, UPON REVIEW AND APPROVAL BY THE COUNCIL, BE INCLUDED IN AN AGREEMENT BETWEEN THE DEVELOPMENT CORPORATION AND THE CAPITAL CITY. IF THE DEVELOPMENT CORPORATION AND THE CAPITAL CITY ARE UNABLE TO AGREE WITHIN SIX MONTHS AFTER THE DEVELOPMENT CORPORATION SUBMITS ITS PROPOSAL, THE DEVELOPMENT CORPORATION SHALL SUBMIT THE PROPOSAL TO THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE WHICH SHALL CONSIDER THE PROPOSAL, AND IF THE COMMITTEE CONSIDERS IT APPROPRIATE TO DO SO, SHALL RECOMMEND TO THE LEGISLATURE LEGISLATION IT CONSIDERS DESIRABLE FOR THE DISPOSITION OF THE UTILITIES AND OTHER FACILITIES. IF THE LEGISLATURE DOES NOT ENACT LEGISLATION REGARDING THE DISPOSITION WITHIN ONE YEAR AFTER THE PROPOSAL IS SUBMITTED TO THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE, THE DEVELOPMENT CORPORATION MAY AT ANY TIME THEREAFTER SELL OR DISPOSE OF THE UTILITIES AND FACILITIES OR ANY OF THEM TO A PRIVATE PERSON OR ENTITY OR GOVERNMENT BODY, OR CONTINUE TO OPERATE THEM. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.600. DEFINITIONS. IN §§ 510 - 600 OF THIS CHAPTER, UNLESS THE CONTEXT REQUIRES OTHERWISE,

(1) "CAPITAL CITY AREA" MEANS THE AREA DESCRIBED IN § 520 OF THIS CHAPTER;

(2) "CAPITAL CITY" MEANS THE MUNICIPALITY INCORPORATED BY THIS CHAPTER;

(3) "DEVELOPMENT CORPORATION" MEANS THE ALASKA CAPITAL CITY DEVELOPMENT CORPORATION;

(4) "GENERAL DEVELOPMENT PLAN" HAS THE SAME MEANING AS PROVIDED IN AS 44.07.360 AND INCLUDES AMENDMENTS TO THE GENERAL DEVELOPMENT PLAN;

OUT THE OTHER DUTIES SPECIFIED BY ORDINANCE. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.540. FILLING A VACANCY. IF A VACANCY OCCURS AMONG THE MEMBER APPOINTED BY THE GOVERNOR, THE GOVERNOR SHALL DESIGNATE THE REPLACEMENT WHO SHALL SERVE FOR THE UNEXPIRED PORTION OF THE TERM. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.550. APPOINTMENT OF CITY OFFICIALS. UNTIL A MAYOR IS ELECTED IN ACCORDANCE WITH § 570 OF THIS CHAPTER, THE COUNCIL SHALL APPOINT A CITY MANAGER FOR THE CAPITAL CITY TO SERVE AT THE PLEASURE OF THE COUNCIL. THE CITY MANAGER MAY NOT BE A COUNCIL MEMBER. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.570. TRANSITION. (A) WHEN THE CAPITAL CITY ATTAINS A POPULATION OF 400 PERMANENT RESIDENTS, AS CERTIFIED BY THE LIEUTENANT GOVERNOR BASED ON THE BEST INFORMATION AVAILABLE THE LIEUTENANT GOVERNOR SHALL NOTIFY THE COUNCIL OF THIS DETERMINATION. THE LIEUTENANT GOVERNOR SHALL SPECIFY AN ELECTION DATE WHICH SHALL BE THE FIRST TUESDAY OF OCTOBER FOLLOWING THE NOTIFICATION, EXCEPT THAT IF IT IS LESS THAN SIX MONTHS FROM THE DATE OF THE CERTIFICATION TO THE FIRST TUESDAY OF OCTOBER THEN THE ELECTION DATE SHALL BE THE FIRST TUESDAY OF OCTOBER OF THE YEAR FOLLOWING. THE ELECTED MEMBERS SHALL TAKE OFFICE ON THE MONDAY FOLLOWING THE ELECTION.

(B) AFTER THE LIEUTENANT GOVERNOR HAS SPECIFIED THE ELECTION DATE, THE COUNCIL SHALL MAKE ARRANGEMENTS FOR AN ELECTION AT WHICH FIVE COUNCIL MEMBERS AND A MAYOR SHALL BE ELECTED IN THE MANNER PRESCRIBED BY ORDINANCE AND LAW. THE EXPENSES OF THE ELECTION SHALL BE BORNE BY THE STATE. THE COUNCIL OF THE CAPITAL CITY SHALL HAVE SIX MEMBERS. THE GOVERNOR SHALL DESIGNATE ONE COUNCIL MEMBER HOLDING OFFICE ON THE DATE OF THE ELECTION TO REMAIN A MEMBER OF THE COUNCIL FOR A SINGLE THREE-YEAR TERM COMMENCING ON THE DATE THE ELECTED COUNCIL MEMBERS TAKE OFFICE. THE SUCCESSORS TO THE APPOINTED COUNCIL MEMBERS SHALL BE ELECTED BY THE RESIDENTS, EXCEPT THAT IF THE APPOINTED COUNCIL MEMBER LEAVES OFFICE DURING THE THREE YEARS, THE GOVERNOR MAY APPOINT A SUCCESSOR. THE TERMS OF ALL OTHER APPOINTED OR DESIGNATED COUNCIL MEMBERS EXPIRE WHEN THE ELECTED COUNCIL MEMBERS TAKE OFFICE. THE TERM OF ELECTED COUNCIL MEMBERS IS AS PROVIDED IN AS 29.23.200(C) EXCEPT THAT THREE OF THE MEMBERS ARE ELECTED FOR AN INITIAL TERM OF ONE YEAR. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.580. PLANNING AND ZONING AUTHORITY. THE GENERAL DEVELOPMENT PLAN AND SPECIFIC DEVELOPMENT PLANS CONSTITUTE THE LAND USE PLAN FOR THE CAPITAL CITY AREA. WHEN A PARCEL OF LAND HAS BEEN DEVELOPED IN ACCORDANCE WITH THE APPLICABLE SPECIFIC DEVELOPMENT PLAN, THAT PARCEL BECOMES SUBJECT TO ALL PLANNING, ZONING, SUBDIVISION, BUILDING CODE OR OTHER SIMILAR ORDINANCES OF THE MATANUSKA-SUSITNA BOROUGH. (§ 3 CH 143 SLA 1978)]

(5) "SPECIFIC DEVELOPMENT PLAN" HAS THE SAME MEANING AS PROVIDED IN AS 44.07.360 AND INCLUDES AMENDMENTS TO EACH SPECIFIC DEVELOPMENT PLAN. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.610. SHORT TITLE. SECTIONS 510 - 610 OF THIS CHAPTER MAY BE CITED AS THE CAPITAL CITY INCORPORATION ACT. (§ 3 CH 143 SLA 1978)]

[SEC. 29.18.202. DETERMINATION OF ENTITLEMENT FOR CITIES. THE GENERAL GRANT LAND ENTITLEMENT OF A CITY FORMERLY ELIGIBLE TO RECEIVE GENERAL GRANT LAND UNDER THE PROVISIONS OF AS 29.18.190 AND 29.18.200, AS REPEALED BY THIS ACT, IS 10 PER CENT OF THE MAXIMUM TOTAL ACREAGE OF VACANT, UNAPPROPRIATED, UNRESERVED LAND WITHIN THE BOUNDARIES OF EACH CITY AT ANY TIME BETWEEN THE INITIAL DATE OF ELIGIBILITY UNDER FORMER AS 29.28.190 AND 29.18.200 AND JULY 1, 1978. WITHIN SIX MONTHS OF JULY 1, 1978, THE DIRECTOR SHALL DETERMINE THE ENTITLEMENT FOR EACH CITY ELIGIBLE TO RECEIVE GENERAL GRANT LAND UNDER THIS SECTION AND CERTIFY THAT ENTITLEMENT TO THE CITY. (§ 2 CH 180 SLA 1978)]

[SEC. 29.23.395. INTENT OF §§ 397 - 401. IT IS THE INTENT OF §§ 397 - 401 OF THIS CHAPTER TO PROVIDE AN OPPORTUNITY FOR THE YOUNG PEOPLE OF ALASKA TO BECOME INVOLVED IN THE INSTITUTIONS AND PROCESSES OF LOCAL GOVERNMENT COMPARABLE TO THAT EMBODIED IN LEGISLATION UNDER CONSIDERATION AT THE FIRST SESSION OF THE SEVENTH LEGISLATURE PROVIDING FOR PARTICIPATION IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT.]

[SEC. 29.23.397. COMMISSION. (A) THE GOVERNING BODY OF A MUNICIPALITY MAY BY ORDINANCE ESTABLISH A COMMISSION ON THE INVOLVEMENT OF YOUNG PEOPLE IN LOCAL GOVERNMENT.

(B) THE COMMISSION MAY CONSIST OF NOT MORE THAN NINE MEMBERS, DRAWN FROM FIELDS OF PUBLIC AFFAIRS, EDUCATION, THE SCIENCES, THE PROFESSIONS, OTHER FIELDS OF PRIVATE ENDEAVOR, FROM THE STATE OR LOCAL SERVICE, AND THREE ADDITIONAL MEMBERS FROM THE 17 - 22 AGE GROUP, AND SHALL INCLUDE WOMEN AND REPRESENTATIVES OF MINORITY GROUPS. THE MEMBERS SHALL BE APPOINTED BY THE GOVERNING BODY IN THE MANNER PRESCRIBED BY ORDINANCE WITHOUT REGARD TO POLITICAL AFFILIATION AND SHALL SERVE AT THE PLEASURE OF THAT BODY. ONE MEMBER SHALL BE DESIGNATED BY THE GOVERNING BODY AS CHAIRMAN OF THE COMMISSION.

(C) MEMBERS OF THE COMMISSION SERVE WITHOUT COMPENSATION BUT ARE ENTITLED TO PER DIEM AND TRAVEL EXPENSES AS MAY BE AUTHORIZED BY ORDINANCE.

(D) THE COMMISSION SHALL ESTABLISH PROCEDURES TO ENABLE IT TO RECOMMEND ANNUALLY TO THE GOVERNING BODY A GROUP OF PROMISING YOUNG MEN AND WOMEN FROM WHOM THE GOVERNING BODY MAY SELECT INTERNS AND YOUTH VOTING MEMBERS OF MUNICIPAL BOARDS AND COMMISSIONS. THE COMMISSION, IN ESTABLISHING THESE PROCEDURES, SHALL ENLIST THE AID OF MUNICIPAL RESIDENTS WHO ARE ACTIVELY INTERESTED IN WORKING

WITH YOUNG PEOPLE. FOLLOWING ADOPTION OF THE PROCEDURES, THE COMMISSION SHALL ACCEPT APPLICATIONS FROM PERSONS AND NOMINATIONS FOR CONSIDERATION, AND SHALL INTERVIEW ALL APPLICANTS OR NOMINEES.

(E) RECOMMENDATIONS OF THE COMMISSION SHALL BE LIMITED TO YOUNG PEOPLE WHO

(1) HAVE A CAPACITY, DESIRE, INTEREST, ABILITY AND POTENTIAL FOR LEADERSHIP AND SERVICE TO THE COMMUNITY AND TO THE STATE;

(2) WILL HAVE ATTAINED THE AGE OF 17 BUT NOT THE AGE OF 22 BEFORE THE BEGINNING OF THEIR SERVICE.

(F) ANNUALLY, THE COMMISSION SHALL EVALUATE THE PROGRAM AND SHALL SUBMIT A WRITTEN REPORT TO THE GOVERNING BODY. (§ 18 CH 118 SLA 1972)]

[SEC. 29.23.399. INTERNS. AN INTERN MAY BE APPOINTED TO SERVE ON THE STAFF OF THE GOVERNING BODY OR THE MUNICIPAL ADMINISTRATION FOR A PERIOD OF TIME PRESCRIBED BY THE GOVERNING BODY, WITH A MAXIMUM OF ONE YEAR. HE MAY BE ASSIGNED RESPONSIBILITIES IN ANY OFFICE, DEPARTMENT OR AGENCY OF THE MUNICIPALITY. SERVICE WILL BEGIN AT A TIME PRESCRIBED BY THE GOVERNING BODY. INTERNS SHALL BE APPOINTED WITHOUT REGARD TO POLITICAL AFFILIATION. SALARIES SHALL BE INDIVIDUALLY ESTABLISHED BY THE GOVERNING BODY ON THE BASIS OF PRIOR EXPERIENCE AND THE RESPONSIBILITIES OF THE POSITION TO WHICH THE INTERN IS ASSIGNED. (§ 18 CH 118 SLA 1972)]

[SEC. 29.23.410. APPOINTMENT TO MUNICIPAL BOARDS AND COMMISSIONS. (A) NOTWITHSTANDING AS 39.05.100 OR A PROVISION OF LAW RELATING TO AGE, THE MUNICIPAL APPOINTING AUTHORITY FOR A MUNICIPAL BOARD OR COMMISSION MAY APPOINT A 17 - 21 YEAR OLD MUNICIPAL RESIDENT TO THE BOARD OR COMMISSION IF RECOMMENDED BY THE COMMISSION, ESTABLISHED IN § 397 OF THIS CHAPTER.

(B) A YOUNG PERSON RECOMMENDED BY THE COMMISSION MAY BE APPOINTED TO A MUNICIPAL BOARD OR COMMISSION HAVING SPECIAL QUALIFICATIONS FOR MEMBERSHIP IF THE PROPOSED NOMINEE, EXCEPT FOR HIS AGE, MEETS THE REQUIRED QUALIFICATIONS SET BY LAW.

(C) AN INDIVIDUAL APPOINTED TO A MUNICIPAL BOARD OR COMMISSION UNDER THIS SECTION IS ENTITLED TO THE RIGHTS, PRIVILEGES AND RESPONSIBILITIES OF OTHER MEMBERS, AND HIS APPOINTMENT IS SUBJECT TO CONFIRMATION BY THE GOVERNING BODY WHEN REQUIRED BY LAW.

(D) NO ADDITIONAL SEAT ON A MUNICIPAL BOARD OR COMMISSION IS CREATED BY VIRTUE OF §§ 395 - 401 OF THIS CHAPTER. (§ 18 CH 118 SLA 1972)]

[SEC. 29.23.470. APPOINTMENT OF A TEMPORARY OR NEW MANAGER. IN THE ABSENCE OR DISABILITY OF THE MANAGER, THE ASSEMBLY OR COUNCIL SHALL APPOINT A TEMPORARY MANAGER. IF THE OFFICE BECOMES VACANT, THE ASSEMBLY OR COUNCIL SHALL APPOINT A NEW MANAGER. (§ 2 CH 118 SLA 1972)]

NOTICE SHALL BE GIVEN BY POSTING A NOTICE IN THREE PUBLIC PLACES WITHIN THE CITY OR BOROUGH AREA OUTSIDE CITIES RECEIVING THE UTILITIES SERVICES AND BY SERVING WRITTEN NOTICE UPON THE CORPORATIONS, ASSOCIATIONS AND INDIVIDUALS WHOSE RATES ARE TO BE REGULATED, FIXED, OR CHANGED IN THE SAME MANNER THAT SUMMONSES ARE SERVED. THE NOTICES SHALL BE PUBLISHED OR POSTED AND SERVED AT LEAST 15 DAYS BEFORE THE HEARING. (§ 2 CH 118 SLA 1972)]

[SEC. 29.48.080. RIGHT TO PARTICIPATE AND COMPEL TESTIMONY. AT A HEARING HELD UNDER § 70 OF THIS CHAPTER, ALL PUBLIC SERVICE CORPORATIONS, ASSOCIATIONS, OR INDIVIDUALS AFFECTED BY OR INTERESTED IN THE MATTERS TO BE HEARD MAY BE PRESENT AND MAY BE REPRESENTED BY COUNSEL. THE MUNICIPALITY AND ALL INTERESTED PARTIES MAY PRODUCE WITNESSES AND EXAMINE THEM AND INTRODUCE EVIDENCE TO PROVE OR DISPROVE THE FACTS IN ISSUE OR MATTERS TO BE ESTABLISHED OR INQUIRED INTO AT THE HEARING. ALL PARTIES MAY COMPEL THE ATTENDANCE OF WITNESSES, AND SUBPOENAS REQUIRING ATTENDANCE SHALL BE ISSUED BY THE MUNICIPAL CLERK UNDER HIS HAND AND THE SEAL OF THE MUNICIPALITY. SUBPOENAS DUCES TECUM REQUIRING THE PRODUCTION OF BOOKS AND PAPERS SHALL BE ISSUED IN LIKE MANNER UPON REQUEST. IF A PERSON FAILS TO OBEY A SUBPOENA, THE PARTY AT WHOSE REQUEST THE SUBPOENA ISSUED MAY PETITION THE SUPERIOR COURT FOR AN ORDER COMPELLING THE ATTENDANCE OF THE DISOBEDIENT WITNESS OR THE PRODUCTION OF THE BOOKS OR PAPERS REFERRED TO IN A SUBPOENA DUCES TECUM. THE SUPERIOR COURT SHALL ORDER THE WITNESS TO APPEAR AND TESTIFY OR COMPEL THE PRODUCTION OF THE BOOKS OR PAPERS. A VIOLATION OF THE ORDER OF THE COURT IS A CONTEMPT OF COURT. IF A WITNESS APPEARS AND REFUSES TO TESTIFY CONCERNING A MATTER MATERIAL TO THE FACTS INQUIRED ABOUT AT THE HEARING AND TO ESTABLISH OR DETERMINE WHICH THE HEARING WAS HAD, AND APPLICATION MAY BE MADE TO THE SUPERIOR COURT TO COMPEL THE WITNESS TO TESTIFY AND ANSWER QUESTIONS PUT TO HIM CONCERNING THE MATTERS INQUIRED ABOUT AND THE COURT SHALL MAKE AN ORDER COMPELLING THE WITNESS TO TESTIFY. VIOLATION OF THE ORDER IS CONTEMPT OF COURT. (§ 2 CH 118 SLA 1972)]

[SEC. 29.48.090. FURTHER PROCEEDINGS. A HEARING UNDER § 70 OF THIS CHAPTER SHALL BEGIN AT THE TIME STATED IN THE NOTICE BUT MAY BE CONTINUED FROM TIME TO TIME. AT LEAST A QUORUM OF THE ASSEMBLY OR COUNCIL SHALL BE PRESENT AT THE HEARING. AT THE CONCLUSION OF THE HEARING THE PARTIES INTERESTED MAY MAKE SUCH ARGUMENTS BEFORE THE ASSEMBLY OR COUNCIL, EITHER IN PERSON OR BY ATTORNEY, AS THEY CONSIDER PROPER, TOUCHING THE MATTERS AT ISSUE, AND THEREAFTER THE ASSEMBLY OR COUNCIL SHALL PROCEED TO REGULATE AND FIX THE RATES BY ORDINANCE. THE DATE UPON WHICH THE RATES FIXED OR REGULATED TAKE EFFECT SHALL BE STATED IN THE ORDINANCE AND SHALL BE AT LEAST 10 DAYS AFTER PASSAGE AND APPROVAL OF THE ORDINANCE. (§ 2 CH 118 SLA 1972)]

[SEC. 29.33.120. ADJUSTMENT PROCEDURE. AN INTERESTED PARTY, INCLUDING BUT NOT LIMITED TO A BOROUGH OR CITY OFFICIAL, MAY FILE WITH THE BOARD OF ADJUSTMENT AN APPEAL SPECIFYING HIS OBJECTIONS. COPIES ARE FILED WITH THE ADMINISTRATIVE OFFICER INVOLVED AND WITH THE BOROUGH CLERK WITHIN THE TIME REQUIRED BY THE ZONING ORDINANCE. THE OFFICER SHALL PROVIDE THE BOARD WITH ALL PERTINENT RECORDS, INCLUDING HIS WRITTEN DECISION. AN APPEAL TO THE BOARD STAYS ENFORCEMENT PROCEEDINGS UNLESS THE BOARD OR A COURT ISSUES AN ENFORCEMENT ORDER BASED ON A CERTIFICATE OF IMMINENT PERIL TO LIFE OR PROPERTY MADE BY THE ENFORCEMENT OFFICER. (§ 2 CH 118 SLA 1972)]

[SEC. 29.43.100. EXTENSION OF CURFEWS OUTSIDE CITIES. THE PROVISIONS OF A CURFEW ORDINANCE ENACTED BY A CITY OF ANY CLASS CONCERNING MINORS SHALL BE IMPOSED IN THE TOTAL AREA WITHIN 20 MILES OF THE LIMITS OF THAT CITY. IF A GIVEN AREA LIES WITHIN 20 MILES OF TWO OR MORE CITIES WITH CONFLICTING CURFEW ORDINANCES, THE PROVISIONS OF THE CURFEW ORDINANCE OF THE CITY HAVING THE LARGEST POPULATION PREVAILS AS TO THE OVERLAPPING AREA. (§ 1 CH 86 SLA 1962; AM § 22 CH 166 SLA 1978)]

[SEC. 29.43.105. ENFORCEMENT OF CURFEWS. (A) THE MUNICIPAL PEACE OFFICERS SHALL ENFORCE THE PROVISIONS OF THE ORDINANCE INSIDE THE CITY LIMITS. UNDER AS 29.43.100 - 29.43.110 THE STATE PEACE OFFICERS SHALL ENFORCE THE PROVISIONS OF THE ORDINANCE IN THE AREA OUTSIDE THE CITY LIMITS.

(B) IN AN AREA WHERE STATE PEACE OFFICERS ARE NOT AVAILABLE, THE MUNICIPAL PEACE OFFICER MAY ENFORCE THE PROVISIONS OF THE ORDINANCE IN THE AREA OUTSIDE THE CITY LIMITS IF THE ENFORCEMENT RESPONSIBILITIES ARE DELEGATED BY CONTRACT BETWEEN THE STATE AND THE MUNICIPALITY. (§ 3 CH 86 SLA 1962; AM § 22 CH 166 SLA 1978)]

[SEC. 29.43.110. PENALTY FOR VIOLATION OF CURFEW. THE PENALTY FOR VIOLATION OF AS 29.43.100 - 29.43.110 IS AS PRESCRIBED BY THE CURFEW ORDINANCE OF THE CITY, AND A FINE SO PAID SHALL BE PAID TO THE CITY WHEN THE VIOLATION TAKES PLACE IN THE CITY. OTHERWISE THE FINE SHALL BE PAID TO THE STATE. HOWEVER, THE PENALTY SHALL NOT EXCEED A FINE OF \$300, OR IMPRISONMENT FOR 30 DAYS, OR BOTH. (§ 2 CH 86 SLA 1962; AM § 22 CH 166 SLA 1978)]

[SEC. 29.48.070. HEARING FOR REGULATION OF UTILITIES RATES. IF THE ASSEMBLY OR COUNCIL CONSIDERS IT ADVISABLE TO REGULATE, CHANGE, OR FIX THE RATES TO BE CHARGED BY A PUBLIC SERVICE CORPORATION, ASSOCIATION OR INDIVIDUAL NOT REGULATED UNDER § 42.05, IT SHALL ORDER A HEARING TO BE HELD BEFORE THE GOVERNING BODY AT A TIME AND PLACE SPECIFIED. NOTICE OF THE HEARING SHALL BE GIVEN BY AT LEAST ONE PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION DISTRIBUTED WITHIN THE MUNICIPALITY OR, IF NO NEWSPAPER OF GENERAL CIRCULATION IS DISTRIBUTED WITHIN THE MUNICIPALITY,

[SEC. 29.48.100. APPLICATION. (A) IN THE CASE OF CONFLICT BETWEEN THE PROVISIONS OF §§ 50 - 70 OF THIS CHAPTER AND THE PROVISIONS OF AS 42.05 AS TO THE REGULATION OF RATES OF A UTILITY, THE PROVISIONS OF AS 42.05 SHALL PREVAIL.

(B) SECTIONS 50 - 100 OF THIS CHAPTER APPLY TO HOME RULE AND GENERAL LAW MUNICIPALITIES. (§ 2 CH 118 SLA 1972)

SEC. 29.48.250. CENTRALIZED PURCHASING. THE ASSEMBLY OR COUNCIL MAY PROVIDE FOR CENTRALIZED PURCHASING, STORAGE AND DISTRIBUTION OF SUPPLIES, MATERIAL AND EQUIPMENT FOR THE MUNICIPALITY AN ITS DEPARTMENTS. (§ 2 CH 118 SLA 1972)]

[SEC. 29.58.220. PAYMENT. BONDS ISSUED UNDER AS 29.58.200 - 29.58.220 OR THE PROCEEDINGS OF THE ASSEMBLY OR COUNCIL AUTHORIZING THEIR ISSUANCE MAY CONTAIN THE COVENANTS WHICH THE ASSEMBLY OR COUNCIL CONSIDERS ADVISABLE CONCERNING

(1) THE RATES OR FEES TO BE CHARGED FOR SERVICES RENDERED BY THE PUBLIC FACILITIES, THE REVENUE OF WHICH IS PLEDGED TO THE PAYMENT OF THE BONDS, OR THE TERMS AND CONDITIONS OF ANY OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(2) THE DEPOSIT AND USE OF THE REVENUE OF THE PUBLIC FACILITIES OR OF OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(3) THE ISSUANCE OF ADDITIONAL BONDS PAYABLE FROM REVENUE OF THE PUBLIC FACILITIES OR OF OTHER AMOUNTS COLLECTED WHICH ARE PLEDGED TO THE PAYMENT OF THE BONDS;

(4) THE RIGHTS OF TH BONDHOLDERS IN CASE OF DEFAULT IN THE PAYMENT OF THE PRINCIPAL OR INTEREST ON THE BONDS, INCLUDING THE APPOINTMENT OF A RECEIVER TO OPERATE THE PUBLIC FACILITIES;

(5) OTHER COVENANTS AS THE ASSEMBLY OR COUNCIL DETERMINES. (§ 2 CH 118 SLA 1972; AM § 22 CH 83 SLA 1979)]

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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 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. This section contains only minor word changes so that language used in Title 29 which is defined is uniformly used throughout the title. (AS 29.68.010)

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. (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;
- (27) alcoholic beverages;
- (31) assessment and collection of taxes;
- (32) land use regulation;
- (36) title to vacated areas;
- (38) property taxes (this adds sec. 29.45.450 - 500 and sec. 29.45.550 to the limitations listed under existing law);
- (42) construction;
- (46) 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. 29.20.500. 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. 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. (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 were 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 29.28.150)

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 nonareawide 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, utility services, 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))

(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))

Sec. 29.35.070. The governing body may regulate a utility rate to the extent that it is not subject to regulation by the state and to the extent not otherwise prohibited by law. Under existing law, a municipality may regulate only a municipally owned utility which is not regulated by the state. This section applies as a home rule limitation, and is an existing limitation under AS 29.13.100(17). (AS 29.48.060)

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 five 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 29.89.057)

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. (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 29.89.080)

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.
- (4) 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, while under existing law, only "regular election" is defined;
- (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(8))
- (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;

(25) minor rewording; (AS 29.78.010(17))

✓ The definition of "municipal election" has been eliminated.
(AS 29.78.010(7))

* 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. The statutory references are altered to reflect new numbering.
- * 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. Minor rewording. The statutory references are deleted as unnecessary.

* Sec. 69. The statutory references are deleted as unnecessary.

* Sec. 70. 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. 71. The statutory reference is altered to reflect new numbering.

* 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 new statutory reference is inserted and "former" added before the citation to a section repealed by this bill.

* Sec. 75. The new statutory references are inserted and "former" added before citations to sections repealed by this bill.

* Sec. 76. The statutory references are altered to reflect new numbering.

* Sec. 77. The statutory reference to a repealed section is deleted and language inserted to take the place of the deleted reference.

* Sec. 78. The statutory references are altered to reflect new numbering.

* Sec. 79. The statutory references are deleted as unnecessary.

* Sec. 80. The statutory references are altered to reflect new numbering.

* Sec. 81. The statutory references are deleted as unnecessary.

* Sec. 82. The statutory references are altered to reflect new numbering.

* Sec. 83. 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. 84. 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. 85. The chapter on taxation is retroactive to January 1, 1983, the beginning of the tax year.

* Sec. 86. An immediate effective date is provided for the retroactive clause and the chapter on taxation.

* Sec. 87. 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).

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