

HB

255

Sponsor Statement for Proposed CS to House Bill 255

The proposed Community and Regional Affairs Committee Substitute for House Bill 255 is intended to allow an existing second class city, or unincorporated area, to form a "home rule community" government structure under state law. The city or area would be allowed, through the charter system, to flexibly define its scope of governing powers and services to meet specific area needs.

For instance, a community charter may be drafted to provide for police or fire protection services while leaving transportation issues in the state purview. Under the provision of their charter, a local government may assume any of a wide range of powers, from alcohol and animal control to airport and public works management.

Currently, all home rule governments are required to meet strict financial auditing requirements, provide land-use, zoning and platting services and constitute their own school district. The proposed substitute for House Bill 255 removes these requirements* allowing smaller communities to share in the strength and flexibility of the charter system while avoiding some the thickest red tape. The goal: greater self-determination and a more locally relevant government structure.

A new charter-base home rule community may be the best option for unincorporated areas that would not be viable under the second class city model. Existing second class cities which are strained by general law requirements may find relief in a more narrowly crafted charter that allowed them to forego services beyond their capability while accepting responsibility for local needs that can be met with local resources.

Please feel free to contact my office with questions or concerns.

*Financial statements are required in lieu of a full audit. Land use, zoning and platting may be done, but are not required. A home rule community would not constitute a school district.

1-LS1000\H
Cook
1/24/00

CS FOR HOUSE BILL NO. 255()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE DYSON

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to cities incorporated under state law that are home rule
2 communities."

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

4 * Section 1. AS 01.10.060(a)(4) is amended to read:

5 (4) "municipality" means a political subdivision incorporated under the
6 laws of the state that is a home rule community, a home rule or general law city, a
7 home rule or general law borough, or a unified municipality;

8 * Sec. 2. AS 01.10.060(a) is amended by adding a new paragraph to read:

9 (15) "city" means a home rule community, home rule city, or general
10 law city incorporated under the laws of the state.

11 * Sec. 3. AS 19.30.241(4) is amended to read:

12 (4) "home rule city" means a city incorporated under the laws of the
13 state that has adopted a charter and includes a home rule community [AS
14 DEFINED IN AS 29 04.010];

1 * Sec. 4. AS 29.04.040(a) is amended to read:

2 (a) A second class city may be reclassified as a first class city. A first class
3 or home rule city may be reclassified as a second class city. A home rule community
4 may be reclassified as a home rule city. Reclassification is proposed by filing a
5 petition with the department. The department shall investigate the proposal and report
6 its findings to the Local Boundary Commission with its recommendations. The
7 commission shall hold at least one public hearing in the city on the proposal. The
8 commission may amend the petition and may impose conditions on the reclassification.
9 If the commission determines that the reclassification, as amended or conditioned if
10 appropriate, meets applicable standards under the state constitution and commission
11 regulations, meets the standards for incorporation under AS 29.05.011 for the class of
12 city proposed in the reclassification petition, and is in the best interests of the state,
13 it may accept the petition. Otherwise, it shall reject the petition. The commission
14 shall notify the city of its decision. The decision may be appealed under AS 44.62
15 (Administrative Procedure Act).

16 * Sec. 5. AS 29.04.040(d) is amended to read:

17 (d) The council shall, within 30 days after receiving notification from the
18 Local Boundary Commission that a petition has been accepted, order an election on
19 the question of reclassification. The election shall be held at least 30 days after the
20 order and not later than the next regular election occurring after the 30-day period.
21 If more than one question is to be voted on at the election, each shall appear separately
22 on the ballot. However, if reclassification from a home rule community to a home
23 rule city requires adoption of a new charter, the question of approving the charter
24 and the reclassification may appear as a single question.

25 * Sec. 6. AS 29.05.011(b) is amended to read:

26 (b) A community that meets all the standards under (a) of this section except
27 (a)(1) may incorporate as a second class city or a home rule community.

28 * Sec. 7. AS 29.05.060 is amended to read:

29 **Sec. 29.05.060. Petition.** Municipal incorporation is proposed by filing a
30 petition with the department. The petition must include the following information about
31 the proposed municipality:

- 1 (1) class;
- 2 (2) name;
- 3 (3) boundaries;
- 4 (4) maps, documents, and other information required by the department;
- 5 (5) composition and apportionment of the governing body;
- 6 (6) a proposed operating budget for the municipality projecting sources
- 7 of income and items of expenditure through the first full fiscal year of operation;
- 8 (7) for a borough or unified municipality, based on the number who
- 9 voted in the respective areas in the last general election, the signature and resident
- 10 address of 15 percent of the voters in
- 11 (A) home rule and first class cities in the area of the proposed
- 12 borough or unified municipality; and
- 13 (B) the area of the proposed borough or unified municipality
- 14 outside home rule and first class cities;
- 15 (8) for a first class borough or unified municipality, a designation of
- 16 areawide powers to be exercised;
- 17 (9) for a second class borough, a designation of areawide and
- 18 nonareawide powers to be exercised;
- 19 (10) for a home rule community or first class, second class, or home
- 20 rule city, a designation of the powers to be exercised;
- 21 (11) for a first class or home rule city, based on the number who voted
- 22 in the area in the last general election, the signatures and resident addresses of 50
- 23 voters in the proposed city or of 15 percent of the voters in the proposed city,
- 24 whichever is greater;
- 25 (12) for a second class city or home rule community, based on the
- 26 number who voted in the area in the last general election, the signatures and resident
- 27 addresses of 25 voters in the proposed city or of 15 percent of the voters in the
- 28 proposed city, whichever is greater;
- 29 (13) for a home rule community, home rule city, home rule borough,
- 30 or unified municipality, a proposed home rule charter.

31 * Sec. 8. AS 29.10.010(a) is amended to read:

1 (a) A general law borough [OR FIRST CLASS CITY] may adopt a charter for
2 its own government. A first class city may adopt a charter and become a home
3 rule city. A second class city may adopt a charter and become a home rule
4 community.

5 * Sec. 9. AS 29.10.010(c) is amended to read:

6 (c) At an incorporation, merger, or consolidation election, a municipality may
7 adopt a charter for its own government and incorporate, merge, or consolidate as a
8 home rule community, home rule city, home rule borough, or unified municipality.

9 * Sec. 10. AS 29.10.010(f) is amended to read:

10 (f) The proposed charter for a home rule municipality to be formed by
11 incorporation, merger, or consolidation shall be prepared by the petitioners and filed
12 with the petition to incorporate, merge, or consolidate a home rule community, home
13 rule city, home rule borough, or unified municipality.

14 * Sec. 11. AS 29.10 is amended by adding a new section to read:

15 **Sec. 29.10.015. Home rule community charter.** A charter for a home rule
16 community may provide that the council shall be known by another name as set out
17 in the charter, or that the mayor shall be known by another name as set out in the
18 charter.

19 * Sec. 12. AS 29.10.020 is amended to read:

20 **Sec. 29.10.020. Model charters.** The department shall prepare at least one
21 model home rule charter for a home rule community, a city, a borough, and a unified
22 municipality. The model charters shall be made available to persons interested in
23 filing a petition to form a home rule municipality under AS 29.05.060 or
24 AS 29.06.090.

25 * Sec. 13. AS 29.20.640(a) is amended to read:

26 (a) A municipality shall file with the department

27 (1) maps and descriptions of all annexed or detached territory;

28 (2) a copy of the annual audit, or, for a second class city or a home
29 rule community, an audit or statement of annual income and expenditures;

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

31 (4) a copy of the current annual budget of the municipality;

1 (5) a summary of the optional property tax exemptions authorized
2 together with the estimate of the revenues lost to the municipality by operation of each
3 of the exemptions.

4 * Sec. 14. AS 29.35.030(a) is amended to read:

5 (a) A municipality may, only within its boundaries, exercise the powers of
6 eminent domain and declaration of taking in the performance of a power or function
7 of the municipality under the procedures set out in AS 09.55.250 - 09.55.460. In the
8 case of a home rule community or a second class city, the exercise of the power of
9 eminent domain or declaration of taking must be by ordinance that is submitted to the
10 voters at the next general election or at a special election called for that purpose. A
11 majority of the votes on the question is required for approval of the ordinance.

12 * Sec. 15. AS 29.35.120(a) is amended to read:

13 (a) The governing body shall provide for an annual independent audit of the
14 accounts and financial transactions of the municipality or, in the case of a home rule
15 community or second class city, an audit or statement of annual income and
16 expenditures. To make the audit, the governing body shall designate a public
17 accountant who has no personal interest, direct or indirect, in the fiscal affairs of the
18 municipality. Copies of the audit shall be available to the public upon request.

19 * Sec. 16. AS 29.35.250(c) is amended to read:

20 (c) A home rule city in a third class borough shall provide for planning,
21 platting, and land use regulation as provided by AS 29.35.180(b) for home rule
22 boroughs. A first class city in a third class borough shall provide for planning,
23 platting, and land use regulation as provided by AS 29.35.180(a) for first and second
24 class boroughs. A home rule community or second class city in a third class borough
25 may provide for planning, platting, and land use regulation as provided by
26 AS 29.35.180(a) for first and second class boroughs.

27 * Sec. 17. AS 29.35.260(b) is amended to read:

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

1 * **Sec. 18.** AS 29.35.260(c) is amended to read:

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

7 * **Sec. 19.** AS 29.45.590 is amended to read:

8 **Sec. 29.45.590. Limited property taxing power for home rule communities**
9 **and second class cities.** A home rule community or second class city may by
10 referendum levy property taxes as provided for first class cities. However, levy of an
11 ad valorem tax by a home rule community or second class city may not exceed two
12 percent of the assessed value of the property taxed, except that the limit does not apply
13 to a levy necessary to avoid a default upon payment of principal and interest of bonded
14 or other indebtedness that is secured by a pledge to levy ad valorem or other taxes
15 without limit to meet debt payments.

16 * **Sec. 20.** AS 29.60.030(e) is amended to read:

17 (e) In addition to the computation for municipalities that levy and collect a
18 property tax, the department shall determine an estimated full and true assessed
19 property value under (d) of this section for

20 (1) each municipality that is a school district and that does not levy and
21 collect a property tax;

22 (2) each second class city or home rule community with a population
23 of 750 or more persons; however, a computation is not required under this paragraph
24 more often than once during a period of three successive calendar years; and

25 (3) all other second class cities and home rule communities, by
26 determining the average per capita full and true assessed property value of all cities
27 having a population of less than 750 persons in which an assessment has been
28 completed by a municipality or for which a determination is not made under (1) or (2)
29 of this subsection.

30 * **Sec. 21.** AS 29.71.800(4) is amended to read:

31 (4) "city" means a general law first or second class city, [OR] a home

1 rule city, or a home rule community;

2 * Sec. 22. AS 29.71.800(7) is amended to read:

3 (7) "council" means the governing body of a city, and includes the
4 governing body of a home rule community regardless of the name of that
5 governing body established under the community's charter;

6 * Sec. 23. AS 29.71.800(13) is amended to read:

7 (13) "municipality" means a political subdivision incorporated under
8 the laws of the state that is a home rule community, a home rule or general law city,
9 a home rule or general law borough, or a unified municipality;

Sponsor Statement for House Bill 255

House Bill 255 is intended to allow a community to form a "village" government structure that would be recognized under state law. An incorporated village would be allowed, through the charter system, to flexibly define its scope of governing powers and services to meet specific area needs.

For instance, a village charter may be drafted to provide for police or fire protection services while leaving land permitting and platting issues in the state purview. A village may assume any of a wide range of powers, from alcohol and animal control to airport and public works management. Under the provisions of HB 255, villages could, by petition and public vote, receive the power to levy property and sales taxes. A village may also hinge its formation on the success of a property or sales tax petition at the ballot box. If voters approve the funding source, then the village is formed.

Perhaps most importantly, HB 255 grants a village government the firm legal standing needed to:

- contract with state or adjoining local government entities to provide or receive services
- contract with private corporations or groups for the provision of services
- apply for and receive Federal and State grants,
- engage in customary funding measures such as bond issuances
- establish a legally recognized forum to address local concerns
- have a platform from which to petition the State or Federal governments

House Bill 255 proposes a sweeping change to current state municipal policy that could require hundreds of language changes in dozens of chapters. This draft is intended to put the issue on the table by making the substantive changes to existing city definitions and powers. Should HB 255 become law, the revisor of statutes is instructed to prepare a second bill which will make the technical additions necessary to our entire body of statutes. The delayed effective date is intended to allow time for the revisor and the Legislative Council to prepare and file an appropriate companion bill.

Please feel free to contact my office with questions or concerns.

Memorandum

From: Representative Dyson

To: Representative Harris

RE: House Bill 255

This is to request that the House Community and Regional Affairs Committee schedule House Bill 255 at your earliest convenience.

Thanks,

A handwritten signature in dark ink, appearing to be the name 'Dyson', written in a cursive style.

Sponsor Statement for Proposed CS to House Bill 255

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For instance, a community charter may be drafted to provide for police or fire protection services while leaving transportation issues in the state purview. Under the provision of their charter, a local government may assume any of a wide range of powers, from alcohol and animal control to airport and public works management.

Currently, all home rule governments are required to meet strict financial auditing requirements, provide land-use, zoning and platting services and constitute their own school district. The proposed substitute for House Bill 255 removes these requirements* allowing smaller communities to share in the strength and flexibility of the charter system while avoiding some the thickest red tape. The goal: greater self-determination and a more locally relevant government structure.

A new charter-base home rule community may be the best option for unincorporated areas that would not be viable under the second class city model. Existing second class cities which are strained by general law requirements may find relief in a more narrowly crafted charter that allowed them to forego services beyond their capability while accepting responsibility for local needs that can be met with local resources.

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Memorandum

From: Representatives Dyson, Kookesh & Murkowski

To: House Community and Regional Affairs Committee

RE: CS for House Bill 255

House Community and Regional Affairs Subcommittee Report on House Bill 255

The Subcommittee formed for the purposes of finding a name for the new class of organized area convened at 10:35AM in the House HESS Committee room. Present were Representatives Dyson, Kookesh and Murkowski. Aiding in the discussion were Tam Cook, legislative legal services director, Majorie Vandor, AG for the Local Boundary Commission, Kevin Richie of the Alaska Municipal League, and several staff.

Representative Dyson called the meeting to order. The discussion was informally conducted. Representative Dyson expressed that it was his desire that the name chosen reflect the needs and desires of outlying unincorporated areas that were his goal to reach with HB 255. Representative Kookesh indicated that, regardless of the legal concerns, few unincorporated areas like the word 'city' at all, no matter what words are put in front or behind it.

Representative Murkowski asked if it would be possible to use the word "community" in place of "city." Tam Cook indicated that, in her view, it was both legal and practical to use the term "community" in the bill.

The question arose as to the best modifier for the word community. "Charter" was considered. Kevin Ritchie of the Municipal League observed that the phrase "home-rule" was widely used and had recognized meaning nationwide. Representative Kookesh felt that "home-rule" was good because it conveyed a sense of self determination and local governance.

After more discussion on the issue, the subcommittee unanimously decided to retain the existing language in the CS for HB 255 which employs the term "home-rule community" to describe the new charter government entity the bill creates.

Memo from Tam Cook supporting the use of the term "community" is attached.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 21, 2000

SUBJECT: Home rule communities (CSHB 255()); Work Order No. 21-LS1000\H)

TO: Representative Fred Dyson
Attn: Peter Torkelson

FROM: Tamara Brandt Cook
Director *TBC*

You ask whether it violates the state constitution for a statute to provide for a type of city to be termed a "home rule community." While it is clear that under Art. X, sec. 2 local government powers, including the power of taxation, may only be exercised by boroughs and cities, I do not think it violates that or any other provision of the state constitution to provide for a municipality that is not called a borough or a city, as long as the municipality is defined to be a borough or city and has the essential attributes of a borough or city.

With respect to CSHB 255(), 21-LS1000\H, a "home rule community" is specifically incorporated under state law and is identified as a type of municipality, more precisely, a class of city with home rule powers. (See bill sections 1, 2, 3, 6, 21, 23) Consider also that there now exists a form of municipality that is not typically referred to as a borough or city in statute, namely the unified municipality. There can be no doubt that a unified municipality is a borough as a matter of constitutional law (Art. X, secs. 2 and 3) despite the fact that even in definitions a unified municipality is rarely included as a borough. (See AS 01.10.060(4); AS 29.71.800(3) and (24))

TBC:pl
00-060.pln

Sponsor Statement for House Bill 255

House Bill 255 is intended to allow a community to form a "village" government structure that would be recognized under state law. An incorporated village would be allowed, through the charter system, to flexibly define its scope of governing powers and services to meet specific area needs.

For instance, a village charter may be drafted to provide for police or fire protection services while leaving land permitting and platting issues in the state purview. A village may assume any of a wide range of powers, from alcohol and animal control to airport and public works management. Under the provisions of HB 255, villages could, by petition and public vote, receive the power to levy property and sales taxes. A village may also hinge its formation on the success of a property or sales tax petition at the ballot box. If voters approve the funding source, then the village is formed.

Perhaps most importantly, HB 255 grants a village government the firm legal standing needed to:

- contract with state or adjoining local government entities to provide or receive services
- contract with private corporations or groups for the provision of services
- apply for and receive Federal and State grants,
- engage in customary funding measures such as bond issuances
- establish a legally recognized forum to address local concerns
- have a platform from which to petition the State or Federal governments

House Bill 255 proposes a sweeping change to current state municipal policy that could require hundreds of language changes in dozens of chapters. This draft is intended to put the issue on the table by making the substantive changes to existing city definitions and powers. Should HB 255 become law, the revisor of statutes is instructed to prepare a second bill which will make the technical additions necessary to our entire body of statutes. The delayed effective date is intended to allow time for the revisor and the Legislative Council to prepare and file an appropriate companion bill.

Please feel free to contact my office with questions or concerns.

HOUSE BILL NO. 255

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE DYSON

Introduced: 1/10/00

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to villages; and providing for an effective date."

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

3 * **Section 1.** AS 29.05.011(b) is amended to read:

4 (b) A community that meets all the standards under (a) of this section except
5 (a)(1) may incorporate as a second class city or a village.

6 * **Sec. 2.** AS 29.05.060 is amended to read:

7 **Sec. 29.05.060. Petition.** Municipal incorporation is proposed by filing a
8 petition with the department. The petition must include the following information about
9 the proposed municipality:

10 (1) class;

11 (2) name;

12 (3) boundaries;

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

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

15 (6) a proposed operating budget for the municipality projecting sources

1 of income and items of expenditure through the first full fiscal year of operation;

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

5 (A) home rule and first class cities in the area of the proposed
6 borough or unified municipality; and

7 (B) the area of the proposed borough or unified municipality
8 outside home rule and first class cities;

9 (8) for a first class borough or unified municipality, a designation of
10 areawide powers to be exercised;

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

13 (10) for a village or a first class, second class, or home rule city, a
14 designation of the powers to be exercised;

15 (11) for a first class or home rule city, based on the number who voted
16 in the area in the last general election, the signatures and resident addresses of 50
17 voters in the proposed city or of 15 percent of the voters in the proposed city,
18 whichever is greater;

19 (12) for a second class city or a village, based on the number who
20 voted in the area in the last general election, the signatures and resident addresses of
21 25 voters in the proposed city or of 15 percent of the voters in the proposed city,
22 whichever is greater;

23 (13) for a village or a home rule city, home rule borough, or unified
24 municipality, a proposed home rule charter.

25 * Sec. 3. AS 29.10.010(c) is amended to read:

26 (c) At an incorporation, merger, or consolidation election, a municipality may
27 adopt a charter for its own government and incorporate, merge, or consolidate as
28 village, home rule city, home rule borough, or unified municipality.

29 * Sec. 4. AS 29.10.010(f) is amended to read:

30 (f) The proposed charter for a home rule municipality to be formed by
31 incorporation, merger, or consolidation shall be prepared by the petitioners and filed

1 with the petition to incorporate, merge, or consolidate a village, home rule city, home
 2 rule borough, or unified municipality.

3 * Sec. 5. AS 29.10.020 is amended to read:

4 Sec. 29.10.020. **Model charters.** The department shall prepare at least one
 5 model home rule charter for a city, borough, and unified municipality. The
 6 department shall prepare several alternative model home rule charters for a
 7 village. A charter for a village may provide that the council shall be known by
 8 another name, such as "village council," or "council of elders," or that the mayor
 9 shall be known by another name, such as "chief" or "elder." The model charters
 10 shall be made available to persons interested in filing a petition to form a home rule
 11 municipality under AS 29.05.060 or AS 29.06.090.

12 * Sec. 6. AS 29.35.120(a) is amended to read:

13 (a) The governing body shall provide for an annual independent audit of the
 14 accounts and financial transactions of the municipality or, in the case of a village or
 15 second class city, an audit or statement of annual income and expenditures. To make
 16 the audit, the governing body shall designate a public accountant who has no personal
 17 interest, direct or indirect, in the fiscal affairs of the municipality. Copies of the audit
 18 shall be available to the public upon request.

19 * Sec. 7. AS 29.35.250(c) is amended to read:

20 (c) A home rule city in a third class borough shall provide for planning,
 21 platting, and land use regulation as provided by AS 29.35.180(b) for home rule
 22 boroughs. A first class city in a third class borough shall provide for planning,
 23 platting, and land use regulation as provided by AS 29.35.180(a) for first and second
 24 class boroughs. A village or second class city in a third class borough may provide
 25 for planning, platting, and land use regulation as provided by AS 29.35.180(a) for first
 26 and second class boroughs.

27 * Sec. 8. AS 29.35.260(b) is amended to read:

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

1 * **Sec. 9.** AS 29.35.260(c) is amended to read:

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

7 * **Sec. 10.** AS 29.45.550 is amended to read:

8 **Sec. 29.45.550. Cities outside boroughs.** Home rule and first class cities and
9 villages outside boroughs may assess, levy, and collect a property tax. A property tax
10 if levied must be assessed, levied, and collected as provided by AS 29.45.010 -
11 29.45.500.

12 * **Sec. 11.** AS 29.45.560 is amended to read:

13 **Sec. 29.45.560. Cities inside boroughs.** Home rule and first class cities and
14 villages inside boroughs may levy a property tax. A property tax, if levied, is subject
15 to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.100, 29.45.250, 29.45.400 - 29.45.440
16 and 29.45.460 - 29.45.500. The council shall by June 15 of each year present to the
17 assembly a statement of the city's rate of levy unless a different date is agreed upon
18 by the borough and city.

19 * **Sec. 12.** AS 29.45.600 is amended to read:

20 **Sec. 29.45.600. Combining property tax with incorporation of a village or**
21 **a second class city.** A petition for village or second class city incorporation may
22 request that a property tax proposal be placed on the same ballot. The petition must
23 state the proposed tax rate. The petition may request that incorporation be dependent
24 on the passage of the property tax proposition. If so, the incorporation proposition
25 fails if the property tax fails.

26 * **Sec. 13.** AS 29.45.710 is amended to read:

27 **Sec. 29.45.710. Combining sales and use tax with incorporation of a village**
28 **or a second class city.** A petition for incorporation of a village or a second class city
29 may request that a sales and use tax proposal be placed on the same ballot. The
30 petition must state the proposed tax rate. The petition may request that incorporation
31 be dependent on the passage of the tax proposition. If so, the incorporation

1 proposition fails if the tax fails.

2 * **Sec. 14.** AS 29.60.030(e) is amended to read:

3 (e) In addition to the computation for municipalities that levy and collect a
4 property tax, the department shall determine an estimated full and true assessed
5 property value under (d) of this section for

6 (1) each municipality that is a school district and that does not levy and
7 collect a property tax;

8 (2) each second class city or village with a population of 750 or more
9 persons; however, a computation is not required under this paragraph more often than
10 once during a period of three successive calendar years; and

11 (3) all other second class cities and villages, by determining the
12 average per capita full and true assessed property value of all cities having a
13 population of less than 750 persons in which an assessment has been completed by a
14 municipality or for which a determination is not made under (1) or (2) of this
15 subsection.

16 * **Sec. 15.** AS 29.71.800(4) is amended to read:

17 (4) "city" means a general law first or second class city, [OR] a home
18 rule city, or a village;

19 * **Sec. 16.** AS 29.71.800(7) is amended to read:

20 (7) "council" means the governing body of a city or village;

21 * **Sec. 17.** AS 29.71.800(13) is amended to read:

22 (13) "municipality" means a political subdivision incorporated under
23 the laws of the state that is a village, a home rule or general law city, a home rule or
24 general law borough, or a unified municipality;

25 * **Sec. 18.** The revisor of statutes shall, by January 31, 2001, prepare a bill making changes
26 in statutes to conform with the provisions of this Act and submit the bill to the Alaska
27 Legislative Council for introduction.

28 * **Sec. 19.** Section 18 of this Act takes effect immediately under AS 01.10.070(c).

29 * **Sec. 20.** Sections 1 - 17 of this Act take effect on July 1, 2002.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB 255 (CRA)

Revision Date/Time (Note if correction) _____ Dept. Affected Law
 Title "An Act relating to cities incorporated under BRU Civil Division
state law that are home rule communities." Component Governmental Affairs
 Sponsor Representative Dyson
 Requester House Community & Regional Affairs Component No. 2207

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	2.4	2.4	2.4	2.4	2.4	2.4
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.4	0.4	0.4	0.4	0.4	0.4
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	2.8	2.8	2.8	2.8	2.8	2.8

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	2.8	2.8	2.8	2.8	2.8	2.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	2.8	2.8	2.8	2.8	2.8	2.8

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSHB 255 (CRA) allows an existing second class city or unincorporated area to form a "home rule community" government structure. This new classification would permit the city or area to choose a narrower scope of governing powers than current law requires.

The Department of Law will provide legal assistance in developing the new model charters for home rule communities, and provide advice to the Local Boundary Commission as charter petitions are received. We anticipate approximately 30 hours of attorney time per year will be required for these more routine functions. Any litigation arising from the new charter process would require additional time. Because we have no way of predicting how much, if any, new litigation there might be, these costs are not included in this fiscal note.

Prepared by: Joan M. Kasson *Joan M. Kasson* Phone 465-5370
 Division Attorney General's Office Date/Time 2/22/00, 11:42 AM
 Approved by Commissioner *Budger* Bruce M. Botelho, Attorney General Date 2/22/00
 Agency Department of Law

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FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. CSHB 255 (CRA)

ANALYSIS CONTINUATION

Based on the department's FY 2001 hourly attorney rate, which includes clerical support, communications, space, supplies, data processing, and other normal overhead expenses, the cost of CSHB 255 (CRA) would be \$2,802.60 (30 hours x \$93.42/hour).