

LEG. FINANCE - BILLS 1981 - 1982 1640
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1 which the municipality is located. If court action is not commenced
2 within the 10-day period, the election and election results are con-
3 clusive and valid.

4 ARTICLE 2. INITIATIVE AND REFERENDUM.

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

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

19 (1) is not restricted by AS 29.26.100;

20 (2) includes only a single subject;

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

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

24 (b) A decision by the clerk on an application for petition shall
25 be subject to judicial review.

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

1 (1) a summary of the bill to be initiated or the act to be
2 referred;

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

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

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

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

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

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

18 (b) If a petition consists of more than one page, each page shall
19 contain the summary of the bill to be initiated or the act to be re-
20 ferred.

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

23 Sec. 29.26.130. SIGNATURE REQUIREMENTS. (a) The signatures on an
24 initiative or referendum petition shall be secured within 60 days after
25 the clerk issues the petition. The statement provided under AS 29.26.-
26 120(a)(6) shall be signed and dated by the sponsor. Signatures shall be
27 in ink or indelible pencil.

28 (b) The clerk shall determine the number of signatures required on
29 a petition and inform each sponsor. A petition shall be signed by

1 a number of voters based on the number of votes cast at the last regular
2 election held before the date the petition was issued equal to

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

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

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

10 (d) A petition signer may withdraw his signature on written appli-
11 cation to the clerk before certification of the petition.

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

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

17 (2) if the petition is insufficient, identify the insuffi-
18 ciency and notify the sponsors at the address provided under AS 29.26.-
19 110(a) by certified mail.

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

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

28 Sec. 29.26.150. PROTEST. If the municipal clerk certifies an
29 initiative or referendum petition is insufficient, a signer of the

1 petition may file a protest with the mayor within seven days after the
2 certification. The mayor shall present the protest at the next regular
3 meeting of the governing body. The governing body shall hear and decide
4 the protest.

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

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

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

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

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

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

1 election occurs within 75 days of certification of a petition, the
2 governing body shall hold a special election within 75 days, but not
3 sooner than 45 days after certification.

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

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

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

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

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

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

29 ARTICLE 3. RECALL.

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

4 Sec. 29.26.250. GROUNDS. Grounds for recall are misconduct in
5 office, incompetence, or failure to perform prescribed duties.

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

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

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

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

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

17 Sec. 29.26.270. RECALL PETITION. (a) If the municipal clerk
18 determines that an application for a recall petition meets the require-
19 ments of AS 29.26.260, he shall prepare a recall petition. All copies
20 of the petition shall contain

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

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

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

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

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

1 (6) a statement, with space for the sponsor's sworn signature
2 and date of signing, that the sponsor personally circulated the peti-
3 tion, that all signatures were affixed in his presence, and that he
4 believes the signatures to be those of the persons whose names they
5 purport to be; and

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

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

10 Sec. 29.26.280. SIGNATURE REQUIREMENTS. (a) The signatures on a
11 recall petition shall be secured within 60 days after the date the clerk
12 issues the petition. The statement provided under AS 29.26.270(a)(6)
13 shall be completed and signed by the sponsor. Signatures shall be in
14 ink or indelible pencil.

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

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

28 (d) A petition signer may withdraw his signature upon written
29 application to the clerk before certification of the petition.

1 Sec. 29.26.290. SUFFICIENCY OF PETITION. (a) The copies of a
2 recall petition shall be assembled and filed as a single instrument. A
3 petition may not be filed within 180 days before the end of the term of
4 office of the official sought to be recalled. Within 10 days after the
5 date a petition is filed, the municipal clerk shall

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

7 (2) if the petition is insufficient, identify the insuffi-
8 ciency and notify the sponsors at the address provided under AS 29.26.-
9 260(a)(2) by certified mail.

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

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

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

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

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

26 Sec. 29.26.310. SUBMISSION. If a recall petition is sufficient,
27 the clerk shall submit it to the governing body at the next regular
28 meeting or at a special meeting held before the next regular meeting.

29 Sec. 29.26.320. ELECTION. (a) If a regular election occurs

1 within 75 days but not sooner than 45 days after submission of the
2 petition to the governing body, the governing body shall submit the
3 recall at that election.

4 (b) If no regular election occurs within 75 days, the governing
5 body shall hold a special election on the recall question within 75 days
6 but not sooner than 45 days after a petition is submitted to the govern-
7 ing body.

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

13 Sec. 29.26.330. FORM OF RECALL BALLOT. A recall ballot shall
14 contain

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

17 (2) a statement by the official named on the recall petition
18 of 200 words or less, if the statement is filed with the clerk for
19 publication and public inspection within 20 days before the election;

20 (3) the following question: "Shall (name of person) be
21 recalled from the office of (office)? YES () NO ()".

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

24 (b) If an official is not recalled at the election, an application
25 for a petition to recall the same official may not be filed sooner than
26 six months after the election.

27 Sec. 29.26.350. SUCCESSORS. (a) If an official is recalled from
28 the governing body, his office is filled in accordance with AS 29.20.-
29 180. If all members of the governing body are recalled, the governor

1 shall appoint three qualified persons to the governing body. The
2 appointees shall appoint additional members to fill remaining vacancies
3 in accordance with AS 29.20.180.

4 (b) If a member of the school board is recalled, his office is
5 filled in accordance with AS 14.12.070. If all members are recalled
6 from a school board, the governor shall appoint three qualified persons
7 to the school board. The appointees shall appoint additional members to
8 fill remaining vacancies in accordance with AS 14.12.070.

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

11 (d) If an official other than a member of the governing body or
12 school board is recalled, a successor shall be elected to fill the
13 unexpired portion of the term. The election shall be held not more than
14 60 days after the date the recall election is certified, except that if
15 a regular election occurs within 75 days after certification the
16 successor shall be chosen at that election.

17 (e) Nominations for a successor may be filed until seven days
18 before the last date on which a first notice of the election must be
19 given. Nominations may not be filed before the certification of the
20 recall election.

21 Sec. 29.26.360. APPLICATION. AS 29.26.240 - 29.26.360 apply to
22 home rule and general law municipalities.

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

24 CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

25 ARTICLE 1. GENERAL POWERS.

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

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

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

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

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

7 (5) to investigate an affair of the municipality and make
8 inquiries into the conduct of a municipal department;

9 (6) to levy a tax or special assessment, and impose a lien
10 for its enforcement;

11 (7) to enforce an ordinance and to prescribe a penalty for
12 violation of an ordinance;

13 (8) to acquire, manage, control, use, and dispose of real and
14 personal property, whether the property is situated inside or outside
15 the municipal boundaries; this power includes the power of a borough to
16 expend, for any purpose authorized by law, money received from the
17 disposal of land in a service area established under AS 29.35.450;

18 (9) to expend money for a community purpose, facility, or
19 service for the good of the municipality to the extent the municipality
20 is otherwise authorized by law to exercise the power necessary to
21 accomplish the purpose or provide the facility or service;

22 (10) to regulate the operation and use of a municipal right-
23 of-way, facility, or service;

24 (11) to borrow money and issue evidences of indebtedness;

25 (12) to acquire membership in an organization that promotes
26 legislation for the good of the municipality;

27 (13) to enter into an agreement, including an agreement for
28 cooperative or joint administration of any function or power with a
29 municipality, the state, or the United States;

1 (14) to sue and be sued.

2 Sec. 29.35.020. EXTRATERRITORIAL JURISDICTION. (a) To the extent
3 a municipality is otherwise authorized by law to exercise the power
4 necessary to provide the facility or service, the municipality may
5 provide parks, playgrounds, cemeteries, emergency medical services,
6 solid and septic waste disposal, utility services, airports, streets
7 (including ice roads), trails, transportation facilities, wharves,
8 harbors and other marine facilities outside its boundaries and may
9 regulate their use and operation to the extent that the jurisdiction in
10 which they are located does not regulate them. A regulation adopted
11 under this section must state that it applies outside the municipality.

12 (b) A municipality may adopt an ordinance to protect its water
13 supply and watershed, and may enforce the ordinance outside its bound-
14 aries. Before this power may be exercised inside the boundaries of
15 another municipality, the approval of the other municipality must be
16 given by ordinance.

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

19 Sec. 29.35.030. EMINENT DOMAIN. (a) A municipality may exercise
20 the powers of eminent domain and declaration of taking in the perfor-
21 mance of a power or function of the municipality under the procedures
22 set out in AS 09.55.250 - 09.55.460.

23 (b) This section applies to home rule and general law municipali-
24 ties.

25 Sec. 29.35.040. EMERGENCY DISASTER POWERS. (a) A municipality
26 that is wholly or partially in an area that is declared by the President
27 or governor to be a disaster area may participate in and provide for
28 housing, urban renewal, and redevelopment in the same manner as a home
29 rule city. The exercise of these powers by a borough shall be on a

1 nonareawide basis, except a borough may exercise the powers transferred
2 to it by a city as provided by AS 29.35.310.

3 (b) Powers granted by this section must be initiated within a
4 period of not more than five years after the date of declaration of a
5 natural disaster by the President or governor, but these powers may be
6 extended for an additional period of not more than three years.

7 Sec. 29.35.050. GARBAGE AND SOLID WASTE SERVICES. (a) A munici-
8 pality may by ordinance

9 (1) provide for the establishment, maintenance, and operation
10 of a system of garbage and solid waste collection and disposal for the
11 entire municipality, or for districts or portions of it;

12 (2) require all persons in the municipality or district to
13 use the system and to dispose of their garbage and solid wastes as
14 provided in the ordinance;

15 (3) award contracts for collection and disposal, or provide
16 for the collection and disposal of garbage and solid waste by municipal
17 officials and employees;

18 (4) pay for garbage and solid waste collection and disposal
19 from available money;

20 (5) require property owners or occupants of premises to use
21 the garbage and solid waste collection and disposal system provided by
22 the municipality;

23 (6) fix charges against the property owners or occupants of
24 premises for the collection and disposal; and

25 (7) provide penalties for violations of the ordinances.

26 (b) The governing body of a municipality may not prohibit a person
27 holding a valid certificate from the Alaska Public Utilities Commission
28 from continuing to collect and dispose of garbage, refuse, trash, waste
29 material, or provide other related services in an area in the munici-

1 pality if the certificate authorizes the collection and disposal of
2 garbage, refuse, trash, or other waste material and providing of other
3 services in the area, and the certificate was originally issued before
4 the municipality provided similar services. A municipality may not
5 provide for a garbage, refuse, trash, or other waste material collection
6 and disposal service in an area to the extent it lies in an area granted
7 to a garbage, refuse, trash, or other waste material carrier by a cer-
8 tificate issued by the Alaska Public Utilities Commission to the carrier
9 until it has purchased the certificate, equipment and facilities of the
10 carrier, or that portion of the certificate that would be affected, at
11 fair market value. A municipality may exercise the right of eminent
12 domain to determine fair market value.

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

15 Sec. 29.35.060. FRANCHISES AND PERMITS. (a) The assembly acting
16 for the area outside all cities in the borough and the council acting
17 for the area in a city may grant franchises, including exclusive fran-
18 chise privileges, to a person, corporation, organization, or utility not
19 certificated by the Alaska Public Utilities Commission and may permit
20 the use of streets and other public places by the franchise holder under
21 regulations prescribed by ordinance.

22 (b) Unless the grant is made on a competitive basis, the grant of
23 an exclusive right to use a public street or right-of-way for more than
24 five years to a utility or a transportation system not certificated by
25 the Alaska Public Utilities Commission or by the Alaska Transportation
26 Commission shall be valid only if approved by a majority of the voters
27 at an election.

28 Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for
29 the area outside all cities in the borough and the council acting for

1 the area in a city may regulate, fix, establish, and change the rates
2 and charges imposed for a utility service provided to the municipality
3 or its inhabitants by a utility to the extent that it is not regulated
4 under AS 42.05, and may provide a reasonable deposit for meters and
5 service to be given if interest is paid on the deposit. All rates,
6 charges, and regulations shall be reasonable and shall permit a fair
7 return on invested capital.

8 (b) This section applies to home rule and general law municipali-
9 ties.

10 Sec. 29.35.080. MUNICIPAL PROPERTY. The governing body shall by
11 ordinance establish a formal procedure for acquisition and disposal of
12 land and interests in land by the municipality.

13 Sec. 29.35.090. BUDGET AND CAPITAL PROGRAM. (a) The governing
14 body shall establish the manner for the preparation and submission of
15 the budget and capital program. After a public hearing, the governing
16 body may approve the budget with or without amendments, and shall
17 appropriate the money required for the approved budget.

18 (b) The governing body may make supplemental and emergency appro-
19 priations. Payment may not be authorized or made and an obligation may
20 not be incurred except in accordance with appropriations.

21 Sec. 29.35.100. EXPENDITURE OF BOROUGH REVENUES. Borough revenues
22 received through taxes collected on an areawide basis by the borough may
23 be expended on general administrative costs and on areawide functions
24 only. Borough revenues received through taxes collected on a nonareawide
25 basis may be expended on general administrative costs and functions that
26 render service only to the area outside all cities in the borough.

27 Sec. 29.35.110. POST AUDIT. (a) The governing body shall provide
28 for an annual independent audit of the accounts and financial trans-
29 actions of the municipality or, in the case of a second class city, an

1 audit or statement of annual income and expenditures. To make the audit
2 the governing body shall designate a public accountant who has no person-
3 al interest, direct or indirect, in the fiscal affairs of the municipali-
4 ty. Copies of the audit shall be available to the public upon request.

5 (b) This section applies to home rule and general law municipali-
6 ties.

7 ARTICLE 2. MANDATORY AREAWIDE POWERS.

8 Sec. 29.35.150. SCOPE OF AREAWIDE POWERS. (a) A borough shall
9 exercise the powers as specified and in the manner specified in AS 29.-
10 35.150 - 29.35.190 on an areawide basis.

11 (b) A city may not exercise an areawide power once that power is
12 being exercised by a borough. This subsection applies to home rule and
13 general law municipalities.

14 Sec. 29.35.160. EDUCATION. (a) Each borough constitutes a
15 borough school district and establishes, maintains, and operates a
16 system of public schools on an areawide basis as provided in AS 14.14.-
17 060. A military reservation in a borough is not part of the borough
18 school district until the military mission is terminated or until
19 inclusion in the borough school district is approved by the Department
20 of Education. However, operation of the military reservation schools by
21 the borough school district may be required by the Department of Educa-
22 tion under AS 14.14.110. If the military mission of a military reserva-
23 tion terminates or continued management and control by a regional educa-
24 tional attendance area is disapproved by the Department of Education,
25 operation, management, and control of schools on the military reservation
26 transfers to the borough school district in which the military reserva-
27 tion is located.

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

1 Sec. 29.35.170. ASSESSMENT AND COLLECTION OF TAXES. (a) A
2 borough shall assess and collect property, sales, and use taxes that are
3 levied in its boundaries, subject to AS 29.45.

4 (b) Taxes levied by a city shall be collected by a borough and
5 returned in full to the levying city. This subsection applies to home
6 rule and general law municipalities.

7 Sec. 29.35.180. LAND USE REGULATION. (a) A first or second class
8 borough shall provide for planning, platting, and land use regulation in
9 accordance with AS 29.40.

10 (b) A home rule borough shall provide for planning, platting, and
11 land use regulation.

12 ARTICLE 3. ADDITIONAL POWERS.

13 Sec. 29.35.200. FIRST CLASS BOROUGH POWERS. (a) A first class
14 borough may exercise on a nonareawide basis any power not otherwise
15 prohibited by law.

16 (b) A first class borough may by ordinance exercise the following
17 powers on an areawide basis:

- 18 (1) provide transportation systems;
19 (2) provide water pollution control;
20 (3) provide air pollution control in accordance with AS 46.-
21 03.140 - 46.03.240;
22 (4) license day care facilities;
23 (5) license, impound, and dispose of animals.

24 (c) In addition to powers conferred by (b) of this section, a
25 first class borough may, on an areawide basis, exercise a power not
26 otherwise prohibited by law if the power has been acquired in accordance
27 with AS 29.35.300.

28 Sec. 29.35.210. SECOND CLASS BOROUGH POWERS. (a) A second class
29 borough may by ordinance exercise the following powers on a nonareawide

1 basis:

- 2 (1) provide transportation systems;
- 3 (2) regulate the offering for sale, exposure for sale, sale,
4 use or explosion of fireworks;
- 5 (3) license, impound, and dispose of animals;
- 6 (4) provide garbage, solid waste, and septic waste collection
7 and disposal;
- 8 (5) provide air pollution control in accordance with AS 46.-
9 03.140 - 46.03.240;
- 10 (6) provide water pollution control;
- 11 (7) participate in federal or state loan programs for housing
12 rehabilitation and improvement for energy conservation;
- 13 (8) provide for economic development;
- 14 (9) provide for the acquisition and construction of local
15 service roads and trails under AS 19.30.111 - 19.30.251;
- 16 (10) establish an emergency communications center.

17 (b) A second class borough may by ordinance exercise the following
18 powers on an areawide basis:

- 19 (1) provide transportation systems;
- 20 (2) license, impound, and dispose of animals;
- 21 (3) provide air pollution control in accordance with AS 46.-
22 03.140 - 46.03.240;
- 23 (4) provide water pollution control;
- 24 (5) license day care facilities.

25 (c) In addition to powers conferred by (a) of this section, a
26 second class borough may, on a nonareawide basis, exercise a power not
27 otherwise prohibited by law if the exercise of the power has been
28 approved at an election by a majority of voters living in the borough
29 but outside all cities in the borough.

1 (d) In addition to powers conferred by (b) of this section, a
2 second class borough may, on an areawide basis, exercise a power not
3 otherwise prohibited by law if the power has been acquired in accordance
4 with AS 29.35.300.

5 Sec. 29.35.220. THIRD CLASS BOROUGH POWERS. (a) A third class
6 borough may borrow money and issue negotiable or nonnegotiable bonds or
7 other evidences of indebtedness as provided by AS 29.47.

8 (b) Areawide exercise of a power by a third class borough other
9 than education and tax assessment and collection is not authorized.

10 (c) A third class borough may acquire under AS 29.35.300(b) the
11 power to provide for planning, platting, and land use regulation as
12 provided in AS 29.40 for first and second class boroughs, except the
13 power may only be exercised within a service area.

14 (d) A third class borough may acquire under AS 29.35.300(b) any
15 power not otherwise prohibited by law, except the power may only be
16 exercised within a service area.

17 ARTICLE 4. CITY POWERS.

18 Sec. 29.35.250. CITIES INSIDE BOROUGHES. (a) A city inside a
19 borough may exercise any power not otherwise prohibited by law. On
20 adoption of a borough ordinance to provide for areawide exercise of a
21 power, no city may exercise the power unless the borough ordinance
22 provides otherwise or the borough by ordinance ceases to exercise the
23 power.

24 (b) A home rule or first class city in a third class borough shall
25 provide for planning, platting, and land use regulation as provided by
26 AS 29.40 for first and second class boroughs. A second class city in a
27 third class borough may provide for planning, platting, and land use
28 regulation as provided by AS 29.40 for first and second class boroughs.

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

1 Sec. 29.35.260. CITIES OUTSIDE BOROUGHES. (a) A city outside a
2 borough may exercise a power not otherwise prohibited by law. Powers
3 that are incorporated by reference to laws governing boroughs apply to
4 home rule cities outside boroughs only in those cases in which they are
5 made applicable to home rule boroughs in the provisions incorporated.

6 (b) A home rule or first class city outside a borough is a city
7 school district and shall establish, operate, and maintain a system of
8 public schools as provided by AS 29.35.160 for boroughs. A second class
9 city is not a school district and may not establish a system of public
10 schools.

11 (c) A home rule or first class city outside a borough shall, and a
12 second class city outside a borough may, provide for planning, platting,
13 and land use regulation as provided by AS 29.40 for first and second
14 class boroughs.

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

16 ARTICLE 5. ACQUISITION OF ADDITIONAL POWERS.

17 Sec. 29.35.300. ADDITIONAL POWERS. (a) A first or second class
18 borough acquires an additional power by transfer from a city in accor-
19 dance with AS 29.35.310, or by holding an election on the question. For
20 acquisition of an areawide power, the election shall be held areawide.
21 For acquisition of a nonareawide power, the election shall be held
22 nonareawide.

23 (b) A third class borough acquires an additional power to exercise
24 in service areas by holding an election on the question in which each
25 person who is a voter of the borough may vote.

26 Sec. 29.35.310. TRANSFER BY CITY. (a) A city in a first or
27 second class borough may transfer to the borough in which it is located
28 any of its powers or functions, subject to the approval of the assembly.

29 (b) A first or second class borough shall exercise all powers

1 transferred to it by a city.

2 Sec. 29.35.320. INITIATION OF ACQUISITION OF POWER. (a) An
3 election on the question of adding an areawide or nonareawide power in a
4 first or second class borough may be initiated in two ways:

5 (1) a number of voters equal to 15 percent of the number of
6 votes cast at the preceding regular election in the area, either area-
7 wide or nonareawide, in which the election is to be held may file a
8 petition with the borough clerk; or

9 (2) the assembly may propose the acquisition of the power.

10 (b) An election on the question of adding a power in a third class
11 borough for exercise in service areas may be initiated in two ways:

12 (1) a number of voters equal to 15 percent of the number of
13 votes cast at the preceding regular election in a proposed service area
14 in which the power is sought to be exercised may file a petition with
15 the assembly; or

16 (2) the assembly may propose the acquisition of the power.

17 (c) The borough clerk shall certify whether a petition filed under
18 (a) or (b) of this section contains the required number of signatures.

19 (d) Within 30 days after a petition is certified as containing the
20 required number of signatures or the assembly proposes the acquisition
21 of a power, at least one public hearing shall be held in the borough on
22 the question. The assembly shall then evaluate the ability of the
23 borough to exercise the power and make its findings public. Within 60
24 days after its findings have been made public, the assembly shall order
25 an election on the question.

26 Sec. 29.35.330. ELECTION. (a) If more than one power is proposed
27 for acquisition under AS 29.35.320, each shall appear separately on the
28 ballot.

29 (b) A vote on the question of adding an areawide power in a first

1 or second class borough shall be tabulated in two separate classifica-
2 tions. One shall consist of all votes cast in all cities located in the
3 borough. The other shall consist of all votes cast in the borough area
4 outside all cities. If the majority of the votes cast in each classifi-
5 cation is favorable, the borough shall assume the added power within 30
6 days after certification of the election results.

7 (c) If a majority of the votes cast on the question of adding a
8 nonareawide power in a first or second class borough or a power to be
9 exercised in service areas in a third class borough is favorable, the
10 borough shall assume the added power within 30 days after certification
11 of the election results.

12 (d) The borough mayor shall certify the election results to the
13 department.

14 Sec. 29.35.340. EFFECT OF ACQUIRING AN AREAWIDE POWER. (a) On
15 acquisition of an areawide power the first or second class borough
16 succeeds to all of the rights, powers, and duties of any city or service
17 area with respect to that power. The borough succeeds to claims,
18 franchises, and other contractual obligations, liability for bonded and
19 all other indebtedness, and to all of the right, title, and interest in
20 the real and personal property held by a city or service area for the
21 exercise of the power.

22 (b) The assembly may levy and collect special charges, taxes, or
23 assessments including interest for the purpose of amortizing bonded in-
24 debtedness previously incurred by a city or service area for exercising
25 an areawide power acquired by the borough. When a city or service area
26 had previously incurred bonded indebtedness, all property that was in
27 the city or service area at the time the bonds were issued remains
28 subject to taxation to pay the principal of and interest on the bonds.

29 (c) On acquisition of an additional areawide power the first or

1 second class borough, in consultation with the city or service area
2 personnel, shall arrange for an orderly and equitable transfer of
3 rights, assets, liabilities, powers, duties, and other matters related
4 to acquisition of the areawide powers.

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

6 ARTICLE 6. CONSTRUCTION OF POWERS.

7 Sec. 29.35.400. GENERAL CONSTRUCTION. A liberal construction
8 shall be given to all powers and functions of a municipality conferred
9 in this title.

10 Sec. 29.35.410. EXTENT OF POWERS. Unless otherwise limited by
11 law, a municipality has and may exercise all powers and functions
12 necessarily or fairly implied in or incident to the purpose of all
13 powers and functions conferred in this title.

14 Sec. 29.35.420. ENUMERATION OF POWERS. Specific examples in an
15 enumerated power or function conferred upon a municipality in this title
16 is illustrative of the object and not a limitation on or exclusion from
17 the exercise of the power or function.

18 ARTICLE 7. SERVICE AREAS.

19 Sec. 29.35.450. SERVICE AREAS. (a) A service area to provide
20 special services in a borough may be established, operated, altered, or
21 abolished by ordinance. Special services include services not provided
22 on an areawide or nonareawide basis in the borough, or a higher or
23 different level of service than that provided on an areawide or non-
24 areawide basis. The borough may include a city in a service area if

25 (1) the city agrees by ordinance; or

26 (2) approval is granted by a majority of voters residing in
27 the city, and by a majority of voters residing inside the boundaries of
28 the proposed service area but outside of the city.

29 (b) A new service area may not be established if, consistent with

1 the purposes of art. X of the state constitution, the new service can be
2 provided by an existing service area, by annexation to a city, or by
3 incorporation as a city.

4 Sec. 29.35.460. SERVICE AREA BOARDS. The assembly may provide for
5 an appointed or elected board to supervise the furnishing of special
6 services in a service area.

7 Sec. 29.35.470. FINANCING. The assembly may levy or authorize the
8 levying of taxes, charges, or assessments in a service area to finance
9 the special services. If the assembly authorizes the levying of taxes,
10 charges, or assessments, the rate of taxation and the issuance of bonds
11 are subject to assembly approval.

12 Sec. 29.35.480. SERVICE AREAS IN FIRST CLASS BOROUGHES. In a first
13 class borough, the assembly may exercise in a service area any power
14 granted a first class city by law. The assembly may exercise in a
15 service area any nonareawide power that may be exercised by a first
16 class borough.

17 Sec. 29.35.490. SERVICE AREAS IN SECOND AND THIRD CLASS BOROUGHES.
18 (a) A second class borough may exercise in a service area any power
19 granted a first class city by law or a nonareawide power that may be
20 exercised by a first class borough if

21 (1) the exercise of the power is approved by a majority of
22 the voters residing in the service area; or

23 (2) all owners of real property in the service area consent
24 in writing to the exercise of the power if no voters reside in the
25 service area.

26 (b) A third class borough may exercise in a service area any power
27 acquired under AS 29.35.300(b) if the exercise of the power is approved
28 by a majority of the voters residing in the service area.

29 (c) A second or third class borough may establish a service area

1 that includes only vacant, unappropriated, and unreserved land owned by
2 the borough. A second or third class borough may establish a service
3 area, with the concurrence of the commissioner of natural resources,
4 that includes only vacant, unappropriated, and unreserved land owned by
5 the state and classified for disposal to individuals. By ordinance a
6 second or third class borough may provide the services in a service area
7 established under this subsection necessary to develop state or municipal
8 land as required by the planning, platting, and land use regulations of
9 the borough.

10 ARTICLE 8. MISCELLANEOUS PROVISIONS.

11 Sec. 29.35.700. DEFINITION. In AS 29.35.200 - 29.35.340 "power"
12 means the provision of a public facility or service, or the exercise of
13 a regulatory power.

14 * Sec. 10. AS 29 is amended by adding a new chapter to read:

15 CHAPTER 40. PLANNING, PLATTING, AND LAND USE REGULATION.

16 Sec. 29.40.010. PLANNING, PLATTING, AND LAND USE REGULATION. (a)
17 A first or second class borough shall provide for planning, platting,
18 and land use regulation on an areawide basis.

19 (b) If a city in a borough consents by ordinance, the assembly may
20 by ordinance delegate any of its powers and duties under this chapter to
21 the city. The assembly may by ordinance, without first obtaining the
22 consent of the city, revoke any power or duty delegated under this
23 section.

24 Sec. 29.40.020. PLANNING COMMISSION. (a) Each first and second
25 class borough shall establish a planning commission consisting of five
26 residents unless a greater number is required by ordinance. Commission
27 membership shall be apportioned so that the number of members from home
28 rule and first class cities reflects the proportion of borough popula-
29 tion residing in home rule and first class cities located in the borough.

1 A member shall be appointed by the borough mayor for a term of three
2 years subject to confirmation by the assembly, except that a member from
3 a home rule or first class city shall be selected from a list of recom-
4 mendations submitted by the council. Members first appointed shall draw
5 lots for one, two, and three year terms. Appointments to fill vacancies
6 are for the unexpired term. The compensation and expenses of the plan-
7 ning commission and its staff are paid as directed by the assembly.

8 (b) In addition to the duties prescribed by ordinance, the plan-
9 ning commission shall

10 (1) prepare and submit to the assembly a proposed comprehen-
11 sive plan in accordance with AS 29.40.030 for the systematic and organ-
12 ized development of the borough;

13 (2) review, recommend, and administer measures necessary to
14 implement the comprehensive plan, including measures provided under
15 AS 29.40.040.

16 Sec. 29.40.030. COMPREHENSIVE PLAN. (a) The comprehensive plan
17 is a compilation of policy statements, goals, standards, and maps for
18 guiding the physical, social, and economic development, both private and
19 public, of the first or second class borough, and may include, but is
20 not limited to, the following:

21 (1) statements of policies, goals, and standards;

22 (2) a land use plan;

23 (3) a community facilities plan;

24 (4) a transportation plan; and

25 (5) recommendations for implementation of the plan.

26 (b) With the recommendations of the planning commission, the
27 assembly shall adopt by ordinance a comprehensive plan. The assembly
28 shall, after receiving the recommendations of the planning commission,
29 periodically undertake an overall review of the plan and update the plan

1 as necessary.

2 Sec. 29.40.040. LAND USE REGULATION. (a) In accordance with a
3 comprehensive plan adopted under AS 29.40.030 and in order to implement
4 the plan, the assembly by ordinance shall adopt or amend provisions
5 governing the use and occupancy of land that may include, but are not
6 limited to,

7 (1) zoning regulations restricting the use of land and
8 improvements by geographic districts;

9 (2) land use permit requirements designed to encourage or
10 discourage specified uses and construction of specified structures, or
11 to minimize unfavorable effects of uses and the construction of struc-
12 tures;

13 (3) measures to further the goals and objectives of the
14 comprehensive plan.

15 (b) A variance from a land use regulation adopted under this
16 section may not be granted if

17 (1) special conditions that require the variance are caused
18 by the person seeking the variance;

19 (2) the variance will permit a land use in a district in
20 which that use is prohibited; or

21 (3) the variance is sought solely to relieve pecuniary hard-
22 ship or inconvenience.

23 Sec. 29.40.050. APPEALS FROM ADMINISTRATIVE DECISIONS. (a) By
24 ordinance the assembly shall provide for an appeal from an administra-
25 tive decision of a municipal employee, board, or commission made in the
26 enforcement, administration, or application of a land use regulation
27 adopted under this chapter. The assembly may provide for an appeal to a
28 court, hearing officer, board of adjustment, or other body. The assembly
29 shall provide for an appeal from a decision on a request for a variance

1 from the terms of a land use regulation when literal enforcement would
2 deprive a property owner of rights commonly enjoyed by other properties
3 in the district.

4 (b) By ordinance the assembly may provide for appointment of a
5 hearing officer, or for the composition, appointment, and terms of
6 office of a board of adjustment or other body established to hear appeals
7 from administrative actions. The assembly may define proper parties and
8 prescribe evidentiary rules, standards of review, and remedies available
9 to the hearing officer, board of adjustment, or other body.

10 Sec. 29.40.060. JUDICIAL REVIEW. (a) The assembly shall provide
11 by ordinance for an appeal by a municipal officer or person aggrieved
12 from a decision of a hearing officer, board of adjustment, or other body
13 to the superior court.

14 (b) An appeal to the superior court under this section is an
15 administrative appeal heard solely on the record established by the
16 hearing officer, board of adjustment, or other body. A proceeding under
17 this section has preference over all other civil actions and proceedings.

18 Sec. 29.40.070. PLATTING REGULATION. By ordinance the assembly
19 shall adopt platting requirements that may include, but are not limited
20 to, the control of

21 (1) form, size, and other aspects of subdivision, dedica-
22 tions, and vacations of land;

23 (2) dimensions and design of lots;

24 (3) street width, arrangement, and rights-of-way, including
25 requirements for public access to lots and installation of street paving,
26 curbs, gutters, sidewalks, sewers, water lines, drainage and other
27 public utility facilities and improvements;

28 (4) dedication of streets, rights-of-way, public utility
29 easements and areas considered necessary by the platting authority for

1 other public uses.

2 Sec. 29.40.080. PLATTING AUTHORITY. (a) The assembly by ordi-
3 nance shall establish a platting authority to administer subdivision
4 regulations and to perform other duties as required by the assembly.
5 The platting authority may consist of members of the planning commission
6 or of other municipal residents.

7 (b) The assembly may by ordinance provide for an administrative
8 official to act as the platting authority with regard to abbreviated
9 plats.

10 Sec. 29.40.090. ABBREVIATED PLATS AND WAIVERS. (a) Notwith-
11 standing other provisions of this chapter, the assembly shall by
12 ordinance establish an abbreviated plat procedure for a plat that will

13 (1) subdivide a single lot into not more than four lots;

14 (2) provide legal and physical access to a public highway or
15 street for each lot created by the subdivision;

16 (3) not contain or require a dedication of a street, right-
17 of-way, or other area;

18 (4) not require a vacation of a public dedication of land or
19 a variance from a subdivision regulation.

20 (b) The platting authority shall waive the preparation, submission
21 for approval, and recording of a plat on satisfactory evidence that the
22 subdivision meets the requirements of (a) of this section and each lot
23 created by the subdivision is five acres or larger.

24 Sec. 29.40.100. INFORMATION REQUIRED. A plat shall show

25 (1) initial point of survey;

26 (2) original or reestablished corners and their descriptions;

27 (3) actual traverse showing area of closure and all dis-
28 tances, angles, and calculations required to determine initial point,
29 corners, and distances of the plat; and

1 (4) other information that may be required by ordinance.

2 Sec. 29.40.110. PLAT PROCEDURE. (a) The platting authority shall
3 approve or disapprove a plat within 60 days after it is filed, or shall
4 return it to the applicant for modification or correction. Unless the
5 applicant for plat approval consents to an extension of time, the plat
6 is considered approved and a certificate of approval shall be issued by
7 the platting authority on demand if the platting authority fails to act
8 within 60 days.

9 (b) The platting authority shall state in writing its reasons for
10 disapproval of a plat. If the platting authority approves a plat, the
11 plat shall be acknowledged and filed in accordance with AS 40.15.010 -
12 40.15.020.

13 Sec. 29.40.120. ALTERATION OR REPLAT PETITION. A recorded plat
14 may not be altered or replatted except by the platting authority on
15 petition of the state, the borough, a public utility, or the owners of a
16 majority of the land affected by the alteration or replat. A platted
17 street may not be vacated, except on petition of the state, the borough,
18 a public utility, or owners of a majority of the land fronting the part
19 of the street sought to be vacated. The petition shall be filed with
20 the platting authority and shall be accompanied by a copy of the exist-
21 ing plat showing the proposed alteration or replat.

22 Sec. 29.40.130. NOTICE OF HEARING. The platting authority shall
23 fix a time for a hearing on an alteration or replat petition that may
24 not be more than 60 days after the petition is filed. Notice shall be
25 published by the platting authority stating when and by whom the peti-
26 tion was filed, its purpose, and the time and place of the hearing. The
27 notice shall generally describe the alteration or replat sought. The
28 platting authority shall also mail a copy of the notice to each affected
29 property owner who did not sign the petition.

1 Sec. 29.40.140. HEARING AND DETERMINATION. (a) The platting
2 authority shall consider the alteration or replat petition at a hearing
3 and make its decision on the merits of the proposal.

4 (b) Vacation of a city street may not be made without the consent
5 of the council. Vacation of a street in the borough area outside all
6 cities may not be made without the consent of the assembly. The govern-
7 ing body shall have 30 days from the decision of the platting authority
8 in which to veto a vacation of a street. If no veto is received by the
9 platting authority within the 30-day period, consent is considered to
10 have been given to the vacation.

11 Sec. 29.40.150. RECORDING. If the alteration or replat is ap-
12 proved, the revised plat shall be acknowledged and filed in accordance
13 with AS 40.15.010 - 40.15.020.

14 Sec. 29.40.160. TITLE TO VACATED AREA. (a) The title to the
15 street or other public area vacated on a plat attaches to the lot or
16 lands bordering the area in equal proportions, except that if the area
17 was originally dedicated by different persons, original boundary lines
18 shall be adhered to so that the street area that lies on one side of the
19 boundary line shall attach to the abutting property on that side, and
20 the street area that lies on the other side of the boundary line shall
21 attach to the property on that side. The portion of a vacated street
22 that lies inside the limits of a platted addition attaches to the lots
23 of the platted addition bordering on the area. If a public square is
24 vacated, the title to it vests in a city if it lies inside the city, and
25 in the borough if it lies inside the borough but outside all cities. If
26 the property vacated is a lot, title vests in the rightful owner.

27 (b) If the municipality acquired the street or other public area
28 vacated for legal consideration or by express dedication to the muni-
29 cipality other than as a subdivision platting requirement, before the

1 final act of vacation the fair market value of the street or public area
2 shall be deposited with the platting authority to be paid to the muni-
3 cipality on final vacation.

4 (c) The provisions of (a) and (b) of this section apply to home
5 rule and general law municipalities.

6 (d) The council of a second class city located outside a borough
7 may vacate streets, alleys, crossings, sidewalks, or other public ways
8 that may have been previously dedicated or established when the council
9 finds that the streets, alleys, crossings, sidewalks, or other public
10 ways are no longer necessary for the public welfare, or when the public
11 welfare will be enhanced by the vacation. If the council determines
12 that all or a portion of the area vacated under this subsection should
13 be devoted to another public purpose, title to the area vacated and held
14 for another public purpose does not vest as provided in (a) of this
15 section but remains in the city.

16 Sec. 29.40.170. DELEGATIONS. The planning commission and the
17 platting authority may, as authorized by ordinance, delegate powers to
18 hear and decide cases under this chapter, including, but not limited to,
19 delegations to

20 (1) one or more members of the planning commission or plat-
21 ting authority;

22 (2) other boards or commissions;

23 (3) a hearing officer designated by the planning commission
24 or platting authority.

25 Sec. 29.40.180. VIOLATIONS. It is unlawful for the owner of land
26 located in a subdivision to transfer, sell, offer to sell, or enter into
27 a contract to sell land in a subdivision before a plat of the subdivi-
28 sion has been prepared, approved, and filed in accordance with this
29 chapter. It is unlawful for a person to file a plat or other document

1 depicting subdivided land in a public recorder's office unless the plat
2 or document has been approved by the platting authority. A person con-
3 victed of violating a provision of this chapter, a subdivision regula-
4 tion adopted under this chapter, or a term, condition, or limitation
5 imposed by a platting authority in the exercise of its powers under this
6 chapter is guilty of a class B misdemeanor.

7 Sec. 29.40.190. REMEDIES. (a) The municipality or an aggrieved
8 person may institute a civil action against a person who violates a
9 provision of this chapter, a subdivision regulation adopted under this
10 chapter, or a term, condition, or limitation imposed by a platting
11 authority. In addition to other relief, a civil penalty not to exceed
12 \$1,000 may be imposed for each violation. An action to enjoin a viola-
13 tion may be brought notwithstanding the availability of any other remedy.
14 Upon application for injunctive relief and a finding of a violation or
15 threatened violation, the superior court shall grant the injunction.

16 (b) Each day that an unlawful act or condition continues consti-
17 tutes a separate violation.

18 Sec. 29.40.200. SUBDIVISIONS OF STATE LAND. (a) The subdivision
19 requirements adopted under this chapter apply to a subdivision plat of
20 undeveloped state land for disposal under AS 38.05 or AS 38.08 filed
21 with the platting authority. The platting authority may not disapprove
22 the subdivision plat on the basis of requirements for capital improve-
23 ments on or to state land included in the subdivision plat. Subdivision
24 ordinances and regulations adopted after the platting authority is
25 notified by the commissioner of natural resources of a proposed sale of
26 subdivided state land under AS 38.05 or AS 38.08 do not apply to the
27 state land in the proposed sale.

28 (b) The platting authority must approve and sign a subdivision
29 plat of state land within 60 days after its receipt from the commis-

1 sioner of natural resources unless the platting authority

2 (1) determines that the plat does not comply with subdivision
3 requirements other than those requiring capital improvements to state
4 land; and

5 (2) notifies the commissioner of each determination of non-
6 compliance within the 60-day period established in this subsection.

7 (c) The commissioner of natural resources may withdraw the sub-
8 division plat and amend it in response to the determination of non-
9 compliance by the platting authority under (b) of this section. The
10 platting authority shall respond within 30 days to the amendment or
11 response from the commissioner of natural resources.

12 (d) Notwithstanding any other provision of law, the provisions of
13 this section apply to all disposals of land under AS 38.05 or AS 38.08.

14 (e) Nothing in this section relieves the Department of Natural
15 Resources of its obligation to provide legal access to a subdivision.

16 (f) As used in this section, "capital improvements" includes but
17 is not limited to access roads, other physical improvements, and their
18 design and engineering.

19 (g) This section applies to home rule and general law municipali-
20 ties.

21 * Sec. 11. AS 29 is amended by adding a new chapter to read:

22 CHAPTER 45. MUNICIPAL TAXATION.

23 ARTICLE 1. MUNICIPAL PROPERTY TAX.

24 Sec. 29.45.010. PROPERTY TAX. (a) A unified municipality may
25 levy a property tax. A borough may levy

26 (1) an areawide property tax for areawide functions;

27 (2) a nonareawide property tax for functions limited to the
28 area outside cities;

29 (3) a property tax in a service area for functions limited to

1 the service area.

2 (b) A home rule or first class city may levy a property tax subject
3 to AS 29.45.550 - 29.45.560. A second class city may levy a property
4 tax subject to AS 29.45.590..

5 (c) A tax if levied on real property and personal property must be
6 assessed, levied, and collected as provided in this chapter.

7 Sec. 29.45.020. TAXPAYER NOTICE. (a) If a municipality levies
8 and collects property taxes, the governing body shall provide the
9 following notice:

10 "NOTICE TO TAXPAYER

11 For the current fiscal year the (city)(borough) has been allocated
12 the following amount of state aid for school and municipal purposes
13 under the applicable financial assistance Acts:

14	PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE	
15	(AS 14.17)	\$
16	STATE AID FOR RETIREMENT OF SCHOOL CONSTRUC-	
17	TION DEBT (AS 43.18.100)	\$
18	MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE	
19	(AS 29.60.010 - 29.60.080)	\$
20	STATE AID FOR MISCELLANEOUS MUNICIPAL	
21	SERVICES (AS 29.60.100 - 29.60.180)	\$
22	TOTAL AID	\$

23 The millage equivalent of this state aid, based on the dollar value
24 of a mill in the municipality during the current assessment year
25 and for the preceding assessment year, is:

26		MILLAGE EQUIVALENT	
27		PREVIOUS YEAR	THIS YEAR
28	PUBLIC SCHOOL FOUNDATION PROGRAM		
29	ASSISTANCE	....MILLS	....MILLS

1	STATE AID FOR RETIREMENT OF		
2	SCHOOL CONSTRUCTION DEBT	....MILLS	....MILLS
3	MUNICIPAL TAX RESOURCE EQUALI-		
4	ZATION ASSISTANCE	....MILLS	....MILLS
5	STATE AID FOR MISCELLANEOUS		
6	MUNICIPAL SERVICES	....MILLS	....MILLS
7	TOTAL MILLAGE EQUIVALENT	....MILLS	....MILLS"

8 Notice shall be provided

9 (1) by furnishing a copy of the notice with tax statements
10 mailed for the fiscal year for which aid is received; or

11 (2) by publishing in a newspaper of general circulation in
12 the municipality a copy of the notice once each week for a period of
13 three successive weeks, with publication to occur not later than 45 days
14 after the final adoption of the municipality's budget.

15 (b) Compliance with the provisions of this section is a prerequi-
16 site to receipt of municipal tax resource equalization assistance under
17 AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal
18 services under AS 29.60.100 - 29.60.180. The department shall withhold
19 annual allocations under those sections until municipal officials
20 demonstrate that the requirements of this section have been met.

21 Sec. 29.45.030. REQUIRED EXEMPTIONS. (a) The following property
22 is exempt from general taxation:

23 (1) municipal, state, or federally owned property, except
24 that a private leasehold, contract, or other interest in the property is
25 taxable to the extent of the interest;

26 (2) household furniture of the head of a family or household;

27 (3) property used exclusively for nonprofit religious,
28 charitable, cemetery, hospital, or educational purposes;

29 (4) property of a nonbusiness organization or its auxiliary

1 composed entirely of persons with 90 days or more of active service in
2 the armed forces of the United States whose conditions of service and
3 separation were other than dishonorable;

4 (5) money on deposit;

5 (6) the real property of certain residents of the state to
6 the extent and subject to the conditions provided in (e) of this sec-
7 tion;

8 (7) forest land as defined in AS 41.17.950(6);

9 (8) real property or interests in real property that are
10 exempt from taxation under 43 U.S.C. 1620(d), as amended, as more fully
11 provided in (k) and (l) of this section.

12 (b) "Property used exclusively for religious purposes" includes
13 the following property owned by a religious organization:

14 (1) the residence of a bishop, pastor, priest, rabbi,
15 minister, or religious order of a recognized religious organization;

16 (2) a structure, its furniture, and its fixtures used solely
17 for public worship, charitable purposes, religious administrative
18 offices, religious education, or a nonprofit hospital;

19 (3) lots required by local ordinance for parking near a
20 structure defined in (2) of this subsection.

21 (c) Property described in (a)(3) or (4) or (b) of this section
22 from which income is derived is exempt only if that income is solely
23 from use of the property by nonprofit religious, charitable, hospital,
24 or educational groups. If used by nonprofit educational groups, the
25 property is exempt only if used exclusively for classroom space.

26 (d) Laws exempting certain property from execution under the Code
27 of Civil Procedure (AS 09) do not exempt the property from taxes levied
28 and collected by municipalities.

29 (e) The real property owned and occupied as a permanent place of

1 abode by a resident 65 years of age or over is exempt from taxation of
2 the assessed value of the real property. Real property may not be
3 exempted under this subsection that the assessor determines, after
4 notice and hearing to the parties concerned, has been conveyed to the
5 applicant primarily for the purpose of obtaining the exemption. The
6 determination of the assessor is appealable under AS 44.62.560 and
7 44.62.570.

8 (f) An exemption may not be granted under (e) of this section
9 except upon written application for the exemption on a form prescribed
10 by the state assessor for use by local assessors. The claimant must
11 file the application no later than January 15, or a date provided by
12 ordinance that is not later than March 31, of the assessment year for
13 which the exemption is sought. The governing body of the municipality
14 for good cause shown may waive during a year the claimant's failure to
15 make timely application for exemption for that year and authorize the
16 assessor to accept the application as if timely filed. The claimant
17 must file a separate application for each assessment year in which the
18 exemption is sought. If an application is filed within the required
19 time and is approved by the assessor, he shall allow an exemption in
20 accordance with the provisions of this section. If a failure to file by
21 January 15, or a date provided by ordinance that is not later than
22 March 31, of the assessment year has been waived as provided in this
23 subsection and the application for exemption is approved, the amount of
24 tax that the claimant has already paid for the assessment year for the
25 property exempted shall be refunded to him. The assessor may at any
26 time require proof in the form he considers necessary of the right and
27 amount of an exemption claimed under (e) of this section.

28 (g) The state shall reimburse a borough or city, as appropriate,
29 for the real property tax revenues lost to it by the operation of (e) of

1 this section. However, reimbursement will be made to a municipality for
2 revenue lost to it only to the extent that the loss exceeds an exemption
3 that was granted by the municipality, or that on proper application by
4 an individual would have been granted under AS 29.45.050(a).

5 (h) Except as provided in (g) of this section, nothing in (e) -
6 (i) of this section affects similar exemptions from property taxes
7 granted by a municipality on September 10, 1972, or prevents a munici-
8 pality from granting similar exemptions by ordinance as provided in
9 AS 29.45.050.

10 (i) In (e) - (i) of this section "real property" includes but is
11 not limited to mobile homes, whether classified as real or personal
12 property for municipal tax purposes.

13 (j) Two percent of the assessed value of a structure is exempt
14 from taxation if the structure contains a fire protection system ap-
15 proved under AS 19.70.081, in operating condition, and incorporated as a
16 fixture or part of the structure. The exemption granted by this subsec-
17 tion is limited to

18 (1) an amount equal to two percent of the value of the struc-
19 ture based on the assessment for 1981, if the fire protection system is
20 a fixture of the structure on January 1, 1981; or

21 (2) an amount equal to two percent of the value of the struc-
22 ture based on the assessment as of January 1 of the year immediately
23 following the installation of the fire protection system if the fire
24 protection system becomes a fixture of the structure after January 1,
25 1981.

26 (k) The tax exemption required by 43 U.S.C. 1620(d), as amended,
27 shall be implemented according to the following conditions and inter-
28 pretations:

29 (1) "developed" means a purposeful modification of the prop-

1 erty from its original state that effectuates a condition of gainful or
2 productive present use without further substantial modification; survey-
3 ing, construction of roads, providing utilities or other similar actions
4 normally considered to be component parts of the development process,
5 but which do not create the above condition, do not constitute a
6 developed state within the meaning of this paragraph; developed prop-
7 erty, in order to remove the exemption, must be developed for purposes
8 other than exploration, and be limited to the smallest practicable tract
9 of the property actually used in the developed state;

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

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

19 (1) If the property or interest in the property reverts to an un-
20 developed state, or if the lease is terminated, the exemption shall be
21 reinstated, subject to the provisions of (k) of this section.

22 Sec. 29.45.040. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A resi-
23 dent of the state 65 years of age or older who rents a permanent place
24 of abode is eligible for tax equivalency payments from the state through
25 the department.

26 (b) For purposes of determining payments to eligible persons, the
27 department shall calculate a property tax equivalent percentage for each
28 municipality that levies a property tax at the rate of one percent per
29 mill. The property tax equivalent percentage applied to the annual rent

1 charged to the applicant equals the property tax equivalency payment
2 payable under this section.

3 (c) To obtain tax equivalency payments the eligible resident must
4 apply to the department for payment for the preceding year by January 15
5 of each year on forms and in the manner prescribed by the department.
6 Each applicant shall submit with the application rental receipts or, if
7 rental receipts are not available, other evidence satisfactory to the
8 department for determination of the fact of payment of rent and the
9 amount paid.

10 (d) If two or more persons occupy a residence as tenants, not all
11 of whom are eligible for tax equivalency payments under this section,
12 the assessor shall determine equitable partial payments to be made to
13 the eligible tenants. However, tax equivalency payments to an eligible
14 applicant may not be reduced because the spouse is less than 65 years of
15 age. If all occupants in a residence are eligible for tax equivalency
16 payments under this section, the occupants shall decide between and
17 among themselves which shall receive payment.

18 Sec. 29.45.050. OPTIONAL EXEMPTIONS AND EXCLUSIONS. (a) A munici-
19 pality may exclude or exempt or partially exempt residential property
20 from taxation by ordinance ratified by the voters at an election. An
21 exclusion or exemption authorized by this section may not exceed the
22 assessed value of \$10,000 for any one residence.

23 (b) A municipality may by ordinance

24 (1) classify boats and vessels for the purposes of taxation
25 and may establish the assessed valuation of boats and vessels on the
26 basis of their registered or certificated net tonnage;

27 (2) classify and exempt from taxation

28 (A) the property of an organization not organized for
29 business or profit-making purposes and used exclusively for commun-

1 ity purposes if the income derived from rental of that property
2 does not exceed the actual cost to the owner of the use by the
3 renter;

4 (B) historic sites, buildings, and monuments;

5 (C) land of a nonprofit organization used for agricul-
6 tural purposes if rights to subdivide the land are conveyed to the
7 state and the conveyance includes a covenant restricting use of the
8 land to agricultural purposes only; rights conveyed to the state
9 under this subparagraph may be conveyed by the state only in accor-
10 dance with AS 38.05.069(c);

11 (3) exempt personal property from taxation.

12 (c) The provisions of (a) of this section notwithstanding,

13 (1) a borough may, by ordinance, adjust its property tax
14 structure in whole or in part to the property tax structure of a city in
15 the borough, including but not limited to, excluding personal property
16 from taxation, establishing exemptions, and extending the redemption
17 period;

18 (2) a home rule or first class city has the same power to
19 grant exemptions or exclude property from borough taxes that it has as
20 to city taxes if

21 (A) the exemptions or exclusions have been adopted as to
22 city taxes; and

23 (B) the city appropriates to the borough sufficient
24 money to equal revenues lost by the borough because of the exemp-
25 tions or exclusions, the amount to be determined annually by the
26 assembly;

27 (3) a city in a borough may, by ordinance, adjust its prop-
28 erty tax structure in whole or in part to the property tax structure of
29 the borough, including but not limited to exempting or partially exempt-

1 ing property from taxation.

2 (d) Exemptions or exclusions from property tax that have been
3 granted by a home rule municipality in addition to exemptions authorized
4 or required by law, and that are in effect on September 10, 1972, and
5 not later withdrawn, are not affected by this chapter.

6 (e) A municipality may by ordinance classify and exempt or par-
7 tially exempt from taxation privately owned land, wet land and water
8 areas for which a scenic, conservation, or public recreation use ease-
9 ment is granted to a governmental body. To be eligible for a tax exemp-
10 tion, or partial exemption, the easement must be in perpetuity. However
11 the easement is automatically terminated before an eminent domain taking
12 of fee simple title or less than fee simple title to the property, so
13 that the property owner is compensated at a rate that does not reflect
14 the easement grant.

15 (f) A municipality may by ordinance exempt from taxation all or
16 part of the increase in assessed value of improvements to real property
17 if an increase in assessed value is directly attributable to alteration
18 of the natural features of the land, or new maintenance, repair, or
19 renovation of an existing structure, and if the alteration, maintenance,
20 repair, or renovation, when completed, enhances the exterior appearance
21 or aesthetic quality of the land or structure. An exemption may not be
22 allowed under this subsection for the construction of an improvement to
23 a structure if the principal purpose of the improvement is to increase
24 the amount of space for occupancy or nonresidential use in the structure
25 or for the alteration of land as a consequence of construction activity.
26 An exemption provided in this subsection may continue for up to four
27 years from the date the improvement is completed, or from the date of
28 approval for the exemption by the local assessor, whichever is later.

29 (g) A municipality may by ordinance exempt from taxation all or

1 part of the increase in assessed value of improvements to a single-
2 family dwelling if the principal purpose of the improvement is to
3 increase the amount of space for occupancy. An exemption provided in
4 this subsection may continue for up to two years from the date the
5 improvement is completed, or from the date of approval of an application
6 for the exemption by the local assessor, whichever is later.

7 Sec. 29.45.060. FARM OR AGRICULTURAL LAND AND GREENHOUSES. (a)
8 Farm use land included in a farm unit and not dedicated or being used
9 for nonfarm purposes shall be assessed on the basis of full and true
10 value for farm use and may not be assessed as if subdivided or used for
11 some other nonfarm purpose. A farm use greenhouse, whether classified
12 as real or personal property for municipal tax purposes, shall be
13 assessed on the basis of full and true value for farm use. The assessor
14 shall maintain records valuing the land or greenhouse for both full and
15 true value and farm use value. If the land or greenhouse is sold,
16 leased, or otherwise disposed of for uses incompatible with farm use or
17 converted to a use incompatible with farm use by the owner, the owner is
18 liable to pay an amount equal to the additional tax at the current mill
19 levy together with eight percent interest for the preceding seven years,
20 as though the land or greenhouse had not been assessed for farm use
21 purposes. Payment by the owner shall be made to the state to the extent
22 of its reimbursement for revenue loss under (e) of this section for the
23 preceding seven years. The balance of the payment shall be made to the
24 municipality.

25 (b) An owner of farm use land or a farm use greenhouse must, to
26 secure the assessment under this section, apply to the assessor before
27 May 15 of each year in which the assessment is desired. The application
28 shall be made upon forms prescribed by the state assessor for the use of
29 the local assessor, and shall include information that may reasonably be

1 required to determine the entitlement of the applicant. If the land or
2 greenhouse is leased for farm use purposes, the applicant shall furnish
3 to the assessor a copy of the lease bearing the signatures of both
4 lessee and lessor along with the completed application. The applicant
5 shall furnish the assessor a copy of the lease covering the period for
6 which the exemption is requested.

7 (c) In this section "farm use" means the use of land or a green-
8 house for profit for raising and harvesting crops or ornamental plants,
9 for the feeding, breeding, and management of livestock, for dairying, or
10 another agricultural use, or any combination of these. To be farm use
11 land, the owner or lessee must be actively engaged in farming the land,
12 and derive at least 10 percent of his yearly gross income from the land.
13 To be a farm use greenhouse, the owner or lessee must derive at least 10
14 percent of his yearly gross income from the greenhouse or from the
15 greenhouse together with other commercial greenhouses or farm use land.
16 This section does not apply to land for which the owner has granted, and
17 has outstanding, a lease or option to buy the surface rights. A property
18 owner wishing to file for farm use classification having no history of
19 farm-related income may submit a declaration of intent at the time of
20 filing the application with the assessor setting out the intended use of
21 the land or greenhouse and the anticipated percentage of income. An
22 applicant using this procedure shall file with the assessor before
23 February 1 of the following year a notarized statement of the percentage
24 of gross income attributable to the land or greenhouse. Failure to make
25 the filing required in this subsection forfeits the exemption.

26 (d) In the event of a crop failure by an act of God the previous
27 year, the owner or lessee may submit an affidavit affirming that 10
28 percent of his gross income for the past three years was from farming.

29 (e) Subject to legislative appropriations for the purpose, the

1 state shall reimburse a borough or city, as appropriate, for the prop-
2 erty tax revenues lost to it by the operation of this section. .

3 Sec. 29.45.070. MOBILE HOMES. Mobile homes, trailers, house
4 trailers, trailer coaches and similar property used or intended to be
5 used for residential, office, or commercial purposes and attached to the
6 land or connected to water, gas, electric, or sewage facilities are
7 classified as real property for tax purposes unless expressly classified
8 as personal property by ordinance. This section does not apply to house
9 trailers and mobile homes that are unoccupied and held for sale by
10 persons engaged in the business of selling mobile homes.

11 Sec. 29.45.080. TAX ON OIL AND GAS PRODUCTION AND PIPELINE PROP-
12 ERTY. (a) A municipality may levy and collect taxes on property
13 taxable under AS 43.56 only by using one of the methods set out in (b)
14 or (c) of this section.

15 (b) A municipality may levy and collect a tax on the full and true
16 value of property taxable under this chapter and under AS 43.56 as
17 valued by the Department of Revenue at a rate not to exceed that which
18 produces an amount of revenue from the total municipal property tax
19 equivalent to \$1,500 a year for each person residing in its boundaries.

20 (c) A municipality may levy and collect a tax on the full and true
21 value of that portion of property taxable under this chapter and under
22 AS 43.56 as assessed by the Department of Revenue which value, when
23 combined with the value of property otherwise taxable by the munic-
24 ipality, does not exceed the product of 225 percent of the average per
25 capita assessed full and true value of property in the state multiplied
26 by the number of residents of the taxing municipality. For purposes of
27 this subsection, the average per capita assessed full and true value of
28 property in the state shall be calculated without regard to the assessed
29 value of taxable property under AS 43.58.

1 (d) By February 1 of each assessment year a taxing municipality
2 must inform the Department of Revenue which method of taxation the
3 municipality will use.

4 (e) For purposes of this section, population shall be determined
5 by the commissioner based on the latest statistics of the United States
6 Bureau of the Census or on other reliable population data, and the
7 commissioner shall advise each municipality of its population by
8 January 15 of each year.

9 Sec. 29.45.090. TAX LIMITATION. (a) A municipality may not,
10 during a year, levy and tax for any purpose in excess of three percent
11 of the assessed value of property in the municipality. All property on
12 which a tax is levied shall be taxed at the same rate during the year.

13 (b) A municipality, or combination of municipalities occupying the
14 same geographical area, in whole or in part, may not levy taxes (1) that
15 will result in tax revenues from all sources exceeding \$1,500 a year for
16 each person residing within the municipal boundaries; or (2) upon value
17 that, when combined with the value of property otherwise taxable by the
18 municipality, exceeds the product of 225 percent of the average per
19 capita assessed full and true value of property in the state multiplied
20 by the number of residents of the taxing municipality. If two or more
21 municipalities occupying the same geographical area, in whole or in
22 part, attempt to levy a tax (1) the combined levy of which would result
23 in tax revenues from all sources exceeding \$1,500 a year for each person
24 residing within the municipal boundaries; or (2) upon value that, when
25 combined with the value of property otherwise taxable by the munici-
26 pality, exceeds the product of 225 percent of the average per capita
27 assessed full and true value of property in the state multiplied by the
28 number of residents of the taxing municipality, the commissioner shall
29 apportion the lawful levy and equitably divide these revenues on the

1 basis of need, services performed, and other considerations in the
2 public interest. For the purpose of this subsection, population shall
3 be determined by the commissioner based on the latest statistics of the
4 United States Bureau of the Census or on other reliable population data.
5 For purposes of this subsection, the average per capita assessed full
6 and true value of property in the state shall be calculated without
7 regard to the assessed value of taxable property under AS 43.58.

8 Sec. 29.45.100. NO LIMITATIONS ON TAXES TO PAY BONDS. The limita-
9 tions provided for in AS 29.45.080 - 29.45.090 do not apply to taxes
10 levied or pledged to pay or secure the payment of the principal and
11 interest on bonds. Taxes to pay or secure the payment of principal and
12 interest on bonds may be levied without limitation as to rate or amount,
13 regardless of whether the bonds are in default or in danger of default.

14 Sec. 29.45.110. FULL AND TRUE VALUE. (a) The assessor shall
15 assess property at its full and true value as of January 1 of the
16 assessment year, except as provided in this section, AS 29.45.060, and
17 29.45.230. The full and true value is the estimated price that the
18 property would bring in an open market and under the then prevailing
19 market conditions in a sale between a willing seller and a willing buyer
20 both conversant with the property and with prevailing general price
21 levels.

22 (b) Assessment of business inventories may be based on the average
23 monthly method of assessment rather than the value existing on January 1.
24 The method used to assess business inventories shall be prescribed by
25 the governing body.

26 (c) In the case of cessation of business during the tax year, the
27 municipality may provide for reassessment of business inventories using
28 the average monthly method of assessment for the tax year rather than
29 the value existing on January 1 of the tax year, and for reduction and

1 refund of taxes. In enacting an ordinance authorized by this section,
2 the municipality may prescribe procedures, restrictions, and conditions
3 of assessing or reassessing business inventories and of remitting or
4 refunding taxes.

5 Sec. 29.45.120. RETURNS. (a) The municipality may require each
6 person having ownership or control of or an interest in property to
7 submit a return in the form prescribed by the assessor, based on prop-
8 erty values existing on January 1, except as otherwise provided in this
9 chapter.

10 (b) The assessor may, by written notice, require a person to
11 provide additional information within 30 days.

12 Sec. 29.45.130. INDEPENDENT INVESTIGATION. (a) The assessor is
13 not bound to accept a return as correct. He may make an independent
14 investigation of property returned or of taxable property on which no
15 return has been filed. In either case, the assessor may make his own
16 valuation of the taxable property and this valuation is prima facie
17 evidence.

18 (b) For investigation, the assessor or his agent may enter a
19 premise during reasonable hours and may examine property on the premise.
20 He may examine all property records involved. A person shall, on
21 request, furnish to the assessor or his agent every facility and assis-
22 tance for the investigation. The assessor may seek a court order to
23 compel entry and production of records needed for assessment purposes.

24 (c) An assessor may examine a person on oath. On request, the
25 person shall present himself for examination by the assessor.

26 Sec. 29.45.140. VIOLATIONS. A person who knowingly fails to file
27 a statement required by ordinance or who knowingly makes a false affi-
28 davit to a statement required by a tax ordinance relative to the amount,
29 location, kind or value of property subject to taxation with intent to

1 evade the taxation, is guilty of a class B misdemeanor.

2 Sec. 29.45.150. REEVALUATION. A systematic reevaluation of taxable
3 real and personal property undertaken by the assessor, whether of
4 specific areas in which real property is located or of specific classes
5 of real or personal property to be assessed, shall be made only in
6 accordance with a resolution or other act of the municipality directing
7 a systematic reevaluation of all taxable property in the municipality
8 over the shortest period of time practicable, as fixed in the resolution
9 or act.

10 Sec. 29.45.160. ASSESSMENT ROLL. (a) The assessor shall prepare
11 an annual assessment roll. The roll shall contain

12 (1) a description of all taxable property;

13 (2) the assessed value of all taxable property;

14 (3) the names and addresses of persons with property subject
15 to assessment and taxation.

16 (b) The assessor may list real property by any description that
17 may be made certain. Real property is assessed to the record owner.
18 The district recorder shall at least monthly provide the assessor a copy
19 of each recorded change of ownership showing the name and mailing
20 address of the owner and the name and mailing address of the person
21 recording the change of ownership. Other persons having an interest in
22 the property may be listed on the assessment records with the owner. The
23 person in whose name property is listed as owner is conclusively
24 presumed to be the legal record owner. If the property owner is un-
25 known, the property may be assessed to "unknown owner". An assessment
26 is not invalidated by a mistake, omission, or error in the name of the
27 owner, if the property is correctly described.

28 Sec. 29.45.170. ASSESSMENT NOTICE. (a) The assessor shall give
29 each person named in the assessment roll a notice of assessment, showing

1 the assessed value of his property. On each notice is printed a brief
2 summary of the dates when taxes are payable, delinquent, and subject to
3 penalty and interest, and the dates when the board of equalization will
4 sit.

5 (b) Sufficient assessment notice is given if mailed by first class
6 mail 30 days before the equalization hearings. If the address is not
7 known to the assessor, the notice may be addressed to the person at the
8 post office nearest the property. Notice is effective on the date of
9 mailing.

10 Sec. 29.45.180. CORRECTIONS. (a) A person receiving an assess-
11 ment notice shall advise the assessor of errors or omissions in the
12 assessment of his property. The assessor may correct errors or omis-
13 sions in the roll before the board of equalization hearing.

14 (b) If errors found in the preparation of the assessment roll are
15 adjusted, the assessor shall mail a corrected notice allowing 30 days
16 for appeal to the board of equalization.

17 Sec. 29.45.190. APPEAL. (a) A person whose name appears on the
18 assessment roll or his agent or assigns may appeal to the board of
19 equalization for relief from an alleged error in valuation not adjusted
20 by the assessor to the taxpayer's satisfaction.

21 (b) The appellant shall, within 30 days after the date of mailing
22 of notice of assessment, submit to the assessor a written appeal speci-
23 fying grounds in the form that the board of equalization may require.
24 Otherwise, the right of appeal ceases unless the board of equalization
25 finds that the taxpayer was unable to comply.

26 (c) The assessor shall notify an appellant by mail of the time and
27 place of his hearing.

28 (d) The assessor shall prepare for use by the board of equaliza-
29 tion a summary of assessment data relating to each assessment that is

1 appealed.

2 (e) A city in a borough may appeal an assessment to the borough
3 board of equalization in the same manner as a taxpayer. Within five
4 days after receipt of the appeal, the assessor shall notify the person
5 whose property assessment is being appealed by the city.

6 Sec. 29.45.200. BOARD OF EQUALIZATION. (a) The governing body
7 sits as a board of equalization for the purpose of hearing an appeal
8 from a determination of the assessor, or it may delegate this authority
9 to one or more boards appointed by it. An appointed board may be
10 composed of not less than three persons, who may be members of the
11 governing body, municipal residents, or a combination of members of the
12 governing body and residents. The governing body shall by ordinance
13 establish the qualifications for membership.

14 (b) The board of equalization is governed in its proceedings by
15 rules adopted by ordinance that are consistent with general rules of
16 administrative procedure. The board may alter an assessment of a lot
17 only pursuant to an appeal filed as to the particular lot.

18 (c) Notwithstanding other provisions in this section, a deter-
19 mination of the assessor as to whether property is taxable under law may
20 be appealed directly to the superior court.

21 Sec. 29.45.210. HEARING. (a) If an appellant fails to appear,
22 the board of equalization may proceed with the hearing in his absence.

23 (b) The appellant bears the burden of proof. The only grounds for
24 adjustment of assessment are proof of unequal, excessive, improper, or
25 under valuation based on facts that are stated in a valid written appeal
26 or proven at the appeal hearing. If a valuation is found to be too low,
27 the board of equalization may raise the assessment.

28 (c) The board of equalization shall certify its actions to the
29 assessor within seven days. Except as to supplementary assessments, the

1 assessor shall enter the changes and certify the final assessment roll
2 by June 1.

3 (d) An appellant or the assessor may appeal a determination of the
4 board of equalization to the superior court as provided by rules of
5 court applicable to appeals from the decisions of administrative
6 agencies. Appeals are heard on the record established at the hearing
7 before the board of equalization.

8 Sec. 29.45.220. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor
9 shall include property omitted from the assessment roll on a supplemen-
10 tary roll, using the procedures set out in this chapter for the original
11 roll.

12 Sec. 29.45.230. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATURAL
13 DISASTER. (a) The municipality may provide for assessment or reassess-
14 ment and reduction of taxes for property destroyed, damaged, or other-
15 wise reduced in value as a result of a natural disaster.

16 (b) An assessment or reassessment under this section may be made
17 by the assessor only upon the receipt of a sworn statement of the tax-
18 payer that his losses exceed \$1,000. A reduction of taxes may be made
19 only on losses in excess of \$1,000 for the remainder of the year follow-
20 ing the disaster. On reassessment, the municipality shall recompute
21 this tax and refund taxes that have already been paid.

22 (c) The municipality shall give notice of assessment or reassess-
23 ment under this section and shall hold an equalization hearing as pro-
24 vided in this chapter, except that a notice of appeal must be filed with
25 the board of equalization within 10 days after notice of assessment or
26 reassessment is given to the person appealing. Otherwise, the right of
27 appeal ceases unless the board finds that the taxpayer is unable to
28 comply.

29 (d) In enacting an ordinance or resolution authorized by this

1 section the municipality may, consistent with this section, prescribe
2 procedures, restrictions, and conditions of assessing or reassessing
3 property and of remitting, refunding, or forgiving taxes.

4 (e) In this section "disaster" means a major disaster declared by
5 the President of the United States under the provisions of the Federal
6 Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g, or
7 other federal law, or a disaster declared by the governor under AS 26.-
8 23.010 - 26.23.110.

9 Sec. 29.45.240. TAX LEVY AND RATE. (a) The power granted to a
10 municipality to assess, levy, and collect a property tax shall be
11 exercised by means of an ordinance. The rate of levy, the date of
12 equalization, and the date when taxes become delinquent shall be fixed
13 by resolution.

14 (b) A municipality shall annually determine the rate of levy
15 before June 15. By July 1 the tax collector shall mail tax statements
16 setting out the levy, dates when taxes are payable and delinquent, and
17 penalties and interest.

18 Sec. 29.45.250. RATES OF PENALTY AND INTEREST. (a) A penalty not
19 to exceed 20 percent of the tax due may be added to all delinquent
20 taxes, and interest not to exceed 15 percent a year shall accrue upon
21 all unpaid taxes, not including penalty, from the due date until paid in
22 full. A municipality may impose a penalty not to exceed 20 percent of
23 the tax due upon the late return of personal property assessment forms.
24 A penalty under this section may be imposed according to a formula that
25 increases the amount of the penalty as the length of time increases
26 during which payment is delinquent or assessment forms are not returned.

27 (b) If a taxpayer is given the right to pay the tax in two in-
28 stallments, penalty and interest on an unpaid installment accrues from
29 the date the installment becomes due.

ARTICLE 2. ENFORCEMENT OF TAX LIENS.

1
2 Sec. 29.45.290. VALIDITY. Certified assessment and tax rolls are
3 valid and binding on all persons, notwithstanding a defect, error,
4 omission, or invalidity in the assessment rolls or proceedings pertain-
5 ing to the assessment roll.

6 Sec. 29.45.300. TAX LIABILITY. (a) The owner of assessed per-
7 sonal property is personally liable for the amount of taxes assessed
8 against his property. The tax, together with penalty and interest, may
9 be collected in a personal action brought in the name of the municipal-
10 ity.

11 (b) Property taxes, together with penalty and interest, are a lien
12 upon the property assessed, and the lien is prior and paramount to all
13 other liens or encumbrances against the property.

14 Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY
15 DISTRAINT AND SALE. (a) A lien for personal property taxes may be
16 enforced by distraint and sale of the property. The municipality shall
17 provide the procedure for distraint and sale by ordinance. A seizure,
18 levy, or distraint is not legal unless demand is first made of the
19 person assessed for the amount of the tax, penalty, and interest, and a
20 sale is not valid unless made at public auction no sooner than 15 days
21 after notice is published. The seizure is made by virtue of a warrant
22 issued by the municipal clerk to a peace officer.

23 (b) If the personal property sold is not sufficient to satisfy the
24 tax, penalty, and interest, and costs of sale, the warrant may authorize
25 the seizure of other personal property sufficient to satisfy the tax,
26 penalty, interest, and costs of sale. If the property is sold for more
27 money than is needed to satisfy the tax, the municipality shall remit
28 the excess to the former record owner upon presentation of a proper
29 claim. A claim for the excess filed after six months of the date of

1 sale is forever barred.

2 Sec. 29.45.320. REAL PROPERTY TAX COLLECTION. (a) The municipal-
3 ity shall enforce delinquent real property tax liens by annual fore-
4 closure, unless otherwise provided by ordinance.

5 (b) If the tax on property described in AS 29.45.070 or on a
6 taxable interest in tax-exempt property is not paid when due, a munici-
7 pality may enforce the tax by a personal action against the delinquent
8 taxpayer brought in the district or superior court, in addition to other
9 remedies available to enforce the lien.

10 Sec. 29.45.330. FORECLOSURE LIST. (a) A municipality shall

11 (1) annually present a petition for judgment and a certified
12 copy of the foreclosure list for the previous year's delinquent taxes in
13 the superior court for judgment;

14 (2) publish the foreclosure list for four consecutive weeks
15 in a newspaper of general circulation distributed in the municipality
16 or, if there is no newspaper of general circulation distributed in the
17 municipality, post the list at three public places for at least 30 days;

18 (3) within 10 days after the first publication or posting,
19 mail to the last known owner of each property as his name and address
20 appear on the list a notice advising of the foreclosure proceeding in
21 which a petition for judgment of foreclosure has been filed and describ-
22 ing the property and the amount due as stated on the list.

23 (b) The list shall be arranged in alphabetical order as to the
24 last name and shall include

25 (1) the last known owner;

26 (2) the property description as stated on the assessment
27 roll;

28 (3) years and amounts of delinquency;

29 (4) penalty and interest due;

1 (5) a statement that the list is available for public inspec-
2 tion at the clerk's office;

3 (6) a statement that the list has been presented to the
4 superior court with a petition for judgment and decree.

5 (c) Completion of the requirements of (a) of this section consti-
6 tutes and has the same force and effect as the filing of an individual
7 and separate complaint and service of summons to foreclose a lien
8 against each property described on the foreclosure list.

9 Sec. 29.45.340. CLEARING DELINQUENCIES. During the publication or
10 posting of the foreclosure list and up to the time of transfer to the
11 municipality a person may pay the taxes, together with the penalty,
12 interest, and costs. The collector shall note payment on the foreclo-
13 sure list.

14 Sec. 29.45.350. LIST TO LIENHOLDER. A holder of a mortgage or
15 other lien on real property may request the clerk to send by certified
16 mail notice of a foreclosure list that includes the real property.

17 Sec. 29.45.360. GENERAL FORECLOSURE. A municipality shall bring
18 one general foreclosure proceeding in rem against the properties in-
19 cluded in the foreclosure list. If the owner is unknown, the property
20 is proceeded against as belonging to "unknown owner". Tax foreclosure
21 proceedings have priority over all other civil proceedings except
22 appeals under AS 29.40.060.

23 Sec. 29.45.370. ANSWER AND OBJECTION. A person having an interest
24 in a lot on the foreclosure list may file an answer within 30 days of
25 the date of last publication, specifying his objection. The court shall
26 make its decision in summary proceedings. The foreclosure list is prima
27 facie evidence that the assessment and levy of the tax is valid and that
28 the tax is unpaid.

29 Sec. 29.45.380. JUDGMENT. The court shall in a proper case give

1 judgment and decree that the tax liens be foreclosed. It is a several
2 judgment against each lot and a lien on each lot.

3 Sec. 29.45.390. TRANSFER AND APPEAL. (a) Foreclosed properties
4 are transferred to the municipality for the lien amount. When answers
5 are filed the court may enter judgment against and order the transfer to
6 the municipality of all other properties on the list pending deter-
7 mination of the matters in controversy. The court shall hear and
8 determine the issues raised by the complaint and answers in the same
9 manner and under the same rules as it hears and determines other
10 actions.

11 (b) The court clerk shall deliver a certified copy of the judgment
12 and decree to the municipal clerk. The certified judgment and decree
13 constitutes a transfer to the municipality.

14 (c) The judgment and decree stops objections to it that could have
15 been presented before judgment and decree. Appeal from a judgment and
16 decree of foreclosure, or from a final order in the proceeding, may be
17 taken in the manner provided for appeals in civil actions.

18 Sec. 29.45.400. REDEMPTION PERIOD. Properties transferred to the
19 municipality are held by the municipality for at least one year. During
20 the redemption period a party having an interest in the property may
21 redeem it by paying the lien amount plus penalties, interest, and costs,
22 including all costs incurred under AS 29.45.440(a). Property redeemed
23 is subject to all accrued taxes, assessments, liens, and claims as
24 though it had continued in private ownership. Only the amount applic-
25 able under the judgment and decree must be paid in order to redeem the
26 property.

27 Sec. 29.45.410. EFFECT. Receipt of redemption money by the muni-
28 cipality releases the judgment obtained under AS 29.45.380. The clerk
29 or his designee shall record the redemption and issue a certificate

1 containing a property description, the redemption amount, and the dates
2 of judgment and decree of foreclosure. The clerk or his designee shall
3 collect the recording fee at the time of redemption and shall file the
4 certificate with the record as part of the judgment roll.

5 Sec. 29.45.420. ADDITIONAL LIENS. If a property included in a
6 foreclosure list is removed after payment of delinquencies or redemption
7 by another lienholder, the payment represented by receipt for payment
8 constitutes an additional lien on the property, collectible by the
9 lienholder in the same manner as the original lien.

10 Sec. 29.45.430. POSSESSION DURING REDEMPTION PERIOD. Foreclosure
11 does not affect the former owner's right to possession during the
12 redemption period. If waste is committed by the former owner or by
13 anyone acting under his permission or control, the municipality may
14 declare an immediate forfeiture of the right to possession.

15 Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the
16 expiration of the redemption period the clerk or his designee shall
17 publish a redemption period expiration notice. The notice shall contain
18 the date of judgment, the date of expiration of the period of redemp-
19 tion, and a warning that all properties ordered sold under the judgment,
20 unless redeemed, shall be deeded to the municipality immediately on
21 expiration of the period of redemption and that every right or interest
22 of a person in the properties will be forfeited forever to the muni-
23 cipality. The notice appears once a week for four consecutive weeks in
24 a newspaper of general circulation distributed in the municipality. If
25 there is no newspaper of general circulation distributed in the muni-
26 cipality, the notice is posted in three public places for at least four
27 consecutive weeks. The clerk shall send a copy of the notice by certi-
28 fied mail to each record owner of property against which a judgment of
29 foreclosure has been taken and, if the assessed value of the property is

1 more than \$100,000, to all holders of mortgages or other liens of record
2 on the property. The notice shall be mailed within five days after the
3 first publication. The mailing shall be sufficient if mailed to the
4 property owner and to the holder of a mortgage or recorded lien at the
5 last address of record.

6 (b) The right of redemption expires 30 days after the date of the
7 first notice publication.

8 (c) Costs incurred in the determination of holders of mortgages
9 and other liens of record and costs of notice publication incurred by a
10 municipality under (a) of this section are a lien on the property and
11 may be recovered by the municipality.

12 Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) Unredeemed property
13 in the area of the borough outside all cities is deeded to the borough
14 by the clerk of the court. Unredeemed property in a city is deeded to
15 the city subject to the payment by the city of unpaid borough taxes and
16 costs of foreclosure levied against the property before foreclosure.
17 The deed shall be recorded in the recording district in which the
18 property is located.

19 (b) Conveyance gives the municipality clear title, except for
20 prior recorded tax liens of the United States and the state.

21 (c) If unredeemed property lies in a city and if the city has no
22 immediate public use for the property but the borough does have an
23 immediate public use, the city shall deed the property to the borough.
24 If unredeemed property lies in the borough outside all cities and if the
25 borough does not have an immediate public use for the property but a
26 city does have an immediate public use, the borough shall deed the
27 property to the city.

28 (d) No deed is invalid for irregularities, omissions, or defects
29 in the proceedings under this chapter unless the former owner has been

1 misled to his injury. Two years after the date of the deed, its valid-
2 ity is conclusively presumed and a claim of the former owner or other
3 person having an interest in the property is forever barred.

4 Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTY. (a)
5 The municipality shall determine by ordinance whether foreclosed prop-
6 erty deeded to the municipality shall be retained for a public purpose.
7 The ordinance shall contain the legal description of the property, the
8 address or a general description of the property sufficient to provide
9 the public with notice of its location, and the name of the last record
10 owner of the property as his name appears on the assessment rolls.

11 (b) Tax-foreclosed property conveyed to a municipality by tax
12 foreclosure and not required for a public purpose may be sold. Before
13 the sale of tax-foreclosed property held for a public purpose, the
14 municipality, by ordinance, shall determine that a public need does not
15 exist. The ordinance shall contain the information required under (a)
16 of this section.

17 (c) The clerk or his designee shall send a copy of the published
18 notice of hearing of an ordinance to consider a determination required
19 under (a) or (b) of this section by certified mail to the former record
20 owner of the property that is the subject of the ordinance. The notice
21 shall be mailed within five days after its first publication and shall
22 be sufficient if mailed to the last record owner of the property as his
23 name appears on the assessment rolls of the municipality.

24 (d) The provisions of (c) of this section do not apply with
25 respect to property that has been held by the municipality for a period
26 of more than 10 years after the close of the redemption period.

27 Sec. 29.45.470. REPURCHASE BY RECORD OWNER. (a) The record owner
28 at the time of tax foreclosure of property acquired by a municipality,
29 or his assigns, may, within 10 years and before the sale or contract of

1 sale of the tax-foreclosed property by the municipality, repurchase the
2 property. The municipality shall sell the property for the full amount
3 applicable to the property under the judgment and decree, with interest
4 not to exceed 15 percent a year from the date of entry of the judgment
5 of foreclosure to the date of repurchase, delinquent taxes assessed and
6 levied as though it had continued in private ownership, and costs of
7 foreclosure and sale.

8 (b) After adoption of an ordinance providing for the retention of
9 tax-foreclosed property by the municipality for a public purpose, the
10 right of the former record owner to repurchase the property ceases.

11 Sec. 29.45.480. PROCEEDS OF TAX SALE. (a) On sale of foreclosed
12 real or personal property the municipality shall divide the proceeds
13 less cost of collection, between the borough and the city having unpaid
14 taxes against the property. The division is in proportion to the
15 respective municipal taxes against the property at the time of fore-
16 closure.

17 (b) The former record owner of tax-foreclosed real property that
18 has been held by a municipality for less than 10 years after the close
19 of the redemption period and never designated for a public purpose that
20 is sold at a tax-foreclosure sale is entitled to the portion of the
21 proceeds of the sale that exceeds the amount sufficient to satisfy
22 unpaid taxes, delinquent taxes assessed and levied as if the property
23 had continued in private ownership, penalty, interest, and costs of
24 property sold, including costs incurred under AS 29.45.440(a). If the
25 proceeds of the sale of tax-foreclosed property exceed the total of
26 unpaid and delinquent taxes, penalty, interest, and costs, the muni-
27 cipality shall provide the former owner of the property written notice
28 advising of the amount of the excess and the manner in which a claim for
29 the balance of the proceeds may be submitted. Notice is sufficient

1 under this subsection if mailed to the former owner at his last address
2 of record. On presentation of a proper claim, the municipality shall
3 remit the excess to the former record owner. A claim for the excess
4 filed after six months of the date of sale is forever barred.

5 Sec. 29.45.490. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a
6 municipality takes title to tax-foreclosed property for a public pur-
7 pose, the municipality shall satisfy unpaid taxes and assessments
8 against the property held by other municipalities, with accrued interest
9 but without penalty. If the amount required to satisfy the unpaid taxes
10 and assessments exceeds the assessed value of the property, the munici-
11 pality shall pay the other municipalities the assessed value, which
12 shall be divided between the other municipalities in proportion to their
13 respective taxes and assessments against the property at the time of
14 foreclosure.

15 Sec. 29.45.500. REFUND OF TAXES. (a) If a taxpayer pays taxes
16 under protest, he may bring suit in the superior court against the
17 municipality for recovery of the taxes. If judgment for recovery is
18 given against the municipality, or, if in the absence of suit, it
19 becomes obvious to the governing body that judgment for recovery of the
20 taxes would be obtained if legal proceedings were brought, the munici-
21 pality shall refund the amount of the taxes to the taxpayer with inter-
22 est at eight percent from the date of payment plus costs.

23 (b) If, in payment of taxes legally imposed, a remittance by a
24 taxpayer through error or otherwise exceeds the amount due, and the
25 municipality, on audit of the account in question, is satisfied that
26 this is the case, the municipality shall refund the excess to the tax-
27 payer with interest at eight percent from the date of payment. A claim
28 for refund filed one year after the due date of the tax is forever
29 barred.

1 (c) The governing body may correct manifest clerical errors at
2 anytime.

3 ARTICLE 3. CITY PROPERTY TAX.

4 Sec. 29.45.550. CITIES OUTSIDE BOROUGHES. Home rule and first
5 class cities outside boroughs may assess, levy, and collect a property
6 tax. A property tax if levied must be assessed, levied, and collected
7 as provided by AS 29.45.010 - 29.45.500.

8 Sec. 29.45.560. CITIES INSIDE BOROUGHES. Home rule and first class
9 cities inside boroughs may levy a property tax. A property tax, if
0 levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.100,
1 29.45.250, 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The council
2 shall by June 15 of each year present to the assembly a statement of the
3 city's rate of levy unless a different date is agreed upon by the borough
4 and city.

5 Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to
6 home rule and general law municipalities.

7 Sec. 29.45.580. DIFFERENTIAL TAX ZONES. A city may by ordinance
8 establish, alter, and abolish differential tax zones to provide and levy
9 property taxes for services not provided generally in the city or a
0 different level of service than that provided generally in the city.

1 Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS
2 CITIES. A second class city may by referendum levy property taxes as
3 provided for first class cities. However, levy by a second class city
4 may not exceed one-half of one percent of the assessed value of the
5 property taxed, except that the limit does not apply to a levy necessary
6 to avoid a default upon payment of principal and interest of bonded or
7 other indebtedness that is secured by a pledge to levy ad valorem or
8 other taxes without limit to meet debt payments.

9 Sec. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A

1 SECOND CLASS CITY. A petition for second class city incorporation may
2 request that a property tax proposal be placed on the same ballot. The
3 petition must state the proposed tax rate. The petition may request that
4 incorporation be dependent on the passage of the property tax proposi-
5 tion. If so, the incorporation proposition fails if the property tax
6 fails.

7 ARTICLE 4. BOROUGH SALES AND USE TAX.

8 Sec. 29.45.650. SALES AND USE TAX. (a) A borough may levy and
9 collect a sales tax not exceeding six percent on sales, rents, and on
0 services made in the borough. The sales tax may apply to any or all of
1 these sources. Exemptions may be granted by ordinance.

2 (b) A borough levying a sales tax may also by ordinance levy a use
3 tax on the storage, use, or consumption of tangible personal property in
4 the borough. The use tax rate must equal the sales tax rate and the use
5 tax shall be levied only on buyers.

6 (c) A person who furnishes proof, in the form required by the
7 borough tax collector, that he has paid a sales tax on the source on
8 which a use tax is levied by the borough is required to pay the use tax
9 only to the extent of the difference between the amount of the sales tax
0 paid and the amount of the use tax levied by the borough. This subsec-
1 tion applies to a sales tax levied in any taxing jurisdiction whether
2 inside or outside the state.

3 (d) If the assembly charges interest on sales taxes not paid when
4 due, the rate of interest may not exceed 15 percent a year on the
5 delinquent taxes and shall be charged from the due date until paid in
6 full. This subsection applies to home rule and general law municipali-
7 ties.

8 (e) A borough may provide for the creation, recording, and notice
9 of a lien on real or personal property to secure the payment of a sales

1 and use tax, and the interest, penalties, and administration costs in
2 the event of delinquency. When recorded, a lien authorized under this
3 section has priority over other liens except those for property taxes
4 and special assessments.

5 Sec. 29.45.660. NOTICE OF SALES AND USE TAX. (a) If the borough
6 levies and collects only a sales tax and use tax, the assembly shall
7 provide a notice substantially in the form set out in AS 29.45.020. In
8 providing notice under this subsection, the assembly shall substitute
9 for the millage equivalency its estimate of the equivalent sales tax
0 rate for each of the categories of financial assistance set out in
1 AS 29.45.020. Notice shall be provided

2 (1) by publishing in a newspaper of general circulation in
3 the borough a copy of the notice once each week for a period of three
4 successive weeks, with publication to occur not later than 45 days after
5 the final adoption of the borough's budget; or

6 (2) if there is no newspaper of general circulation in the
7 borough, by posting a copy of the notice for at least 20 days in at
8 least two public places in the borough, with posting to occur not later
9 than 45 days after the final adoption of the borough's budget.

0 (b) Compliance with the provisions of this section is a prerequi-
1 site to receipt of municipal tax resource equalization assistance under
2 AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal
3 services under AS 29.60.100 - 29.60.180. The department shall withhold
4 annual allocations under those sections until municipal officials demon-
5 strate that the requirements of this section have been met.

6 Sec. 29.45.670. REFERENDUM, ADOPTION, AND MODIFICATION. A new
7 sales and use tax or an increase in the rate of levy of a sales tax
8 approved by ordinance does not take effect until ratified by a majority
9 of the voters at an election.

ARTICLE 5. CITY SALES AND USE TAXES.

Sec. 29.45.700. POWER OF LEVY. (a) A city in a borough that levies and collects areawide sales and use taxes may levy sales and use taxes on 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 in a borough that does not levy and collect sales and use taxes for areawide borough functions may levy and collect sales and 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.

Sec. 29.45.710. COMBINING SALES AND USE TAX WITH INCORPORATION OF A SECOND CLASS CITY. A petition for incorporation of a second class city 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 the passage of the 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.

Sec. 29.46.010. ASSESSMENT AND PROPOSAL. The municipality 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 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-(a)(8). If a governmental unit other than the state benefited by an improvement refuses to pay the assessment, it shall be denied the benefit of the improvement. An improvement proposal may be initiated by

1 (1) petition to the governing body of the owners of one-half
2 in value of the property to be benefited; or

3 (2) the governing body.

4 Sec. 29.46.020. PROCEDURE. (a) The municipality may prescribe by
5 ordinance the procedures relating to creating special assessment dis-
6 tricts, making local improvements, levying and collecting assessments,
7 and financing improvements, including the following:

8 (1) a procedure for filing petitions;

9 (2) a survey and report by the mayor concerning the need for,
0 desirable extent of, and estimated cost of each proposed local improve-
1 ment;

2 (3) a public hearing on the necessity for the proposed local
3 improvement;

4 (4) a resolution or ordinance determining to proceed or not
5 to proceed with the proposed local improvement;

6 (5) a public hearing by the governing body on the special
7 assessment roll for the proposed local improvement;

8 (6) published notice of each public hearing required by this
9 section and mailing notice to each record owner of real property in the
0 special assessment district;

1 (7) a resolution or ordinance confirming the special assess-
2 ment roll for the proposed local improvement;

3 (8) if protests as to the necessity of a proposed local
4 improvement are made by owners of property that will bear 50 percent or
5 more of the estimated cost of the improvement, the governing body may
6 not proceed with the improvement until the objections have been reduced
7 to less than 50 percent, except on approval of not fewer than three-
8 fourths of the governing body.

9 (b) To the extent that the municipality does not prescribe a

1 procedure for special assessments as permitted by this section, the
2 municipality shall comply with the special assessment procedures set out
3 in AS 29.46.030 - 29.46.100.

4 Sec. 29.46.030. CREATION OF DISTRICT. (a) When an improvement
5 proposal is filed with the municipal clerk and presented to the govern-
6 ing body, the municipality shall find by resolution or ordinance whether
7 (1) the improvement requested is necessary and should be made, and (2)
8 if by petition, the request has sufficient and proper petitioners. The
9 findings under this section are conclusive.

0 (b) If the municipality approves an improvement proposal, it shall
1 develop a proposed improvement plan including the total cost estimate
2 and the percentage of the cost to be assessed against the benefited
3 property. The improvement plan shall be filed with the municipal clerk.

4 (c) The governing body shall set a time for public hearing on the
5 improvement plan and the period for filing objections to the plan. The
6 governing body shall publish a notice of the hearing and of the period
7 during which objections may be filed at least once a week for four
8 consecutive weeks in a newspaper of general circulation if distributed
9 in the municipality and shall send notice by mail to every record owner
0 of property in the special assessment district.

1 Sec. 29.46.040. RECORD OWNER. The person in whose name property
2 is listed on the municipal property tax roll as owner is conclusively
3 presumed to be the legal owner of record. If the owner is unknown, the
4 assessment roll may designate "unknown owner".

5 Sec. 29.46.050. OBJECTIONS AND REVISION. (a) Objections to an
6 improvement plan may be filed during a period of 60 days after publica-
7 tion of notice. The municipality may by resolution or ordinance approve
8 the plan and order the improvement subject to the limitation of (b) of
9 this section.

1 (b) If objections are made in writing during the period set for
2 objections by the owners of property bearing 50 percent or more of the
3 estimated total cost of the improvement, the governing body may not
4 proceed with the improvement unless it revises the plan to meet the
5 objections and the objections are reduced to less than 50 percent. A
6 revised plan shall be approved and adopted as an original plan in accor-
7 dance with AS 29.46.030.

8 Sec. 29.46.060. ASSESSMENT ROLL. (a) At any time after approval
9 of an improvement plan, the governing body shall assess the authorized
0 percentage of the cost against property in the district included in the
1 plan in proportion to the benefit received.

2 (b) The special assessment roll shall contain property descrip-
3 tions, names of record owners, and assessment amounts.

4 (c) The governing body shall fix a time to hear objections to the
5 roll. The municipal clerk shall send an assessment and hearing notice
6 by mail to each record owner of an assessed property not less than 15
7 days before the hearing.

8 Sec. 29.46.070. HEARING AND SETTLEMENT. After the public hearing,
9 the governing body shall correct errors and inequalities in the roll.
0 If an assessment is increased, a new hearing shall be set and notice
1 published, except that a new hearing and notice is not required if all
2 record owners of property subject to the increased assessment consent in
3 writing to the increase. Objections to the increased assessment shall
4 be limited to record owners of property on which the assessment was
5 increased. When the roll is corrected, it shall be confirmed by resolu-
6 tion or ordinance.

7 Sec. 29.46.080. PAYMENT. (a) The governing body shall fix times
8 of payment, penalties on delinquent payments, and the rate of interest
9 on the unpaid balance of the assessment. Payment may be in one sum or

1 by installments. If payment is to be in one sum, payment may not be
2 required sooner than 60 days after mailing of the assessment statement.
3 The entire assessment may be prepaid without interest or penalty within
4 30 days after mailing of the assessment statement, and thereafter the
5 assessment may be prepaid in whole or in part with interest to the
6 payment date.

7 (b) Within 30 days after fixing the time of payment the municipal
8 clerk shall mail a statement to the record owner of each property
9 assessed. The statement designates the property, the assessment amount,
0 method of payment, rate of interest on the unpaid balance of the assess-
1 ment, the time of delinquency, and penalties on delinquent payments.
2 Within five days after the statements are mailed, the clerk shall have
3 notice published that the statements have been mailed.

4 (c) Assessments are liens on the property assessed and are prior
5 and paramount to all liens except municipal tax liens. They may be
6 enforced as provided in AS 29.45.320 - 29.45.470 for enforcement of
7 property tax liens.

8 Sec. 29.46.090. EXEMPTION. (a) The real property owned and
9 occupied by a resident 65 years of age or over, or the spouse, widow,
0 widower, or minor heir of the original applicant, on which is located
1 only his permanent abode that is a single-family residence, is exempt
2 from (1) special sewer assessments levied by a municipality after
3 September 2, 1975, and (2) special water assessments levied by a muni-
4 cipality after September 2, 1975. Only one exemption may be granted
5 with respect to the same property, and, if two or more persons are
6 eligible for an exemption with respect to the same property, the parties
7 shall decide between or among themselves which shall receive the benefit
8 of the exemption. Real property may not be exempted under this sub-
9 section that the municipality determines, after notice and hearing to

1 the parties concerned, has been conveyed to the applicant primarily for
2 the purpose of obtaining the exemption. The determination of the muni-
3 cipality is appealable under AS 44.62.560 - 44.62.570.

4 (b) An exemption may not be granted under this section except upon
5 written application for the exemption on a form prescribed by the state
6 assessor for use by local assessors and in accordance with the following
7 requirements:

8 (1) The claimant must file the initial application during the
9 period of time between the date the assessment roll is confirmed and the
10 time of payment fixed by the governing body. Within one year after the
11 date the assessment roll is confirmed the governing body for good cause
12 shown may waive the claimant's failure to make timely initial application
13 for the exemption and authorize the assessor to accept the application
14 as if timely filed.

15 (2) A claimant receiving the exemption must file with the
16 assessor by March 15 of each subsequent year a separate application
17 proving eligibility as of January 1 in order to retain the exemption.
18 Within the same year the assessor for good cause shown may waive the
19 claimant's failure to make timely application and approve the applica-
20 tion as if timely filed.

21 (3) If an application is filed within the required time under
22 this subsection and is approved by the governing body, the exemption
23 shall be allowed in accordance with the provisions of this section. If
24 a waiver under this subsection is granted and the application for exemp-
25 tion approved, the amount of any assessment, penalty, or interest that
26 the claimant has already paid on the assessment shall be refunded to
27 him. The municipality may at any time require proof in the form con-
28 sidered necessary of the right and amount of an exemption claimed under
29 this section.

1 (c) The state shall reimburse a municipality for the sewer and
2 water assessment revenues that it would receive but for the operation of
3 this section. Reimbursement under this subsection is a lien in favor of
4 the state against the property exempted to the extent of the assessment
5 against the property exempted. When properly recorded, the lien is
6 prior and superior to other liens against the property except for
7 property taxes or other special assessments and may be enforced by lien
8 foreclosure. The lien becomes immediately due and payable

9 (1) upon sale or other transfer of the property except to a
10 spouse, widow, widower, or minor heir; however, if the property is
11 transferred to a minor heir the lien becomes due and payable on the date
12 the minor heir reaches the age of 25 years;

3 (2) when property exempted under (a)(1) or (2) of this section
4 receives more than one sewer connection or more than one water connec-
5 tion; or

6 (3) when the claimant fails to prove eligibility under (b)(2)
7 of this section.

8 (d) This section applies to home rule and general law municipali-
9 ties.

10 (e) In this section

11 (1) "minor heir" means a person who, at the time of transfer
12 of the property, has not attained the age of 19 years or who, if he has
13 not attained the age of 22 years, is a full-time student at an educa-
14 tional institution or a member of the armed forces of the United States;

5 (2) "real property" includes, but is not limited to, mobile
6 homes, whether classified as real or personal property for municipal tax
7 purposes;

8 (3) "resident" means a person who for 12 consecutive months
9 has maintained his permanent place of abode in the state.

1 Sec. 29.46.100. REASSESSMENT. (a) The governing body shall
2 within one year correct any deficiency in a special assessment found by
3 a court. Notice and hearing must conform to the initial assessment
4 procedures.

5 (b) Payments on the initial assessment are credited to the prop-
6 erty upon reassessment. The reassessment becomes a charge upon the
7 property notwithstanding failure to comply with any provision of the
8 assessment procedure.

9 Sec. 29.46.110. ALLOWABLE COSTS. (a) When a special assessment
0 district is created, there may be included in the assessments

1 (1) all of the cost of acquiring, installing, making, or
2 constructing the local improvement;

3 (2) the costs of all engineering and surveying to be done in
4 connection with creating the district or improvement;

5 (3) the cost of mailing and publishing notices;

6 (4) interest on interim financing;

7 (5) the cost of legal services and other expenses incurred in
8 the formation of the special assessment district;

9 (6) the cost of completing the improvement and financing the
0 improvement, including the issuance of bonds.

1 (b) The total amount of the assessment roll may not exceed actual
2 costs, but actual costs may include reasonable estimates of the costs to
3 be incurred in connection with issuance of bonds.

4 Sec. 29.46.120. OBJECTION AND APPEAL. (a) The validity of an
5 assessment may not be contested by a person who did not file with the
6 municipal clerk a written objection to the assessment roll before its
7 confirmation.

8 (b) The decision of the governing body on an objection may be
9 appealed to the superior court within 30 days after the date of confir-

1 mation of the assessment roll. If no objection is filed or appeal taken
2 within that time, the assessment procedure is considered valid in all
3 respects.

4 Sec. 29.46.130. INTERIM FINANCING. (a) A municipality may provide
5 by resolution or ordinance for the issuance of notes in payment of the
6 costs of a local improvement project, payable out of special assessments
7 for the improvement. The notes shall bear interest at a rate or rates
8 authorized by the resolution or ordinance, and shall be redeemed either
9 in cash or bonds for the improvement project.

0 (b) Notes issued against assessments shall be claims against the
1 assessments that are prior and superior to a right, lien or claim of a
2 surety on the bond given to the municipality to secure the performance
3 of its contract for a local improvement project, or to secure the payment
4 of persons who have performed work or furnished materials under the
5 contract.

6 (c) The municipal treasurer may accept notes against special
7 assessments on conditions prescribed by the governing body in payment of

8 (1) assessments against which the notes were issued in order
9 of priority;

0 (2) judgments rendered against property owners who have
1 become delinquent in the payment of assessments; and

2 (3) certificates of purchase when property has been sold
3 under execution or at tax sale for failure to pay the assessments.

4 Sec. 29.46.140. SPECIAL ASSESSMENT BONDS. (a) The municipality
5 may by ordinance authorize the issuance and sale of special assessment
6 bonds to pay all or part of the cost of an improvement in a special
7 assessment district. The principal and interest of bonds issued shall
8 be payable solely from the levy of special assessments against the
9 property to be benefited. The assessments shall constitute a sinking

1 fund for the payment of principal and interest on the bonds. The bene-
2 fited property may be pledged by the governing body to secure a payment.

3 (b) On default in a payment due on a special assessment bond, a
4 bondholder may enforce payment of principal, interest, and costs of
5 collection in a civil action in the same manner and with the same effect
6 as actions for the foreclosure of mortgages on real property. Fore-
7 closure shall be against all property on which assessments are in
8 default. The period for redemption is the same as for a mortgage
9 foreclosure on real property.

10 (c) Before the governing body may issue special assessment bonds,
11 it shall establish a guarantee fund and appropriate to the fund annually
12 a sum adequate to cover a deficiency in meeting payments of principal
13 and interest on bonds if the reason for the deficiency is nonpayment of
14 assessments when due. Money received from actions taken against prop-
15 erty for nonpayment of assessments shall be credited to the guarantee
16 fund.

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

18 CHAPTER 47. MUNICIPAL DEBT.

19 ARTICLE 1. REVENUE ANTICIPATION NOTES.

20 Sec. 29.47.010. BORROWING IN ANTICIPATION OF REVENUE. A muni-
21 cipality that is authorized to incur indebtedness may borrow money to
22 meet appropriations for any fiscal year in anticipation of the collec-
23 tion of the revenues for that year, but all debt so contracted shall be
24 paid before the end of the next fiscal year. Negotiable or nonnegotiable
25 revenue anticipation notes may be issued as evidence of the borrowing.

26 Sec. 29.47.020. ISSUANCE OF NOTES. A municipality may by ordi-
27 nance or resolution authorize the issuance of revenue anticipation
28 notes. The governing body may delegate to its chief fiscal officer the
29 power to issue the notes from time to time under the terms and condi-

1 tions of the ordinance or resolution that provides for the manner of
2 their sale.

3 Sec. 29.47.030. ISSUANCE OF NOTES IN ANTICIPATION OF STATE, FED-
4 ERAL GRANTS. (a) A municipality, on adoption of a long-range capital
5 improvement budget by ordinance or resolution, may by resolution provide
6 for negotiable or nonnegotiable revenue anticipation notes in an amount
7 not to exceed the total amount of any state or federal grants finally
8 committed for these projects. The notes mature no later than the end of
9 the next fiscal year. The notes may be for single or multiple projects
0 outlined in the adopted capital improvement budget.

1 (b) If the state or federal grants for capital improvement pro-
2 jects have not been paid to the municipality before maturity of the
3 notes issued in anticipation of the receipt of the revenue, the govern-
4 ing body may issue new notes in order to meet payment of the notes then
5 maturing or may renew the outstanding revenue anticipation notes. New
6 notes issued or renewals of outstanding revenue anticipation notes
7 mature not later than the end of the next fiscal year.

8 Sec. 29.47.040. PRIORITY OF REPAYMENT. The payment of the princi-
9 pal and interest on revenue anticipation notes is payable from revenues,
0 and their payment additionally shall be secured by a pledge of the full
1 faith and credit of the municipality issuing them.

2 ARTICLE 2. BOND ANTICIPATION NOTES.

3 Sec. 29.47.080. BOND ANTICIPATION BORROWING. A municipality may
4 borrow money in anticipation of the sale of general obligation and
5 revenue bonds if

6 (1) the general obligation bonds to be sold have been autho-
7 rized by ordinance and ratified by a majority vote at an election;

8 (2) the revenue bonds to be sold have been authorized by
9 ordinance.

1 Sec. 29.47.090. ISSUANCE OF NOTES. The governing body shall issue
2 negotiable or nonnegotiable notes for the amounts borrowed with a matur-
3 ity date not to exceed one year from the date of issue. All notes and
4 the interest on them are payable at fixed places on or before a fixed
5 time from the proceeds of the sale of bonds in anticipation of which the
6 original note or notes were issued, unless the bonds have not been sold
7 by the maturity date of the notes.

8 Sec. 29.47.100. ISSUANCE OF NEW NOTES. If the sale of the bonds
9 has not occurred before the maturity of the notes issued in anticipation
0 of the sale, the governing body shall issue new notes in order to meet
1 payment of the notes then maturing, or shall renew the outstanding bond
2 anticipation notes. New notes issued or renewals of outstanding bond
3 anticipation notes bear a maturity date not to exceed one year from the
4 date of issue. Notes, new notes, and renewals of notes may not be
5 outstanding for a total elapsed time of more than three years.

6 Sec. 29.47.110. REPAYMENT OF NOTES. Every note is payable from
7 the proceeds of the sale of bonds that the notes anticipated or from the
8 proceeds of the sale of new bond anticipation notes.

9 Sec. 29.47.120. SECURITY. (a) Notwithstanding other provisions
0 of this chapter as to payment of notes, notes issued in anticipation of
1 the sale of general obligation bonds and the interest on them are secured
2 by the full faith and credit of the municipality. The municipality may
3 levy ad valorem taxes for payment without limitation of rate or amount.

4 (b) Notes issued in anticipation of the sale of revenue bonds and
5 the interest on them are secured in the same manner as are the revenue
6 bonds in anticipation of which the notes are issued.

7 Sec. 29.47.130. LIMITATION. The total amount of notes issued and
8 outstanding may at no time exceed the total amount of bonds authorized
9 to be issued.

1 Sec. 29.47.140. USE OF PROCEEDS. The proceeds from the sale of
2 notes shall be used only for the purposes for which the proceeds from
3 the sale of bonds may be used, or to meet payment of outstanding bond
4 anticipation notes.

5 ARTICLE 3. GENERAL OBLIGATION BONDS.

6 Sec. 29.47.180. GENERAL OBLIGATION BONDS. A municipality may
7 acquire, construct, improve, and equip capital improvements and issue
8 negotiable or nonnegotiable general obligation bonds for these purposes.

9 Sec. 29.47.190. VOTE AND NOTICE OF EXISTING INDEBTEDNESS REQUIRED.

10 (a) A municipality may incur general obligation bond debt only after a
11 bond authorization ordinance is approved by a majority vote at an elec-
12 tion. Any municipal voter may vote in the bond election, except as
13 otherwise provided by law.

14 (b) Before a general obligation bond issue election, the governing
15 body shall have published a notice of the total existing bond indebted-
16 ness at least once a week for three consecutive weeks. The first notice
17 shall be published at least 20 days before the date of the election. A
18 notice shall include

19 (1) the current total general obligation bonded indebtedness,
20 including authorized but unsold bonds of the municipality;

21 (2) the cost of the debt service on the current indebtedness;

22 (3) the total assessed value of property in the municipality.

23 Sec. 29.47.200. PAYMENT. (a) The full faith and credit of a
24 municipality are pledged for the payment of principal and interest on
25 general obligation bonds. The municipality may levy ad valorem taxes
26 for payment without limitation of rate or amount to pay or secure the
27 payment of the principal and interest on bonds, regardless of whether
28 the bonds are in default or in danger of default.

29 (b) General obligation bonds issued for acquiring, constructing,

1 improving and equipping a municipally owned utility or other revenue-
2 generating enterprise may be additionally secured by a pledge of the
3 revenue derived from operation. Bonds so secured are not subject to a
4 debt limitation imposed by a home rule charter. This subsection applies
5 to home rule and general law municipalities.

6 ARTICLE 4. REVENUE BONDS.

7 Sec. 29.47.240. REVENUE BONDS. (a) A municipality may issue
8 negotiable or nonnegotiable revenue bonds for a public enterprise or
9 public corporation of the municipality where the only security is the
0 revenue of the public enterprise or corporation.

1 (b) A municipality may issue its revenue bonds to finance the
2 purchase of residential mortgage loans. The revenue bonds issued under
3 this subsection are payable solely from the principal and interest of
4 the mortgage loans and from other amounts pledged by the municipality,
5 except the pledge of revenues derived from taxes. Revenue bonds issued
6 under this subsection do not constitute a general obligation of the
7 municipality.

8 Sec. 29.47.250. NO ELECTION REQUIRED. An election is not required
9 to authorize the issuance and sale of revenue bonds, unless otherwise
0 provided by ordinance.

1 Sec. 29.47.260. CONSTRUCTION. The prohibitions of AS 37.10.085 do
2 not apply to the issuance of revenue bonds or the use of proceeds from
3 revenue bonds by a home rule or general law municipality.

4 ARTICLE 5. REFUNDING BONDS.

5 Sec. 29.47.300. AUTHORIZATION. If a municipality has outstanding
6 general obligation or revenue bonds and the governing body determines
7 that it would be financially advantageous to refund the bonds, the
8 municipality may provide by ordinance or resolution for the issuance of
9 negotiable or nonnegotiable

- 1 (1) general obligation refunding bonds; or
2 (2) revenue refunding bonds.

3 Sec. 29.47.310. EFFECT OF BONDS. The refunding bonds may take up
4 and refund all or part of outstanding bonds at or before their maturity
5 or redemption date. The governing body may include various series and
6 issues of bonds in a single issue of refunding bonds.

7 Sec. 29.47.320. NO ELECTION REQUIRED. An election is not required
8 to authorize the issuance and sale of refunding bonds. Their issuance
9 may be authorized and all proceedings with reference to them prescribed
0 by ordinance. However, when it is desirable to use general obligation
1 bonds to refund a revenue bond issue, the governing body shall call an
2 election on the question.

3 Sec. 29.47.330. PAYMENT OF REFUNDING BONDS. General obligation
4 refunding bonds are payable according to AS 29.47.200. Revenue refund-
5 ing bonds are payable according to AS 29.47.240.

6 Sec. 29.47.340. SALE OF REFUNDING BONDS. General obligation or
7 revenue refunding bonds may, at the discretion of the governing body, be
8 exchanged for the bonds being refunded, or may be sold at public or
9 private sale. They may be issued and delivered at any time before the
0 date of maturity or redemption of the refunded bonds.

1 ARTICLE 6. MISCELLANEOUS PROVISIONS.

2 Sec. 29.47.390. OTHER MUNICIPAL FINANCING. (a) A municipality
3 may authorize by ordinance or resolution the issuance of negotiable or
4 nonnegotiable revenue bonds to finance any project that serves a public
5 purpose, and the bonds shall be secured and payable from any source
6 except revenues of the municipality, including tax revenue.

7 (b) Bonds issued under this section are not a debt or liability of
8 the municipality and do not create or constitute an indebtedness,
9 liability, or obligation of the municipality, nor do they constitute a

1 pledge of faith, credit, or taxing power of the municipality. Each bond
2 must contain on its face a statement that the municipality is not obli-
3 gated to pay the principal or the interest on the bonds except from
4 those sources indicated, and that neither the faith and credit nor the
5 taxing power of the municipality is pledged to the payment of principal
6 or interest on the bond.

7 (c) A municipality may

- 8 (1) loan the proceeds of the bonds issued under this section;
9 (2) pledge, mortgage or assign money, leases, agreements,
10 property, or other assets of the project being financed;
11 (3) enter into covenants and agreements concerning bonds
12 issued under this section that the municipality determines to be de-
13 sirable;
14 (4) provide for any matter that affects the security of the
15 bonds.

16 (d) In this section

- 17 (1) "bonds" means bonds, notes, or other evidence of indebt-
18 edness;
19 (2) "project" includes but is not limited to commercial,
20 manufacturing, agricultural, industrial, residential housing, recrea-
21 tion, tourism, and medical projects and programs.

22 Sec. 29.47.400. SALE. Bonds and notes issued under this chapter
23 may be sold at either public or private sale by the municipality in the
24 manner and at the price it determines.

25 Sec. 29.47.410. FORMS AND TERMS. The municipality may by ordi-
26 nance or resolution fix the date, denominations, maturities, rate or
27 rates of interest, redemption terms, registration privileges, manner of
28 execution, signatures required, purchase price, manner of sale, and
29 other requirements for issuing bonds or notes under this chapter. If an

1 official whose signature appears on the bonds or coupons ceases to be an
2 official before delivery of the bonds, his signature is valid as if he
3 had remained in office until delivery.

4 Sec. 29.47.420. INTEREST RATE. The interest rate payable on a
5 bond or note issued under this chapter shall be determined by the muni-
6 cipality and is not subject to the usury rate limitations of AS 45.-
7 45.010.

8 Sec. 29.47.430. REDEMPTION BEFORE MATURITY. A bond or note issued
9 under this chapter may be made subject to redemption before maturity as
10 stated in the authorization or in the bond or note.

11 Sec. 29.47.440. BOROUGH INDEBTEDNESS. (a) A borough may incur
12 indebtedness

13 (1) on an areawide basis for areawide functions; or

14 (2) on a nonareawide basis for functions performed only in
15 the borough area outside all cities; or

16 (3) on a service area basis for functions performed only in a
17 service area.

18 (b) Payment of debt principal and interest as well as other costs
19 shall be derived from the area incurring the debt under (a)(2) or (a)(3)
20 of this section, except that the full faith and credit of the entire
21 borough may be pledged to guarantee payment of principal and interest.

22 (c) If the bonded debt to be incurred by a borough is an areawide
23 debt, the vote is areawide. If the full faith and credit of the entire
24 borough is pledged for the payment of the debt of the borough area
25 outside all cities or of a service area, an areawide election is held
26 and the proposition must pass both areawide and in the area that will
27 benefit from the improvement. If the bonded indebtedness to be incurred
28 is limited to the borough area outside all cities, the vote is limited
29 to voters outside all cities. If the indebtedness to be incurred is

1 limited to a service area, the vote is limited to voters in the service
2 area. Only the full faith and credit of the area voting on the indebted-
3 ness is pledged for the payment of the debt.

4 (d) The indebtedness of a municipality reclassified under AS 29.-
5 04.040 is not affected by reclassification. All property in a muni-
6 cipality that is reclassified remains subject to taxation to amortize
7 bonded or other indebtedness affecting the municipality and authorized
8 on the effective date of reclassification.

9 Sec. 29.47.450. SERVICE AREA DEBT. The indebtedness of a service
0 area acquired under AS 29.47.440 remains the indebtedness of the area
1 that incurred the debt, notwithstanding a subsequent court determination
2 that the service area was not validly formed under law or by virtue of a
3 defect in the proceedings creating the service area. All property in
4 the service area remains subject to taxation to pay the bonded indebted-
5 ness.

6 * Sec. 14. AS 29 is amended by adding a new chapter to read:

7 CHAPTER 55. MUNICIPAL PROGRAMS.

8 Sec. 29.55.010. CREATION OF LOCAL HISTORICAL DISTRICT COMMISSIONS.
9 The governing body of a municipality may establish a local historical
0 district commission or designate the planning commission or itself to
1 serve as the historical district commission.

2 Sec. 29.55.020. ESTABLISHMENT OF HISTORICAL DISTRICTS. (a) In
3 addition to existing municipal authority providing for the preservation,
4 protection, and maintenance of historic sites, the local historical
5 district commission, in consultation with the Historic Sites Advisory
6 Committee in the Department of Natural Resources, may establish a his-
7 torical district in the boundaries of the municipality.

8 (b) A historical district shall be a reasonably compact area of
9 historical significance in which two or more structures important in

1 state or national history, and related by physical proximity or histori-
 2 cal association, are located. For purposes of this section, "structures
 3 important in state or national history" means properties recommended by
 4 historical district commissions that are listed in the National Register
 5 of Historic Places or are characteristic of the Russian-American period
 6 before October 18, 1867, the early territorial period before 1930, or
 7 early Native heritage, reflecting the indigenous characteristics of
 8 Native culture in Alaska. On recommendation of the governing body of a
 9 municipality and the Historic Sites Advisory Committee, the Department
 0 of Natural Resources may by regulation formulate additional criteria for
 1 the establishment of historical districts not inconsistent with this
 2 subsection.

3 (c) The establishment of a historical district under this section
 4 shall be consistent with any applicable comprehensive plan for the
 5 municipality.

6 * Sec. 15. AS 29 is amended by adding a new chapter to read:

7 CHAPTER 60. STATE PROGRAMS.

8 ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

9 Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICIPAL
 0 SERVICES. (a) During each fiscal year the department shall compute an
 1 equalization entitlement for municipal services provided by a taxing
 2 unit.

3 (b) The equalization entitlement computed for a taxing unit is
 4 based on the population, relative ability to generate revenue, and local
 5 tax burden of the taxing unit and is determined by the application of
 6 the formula

7 Entitlement = P x R

8 where P = population, and

9 R = millage rate equivalent, determined by dividing the sum of

1 the locally generated revenue of the taxing unit by one-tenth of one
2 percent of the full and true value of assessed property of the taxing
3 unit determined under AS 29.60.030(d); however, the per capita property
4 value used under this subsection may not be less than 15 percent of the
5 statewide average per capita full and true assessed property value.

6 (c) For purposes of this section, locally generated revenue

7 (1) includes

8 (A) the actual revenue derived from the levy and collec-
9 tion of local taxes in the taxing unit for municipal services
0 during the preceding fiscal year of the taxing unit;

1 (B) motor vehicle payments received by the municipality
2 during the preceding fiscal year under AS 28.10.431;

3 (C) revenue from fees, rentals, leases, penalties,
4 licenses or permits received during the preceding fiscal year by
5 the municipality for a function or service over which it has con-
6 trol, including revenues derived from parks and recreation ser-
7 vices, mass transit, offstreet parking, and garbage and solid waste
8 disposal services;

9 (D) special assessments received during the preceding
0 fiscal year; and

1 (E) payments received by a municipality from a utility
2 that are in place of taxes levied and collected by the municipal-
3 ity;

4 (2) excludes

5 (A) revenue derived from the levy and collection of
6 municipal taxes and appropriated for the operating expenses and
7 debt service of utilities;

8 (B) revenue from interest earned on investments and from
9 the sale and lease of land or equipment; and

1 (C) all other revenue from whatever service derived.

2 Sec. 29.60.020. DETERMINATION OF POPULATION. (a) For purposes of
3 AS 29.60.010 - 29.60.080, the population of a taxing unit shall be
4 determined annually by the latest figures of the United States Bureau of
5 the Census or other population data that in the judgment of the depart-
6 ment is reliable.

7 (b) The population of the taxing unit includes the population of
8 any military reservation that is a part of the taxing unit. The popula-
9 tion of a taxing unit includes persons working in isolated job sites
0 located within the taxing unit regardless of where the persons reside.
1 For purposes of this subsection, the number of persons working in iso-
2 lated job sites are those persons working in the sites on July 1 of each
3 year as determined by the commissioner based on data that in the judgment
4 of the commissioner is reliable, including data supplied by employers.

5 Sec. 29.60.030. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a)
6 The department may require a municipality to return a certification,
7 signed by the municipal treasurer or manager and the mayor, that pro-
8 vides an estimate of the locally generated revenue received by the
9 municipality during the preceding fiscal year.

0 (b) By October 15 of each year, the department shall make an
1 initial determination of the millage rate equivalent of each taxing unit
2 to be used for computing and distributing equalization entitlements for
3 the current fiscal year under AS 29.60.010 - 29.60.080. The department
4 shall base the initial determination on the estimates in the certifica-
5 tion returned by a municipality under (a) of this section.

6 (c) As early as possible, but not later than December 15 of each
7 year, the department shall make a final determination of the millage
8 rate equivalent of each taxing unit to use to compute and distribute
9 equalization entitlements under AS 29.60.010 - 29.60.080. The depart-

1 ment shall base the determination on audits, financial statements and
2 other financial reports prepared and submitted by a municipality. The
3 department shall adjust the locally generated revenue reported by a
4 municipality to exclude the municipal revenue claimed that does not
5 qualify for inclusion in or recognition as locally generated revenue for
6 municipal purposes under AS 29.60.010(c)(1). The adjustment shall be
7 made by deducting from total revenue claimed by the municipality the
8 amount of the department's estimate of revenue that is not recognized
9 for municipal purposes.

0 (d) The full and true assessed property value shall be determined
1 by the department in the manner provided for the computation of state
2 aid to education under AS 14.17.140. When the determination of locally
3 generated revenue includes revenue of a utility received under AS 29.-
4 60.010(c)(1)(E), the full and true assessed property value shall include
5 the computed assessed value of the utility, determined by dividing the
6 amount of the payment in place of taxes made by the utility by the
7 millage rate that would apply to the utility if the utility were subject
8 to levy and collection of taxes under AS 29.45.

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

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

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

8 (3) all other second class cities, by determining the average
9 per capita full and true assessed property value of all cities having a

1 population of less than 750 persons in which an assessment has been
2 completed by a municipality or for which a determination is not made
3 under (1) or (2) of this subsection.

4 (f) The department shall annually compute a statewide average per
5 capita full and true assessed property value.

6 Sec. 29.60.040. REPORTS. A payment of an equalization entitlement
7 may not be made to a municipality under AS 29.60.010 - 29.60.080 until
8 the municipality has submitted its certificate of estimated revenue and
9 its financial report to the department for the fiscal year preceding the
10 year for which the equalization entitlement is sought, together with a
11 budget for the municipality's current fiscal year. The financial report
12 shall include a listing of general revenue collected from taxes levied
13 and assessed and any other revenue that, in the opinion of the municipal
14 officials, is eligible for inclusion in computations of the locally
15 generated revenue of the taxing unit.

6 Sec. 29.60.050. LIMITATION ON COMPUTATION AND USE OF PAYMENTS.

7 (a) An equalization entitlement generated by the tax levy of a taxing
8 unit may be used only for authorized expenditures of that taxing unit,
9 but up to 15 percent of the payment of an equalization entitlement
10 generated by areawide revenue of a municipality may be used by the
11 municipality for areawide or nonareawide purposes at the discretion of
12 its governing body. This subsection applies to home rule and general
13 law municipalities.

14 (b) An equalization entitlement determined with reference to
15 revenue other than revenue obtained from the levy and collection of
16 taxes may be used for areawide or nonareawide purposes, at the discre-
17 tion of the governing body.

18 Sec. 29.60.060. TAX EQUALIZATION ACCOUNT. The tax equalization
19 account is established. Money to carry out the provisions of AS 29.60.-