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1 010 - 29.60.080 shall be allocated by the department to the account.
2 The amount allocated to the account shall be fully distributed by the
3 department as payments to municipalities to fulfill each share autho-
4 rized under AS 29.60.010. The amount allocated to the account shall be
5 distributed by the department pro rata among eligible municipalities.

6 Sec. 29.60.070. ADMINISTRATION. (a) The department may adopt
7 regulations necessary to implement AS 29.60.010 - 29.60.080. The regu-
8 lations shall include, among other provisions,

9 (1) procedures and filing dates for submitting certification
0 and financial reports;

1 (2) procedures for obtaining information required to compute
2 and determine the municipality's millage rate equivalent; and

3 (3) procedures by which the department shall notify a munici-
4 pality in writing of the reasons for a proposed disallowance or adjust-
5 ment of any factor bearing upon the determination of the municipality's
6 entitlement and by which the municipality will be provided reasonable
7 time in which to respond or to challenge the department's determination.

8 (b) The department shall make reasonable efforts to advise and
9 assist municipalities in collecting information and completing reports
0 necessary for the determination of entitlements under AS 29.60.010 -
1 29.60.080.

2 (c) The department shall, by regulation, classify for inclusion or
3 exclusion as a component of a municipality's millage rate equivalent
4 under AS 29.60.010 any tax revenue appropriated for a utility not in-
5 cluded in the definition set out in AS 29.60.080(4).

6 Sec. 29.60.080. DEFINITIONS. In AS 29.60.010 - 29.60.080

7 (1) "taxing unit" means a municipality and

8 (A) in a borough or unified municipality, a service area
9 or the entire area outside cities;

1 (B) in a city, a differential tax zone;

2 (2) "utility" means electric, water, sewer, gas heat, tele-
3 phone, or refuse and garbage collection service.

4 ARTICLE 2. STATE AID FOR MISCELLANEOUS PURPOSES.

5 Sec. 29.60.100. REVENUE SHARING PAYABLE. In addition to the
6 equalization entitlements paid under AS 29.60.010 - 29.60.080, during
7 each fiscal year the department shall pay aid

8 (1) to a municipality or other eligible recipient that has
9 the power to provide the services described in AS 29.60.030 - 29.60.070
0 and exercises the power in the manner required by AS 29.60.100 - 29.60.-
1 180;

2 (2) to an unincorporated community under AS 29.60.140.

3 Sec. 29.60.110. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The
4 department shall pay to a municipality that has power to provide for
5 road maintenance and exercises that power, \$2,500 a mile for each mile
6 of road, street, or highway maintained by the municipality, excluding
7 (1) the official state highway system, (2) roads, streets, or highways
8 not dedicated to public use, (3) roads, streets, or highways maintained
9 under the local service road program (AS 19.30.111 - 19.30.251), and (4)
0 alleyways, in accordance with regulations adopted by the Department of
1 Transportation and Public Facilities. A payment may not be made under
2 this subsection for maintenance of a road that is not used by automotive
3 equipment.

4 (b) A frozen waterway and a connection from an inhabited area to a
5 waterway that may be safely used for public transportation by automotive
6 equipment and is so used during a portion of a year is eligible for a
7 payment of \$1,500 per mile if the waterway and connection are maintained
8 during the period of use by a municipality or combination of municipali-
9 ties. The department, after consultation with the Department of Trans-

1 portation and Public Facilities, shall determine which waterways and
2 connections qualify and, where the waterways or connections lie outside
3 the corporate limits of a municipality, which municipalities shall
4 receive the payments under this subsection, unless the municipalities
5 involved have agreed in writing to a particular distribution.

6 Sec. 29.60.120. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE
7 RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The department
8 shall pay

9 (1) to a municipality that has the power to provide hospital
10 facilities and services and that exercises that power, \$1,000 per bed
11 for each bed actually used for patient care, limited to the number of
12 beds provided for in the construction design of the hospital, or
13 \$250,000 a hospital for those hospitals with 10 or more beds, or \$50,000
14 a hospital for those hospitals with less than 10 beds, as the municipal-
15 ity may elect; money received under this paragraph may be used only for
16 hospitals and shall be apportioned among qualifying hospitals as the
17 municipality determines;

18 (2) on the basis set out in (1) of this subsection to a
19 municipality for a nonprofit hospital not operated by a municipality if
20 the municipality first certifies to the department that the nonprofit
21 hospital is in compliance with all standards for hospitals that have
22 been adopted by the municipality; money may not be paid on behalf of a
23 nonprofit hospital without this certification; payments to the munic-
24 ipality shall be transferred to the nonprofit hospital in accordance with
25 the basis by which the payment was generated by the hospital, and shall
26 be applied to the annual cost of operation and maintenance of the hos-
27 pital or for the provision of health care service at the hospital as the
28 directors of the hospital determine;

29 (3) to a municipality in which a health facility is operated,

1 \$2,000 per bed for each bed actually used for patient care, limited to
2 the number of beds provided for in the construction design of the health
3 facility, or \$8,000 per health facility as the municipality determines.

4 (b) A hospital may not receive payment under both (a)(1) and
5 (a)(2) of this section.

6 (c) Money received by a municipality under (a)(3) of this section
7 shall be used for expenses of health services or operation and main-
8 tenance of health facilities as the municipality determines.

9 (d) Before money may be distributed under this section, the com-
0 missioner of health and social services shall certify to the commis-
1 sioner of community and regional affairs that any accumulation of assets
2 by nonprofit corporations or other recipients under this section is
3 dedicated irrevocably to a public purpose.

4 (e) Subsections (a) and (c) of this section apply to home rule and
5 general law municipalities.

6 Sec. 29.60.130. STATE AID TO VOLUNTEER FIRE DEPARTMENTS NOT IN
7 ORGANIZED MUNICIPALITY. (a) The department shall pay to a volunteer
8 fire department registered with the state fire marshal and serving an
9 area not in an organized municipality a sum for protection purposes
0 equal to \$10 per capita for the population served by the fire depart-
1 ment, as determined by the state fire marshal.

2 (b) A grant shall be made under (a) of this section to facilitate
3 the organization of a volunteer fire department in an area not in an
4 organized municipality, upon application of the proposed fire protection
5 group to the state fire marshal and upon approval of applications accord-
6 ing to standards of organization and service prescribed by regulations
7 adopted by the state fire marshal.

8 Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a) The
9 Department of Community and Regional Affairs shall pay an entitlement of

1 \$25,000 each fiscal year to each unincorporated community. The Depart-
2 ment of Community and Regional Affairs with advice from the Department
3 of Law shall determine whether there is in each unincorporated community
4 an incorporated nonprofit entity or a Native village council that will
5 agree to receive and spend the entitlement. If there is more than one
6 qualified entity in an unincorporated community, the Department of
7 Community and Regional Affairs shall pay the money under the entitlement
8 to the entity that the department finds most qualified to receive and
9 spend the money. The Department of Community and Regional Affairs may
0 not pay money under an entitlement to a Native village council unless
1 the council waives immunity from suit for contract claims arising out of
2 activities of the council related to the entitlement. A waiver of
3 immunity from suit under this subsection must be on a form provided by
4 the Department of Law. Neither this subsection nor any action taken
5 under it enlarges or diminishes the governmental authority or jurisdic-
6 tion of a Native village council. If there is no qualified incorporated
7 nonprofit entity or Native village council in an unincorporated community
8 that is willing to receive money under an entitlement, the entitlement
9 for that unincorporated community may not be paid.

0 (b) In this section "unincorporated community" means a place in
1 the unorganized borough that is not incorporated as a city and in which
2 25 or more persons reside as a social unit.

3 Sec. 29.60.150. POPULATION DETERMINATION. For purposes of AS 29.-
4 60.100 - 29.60.180, population shall be determined by the latest figures
5 of the United States Bureau of the Census or other reliable population
6 data, including but not limited to public school enrollment figures,
7 public utility connection, registered voters, or certified employment
8 payrolls.

9 Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments

1 to a municipality or other eligible recipient under AS 29.60.110 -
2 29.60.120 shall reflect area cost-of-living differentials. Payments
3 shall be based on the sum of per capita, per mile and per bed or facil-
4 ity grants due each municipality or other recipient multiplied by the
5 appropriate area cost-of-living differential. The area cost-of-living
6 differential for each recipient shall be determined annually by election
7 district under the provisions of AS 39.27.030. Application of the area
8 cost-of-living differential may not result in distribution of an amount
9 less than the amount of the payment determined without reference to
0 application of this section.

1 (b) The election districts used to establish area cost-of-living
2 differentials under (a) of this section are those designated by the
3 proclamation of reapportionment and redistricting of December 7, 1961,
4 and retained for the house of representatives by proclamation of the
5 governor September 3, 1965.

6 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscellaneous
7 services account is established. Money to carry out the provisions of
8 AS 29.60.100 - 29.60.180 shall be allocated by the department to the
9 account in accordance with AS 29.60.280. If amounts in the account are
0 insufficient to pay each municipality's or other recipient's share
1 authorized under AS 29.60.100 - 29.60.180, the amounts that are avail-
2 able shall be distributed pro rata among eligible municipalities and
3 other recipients.

4 Sec. 29.60.180. REGULATIONS. The department shall adopt regula-
5 tions necessary to carry out the purposes of AS 29.60.100 - 29.60.180.
6 The regulations shall include minimum standards required to qualify a
7 municipality or other recipient for payments for each service. The
8 department may require a municipality or other recipient to submit a
9 performance report adequate to demonstrate to the department that a

1 service for which payment is requested under AS 29.60.100 - 29.60.180
2 was performed by the municipality or other recipient and meets minimum
3 standards of service prescribed by regulation.

4 ARTICLE 3. STATE AID FOR HOSPITAL AND
5 HEALTH FACILITY CONSTRUCTION.

6 Sec. 29.60.230. STATE AID FOR HOSPITAL AND HEALTH FACILITY CON-
7 STRUCTION. (a) If construction of a hospital began after January 1,
8 1968, or if construction of a health facility began after January 1,
9 1980, and before July 1, 1980, and state matching aid for construction
10 approved for payment to a municipality or other hospital or health
11 facility sponsor constitutes less than 25 percent of the total project
12 cost, the department shall pay to the municipality or other hospital or
13 health facility sponsor each fiscal year \$2,500 a bed for the maximum
14 number of beds provided for in the construction design of the hospital
15 or health facility or five percent of the total project cost, whichever
16 is greater. State aid provided for in this section shall continue until
17 the municipality or other hospital or health facility sponsor has re-
18 ceived an amount that, combined with state matching money for construc-
19 tion of the hospital or health facility, equals 25 percent of the total
20 project cost. Money received for construction may not be used for any
21 other purpose.

22 (b) In this section "total project cost" means

23 (1) costs directly related to the project; and
24 (2) the total of all costs of financing and carrying out the
25 project, including but not limited to,

26 (A) the costs of all necessary studies, surveys, plans
27 and specifications, architectural, engineering or other special
28 services, acquisition of real property, site preparation and
29 development, purchase, construction, reconstruction and improvement

1 of real property, and the acquisition of machinery and equipment as
2 may be necessary in connection with the project;

3 (B) an allocable portion of the administrative and
4 operating expenses of the municipality or other hospital or health
5 facility sponsor;

6 (C) the cost of financing the project, including inter-
7 est on bonds issued to finance the project; and

8 (D) the cost of other items, including any indemnity and
9 surety bonds and premiums on insurance, legal fees, fees and ex-
0 penses of trustees, depositaries, financial advisors, and paying
1 agents for the bonds issued as the issuer considers necessary.

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

4 Sec. 29.60.240. HOSPITAL AND HEALTH FACILITY CONSTRUCTION ASSIS-
5 TANCE ACCOUNT. The hospital and health facility construction assistance
6 account is established. Money to carry out the provisions of AS 29.-
7 60.230 - 29.60.240 shall be allocated by the department to the account
8 in accordance with AS 29.60.280. If amounts in the account are insuffi-
9 cient to pay each recipient's share authorized under AS 29.60.230 -
0 29.60.240, the amounts that are available shall be distributed pro rata
1 among eligible recipients.

2 ARTICLE 4. ADMINISTRATION OF STATE AID PROGRAMS.

3 Sec. 29.60.280. ALLOCATION AND DISTRIBUTION. (a) Each year, the
4 department shall allocate money appropriated to the accounts established
5 in AS 29.60.060, 29.60.170, and 29.60.240 in the amounts determined by
6 the legislature.

7 (b) Money in the miscellaneous services account established in
8 AS 29.60.170 that exceeds the amount required to fully fund distribu-
9 tions authorized by AS 29.60.100 - 29.60.180 shall be reallocated to the

1 tax equalization account established in AS 29.60.060 and distributed
2 according to the provisions of AS 29.60.010 - 29.60.080.

3 (c) Money in the hospital and health facility construction assis-
4 tance account established in AS 29.60.240 that exceeds the amount re-
5 quired to fully fund distributions authorized by AS 29.60.230 - 29.60.-
6 240 shall be reallocated to the tax equalization account established in
7 AS 29.60.060 and distributed according to the provisions of AS 29.60.-
8 010 - 29.60.080.

9 Sec. 29.60.290. QUALIFICATION FOR MINIMUM PAYMENT. (a) A munici-
0 pality qualifying for an entitlement under AS 29.60.010 - 29.60.080 or
1 29.60.100 - 29.60.180 shall receive a minimum payment of \$25,000 plus an
2 area cost-of-living differential for each fiscal year if

3 (1) the municipality has conducted a regular election during
4 the fiscal year preceding the year for which payment of an entitlement
5 is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 and
6 has reported the results of the election to the commissioner;

7 (2) regular meetings of the governing body are held in the
8 municipality during the fiscal year preceding the year for which payment
9 of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.-
0 100 - 29.60.180 and a record of the proceedings is maintained;

1 (3) a municipal budget has been adopted for the fiscal year
2 during which payment of an entitlement is authorized by AS 29.60.010 -
3 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement
4 for the preceding fiscal year has been prepared and furnished to the
5 department in accordance with AS 29.20.640(a); and

6 (4) local ordinances adopted by the municipality have been
7 codified in accordance with AS 29.25.050.

8 (b) The area cost-of-living differential payable to each munici-
9 pality under this section shall be determined annually by election

1 district under the provisions of AS 39.27.030. Except as provided in
2 AS 29.60.300, application of the area cost-of-living differential may
3 not result in a payment that is less than the minimum payment determined
4 under (a) of this section. For purposes of this subsection, the elec-
5 tion districts used are those designated by the proclamation of reappor-
6 tionment and redistricting of December 7, 1961, and retained for the
7 house of representatives by proclamation of the governor September 3,
8 1965.

9 (c) The department shall pay to each municipality eligible to
0 receive a minimum payment under this section an amount equal to the
1 difference between the minimum payment determined under (a) and (b) of
2 this section and the sum of the amounts payable for the same fiscal year
3 under AS 29.60.010 - 29.60.080 and 29.60.100 - 29.60.180.

4 (d) A payment under this section may be prorated and reduced under
5 AS 29.60.300.

6 (e) Payments under this section shall be made from the money
7 allocated to the tax equalization account established in AS 29.60.060.

8 Sec. 29.60.300. PRORATION OF PAYMENTS. (a) Payments under AS 29.
9 60.290 and 29.60.010 - 29.60.180 shall equal the amount allocated to the
0 tax equalization account (AS 29.60.060), adjusted in accordance with
1 AS 29.60.280.

2 (b) Adjustments of payments shall be determined by prorating
3 amounts payable under AS 29.60.290 and amounts payable under AS 29.-
4 60.010 - 29.60.180 by a factor that, when applied, reduces all payments
5 in equal proportion so that payment under AS 29.60.290 and payments
6 under AS 29.60.010 - 29.60.180 equal the amount allocated to the tax
7 equalization account established in AS 29.60.060.

8 ARTICLE 5. MUNICIPAL ASSISTANCE.

9 Sec. 29.60.350. MUNICIPAL ASSISTANCE FUND. (a) There is estab-

1 lished in the department the municipal assistance fund. The legislature
2 may appropriate to the municipal assistance fund during each fiscal year
3 an amount equal to or greater than 10 percent of the income tax revenue
4 received by the state under AS 43.20.011(e) and AS 43.21 for the previous
5 fiscal year.

6 (b) The department shall distribute money from the municipal
7 assistance fund to each municipality on an annual basis as provided in
8 AS 29.60.360 and 29.60.370. A municipality may not receive payment
9 until it submits to the department a resolution approved by the govern-
10 ing body of the municipality that requests the money. Distribution of
11 money from the municipal assistance fund to a municipality with a fiscal
12 year beginning on January 1 shall be made on February 1 of the state
13 fiscal year for which the appropriation to the fund is made. Distribu-
14 tion of money from the municipal assistance fund to all other muni-
15 cipalities shall be made on June 1 of the state fiscal year for which
16 the appropriation to the fund is made. A municipality that incorporates
17 after December 31 of a state fiscal year is not eligible for a distribu-
18 tion under this section until the following state fiscal year.

19 Sec. 29.60.360. BASE AMOUNT OF ASSISTANCE. (a) The base amount
20 to be distributed from the municipal assistance fund to each munici-
21 pality for the fiscal year shall be the amount received by the munici-
22 pality during fiscal year 1978 under AS 43.70.080. A city incorporated
23 within a borough after June 30, 1977, shall receive as a base amount a
24 share of the amount distributed to the borough in which it is located
25 based on the ratio of population in the city to the total population in
26 the borough. A city incorporated outside a borough after June 30, 1977,
27 shall receive as a base amount the amount received by the city in the
28 state most closely approximating it in population at the time of its
29 incorporation. A borough incorporated after June 30, 1977, shall receive

1 as a base amount the amount received by the borough in the state most
2 closely approximating it in population at the time of its incorporation.

3 (b) If the amount appropriated to the municipal assistance fund by
4 the legislature during a fiscal year is insufficient for distribution of
5 the full base amount to each municipality, the department shall prorate
6 the amount available for distribution on the basis of amounts received
7 during the fiscal year 1978 under AS 43.70.080.

8 Sec. 29.60.370. INCREASED ASSISTANCE. (a) If the amount in the
9 municipal assistance fund at the time of distribution exceeds the base
0 amount to be distributed under AS 29.60.360, the excess amount shall be
1 distributed to each municipality on the basis of population. Population
2 for the purpose of this section shall be as certified by the commis-
3 sioner of community and regional affairs. In determining the population
4 of a borough, the population of all cities in the borough shall be
5 deducted from the total population of the borough.

6 (b) The intent of (a) of this section is that a municipality that
7 levies property taxes reduce those levies in reasonable proportion to
8 the amount of increased state aid received by the municipality. The
9 governing body of each municipality shall furnish a notice with each tax
0 statement describing its use of this increased state aid.

1 ARTICLE 15. GENERAL PROVISIONS.

2 Sec. 29.60.⁵⁰⁰~~70~~. DEFINITIONS. In this chapter

3 (1) "health facility"

4 (A) means a facility is licensed, when required, by the
5 state under AS 18.20.010 - 18.20.130 and that is owned or operated
6 or both by a municipality or by a nonprofit corporation or other
7 nonprofit sponsor;

8 (B) includes a public health center, maternity home,
9 community mental health center, facility for the mentally or

1 physically handicapped, nursing home, or convalescent center;

2 (C) excludes a facility operated or wholly supported by
3 the state or the federal government;

4 (2) "hospital" means a licensed hospital determined by the
5 Department of Health and Social Services to be a general hospital; the
6 term excludes a facility operated or wholly supported by the state or
7 the federal government.

8 * Sec. 16. AS 29 is amended by adding a new chapter to read:

9 CHAPTER 65. GENERAL GRANT LAND.

0 Sec. 29.65.010. DETERMINATION OF ENTITLEMENT OF BOROUGHES AND
1 UNIFIED MUNICIPALITIES. The general grant land entitlement of each of
2 the municipalities in this section is the amount set out opposite each:

- 3 (1) Municipality of Anchorage - 44,893 acres;
4 (2) City and Borough of Juneau - 19,584 acres;
5 (3) City and Borough of Sitka - 10,500 acres;
6 (4) Bristol Bay Borough - 2,898 acres;
7 (5) Fairbanks North Star Borough - 112,000 acres;
8 (6) Haines Borough - 2,800 acres;
9 (7) Kenai Peninsula Borough - 155,780 acres;
0 (8) Ketchikan Gateway Borough - 11,593 acres;
1 (9) Kodiak Island Borough - 56,500 acres;
2 (10) Matanuska-Susitna Borough - 355,210 acres;
3 (11) North Slope Borough - 89,850 acres.

4 Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR CITIES. The
5 general grant land entitlement of a city formerly eligible to receive
6 general grant land under the provisions of AS 29.18.190 and 29.18.200 is
7 10 percent of the maximum total acreage of vacant, unappropriated,
8 unreserved land in the boundaries of each city at any time between the
9 initial date of eligibility under former AS 29.18.190 and 29.18.200 and

1 July 1, 1978. Within six months after July 1, 1978, the director shall
2 determine the entitlement for each city eligible to receive general
3 grant land under this section and certify that entitlement to the city.

4 Sec. 29.65.030. DETERMINATION OF ENTITLEMENT FOR NEWLY INCOR-
5 PORATED MUNICIPALITIES. (a) The general grant land entitlement of a
6 municipality incorporated after July 1, 1978, is 10 percent of the total
7 acreage of vacant, unappropriated, unreserved land within the boundaries
8 of the municipality on the date of its incorporation.

9 (b) Within six months after the date of incorporation of a muni-
0 cipality that is incorporated after July 1, 1978, the director shall
1 determine the entitlement of each municipality eligible to receive
2 general grant land under (a) of this section and certify the entitlement
3 to the municipality.

4 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) After July 1, 1978,
5 general grant land entitlements provided in AS 29.65.010 and 29.65.020
6 are vested property rights that must be fulfilled as provided in AS 29.-
7 65.050 or 29.65.080.

8 (b) General grant land entitlements provided by AS 29.65.030 are
9 property rights that vest on the date of incorporation of the muni-
0 cipality. The entitlement must be fulfilled as provided in AS 29.65.050.

1 (c) Land may be selected or nominated for selection by a muni-
2 cipality to satisfy a general grant land entitlement under AS 29.65.010
3 and 29.65.020 at any time before October 1, 1980. However, if a muni-
4 cipal selection or nomination or a part of a municipal selection or
5 nomination is rejected by the director, the municipality may, not later
6 than 90 days after receipt of the director's rejection, select addi-
7 tional state land as necessary to satisfy its entitlement.

8 (d) Land may be selected by a municipality to satisfy a general
9 grant land entitlement under AS 29.65.030 at any time within one year

1 after the director certifies the entitlement to the municipality.

2 (e) The time limitations imposed by (c) and (d) of this section
3 for exercising a vested general grant land entitlement do not apply to

4 (1) the portion of an entitlement that cannot be satisfied by
5 that date because of a shortage of land suitable for residential, com-
6 mercial, and industrial purposes that is vacant, unappropriated, unre-
7 served land;

8 (2) payments for land deficiency under AS 29.65.080;

9 (3) the portion of an entitlement that cannot be satisfied
0 because the land selected by a municipality has been selected by a party
1 entitled to select land owned by the United States or the state; or

2 (4) the portion of an entitlement that cannot be satisfied
3 because the land nominated for selection by the municipality is not
4 tentatively approved for patent to the state.

5 Sec. 29.65.050. FULFILLMENT OF LAND ENTITLEMENTS. (a) The acreage
6 of each municipality's land selections for which patent has been issued
7 before July 1, 1978, shall be credited toward fulfillment of the entitle-
8 ment of that municipality.

9 (b) All approved selections under former AS 29.18.190 and 29.-
0 18.200 for which patent has not been issued to a municipality on July 1,
1 1978, shall be reviewed by the director within nine months after July 1,
2 1978. Any approved selection of land that was vacant, unappropriated,
3 or unreserved on the date of selection is valid as of the date of the
4 approval under former AS 29.18.190 and 29.18.200, and a patent shall be
5 issued to the municipality within three months after approval by the
6 director of a plat of survey. The acreage shall be credited toward
7 fulfillment of the municipality's entitlement. A municipality is not
8 entitled to receive patent under this chapter to more than its entitle-
9 ment determined under AS 29.65.010 - 29.65.030. Any prior approval by

1 the director of municipal selections for land that was not vacant,
2 unappropriated, or unreserved on the date of selection shall be re-
3 scinded, and patent may not be issued except when disposal to a third
4 party by sale or lease has occurred. Transfers of land to municipali-
5 ties under this chapter are subject to AS 38.05.321. Classification
6 actions as reflected on the land status records of the Department of
7 Natural Resources are determinative of land classification status for
8 purposes of this chapter.

9 (c) The director shall approve each selection for patent within
0 nine months of its selection by a municipality, and a patent shall be
1 issued to the municipality for land selected in satisfaction of a
2 general grant land entitlement vested under AS 29.65.010 - 29.65.030
3 within three months after approval by the director of a plat of survey.

4 Sec. 29.65.060. SCHOOL, UNIVERSITY, AND MENTAL HEALTH LAND. (a)
5 If an entitlement determined in AS 29.65.010 or 29.65.020 results in a
6 per capita entitlement for the municipality of less than one and one-
7 half acre, the municipality may select vacant school, university, or
8 mental health land in the municipality in partial fulfillment of its
9 land entitlement under this chapter. School, university, or mental
0 health land may be selected notwithstanding the fact that these lands
1 are not unappropriated and unreserved within the meaning of this chapter
2 and under former AS 29.18.190 and 29.18.200, but each selection of
3 school, university, or mental health land by a municipality must be
4 vacant, unappropriated, or unreserved land as defined in this chapter,
5 except that it need not be general grant land.

6 (b) The acreage of school, university, or mental health land, if
7 any, in a municipality may not be included in the determination of
8 entitlement under AS 29.65.010 or 29.65.020.

9 (c) Land conveyed under this section will be credited against a

1 municipality's remaining land entitlement under this chapter.

2 (d) Within six months after approval of a municipal selection of
3 school, university, or mental health land, the director shall identify
4 state general grant land of approximately equal value to the land re-
5 quired by the municipality and shall propose the replacement land for
6 the concurrence of the appropriate board. If a proposal by the director
7 is rejected by the board, the director shall meet with the board as
8 often as necessary to determine the type and amount of equal value
9 replacement land that would be required to obtain the board's concur-
0 rence, and shall propose the replacement land for consideration by the
1 board. The replacement land shall thereafter be managed for the pur-
2 poses for which the land selected by the municipality was acquired by
3 the Territory and State of Alaska.

4 (e) The notice and review provisions of AS 38.05.305 and 38.05.345
5 apply to the designation of other general grant land as school, univer-
6 sity, or mental health land in replacement of land selected under this
7 section. The provisions of AS 38.50 and AS 38.05.032 do not apply to
8 such designations under this section. The provisions of AS 38.05.-
9 030(a), 38.05.030(e), and 38.05.035(a)(13) that require the approval of
0 the respective trust board before disposal of land by the director do
1 not apply to selections of school, university, or mental health land by
2 a local government under this section.

3 (f) For purposes of determining the per capita entitlement under
4 (a) of this section, the population of a municipality shall be the
5 population determined by the commissioner under former AS 43.18.010 for
6 the program year beginning July 1, 1978, for a municipality whose en-
7 titlement is determined under AS 29.65.010.

8 Sec. 29.65.070. SELECTION AND CONVEYANCE PROCEDURE. (a) If land
9 selected by a municipality is unsurveyed at the time of approval, the

1 director shall survey, or may approve the municipality's survey of, the
2 exterior boundaries of an approved selection without interior subdivi-
3 sion, and shall issue patent in terms of the exterior boundary survey.
4 The cost of the survey shall be borne by the municipality. If land
5 selected by a municipality has been surveyed at the time of its selec-
6 tion, the boundaries shall conform to the public land subdivisions
7 established by the approved survey.

8 (b) The director may approve municipal selections of land that
9 have been tentatively approved or patented to the state by the federal
10 government, but he may not issue patent to a municipality until the land
11 has first been patented to the state. After approval of a selection by
12 the director, but before patent to a municipality, the municipality may
13 execute conditional leases and make conditional sales only with the
14 consent of the director. Conditional sales and conditional leases made
15 before July 1, 1978, do not require the consent of the director.

6 (c) Nothing in this chapter affects a valid existing claim, loca-
7 tion, or entry under the laws of the state or the United States whether
8 for homestead, mineral, right-of-way, or other purposes. Nothing in
9 this chapter affects the rights of an owner, claimant, locater, or
10 entryman to the full use and enjoyment of the land so occupied.

11 Sec. 29.65.080. PAYMENT FOR LAND DEFICIENCY. (a) The Alaska
12 municipal land account is established in the general fund for the follow-
13 ing purposes:

14 (1) providing payment to the boroughs and unified municipali-
15 ties designated in AS 29.65.010 for a deficiency of land physically
16 suitable for residential, commercial, or industrial purposes; or

17 (2) providing payment to the boroughs and unified municipali-
18 ties designated in AS 29.65.010 for certain general grant lands selected
19 by the state and conveyed to a Native corporation under the provisions

1 of the Alaska Native Claims Settlement Act.

2 (b) A municipality shall receive payment for its land deficiency
3 from the municipal land account. A municipality is eligible to receive
4 payment for land deficiency if, after July 1, 1980, the amount of land
5 selected by a municipality that is physically suitable for residential,
6 commercial, or industrial purposes amounts to less than one-third acre
7 per capita. Any entitlement under AS 29.65.010 that is less than one-
8 third acre per capita will, for the purposes of this subsection, be
9 considered a land deficiency. An unselected remaining entitlement will,
0 for the purpose of deficiency payment under this subsection, be con-
1 sidered as land physically suitable for residential, commercial, or
2 industrial purposes. A municipality eligible under this subsection is
3 entitled to receive a payment for land deficiency equal to \$1,000 per
4 acre for a number of acres equal to the difference between one-third of
5 the population of the municipality less the number of acres physically
6 suitable for residential, commercial or industrial purposes that has
7 been selected by the municipality. For the purpose of this subsection,
8 the population of the municipality shall be the population determined in
9 accordance with AS 29.65.060(f). No payment may be made to a munici-
0 pality under this subsection in excess of \$9,000,000.

1 (c) If a municipality selected vacant, unappropriated, unreserved
2 land on or before December 18, 1971, to which the state had received
3 tentative approval or patent, and that land was also selected by a
4 Native corporation organized under the Alaska Native Claims Settlement
5 Act (P.L. 92-203), and title to that land is ultimately vested in that
6 Native corporation, the municipality may, at its option, request payment
7 for land deficiency from the municipal land account. The acceptance of
8 payment under this subsection by a municipality constitutes a relin-
9 quishment of any other right, title, or claim to the land by that muni-

1 ciprocity. The total payment to a municipality under this subsection may
2 not exceed \$1,000 per acre to a maximum of 8,000 acres.

3 (d) The governor shall annually submit to the legislature a request
4 for an appropriation to the municipal land account for the municipali-
5 ties that have elected to receive payments under (b) or (c) of this
6 section. The request for appropriation shall distinguish between
7 amounts necessary to make payments for land deficiency under (b) of this
8 section and those required to make payments for land deficiency under
9 (c) of this section.

0 (e) For purposes of fulfilling entitlements under this section,
1 the legislature is authorized to appropriate

2 (1) not more than \$4,000,000 per fiscal year, and not more
3 than \$12,000,000 in total, for the purpose of paying entitlements under
4 (b) of this section;

5 (2) not more than \$1,000,000 per fiscal year, and not more
6 than \$8,000,000 in total, for the purpose of paying entitlements under
7 (c) of this section.

8 (f) If an annual appropriation is not sufficient to meet the
9 amount due to all municipalities that have elected to accept payment for
0 land deficiency under (b) or (c) of this section, the governor shall
1 apportion the appropriation among the municipalities in proportion to
2 the payment calculated for each municipality for that year. When a
3 distribution of payments is made under (c) of this section, the remain-
4 ing entitlement of a municipality to which payment is made shall be
5 reduced in an amount equal to the number of acres for which payment was
6 received. An appropriation made under this section is in addition to
7 other grants and entitlements authorized to eligible municipalities.

8 (g) Payments authorized by this section may not be made to a muni-
9 cipality eligible for an entitlement under AS 29.65.020 or 29.65.030.

1 (h) Payments made under this section shall be used by a municipal-
2 ity that levies property taxes to reduce the levy in proportion to the
3 amount of state payments received by the municipality for a given fiscal
4 year. The governing body of each municipality shall furnish a notice
5 with the tax statement describing the effect on property tax levies of
6 payments received under this section.

7 Sec. 29.65.090. AUTHORIZATION FOR LAND EXCHANGES. The director,
8 with the concurrence of the commissioner, and a municipality are autho-
9 rized to exchange land or interests in land when it is in the public
0 interest. Land or interests in land exchanged under this section must
1 be of approximately equal value, including the nonmonetary value of
2 public benefits. Exchange procedures shall comply with applicable law
3 and municipal ordinances. The notice and review provisions of AS 38.-
4 05.305 and 38.05.345 apply to exchanges of land under this section. The
5 provisions of AS 38.50 do not apply to exchanges of land under this
6 section.

7 Sec. 29.65.100. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Consis-
8 tent with the best interests of the state, if a municipality does not
9 contain and cannot reasonably acquire sufficient nonfederal land within
0 its boundaries to meet its legitimate needs for public or private
1 settlement or development, it shall be the policy of the state to select
2 federal land reasonably necessary to meet the needs of the municipality
3 and to make the land selected available to the municipality under AS 38.-
4 05.315 or (b) of this section.

5 (b) Where state land is the most logical location for demonstrated
6 municipal expansion for nonpublic settlement and development purposes,
7 and when an exchange of land under AS 29.65.090 is not possible or is
8 not in the public interest, it is the policy of the state to sell or
9 lease the land at public auction. The state may contract with a muni-

1 municipality to act as its agent in an auction of state land under appli-
2 cable statutes. When a municipality acts as the agent of the state in
3 an auction, the municipality may retain from the proceeds of the auction
4 the expenses that the director determines to be necessary and reason-
5 able.

6 (c) Nothing in this chapter limits or impairs the authority of the
7 director to transfer land to municipalities, without limit or considera-
8 tion, for public purposes in accordance with AS 38.05.315. If there is
9 a remaining entitlement of the municipality, land transferred under
0 AS 38.05.315 shall be credited toward fulfillment of the entitlement.

1 Sec. 29.65.110. ELECTION OF BENEFITS. (a) A municipality that on
2 July 1, 1978, is engaged in litigation, or that becomes engaged in
3 litigation, regarding a claim to state land under former AS 29.18.190
4 and 29.18.200 shall elect either to obtain the benefits provided in this
5 chapter or to pursue the litigation and waive any claim to entitlement
6 under this chapter. An election shall be made by filing a motion for
7 dismissal with prejudice in the court in which the litigation is pending.
8 If the claim involves a municipality identified in AS 29.65.010, the
9 municipality shall file its motion for dismissal within 60 days after
0 July 1, 1978. If a claim involves a city eligible to receive an entitle-
1 ment under AS 29.65.020 the city shall file its motion for dismissal
2 within 60 days after receiving the certificate of entitlement provided
3 by the director under AS 29.65.020. Failure of the municipality to file
4 a motion for dismissal during the time period provided in this subsec-
5 tion is considered a waiver of entitlement under this chapter.

6 (b) A municipality that was eligible to file land selections under
7 former AS 29.18.190 and 29.18.200 and that does not enter into litiga-
8 tion over a claim to rights under those sections before the expiration
9 of the time period within which it could make an election under (a) of

1 this section is considered to have elected to receive benefits under
2 this chapter and to have waived any claim that might have been raised
3 under former AS 29.18.190 and 29.18.200.

4 (c) The provisions of this chapter do not affect the rights of a
5 party to litigation regarding the former AS 29.18.190, 29.18.200 or
6 29.18.420 maintained by a municipality that has elected not to obtain
7 the benefits provided by this chapter.

8 Sec. 29.65.120. ADMINISTRATION. The commissioner of natural
9 resources may adopt regulations in accordance with the Administrative
0 Procedure Act (AS 44.62) necessary to carry out the purposes of this
1 chapter.

2 Sec. 29.65.130. DEFINITIONS. In this chapter, unless the context
3 otherwise requires,

4 (1) "approved selection" means a municipal land selection
5 that has been approved in writing by the director for transfer by patent
6 to a municipality;

7 (2) "director" means the director of the division of lands,
8 Department of Natural Resources, or his designee;

9 (3) "general grant land" means land patented or tentatively
0 approved to the state from the United States under sec. 6(a) or (b) of
1 the Alaska Statehood Act;

2 (4) "mental health land" means land granted under Title II,
3 sec. 202 of P.L. 84-830, as amended before or after July 1, 1978;

4 (5) "municipal land selection" means a request by a munici-
5 pality, filed in writing with the director under authority of former
6 AS 29.18.190 and 29.18.200 or under this chapter for vacant, unappro-
7 priated, unreserved general grant land within its municipal boundaries
8 in partial fulfillment of its municipal entitlement;

9 (6) "patent" means a document, issued by the director to a

1 municipality for a previously approved selection, that conveys and
2 quitclaims all the right, title, and interest of the state without
3 reservation or condition except as may be required by law;

4 (7) "remaining entitlement" means the general grant land
5 entitlement determined in accordance with this chapter, reduced by the
6 total acreage of approved selections, including both patented and un-
7 patented parcels;

8 (8) "school land" means those rectangular sections 16 and 36
9 within each township surveyed on or before January 3, 1959, and con-
0 firmed and transferred to the State of Alaska upon its admission under
1 sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other land
2 designated solely for school revenues;

3 (9) "university land" means all sections 33 reserved to the
4 university under 38 Stat. 1214, as amended (48 U.S.C. 353) and all land
5 granted to or reserved for the benefit of the university;

6 (10) "vacant, unappropriated, unreserved land" means general
7 grant land as defined in (4) of this section, excluding minerals as
8 required by sec. 6(i) of the Alaska Statehood Act, that

9 (A) has not been set aside by statute for one or more
0 particular uses or purposes;

1 (B) has not been approved for patent to a municipality
2 under this chapter or former AS 29.18.190 and 29.18.200; or

3 (C) is unclassified or, if classified under AS 38.05.-
4 300, is classified for agricultural, grazing, commercial, indus-
5 trial, private recreational, residential, utility, or open-to-entry
6 purposes, or is classified in accordance with an agreement between
7 a municipality and the state providing for state management of land
8 of the municipality.

9 Sec. 29.65.140. APPLICATION. This chapter applies to home rule

1 and general law municipalities.

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

3 CHAPTER 71. GENERAL PROVISIONS.

4 Sec. 29.71.010. ADVERSE POSSESSION. A municipality may not be
5 divested of title to real property by adverse possession.

6 Sec. 29.71.020. DEDICATION OF MUNICIPAL PROPERTY. Dedication of
7 streets, rights-of-way, easements or other areas for public use may not
8 be construed to require the municipality to maintain, improve or provide
9 for municipal services in the area dedicated and the dedication does not
0 impose any liability on the municipality for the condition of the area
1 dedicated.

2 Sec. 29.71.030. TAXATION OF MUNICIPALITIES. No state law or
3 regulation may assess or tax, or be construed to assess or tax, a muni-
4 cipality unless the law or regulation expressly provides that the muni-
5 cipality is to be assessed or taxed by the particular law or regulation.

6 Sec. 29.71.040. DEFINITIONS. In this title, unless otherwise
7 provided or the context otherwise requires,

8 (1) "areawide" means throughout a borough, both inside and
9 outside all cities in the borough;

0 (2) "assembly" means the governing body of a borough;

1 (3) "borough" means a general law first or second class
2 borough or a home rule borough;

3 (4) "city" means a general law first or second class city or
4 a home rule city;

5 (5) "commissioner" means the commissioner of community and
6 regional affairs;

7 (6) "consolidation" means dissolution of two or more muni-
8 cipalities and their incorporation as a new municipality;

9 (7) "council" means the governing body of a city;

1 (8) "department" means the Department of Community and
2 Regional Affairs;

3 (9) "election" means a regular or special municipal election
4 and does not include a state election;

5 (10) "governing body" means the legislative body of a muni-
6 cipality that is the assembly of a borough or the council of a city;

7 (11) "majority" means a simple majority;

8 (12) "merger" means dissolution of a municipality and its
9 absorption by another municipality;

0 (13) "municipality" means a political subdivision incorporated
1 under the laws of the state that is a home rule or general law city, a
2 home rule or general law borough, or a unified municipality;

3 (14) "nonareawide" means throughout the area of a borough
4 outside all cities in the borough;

5 (15) "owner" or "record owner" means the owner of record or
6 purchaser of record as shown in the records of the district recorder;

7 (16) "personal property" means tangible property other than
8 real property, such as merchandise, stock in trade, machinery, equip-
9 ment, furniture, fixtures, vehicles, boats, and aircraft;

0 (17) "property" means real and personal property;

1 (18) "published" means appearing at least once in a newspaper
2 of general circulation distributed in the municipality or, if there is
3 no newspaper of general circulation distributed in the municipality,
4 posting in three public places for at least five days;

5 (19) "real property" means land and improvements, all posses-
6 sory rights and privileges appurtenant to the property, and includes
7 personal property affixed to the land or improvements;

8 (20) "regular election" means the municipal election held on
9 the first Tuesday of October annually, or on a different date or inter-

1 val of years provided by ordinance or charter;

2 (21) "special election" means a municipal election and does
3 not include a regular election or a state election;

4 (22) "street" includes streets, avenues, boulevards, roads,
5 lanes, alleys, and other ways;

6 (23) "subdivision" means the division of a parcel of land into
7 two or more lots or other divisions for the purpose of sale or building
8 development, includes resubdivision, and relates to the process of
9 subdividing or to the land subdivided;

0 (24) "unified municipality" means a municipality unified in
1 accordance with AS 29.06.190 - 29.06.410;

2 (25) "voter" means a United States citizen who is qualified to
3 vote in state elections, has been a resident of the municipality for 30
4 days immediately preceding the election, is registered to vote in state
5 elections, and is not disqualified under art. V of the state constitu-
6 tion.

7 * Sec. 18. AS 01.10.060 is amended by adding a new paragraph to read:

8 (15) "municipality" means a political subdivision incorporated
9 under the laws of the state that is a home rule or general law city, a
0 home rule or general law borough, or a unified municipality.

1 * Sec. 19. AS 09.55.275 is amended to read:

2 Sec. 09.55.275. REPLAT APPROVAL. No agency of the state or
3 municipality may acquire property located within a municipality exercis-
4 ing the powers conferred by AS 29.40.070 - 29.40.160 that [AS 29.33.-
5 150 - 29.33.245 WHICH] results in a boundary change unless the agency or
6 municipality first obtains from the municipal platting authority pre-
7 liminary approval of a replat showing clearly the location of the pro-
8 posed public streets, easements, rights-of-way, and other taking of
9 private property. Final approval of replat shall be similarly obtained.

1 However, if a state agency clearly demonstrates an overriding state
2 interest, a waiver to the approval requirements of this section may be
3 granted by the governor. The platting authority shall treat applica-
4 tions for replat made by state or local governmental agencies in the
5 same manner as replat petitions originated by private landowners.

6 * Sec. 20. AS 09.65.070(e)(1) is amended to read:

7 (1) "municipality" means a home rule borough or city, a
8 general law borough or city of any class, or a unified municipality
9 [ESTABLISHED UNDER AS 29.68.240 - 29.68.440, OR A MUNICIPALITY ESTAB-
10 LISHED BY MERGER OR CONSOLIDATION UNDER AS 29.68.030 - 29.68.110]; the
11 term includes a public corporation established by a municipality;

12 * Sec. 21. AS 14.08.071(b) is amended to read:

13 (b) Except for the first election of regional school members under
14 (a) of this section, elections [ELECTION] shall be held annually on the
15 first Tuesday in October. Elections shall be supervised by the director
16 of elections in the office of the lieutenant governor, but shall be
17 administered within second class cites as part of the regular municipal
18 election. The lieutenant governor shall adopt [PROMULGATE] regulations
19 for the conduct of the election of regional school board members com-
20 parable, as far as practicable, to those prescribed for election of
21 school board members under AS 14.12 and AS 29.20.300 [AS 29.28] except
22 that the majority election requirements of AS 29.26.060 [AS 29.28.040]
23 do not apply to, nor may the regulations require runoff elections for,
24 the first election of regional school board members under (a) of this
25 section or, if a school board by resolution so requests, to subsequent
26 elections in the regional educational attendance area served by that
27 school board.

28 * Sec. 22. AS 14.08.081 is amended to read:

29 Sec. 14.08.081. RECALL. The members of a regional school board

1 are subject to recall in accordance with AS 29.26.240 - 29.26.360
2 [AS 29.28.130 - 29.28.250], except that the director of the division of
3 elections shall perform the functions of a municipal clerk, and the
4 lieutenant governor shall perform the functions of the assembly or
5 council under those sections.

6 * Sec. 23. AS 14.12.030(c) is amended to read:

7 (c) The [NOTWITHSTANDING THE] provisions of (a) and (b) of this
8 section do not apply if [, WHERE] the [BOROUGH] assembly serves as the
9 school board of the borough school district [UNDER AS 29.41.020 THE
0 NUMBER OF MEMBERS OF THE ASSEMBLY-SCHOOL BOARD SHALL BE DETERMINED IN
1 THE MANNER PRESCRIBED BY AS 29.23.020].

2 * Sec. 24. AS 14.12.110 is amended to read:

3 Sec. 14.12.110. SINGLE BODY AS ASSEMBLY AND SCHOOL BOARD. Not-
4 withstanding the provisions of this chapter or other law, a single body
5 may serve as both the [BOROUGH] assembly and [BOROUGH] school board in
6 the manner provided for third class boroughs under AS 29.20.300(b)
7 [AS 07.17.030], if

8 (1) an [A BOROUGH] ordinance for that purpose is approved by
9 the assembly and ratified by a referendum of a majority of the qualified
0 borough voters voting on the question at a regular or special election;
1 [,] and

2 (2) [IF] the public school population within the borough is
3 500 pupils or less.

4 * Sec. 25. AS 14.14.020 is amended to read:

5 Sec. 14.14.020. BOND REQUIRED. Before the officer responsible for
6 custody [OF], investment, or management of school district money enters
7 upon the duties of office, the district, or the municipality if the
8 treasury is centralized, shall obtain a bond with sufficient sureties in
9 an amount equal to the money that may come into the officer's official

1 custody, but not to exceed \$50,000. The bond shall be conditioned on
2 the officer's honest and faithful disbursement and accounting of all
3 money that may come into his official custody. The bond shall be filed
4 with the clerk of the school board. This section does not apply to an
5 officer who has been bonded under AS 29.20.610 [AS 29.23.520].

6 * Sec. 26. AS 14.14.050(d) is amended to read:

7 (d) The school board shall not make the audit if an audit that
8 [WHICH] satisfies the requirements of this section and that [WHICH] is
9 filed and posted as required by this section [,] is made according to
0 AS 29.35.110 [AS 29.48.220].

1 * Sec. 27. AS 14.17.140(a) is amended to read:

2 (a) To determine the equalized percentage to be applied to basic
3 need under AS 14.17.021, and the matching ratio for required local
4 effort under AS 14.17.071, the Department of Community and Regional
5 Affairs, in consultation with the assessor for each district, shall
6 determine the full value of the taxable real and personal property in
7 each district. Exemptions granted under ch. 129, SLA 1957, known as the
8 Alaska Industrial Incentive Act (AS 43.25), shall be honored. If there
9 is no local assessor or current local assessment for a district, then
0 the Department of Community and Regional Affairs shall make the deter-
1 mination of full value from information available. In making the deter-
2 mination, the Department of Community and Regional Affairs shall be
3 guided by AS 29.45.110 [AS 29.53.060]. The determination of full value
4 shall be made before October 1 and sent by certified mail, return
5 receipt requested, before that date to the president of the school board
6 in each district. Duplicate copies shall be sent to the commissioner.
7 The governing body of the municipality that [BOROUGH OR CITY WHICH] is
8 the district may obtain judicial review of the determination by filing a
9 motion in the superior court of the judicial district in which the

1 district is located within 30 days after receipt of the determination.
2 The superior court may modify the determination of the Department of
3 Community and Regional Affairs only upon a finding of abuse of discre-
4 tion or upon a finding that there is no substantial evidence to support
5 the determination.

6 * Sec. 28. AS 15.13.010(a) is amended to read:

7 (a) This chapter applies in every election for governor, lieu-
8 tenant governor, a member of the state legislature, a delegate to a
9 constitutional convention, or judge seeking electoral confirmation. It
0 also applies to every candidate for election to a municipal office in a
1 municipality [CITY OR BOROUGH] with a population of more than 1,000
2 inhabitants according to the latest United States census figures or
3 estimates of population certified as correct for administrative purposes
4 by the Department of Community and Regional Affairs. A municipality may
5 exempt its elected municipal officers from the requirements of this
6 chapter if a majority of the voters voting on the question at a [ANY]
7 regular election, as defined by AS 29.71.040(20) [AS 29.78.010(14)], or
8 a special municipality-wide election called for that purpose, vote to
9 exempt its elected municipal officers from the requirements of this
0 chapter. The question of exemption from the requirements of this
1 chapter may be submitted by the governing body [CITY COUNCIL OR BOROUGH
2 ASSEMBLY] by ordinance or by initiative election [ORDINANCE]. Nothing
3 in this chapter prohibits a municipality from regulating by ordinance
4 campaign contributions and expenditures.

5 * Sec. 29. AS 15.56.110(b)(2) is amended to read:

6 (2) a borough assemblyman under AS 29.20.170(6) [AS 29.23.-
7 060(c)];

8 * Sec. 30. AS 15.56.110(b)(3) is amended to read:

9 (3) a borough mayor under AS 29.20.280(6) [AS 29.23.130(f)];

1 * Sec. 31. AS 15.56.110(b)(4) is amended to read:

2 (4) a city councilman under AS 29.20.170(6) [AS 29.23.-
3 210(b)];

4 * Sec. 32. AS 15.56.110(b)(5) is amended to read:

5 (5) a city mayor under AS 29.20.280(6) [AS 29.23.255];

6 * Sec. 33. AS 16.20.036(g) is amended to read:

7 (g) The establishment of a refuge under this section does not
8 impair or alter existing rights of a municipality [BOROUGH OR CITY] to
9 state land selected [SELECT STATE LAND] under former AS 29.18.190 -
10 29.18.200.

11 * Sec. 34. AS 16.20.038(g) is amended to read:

12 (g) The establishment of a refuge under this section does not
13 impair or alter existing rights of a municipality [BOROUGH OR CITY] to
14 state land selected [SELECT STATE LAND] under former AS 29.18.190 -
15 29.18.200.

16 * Sec. 35. AS 18.26.250(2) is amended to read:

17 (2) municipality [MUNICIPAL CORPORATION OR POLITICAL SUB-
18 DIVISION OF THE STATE AS THE TERMS ARE USED IN AS 29];

19 * Sec. 36. AS 18.80.290(d) is amended to read:

20 (d) The governing [LEGISLATIVE] body of a general law or home rule
21 municipality has the authority under AS 29.20.320 [AS 29.48.035] to
22 grant to local commissions powers and duties similar to those exercised
23 by the Alaska Human Rights Commission under the provisions of this Act.

24 * Sec. 37. AS 19.30.241(2) is amended to read:

25 (2) "home rule city" means a city as defined in AS 29.04.010
26 [AS 29.08.010];

27 * Sec. 38. AS 19.30.241(3) is amended to read:

28 (3) "local government" means an organized borough of any
29 class, a unified municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.440].

1 a home rule city, or a first class city [OF THE FIRST CLASS];

2 * Sec. 39. AS 23.30.005 is amended by adding a new subsection to read:

3 (m) The board shall adopt regulations that permit two or more
4 municipalities to form an employer group for the purpose of providing
5 self-insurance under this chapter.

6 * Sec. 40. AS 26.23.230(5) is amended to read:

7 (5) "political subdivision" means a home rule or general law
8 borough or city [, WHETHER HOME RULE OR OTHERWISE,] including a unified
9 municipality [MUNICIPALITIES UNIFIED UNDER AS. 29.68.240 - 29.68.440],
0 an unincorporated village, or other unit of local government;

1 * Sec. 41. AS 28.15.051(d) is amended to read:

2 (d) The department may issue a special driver's permit to a person
3 who is at least 14 years of age with the consent of his parents or
4 guardians for the purpose of driving a motor-driven cycle. This permit
5 may be issued upon application and successful completion of all pre-
6 scribed tests and fees, and is valid for the same period of time as a
7 driver's license. The permit is not valid in a municipality that
8 [WHICH] by ordinance prohibits the driving of a motor-driven cycle by a
9 person under the age of 16 years; a borough may adopt the ordinance on a
0 nonareawide basis only, unless the power to adopt it on an areawide
1 basis is acquired under AS 29.35.300 - 29.35.330 or former AS 29.33.250
2 29.33.290.

3 * Sec. 42. AS 38.04.020(b)(1) is amended to read:

4 (1) land nominated for selection or selected by a municipal-
5 ity to satisfy a general grant land entitlement under AS 29.65 or former
6 AS 29.18.201 - 29.18.213;

7 * Sec. 43. AS 38.04.020(e)(4) is amended to read:

8 (4) for preliminary feasibility studies, engineering design
9 work, and construction of access roads and capital improvements required

1 by municipal subdivision ordinance or regulation of the platting author-
2 ity [BOARD UNDER AS 29.33.150]; if an accurate determination of the
3 amounts necessary for access roads or capital improvements cannot be
4 made at the time the estimate is submitted, a schedule for obtaining the
5 estimates, constructing the access roads or capital improvements, and
6 disposing of the land shall be submitted;

7 * Sec. 44. AS 38.04.021(a) is amended to read:

8 (a) A municipality may apply for financial assistance for the
9 execution of a land disposal program of general grant land entitlements
0 received from the state under AS 29.65 or former AS 29.18.201 - 29.18.-
1 213 by submitting a request to the commissioner for inclusion in the
2 request submitted to the legislature under AS 38.04.020(e). A munici-
3 pality may request financial assistance for expenses of surveying land,
4 designing subdivision plats, installing improvements required by munici-
5 pal ordinance or regulation of the local platting authority [BOARD], and
6 other reasonable direct costs of land disposal.

7 * Sec. 45. AS 38.04.021(d) is amended to read:

8 (d) A grant made under this section may not exceed five times the
9 amount of money appropriated by a first class city, a borough, or a
0 unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440] for the
1 disposal of municipal land in the current fiscal year unless the commis-
2 sioner exempts the municipality from this subsection.

3 * Sec. 46. AS 38.04.021(e)(2) is amended to read:

4 (2) a first class city, a borough, or a unified municipality
5 that [UNIFIED UNDER AS 29.68.240 - 29.68.440 WHICH] is exempted by the
6 commissioner under (d) of this section.

7 * Sec. 47. AS 38.04.900(b) is amended to read:

8 (b) A municipality has standing to petition the commissioner for
9 the adoption of a regulation, or for the amendment or repeal of an

1 existing regulation, or to appeal a decision of the commissioner with
2 respect to classification, management, or disposal of land made under
3 authority of a regulation adopted under (a) of this section with respect
4 to state land outside the corporate boundaries of the municipality to
5 protect any interest which the municipality is authorized to regulate
6 outside its boundaries under AS 29.35.020 [AS 29.48.037].

7 * Sec. 48. AS 38.05.127(d) is amended to read:

8 (d) Upon application by a municipality or an affected owner of
9 land, the department may vacate, release, modify, or relocate an ease-
10 ment and right-of-way for public access to or along navigable or public
11 waters reserved by the department in a patent issued under AS 29.18.-
12 510 - 29.18.610, AS 29.05, AS 29.65, or former AS 29.18.011 - 29.18.460,
13 [AS 29.18] if the commissioner determines the action is consistent with
14 the public interest.

5 * Sec. 49. AS 38.05.290(b) is amended to read:

6 (b) Consistent with the best interests of the state, in the selec-
7 tion of general grant land it is the policy of the state to make avail-
8 able the maximum land area from which municipalities may fulfill land
9 entitlements under AS 29.65 or former AS 29.18.201 - 29.18.213.

10 * Sec. 50. AS 38.05.321(b) is amended to read:

11 (b) State land classified as agricultural land that [WHICH] has
12 been selected by a municipality under former AS 29.18.190 - 29.18.200 or
13 former AS 29.18.205(e) may be approved by the director for patent under
14 AS 29.65.050(c) or former AS 29.18.205(f); however, only rights in the
15 land for agricultural purposes may be transferred and all other inter-
16 ests in the land will remain with the state. Agricultural land approved
17 for patent to a municipality [UNDER AS 29.18.205(f)] shall be credited,
18 acre for acre, toward fulfillment of that municipality's entitlement
19 under AS 29.65.010 - 29.65.030 or former AS 29.18.201 - 29.18.203. If

1 the director later determines it to be in the best interests of the
2 state to transfer some or all of the additional rights in that approved
3 or patented agricultural land, those rights shall pass without consider-
4 ation to the municipality in which the land is located. The notice and
5 review provisions of [AS 38.05.305 AND] AS 38.05.345 are applicable to
6 conveyance of rights under this section.

7 * Sec. 51. AS 38.05.321(c) is amended to read:

8 (c) The provisions of this section do not apply to state land
9 classified as agricultural land which has been selected by a municipal-
0 ity under the provisions of former AS 29.18.190 - 29.18.200 if the
1 selection is an approved selection before April 1, 1978 and is otherwise
2 valid under AS 29.65.050(b) or former AS 29.18.205(b).

3 * Sec. 52. AS 38.05.362(b) is amended to read:

4 (b) Nothing in this section affects the selection rights of a
5 municipality [BOROUGH OR CITY] under former AS 29.18.190 - 29.18.200 for
6 areas selected as of July 1, 1977, or a valid existing claim, location,
7 or entry under law, as of July 1, 1976.

8 * Sec. 53. AS 39.50.145 is amended to read:

9 Sec. 39.50.145. PARTICIPATION BY MUNICIPALITIES. A municipality
10 may exempt its municipal officers from the requirements of this chapter
11 if a majority of the voters voting on the question at a [ANY] regular
12 election, as defined by AS 29.71.040(20) [AS 29.78.010(14)], or a
13 special municipality-wide election, vote to exempt its municipal
14 officers from the requirements of this chapter. The question of
15 exemption from the requirements of this chapter may be submitted by the
16 city council or borough assembly by ordinance or by initiative election
17 [ORDINANCE].

18 * Sec. 54. AS 39.50.200(a)(6) is amended to read:

19 (6) "municipal officer" includes a borough or city mayor,

1 borough assemblyman, city councilman, school board member, elected
2 utility board member, city or borough manager, members of a city or
3 borough planning or zoning commission within a home rule or general law
4 city or borough or [INCLUDING BUT NOT LIMITED TO] a unified municipality
5 [UNDER AS 29.68];

6 * Sec. 55. AS 40.15.075 is amended to read:

7 Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH AND THIRD
8 CLASS BOROUGH. The division of lands is the platting authority in the
9 area outside organized boroughs and outside cities in the unorganized
0 borough and in the third class borough for only the purposes of hearing
1 and acting on petitions for the change or vacation of plats and shall
2 execute this function substantially in conformity with the provisions of
3 AS 29.40.130 - 29.40.160 [AS 29.33.210 - 29.33.240]. Costs of publica-
4 tion and mailing [AS WELL AS OTHER COSTS] authorized in AS 29.40.130
5 [AS 29.33.210] shall be paid to the division by the petitioner. The
6 Department of Natural Resources shall adopt reasonable regulations
7 governing the exercise of the authority conferred by this section upon
8 the division of lands.

9 * Sec. 56. AS 40.15.200 is amended to read:

0 Sec. 40.15.200. APPLICATION TO STATE AND POLITICAL SUBDIVISIONS.
1 All subdivisions of land made by the state, its agencies, instrumentali-
2 ties and political subdivisions are subject to the provisions of this
3 chapter and AS 29.40.070 - 29.40.160 [AS 29.33.150 - 29.33.240], or home
4 rule ordinances or regulations governing subdivisions, and shall comply
5 with ordinances and other local regulations adopted under this chapter
6 and AS 29.40.070 - 29.40.160 or former AS 29.33.150 - 29.33.240, or
7 under home rule authority, in the same manner and to the same extent as
8 subdivisions made by other landowners.

9 * Sec. 57. AS 41.22.020(d) is amended to read:

1 (d) In (a) of this section "municipalities" includes cities or
2 organized boroughs of any class and unified municipalities exercising
3 powers to initiate projects described in AS 41.22.020 and acquire parks
4 and open space land, as otherwise authorized by law [, AND INCLUDES BUT
5 IS NOT LIMITED TO UNIFIED MUNICIPALITIES ORGANIZED UNDER AS 29.68.240 -
6 29.68.440].

7 * Sec. 58. AS 41.35.180(5) is amended to read:

8 (5) consult with local historical district commissions re-
9 garding the establishment of historical districts under AS 29.55.010 -
0 29.55.020 [AS 29.48.108 - 29.48.110] and the approval of project altera-
1 tions under AS 45.98.040; recommend, if appropriate, the formulation of
2 additional criteria for the designation of historical districts under
3 AS 29.55.020(b) [AS 29.48.110(b)]; approve plans for and evaluate the
4 suitability of specific structures for purposes of loan eligibility and
5 continuance under the historical district revolving loan fund (AS 45.98);
6 and consult with the Department of Commerce and Economic Development
7 relative to the adoption of regulations for historical district loans
8 under AS 45.98.

9 * Sec. 59. AS 43.18.430 is amended to read:

0 Sec. 43.18.430. POWER OF MUNICIPALITY. A municipality may own,
1 maintain and employ a facility constructed under AS 43.18.400 - 43.18.-
2 460. The exercise of this power on an areawide basis is at the option
3 of the borough and is not subject to the restrictions on acquiring
4 additional areawide powers in AS 29.35.300 - 29.35.330 [AS 29.33.250 -
5 29.33.290].

6 * Sec. 60. AS 43.18.500(d)(2)(A) is amended to read:

7 (A) has the authority under AS 29.35 [AS 29.41 OR AS 29.-
8 48] to provide and maintain a cultural facility;

9 * Sec. 61. AS 43.56.010(b) is amended to read:

1 (b) A municipality may levy and collect a tax under AS 29.45.080
2 [AS 29.53.045] at the rate of taxation that applies to other property
3 taxed by the municipality. The tax shall be levied at a rate no higher
4 than the rate applicable to other property taxable by the municipality.
5 No municipality may exempt from taxation property authorized to be taxed
6 under this chapter. Exemptions shall be limited to those in AS 29.-
7 45.030, 29.45.050, [AS 29.53.020 AND AS 29.53.025] and AS 43.56.020.

8 * Sec. 62. AS 43.56.010(c) is amended to read:

9 (c) If the total value of assessed property of a municipality
0 taxing under AS 29.45.080(c) [AS 29.53.045(c)] exceeds the product of
1 225 percent of the average per capita assessed full and true value of
2 property in the state (to be determined by the department and reported
3 to each municipality by January 15 of each year) multiplied by the
4 number of residents of the taxing municipality, the department shall
5 designate the portion of the tax base against which the local tax may be
6 applied. For purposes of this subsection the average per capita
7 assessed full and true value of property in the state shall be calcu-
8 lated without regard to the assessed value of taxable property under
9 AS 43.58.

0 * Sec. 63. AS 43.56.010(d) is amended to read:

1 (d) A tax paid to a municipality under AS 29.45.080 [AS 29.53.045]
2 on or before June 30 of the tax year shall be credited against the tax
3 levied under (a) of this section for that tax year. If, however, a tax
4 is not paid to a municipality until after June 30 of the taxable year,
5 the department upon application shall refund to the taxpayer the amount
6 of tax paid to the municipality under AS 29.45.080 [AS 29.53.045]. The
7 credit or refund of taxes paid to a municipality may not exceed the
8 total amount of tax levied by the department upon the taxpayer for the
9 tax year, under (a) of this section.

1 * Sec. 64. AS 43.56.060(a) is amended to read:

2 (a) The department shall assess property for the tax levied under
3 AS 43.56.010(b) and AS 29.45.080 [AS 29.53.045] on property used or
4 committed by contract or other agreement for use for the pipeline trans-
5 portation of gas or unrefined oil or for the production of gas or un-
6 refined oil at its full and true value as of January 1 of the assessment
7 year.

8 * Sec. 65. AS 43.75.130(1) is amended to read:

9 (1) to each unified municipality [UNIFIED UNDER AS 29.68.-
0 240 - 29.68.440,] and to each city located in the unorganized borough,
1 50 percent of the amount of tax revenue collected in the municipality
2 from taxes levied by AS 43.75;

3 * Sec. 66. AS 44.07.360(8) is amended to read:

4 (8) "municipality" means a home rule or general law city or
5 borough including but not limited to the capital city and a unified
6 municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.440];

7 * Sec. 67. AS 44.08.065(c) is amended to read:

8 (c) A property owner aggrieved by determination of his assessment
9 may appeal under AS 29.45.190 [AS 29.53.130 - 29.53.135].

0 * Sec. 68. AS 44.08.065(d) is amended to read:

1 (d) All adjustments in valuation approved by the board of equali-
2 zation are subject to review and final approval by the commissioner. A
3 property owner may appeal the final determination in accordance with
4 AS 29.45.210 [AS 29.53.140].

5 * Sec. 69. AS 44.83.162(m) is amended to read:

6 (m) For purposes of (c) of this section, the number of residents
7 of the community equals the number of residents of the community deter-
8 mined by the Department of Community and Regional Affairs in accordance
9 with AS 29.60.020 [AS 29.88.015].

1 * Sec. 70. AS 44.85.270(i) is amended to read:

2 (i) All references to the "reserve fund" in this section include
3 special accounts within the reserve fund which may be created by the
4 authority to secure the payment of particular bonds, including, without
5 limitation, bonds issued by the capital city established under AS 29.-
6 14.010 [AS 29.18.510]. The commissioner of revenue may lend surplus
7 money in the general fund to the authority for deposit to any account in
8 the reserve fund in an amount equal to the required debt service
9 reserve. The loans shall be made on such terms and conditions as may be
10 agreed upon by the commissioner of revenue and the authority, including,
11 without limitation, terms and conditions providing that the loans need
12 not be repaid until the obligations of the corporation secured and to be
13 secured by the account in the reserve fund are no longer outstanding.

4 * Sec. 71. AS 44.85.410(3)(A) is amended to read:

5 (A) a general obligation bond that [WHICH] is a direct
6 and general obligation of a political subdivision of the state, all
7 the taxable property within which is subject to taxation to pay the
8 bond, note or evidence of debt, and the interest without limita-
9 tion, as to rate or amount generally to the extent permitted by law
10 or to avoid a default as provided for second class cities under
11 AS 29.45.590 [AS 29.53.410]; or

12 * Sec. 72. AS 44.85.410(3)(D) is amended to read:

13 (D) a bond of a borough issued as a general obligation
14 of a service area under AS 29.47.440 or former AS 29.58.340; [.]

15 * Sec. 73. AS 45.98.020 is amended to read:

16 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and
17 plan approval by a local historical district commission established
18 under AS 29.55.010 or former AS 29.48.108 and the recommendation of a
19 majority of the members of the Historic Sites Advisory Committee, the

1 Department of Commerce and Economic Development may make loans to a
2 person, firm, business or municipality subject to applicable laws for
3 the restoration, improvement, rehabilitation, or maintenance of a struc-
4 ture that [WHICH] is

5 (1) within the boundaries of a historical district estab-
6 lished under AS 29.55.020 or former AS 29.48.110;

7 (2) identified as important in state or national history as
8 provided for in AS 29.55.020(b) or former AS 29.48.110(b); and

9 (3) another building or structure within a historical dis-
0 trict, and suitable for superficial modification so that it can conform
1 to the period or motif of the surrounding buildings or structures that
2 are the reason for the area's designation as a historical district.

3 * Sec. 74. AS 46.03.210(a) is amended to read:

4 (a) A municipality with a population in excess of 1,000 may,
5 within five years from August 5, 1969, establish and administer within
6 its jurisdiction an air pollution control program. Organized boroughs
7 may establish an air pollution control program on an areawide basis, and
8 the exercise of powers with respect to the program is not subject to the
9 restrictions on acquiring additional areawide powers specified in
0 AS 29.35.300 - 29.35.330 [AS 29.33.250 - 29.33.290]. Local programs
1 shall

2 (1) provide by ordinance for requirements compatible with
3 those imposed by the provisions of AS 46.03.140 and 46.03.170 and
4 applicable regulations;

5 (2) provide for the enforcement of the requirements imposed
6 through appropriate administrative and judicial processes;

7 (3) provide for a local administrative organization, staff,
8 and other resources necessary to effectively carry out the purposes of
9 the program; and

1 (4) be approved by the department as being satisfactory to
2 meet the requirements of AS 46.03.140 - 46.03.170 and the applicable
3 regulations.

4 * Sec. 75. AS 46.11.040(3)(A) is amended to read:

5 (A) is constructed under an exception to the municipal
6 building code granted because the exception will result in in-
7 creased energy efficiency [UNDER AS 29.33.080(g)];

8 * Sec. 76. AS 46.11.900(8) is amended to read:

9 (8) "state financial assistance" means a loan, grant, guaran-
0 tee, insurance, payment, rebate, subsidy, or other form of state assis-
1 tance (other than aid under AS 29.60 [AS 29.88, AS 29.89, AS 29.90,
2 AS 29.95] and AS 43.18) including the purchase by a state agency of a
3 loan to finance the construction of a new residential, commercial, or
4 industrial building;

5 * Sec. 77. AS 46.35.200(3) is amended to read:

6 (3) "local government" means a city or borough including a
7 unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440];

8 * Sec. 78. AS 46.40.140(h) is amended to read:

9 (h) Members of coastal resource service area boards are subject to
0 recall on the same grounds and in the same manner as provided for recall
1 of municipal officials in AS 29.26.240 - 29.26.350 [AS 29.28.130 -
2 29.28.250]. The lieutenant governor functions in place of the assembly
3 or council and municipal clerk for receipt and review of recall petitions
4 and the conduct of recall elections.

5 * Sec. 79. AS 46.40.210(2)(A) is amended to read:

6 (A) unified municipalities [ESTABLISHED UNDER AS 29.-
7 68.240 - 29.68.440];

8 * Sec. 80. AS 47.35.010(b) is amended to read:

9 (b) The department shall, within 90 days after receiving a written

1 request that it do so, delegate its powers relating to nurseries under
2 this section and under AS 47.35.040, 47.35.050 and 47.35.060 to a muni-
3 cipality which has adopted an ordinance providing for day care licensing
4 under home rule powers or as authorized under AS 29.35.200 - 29.35.210
5 [AS 29.48.035(a)(20)]. A municipality to which these powers have been
6 delegated may waive or modify any regulation or standard established by
7 the department under the authority of AS 47.35.010 - 47.35.080 as it
8 applies to nurseries or the application of any such regulation or stan-
9 dard as it applies to a particular day care licensee but must notify the
0 department of any waiver.

1 * Sec. 81. The following laws are repealed: AS 04.11.340(4), 04.11.-
2 400(c); AS 04.21.080(11); AS 14.56.065(b), 14.56.180(3); AS 15.13.130(6);
3 AS 18.55.950(10); AS 24.55.330(3); AS 28.35.260(10); AS 29.08; AS 29.13;
4 AS 29.18.011 - 29.18.460; AS 29.23; AS 29.28; AS 29.33; AS 29.38; AS 29.41;
5 AS 29.43; AS 29.48; AS 29.53; AS 29.58; AS 29.63; AS 29.68; AS 29.73;
6 AS 29.78; AS 29.88; AS 29.89; AS 29.90; AS 29.95; AS 30.15.070(3); AS 30.30.-
7 170(2); AS 35.15.080(3), 35.15.120(3); AS 42.06.630(6); AS 43.18.500(j)(6);
8 AS 43.20.016; AS 43.56.210(8); AS 44.47.310(5); and AS 44.85.410(4).

9 * Sec. 82. A right or liability of a municipality existing on July 1,
0 1982, is not affected by the enactment of this Act. Ordinances and regula-
1 tions in effect on July 1, 1982, remain in effect unless they conflict with
2 provisions of this Act. Ordinances and regulations in effect on July 1,
3 1982, that conflict with provisions of this Act remain in effect for 180 days
4 after July 1, 1982. The terms of elected or appointed municipal officials in
5 office on July 1, 1982, are not affected by this Act, and their terms expire
6 as provided before July 1, 1982.

7 * Sec. 83. AS 29.45.030(a)(7), (k), and (l) as enacted in sec. 11 of this
8 Act are retroactive to December 31, 1980.

9 * Sec. 84. AS 29.45.030(a)(7), (k), and (l) as enacted in sec. 11 of this

1 Act and sec. 83 of this Act take effect immediately in accordance with AS 01.
2 10.070(c).

3 * Sec. 85. Except for AS 29.45.030(a)(7), (k), and (l) as enacted in
4 sec. 11 of this Act and sec. 83 of this Act, this Act takes effect July 1,
5 1982.

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Original sponsor: Rules/Legislative Council

Offered: 5/5/82
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 180 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

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

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

14 CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

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

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

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

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

1 Sec. 29.04.040. RECLASSIFICATION. (a) A second class city may be
2 reclassified as a first class city by holding an election on the ques-
3 tion, if the department determines from the best figures available that
4 the population of the city has reached 400 permanent residents.

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

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

10 (2) the council may propose reclassification.

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

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

21 (e) The council shall certify the election results to the depart-
22 ment. If the majority of votes cast is favorable, the city shall be
23 considered reclassified to first class status 30 days after certification
24 of the election results.

25 (f) A second class borough may reclassify as a first class borough
26 in the manner provided by AS 29.35.320 - 29.35.330 for the addition of
27 an areawide power by a first or second class borough, except the petition
28 or proposal requests reclassification instead of requesting addition of
29 a power.

1 (g) A third class borough may reclassify as a first or second
2 class borough in the manner provided by AS 29.35.320 - 29.35.330 for the
3 addition of an areawide power by a first or second class borough, except
4 the petition or proposal requests reclassification instead of requesting
5 addition of a power.

6 (h) At the time of voting on reclassification of a third class
7 borough to first or second class status, voters shall vote also on
8 whether the borough shall on reclassification retain a combined assembly
9 and school board or elect a separate assembly and board as otherwise
10 provided for first and second class boroughs. If the majority of votes
11 cast on the question favors retention of the combined assembly and
12 board, the assembly serving at the time of the reclassification election
13 continues to serve as the assembly and board on voter approval of re-
14 classification and until terms of assemblymen expire as provided before
15 reclassification. If a separate board and assembly are approved at the
16 reclassification election, a school board shall be elected in conformity
17 with AS 14.12.030 - 14.12.100 at the next regular election, if it occurs
18 within 90 days of the date of the reclassification election, or otherwise
19 at a special election within 90 days of the date of the reclassification
20 election. Expiration dates of terms of school board members elected at
21 a special election must coincide with the date of the regular election.
22 Until a board is elected and qualified, the assembly continues to serve
23 as the board.

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

25 CHAPTER 05. INCORPORATION.

26 ARTICLE 1. REQUIREMENTS.

27 Sec. 29.05.010. INCORPORATION OF A CITY. (a) A community that
28 meets the following standards may incorporate as a first class city:

29 (1) the community has 400 or more permanent residents;

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

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

10 (4) the population of the community is stable enough to
11 support city government;

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

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

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

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

23 Sec. 29.05.030. INCORPORATION OF A BOROUGH. An area may not
24 incorporate as a third class borough. An area that meets the following
25 standards may incorporate as a first or second class borough:

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

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

1 to natural geography and include all areas necessary for full develop-
2 ment of municipal services;

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

8 (4) land, water, and air transportation facilities allow the
9 communication and exchange necessary for the development of integrated
10 borough government.

11 ARTICLE 2. PROCEDURE.

12 Sec. 29.05.060. PETITION. Municipal incorporation is proposed by
13 filing a petition with the department. The petition shall include the
14 following information about the proposed municipality:

15 (1) class;

16 (2) name;

17 (3) boundaries;

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

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

21 (6) a proposed operating budget for the municipality project-
22 ing sources of income and items of expenditure through the first full
23 fiscal year of operation;

24 (7) for a first or second class borough, based on the number
25 who voted in the respective areas in the last general election, the
26 signature and resident address of 15 percent of the voters in

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

29 (B) the area of the proposed borough outside home rule

1 and first class cities;

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

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

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

8 (11) for a first class city, based on the number who voted in
9 the area in the last general election, the signatures and resident
10 address of 50 voters in the proposed city or of 15 percent of the voters
11 in the proposed city, whichever is greater;

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

16 Sec. 29.05.070. REVIEW. The department shall review an incorpora-
17 tion petition for content and signatures and shall return a deficient
18 petition for correction and completion.

19 Sec. 29.05.080. INVESTIGATION. (a) If an incorporation petition
20 contains the required information and signatures, the department shall
21 investigate the proposal and shall hold at least one public informational
22 meeting in the area proposed for incorporation. The department shall
23 publish notice of the meeting.

24 (b) The department may combine incorporation petitions from the
25 same general area.

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

28 Sec. 29.05.090. HEARING. The Local Boundary Commission shall hold
29 at least one public hearing in the area proposed to be incorporated for

1 the purpose of receiving testimony and evidence on the proposal.

2 Sec. 29.05.100. DECISION. (a) If the Local Boundary Commission
3 determines that a proposed municipality fails to meet the standards for
4 incorporation, it shall reject the petition. If the commission deter-
5 mines that the proposed municipality meets the standards, it shall
6 accept the petition. If the commission determines that the proposed
7 boundaries can be altered to meet the standards, it may alter the bound-
8 aries and accept the petition.

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

11 Sec. 29.05.110. INCORPORATION ELECTION. (a) The Local Boundary
12 Commission shall immediately notify the director of elections of its
13 acceptance of an incorporation petition. Within 30 days after notifi-
14 cation, the director of elections shall order an election in the pro-
15 posed municipality to determine whether the voters desire incorporation
16 and, if no, to elect the initial municipal officials. If incorporation
17 is rejected, no officials are elected. The election must be held not
18 less than 30 or more than 90 days after the date of the election order.
19 The election order must specify the dates during which nomination peti-
20 tions for election of initial officials may be filed.

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

24 (c) Areawide borough powers included in an incorporation petition
25 are considered to be part of the incorporation question. In an election
26 for the incorporation of a second class borough, each nonareawide power
27 to be exercised is placed separately on the ballot. Adoption of a
28 nonareawide power requires a majority of the votes cast on the question,
29 and the vote is limited to the voters residing in the proposed borough

1 but outside all cities in the borough.

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

5 Sec. 29.05.120. ELECTION OF INITIAL OFFICIALS. (a) Nominations
6 for initial municipal officials are made by petition. The petition
7 shall be in the form prescribed by the director of elections and include
8 the name and address of the nominee and a statement of the nominee that
9 he is qualified under the provisions of this title for the office that
10 he seeks. A person may file for and occupy more than one office, but he
11 may not serve simultaneously as borough mayor and as a member of the
12 assembly or as city mayor and as a member of the council.

13 (b) Except for a proposed second class city, petitions to nominate
14 initial officials must include the signature and resident address of 50
15 voters in the area of the proposed municipality, or that area of the
16 proposed municipality from which the officials are to be elected under
17 the composition and apportionment set out in the accepted incorporation
18 petition.

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

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

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

27 (f) The initial elected members of the governing body shall deter-
28 mine by lot the length of their terms of office so that a proportionate
29 number of terms expire each year, resulting in staggered terms of office

1 for members subsequently elected.

2 Sec. 29.05.130. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE
3 AREAS. A service area in a newly incorporated municipality shall be
4 integrated into the municipality within two years after the date of
5 incorporation. On integration the municipality succeeds to all the
6 rights, powers, duties, assets and liabilities of the service area.
7 After integration, the municipality may exercise in a former service
8 area all of the rights and powers exercised by the service area at the
9 time of integration, and, as successor to the service area, may levy and
10 collect special charges, taxes, or assessments to amortize bonded in-
11 debtedness incurred by the service area or by a municipality in which
12 the service area was formerly located. On integration all property in
13 the service area subject to taxation to pay the principal and interest
14 on bonds at the time of integration remains subject to taxation for that
15 purpose.

16 Sec. 29.05.140. TRANSITION. (a) The powers and duties exercised
17 by cities and service areas that are succeeded to by a newly incorporated
18 municipality continue to be exercised by the cities and service areas
19 until the new municipality assumes the powers and functions, which may
20 not exceed two years after the date of incorporation. Ordinances,
21 rules, resolutions, procedures, and orders in effect before the transfer
22 remain in effect until superseded by the action of the new municipality.

23 (b) Before the assumption, the new municipality shall give written
24 notice of its assumption of the rights, powers, duties, assets, and
25 liabilities under this section and AS 29.05.130 to the city or service
26 area concerned. Municipal officials shall consult with the officials of
27 the city or service area concerned and arrange an orderly transfer.

28 (c) After the incorporation of a new municipality, no service area
29 in it may assume new bonded indebtedness, make a contract, or transfer

1 an asset without the consent of the governing body.

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

4 Sec. 29.05.150. CHALLENGE OF LEGALITY. A person may not challenge
5 the formation of a municipality except within six months after the date
6 of its incorporation.

7 ARTICLE 3. TRANSITIONAL ASSISTANCE.

8 Sec. 29.05.180. ORGANIZATION GRANTS. (a) For the purpose of
9 defraying the cost of transition to municipal government and in order to
10 provide for development and interim governmental operations, each first
11 class borough, second class borough, and city incorporated after July 1,
12 1982, or, in the case of a second class city, incorporated or reclassi-
13 fied after July 1, 1982, is entitled to an organization grant equal to
14 \$10 for every voter who voted in the incorporation election. However,
15 each first or second class borough and each first class city incorporated
16 or established by reclassification outside an organized borough is
17 entitled to at least \$25,000.

18 (b) Within 30 days after the date of incorporation of a first
19 class borough, second class borough, or city after July 1, 1982, the
20 department shall determine the number of voters in the municipality who
21 voted in the incorporation election.

22 (c) Within 30 days after the completion of its findings, or as
23 soon after that as money is appropriated to it for the purpose, the
24 department shall transmit to the municipality the total amount of money
25 to which the municipality is entitled under this section.

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

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

29 CHAPTER 06. ALTERATION OF MUNICIPALITIES.

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ARTICLE 1. CHANGE OF NAME.

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

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

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

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

ARTICLE 2. ANNEXATION AND DETACHMENT.

Sec. 29.06.040. LOCAL BOUNDARY COMMISSION. (a) The Local Boundary Commission may consider any proposed municipal boundary change. It may reject the proposed change, accept the proposed change, or alter the boundaries and accept the proposal as altered. A Local Boundary Commission decision under this subsection may be appealed under the Adminis-

1 trative Procedure Act (AS 44.62).

2 (b) The Local Boundary Commission may present a proposed municipal
3 boundary change to the legislature during the first 10 days of a regular
4 session. The change becomes effective 45 days after presentation or at
5 the end of the session, whichever is earlier, unless disapproved by a
6 resolution concurred in by a majority of the members of each house.

7 (c) In addition to the regulations governing annexation by local
8 action adopted under AS 44.47.567, the Local Boundary Commission shall
9 establish procedures for annexation and detachment of territory by
10 municipalities by local action. The procedures established under this
11 subsection include a provision that

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

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

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

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

23 Sec. 29.06.050. ANNEXATION OF MILITARY RESERVATIONS. A military
24 reservation may be annexed to a municipality in the same manner as pre-
25 scribed for other territory under AS 29.06.040. If a city in a borough
26 annexes a military reservation under this section, the area encompassing
27 the military reservation automatically is annexed to the borough in which
28 the city is located.

29 Sec. 29.06.060. APPLICATION. AS 29.06.040 - 29.06.060 apply to

1 home rule and general law municipalities.

2 ARTICLE 3. MERGER AND CONSOLIDATION.

3 Sec. 29.06.090. MERGER AND CONSOLIDATION. (a) Two or more muni-
4 cipalities may merge or consolidate to form a single municipality,
5 except a third class borough may not be formed through merger or consoli-
6 dation.

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

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

11 (2) the local option method specified in AS 29.06.100 -
12 29.06.160.

13 Sec. 29.06.100. PETITION. (a) Residents of two or more munici-
14 palities may file a merger or consolidation petition with the depart-
15 ment. The petition must be signed by a number of voters of each exist-
16 ing municipality equal to at least 25 percent of the number of votes
17 cast in each municipality's last regular election.

18 (b) The petition includes

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

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

21 (3) the proposed composition and apportionment of the govern-
22 ing body;

23 (4) maps, documents, and other information that shows that
24 the proposed municipality meets the standards for municipal incorpora-
25 tion.

26 Sec. 29.06.110. REVIEW. (a) The department shall review a merger
27 or consolidation petition for content and signatures and shall return a
28 deficient petition for correction or completion.

29 (b) If the petition contains the required information and signa-

1 tures, the department shall investigate the proposal.

2 (c) The department shall report its findings to the Local Boundary
3 Commission with its recommendations regarding the merger or consolida-
4 tion.

5 Sec. 29.06.120. HEARING. After receipt of the report by the
6 department on a merger or consolidation petition, the Local Boundary
7 Commission shall hold at least one public hearing in each of the existing
8 municipalities included in the petition, unless officials of the muni-
9 cipalities agree to a single hearing.

10 Sec. 29.06.130. DECISION. (a) If the Local Boundary Commission
11 determines that the proposed municipality fails to meet the standards
12 for incorporation, it shall reject the merger or consolidation petition.
13 If the commission determines that the proposed municipality meets these
14 standards, it shall accept the petition. If the commission determines
15 that the proposed boundaries or the composition and apportionment of the
16 governing body can be altered to meet the standards, it may change the
17 proposal and accept the petition.

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

20 Sec. 29.06.140. ELECTION. (a) The Local Boundary Commission
21 shall immediately notify the director of elections of its acceptance of
22 a merger or consolidation petition. Within 30 days after notification,
23 the director of elections shall order an election in the area to be
24 included in the new municipality to determine whether the voters desire
25 merger or consolidation. The election must be held not less than 30 or
26 more than 90 days after the election order. A voter who is a resident
27 of the area to be included in the proposed municipality may vote.

28 (b) The director of elections shall supervise the election in the
29 general manner prescribed by the Alaska Election Code (AS 15). The

1 state shall pay all election costs.

2 (c) The director of elections shall certify the election results.
3 If merger or consolidation is approved, he shall, within 10 days, set a
4 date for election of officials of the new municipality. The election
5 date must be not less than 60 or more than 90 days after the election
6 order and it is the effective date for the merger or consolidation.

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

10 (b) When two or more municipalities consolidate, the newly incor-
11 porated municipality succeeds to the rights, powers, duties, assets, and
12 liabilities of the consolidated municipalities.

13 Sec. 29.06.160. TRANSITION. After merger or consolidation, the
14 ordinances, resolutions, regulations, procedures, and orders of the
15 former municipalities remain in force in their respective territories
16 until superseded by the action of the new municipality.

17 Sec. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to
18 home rule and general law municipalities.

19 ARTICLE 4. UNIFICATION OF MUNICIPALITIES.

20 Sec. 29.06.190. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A
21 borough and all cities in the borough may unite to form a single unit of
22 home rule government by complying with AS 29.06.190 - 29.06.400.

23 Sec. 29.06.200. UNIFICATION PROPOSED. (a) Formation of a charter
24 commission to prepare a unification charter shall be proposed by resolu-
25 tion of the assembly or by petition. A resolution to propose formation
26 of a charter commission may be adopted not more often than once every 12
27 months.

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

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

3 "PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICATION
4 CHARTER. We, the undersigned, qualified voters of the borough do hereby
5 petition that the following proposition be placed before the voters as
6 provided by law: 'Shall a charter commission be formed (and charter com-
7 mission members be elected as elsewhere provided on this ballot) to
8 prepare, adopt and submit to the voters for their approval or rejection
9 a proposed charter uniting the borough and all cities within it as a
10 single unit of home rule government having the powers, duties and func-
11 tions of a unified municipality as authorized by law? Yes No

12 Inside First Class Outside First
13 Class or or
14 Signature Address Home Rule City Home Rule City"

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

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

19 (2) the number of voters residing in home rule or first class
20 cities in the borough equal to 25 percent of the votes cast in all home
21 rule and first class cities in the borough in the last regular borough
22 election.

23 Sec. 29.06.220. REVIEW OF PETITION. The assembly shall review a
24 unification petition within 15 days to determine whether it complies
25 with AS 29.06.210. If the petition does not meet the designated re-
26 quirements, it shall be immediately returned to the person who initiated
27 the petition with a statement indicating which requirements have not
28 been satisfied.

29 Sec. 29.06.230. COMPOSITION OF CHARTER COMMISSION. The charter

1 commission shall consist of 11 voters, three of whom are residents
2 elected at large from the borough and eight of whom, proportionate to
3 the population as determined by the department, are

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

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

8 Sec. 29.06.240 CHARTER COMMISSION NOMINATIONS. (a) If the
9 assembly determines that a unification petition meets the requirements
10 of AS 29.06.210, or the assembly by its resolution proposes an election
11 on formation of a charter commission, the assembly shall issue a call
12 for the nomination of commission candidates, specifying the filing
13 deadline and the procedure for making nominations.

14 (b) Charter commission candidates shall be nominated by petition
15 signed by at least 50 voters of the area from which the candidate seeks
16 election, or by a number of voters from that area equal to at least 10
17 percent of the number of votes cast from that area in the last regular
18 borough election, whichever is less.

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

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

26 Sec. 29.06.250. QUALIFICATIONS OF CANDIDATES. A person is eli-
27 gible to be nominated as a candidate for the charter commission if he
28 has been a voter of the area from which he seeks election for at least
29 one year immediately preceding the date his nomination petition is

1 filed.

2 Sec. 29.06.260. ELECTION. (a) After receipt of a valid unifica-
3 tion petition or adoption of an assembly resolution to propose formation
4 of a charter commission, the assembly shall submit to the voters the
5 question of whether a charter commission shall be formed to prepare a
6 proposed unification charter. The vote shall be held at the next regular
7 borough election scheduled at least 90 days after receipt of the petition
8 or adoption of the resolution. The ballot shall be worded exactly as in
9 AS 29.06.210(a).

10 (b) The election of charter commission members shall take place at
11 the same time as the election on the question of formation of the commis-
12 sion.

13 (c) All costs incurred in conducting an election under AS 29.06.-
14 190 - 29.06.400 shall be paid by the borough.

15 Sec. 29.06.270. REQUIREMENTS FOR APPROVAL OF FORMATION AND ELECTION
16 OF CHARTER COMMISSION. (a) The votes on the question of formation of a
17 charter commission shall be tabulated in two separate classifications.
18 One classification consists of all votes cast in first class and home
19 rule cities in the borough. The other classification consists of all
20 votes cast in the remaining area of the borough. In order for formation
21 of a charter commission to be approved, a majority of the votes in each
22 classification must favor formation of the commission.

23 (b) If formation of a charter commission is approved, candidates
24 who received the highest number of votes from their respective areas
25 shall serve as members of the commission.

26 Sec. 29.06.280. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

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

1 (b) A majority of the total membership of the charter commission
2 constitutes a quorum. A decision of the commission is not valid or
3 binding unless approved by the number of members necessary to constitute
4 a quorum.

5 (c) The charter commission may elect other officials from among
6 its membership, adopt rules governing its procedures that are consistent
7 with AS 29.06.190 - 29.06.400 and hire and discharge employees.

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

11 Sec. 29.06.290. VACANCIES. (a) Vacancies on the charter commis-
12 sion shall be filled by a majority vote of the commission, except the
13 assembly shall appoint members to fill vacancies if, after a proposed
14 charter is rejected by the voters, more than one-half of the members
15 resign.

16 (b) A person who fills a vacancy on the charter commission must be
17 a voter of the same area as the person whom he succeeds and must have
18 been a voter of that area for at least one year immediately preceding
19 the date he fills the vacancy.

20 Sec. 29.06.300. PER DIEM. The assembly may grant a per diem
21 allowance to members of the charter commission and may reimburse the
22 members for travel expenses incurred in carrying out the duties pre-
23 scribed by AS 29.06.190 - 29.06.400. Costs, fees, and other expenses
24 incurred by the commission are a debt of the borough and shall be paid
25 upon proper verification.

26 Sec. 29.06.310. CHARTER PREPARATION. The charter commission shall
27 prepare, adopt, and submit a proposed home rule charter for the area to
28 be unified to the voters for approval or rejection. The charter shall
29 include

1 (1) provision for adjustment of existing bonded indebtedness
2 and other obligations in a manner that will reserve a fair and equitable
3 burden of taxation for debt service, subject to AS 29.06.370;

4 (2) provision for

5 (A) the establishment of service areas; and

6 (B) if election of members of the governing body is not
7 areawide, the establishment of districts for the election of members
8 of the governing body of the proposed unified municipality and
9 procedures by which to reapportion the election districts;

10 (C) reapportionment of districts if they are established;

11 (3) provision for nonpartisan government, and the selection,
12 organization, authority, and responsibilities of the governing body and
13 its executive and administrator;

14 (4) the transfer or other disposition of property and other
15 rights, claims, assets, and franchises of the municipalities to be
16 unified under the charter;

17 (5) provision for exercise of the rights of initiative and
18 referendum;

19 (6) a method of amending the charter;

20 (7) the date on which the charter, if approved at the charter
21 election, is effective;

22 (8) designation of the proposed unified municipality's offi-
23 cial name;

24 (9) other charter provisions that may be included in a home
25 rule charter.

26 Sec. 29.06.320. PUBLIC HEARINGS. Both before and after drafting
27 the proposed home rule charter, the charter commission shall hold a
28 public hearing in each area represented on the assembly. Other public
29 hearings may be held by the commission as it considers necessary.

1 Sec. 29.06.330. FILING OF PROPOSED CHARTER. Upon the adoption of
2 a proposed home rule charter by the charter commission, the charter
3 shall be signed by at least a majority of the total membership of the
4 commission and shall be filed with the borough clerk. A copy of the
5 charter with signatures affixed shall also be filed with the clerk of
6 each city in the borough.

7 Sec. 29.06.340. PUBLICATION AND POSTING OF PROPOSED CHARTER.
8 Within 10 days after filing the proposed home rule charter, the borough
9 clerk shall have it published. In addition, the clerk shall have a copy
10 of the proposed charter posted in at least three public places in each
11 city and each unincorporated community in the borough. Copies of the
12 proposed charter shall be made available by the assembly to the public
13 at both the office of the borough clerk and the office of the clerk of
14 each city in the borough. The clerk shall have notice of the publica-
15 tion, posting, and availability of the proposed charter published.

16 Sec. 29.06.350. ELECTION ON CHARTER. (a) The proposed home rule
17 charter adopted by the charter commission shall be submitted to the
18 voters at a borough election held within 60 days of the date of publi-
19 cation and posting of the proposed charter. The borough clerk shall
20 prepare the ballots for use in the election and shall give notice of the
21 election by radio and television in a manner intended to apprise the
22 entire borough population of the election. The election shall be con-
23 ducted under procedures applicable to regular elections.

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

26 (c) If a majority of the votes in the area of the borough outside
27 all home rule or first class cities, and a majority of the votes in all
28 home rule and first class cities in the borough are cast in favor of the
29 proposed charter, the charter is ratified. If the charter is ratified,

1 election results shall be certified to the commission and two copies of
2 the charter shall be filed with

- 3 (1) the lieutenant governor;
- 4 (2) the commissioner of the department;
- 5 (3) the district recorder for the area of the borough;
- 6 (4) the clerk of the borough;
- 7 (5) the clerk of each city in the borough.

8 (d) If a proposed charter is rejected, the charter commission
9 shall prepare, adopt, and submit another proposed charter to the voters
10 at a borough election held within one year after the date of the first
11 charter election. If the second proposed charter is also rejected, the
12 charter commission shall be dissolved and the question of unification
13 shall be treated as if it had never been proposed or approved.

14 Sec. 29.06.360. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon
15 ratification, the home rule charter of a unified municipality operates
16 to dissolve all municipalities in the area unified in accordance with
17 the charter.

18 Sec. 29.06.370. ASSETS AND LIABILITIES. A unified municipality
19 shall succeed to all the assets and liabilities of the municipalities it
20 unified. A bonded indebtedness or other debt incurred before unifi-
21 cation remains the tax obligation of the area that contracted the debt,
22 except that by ordinance the tax obligation may be assumed by a larger
23 area if the governing body determines that the asset for which the
24 bonded indebtedness or other debt was incurred benefited the larger area
25 before unification, or benefits the larger area after unification.
26 However, bonded indebtedness or other debt for sewage collection sys-
27 tems, water distribution systems, and streets, even if determined to be
28 benefiting a larger area than that which incurred the debt, remains the
29 tax obligation of the area that incurred the debt.

1 Sec. 29.06.380. TRANSITION. Within two years after ratification
2 of the home rule charter, the unified municipality shall revise, repeal,
3 or reaffirm all municipal ordinances, resolutions, and orders in effect
4 in the area of the unified municipality on the date of unification.
5 Each ordinance, resolution, regulation, or order in effect on the date
6 of unification remains in effect until superseded by action of the
7 unified municipality.

8 Sec. 29.06.390. RIGHT TO STATE AND FEDERAL AID. All provisions of
9 law authorizing aid from the state or federal government to a former
10 municipality that was in the area of a unified municipality remain in
11 effect after unification.

12 Sec. 29.06.400. POWERS OF A UNIFIED MUNICIPALITY. A municipality
13 unified under AS 29.06.190 - 29.06.400 has all powers

- 14 (1) not prohibited by law or charter; and
15 (2) granted to a home rule borough.

16 Sec. 29.06.410. APPLICATION. AS 29.06.190 - 29.06.410 apply to
17 home rule and general law municipalities.

18 ARTICLE 5. DISSOLUTION.

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

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

23 (2) the local option method specified in AS 29.06.460 -
24 29.06.520.

25 (b) The department shall investigate a municipality that it con-
26 siders to be inactive and shall report to the Local Boundary Commission
27 on the status of the municipality. The commission may submit its
28 recommendation to the legislature that the municipality be dissolved in
29 the manner provided for submission of boundary changes in art. X, sec.

1 12 of the state constitution.

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

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

10 (b) The petition must include

11 (1) the name of the municipality;

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

14 Sec. 29.06.470. STANDARDS. (a) Except as provided in (b) of this
15 section, residents of a municipality may petition for dissolution when

16 (1) it is free of debt, or, if in debt, each of its creditors
17 is satisfied with a method of repayment; and

18 (2) either it no longer meets the minimum standards pre-
19 scribed for incorporation by AS 29.05, or former AS 29.18.030 if it is a
20 third class borough, or it ceases to use each one of its mandatory
21 powers.

22 (b) Residents of a city in a borough may petition for dissolution
23 if the borough consents to assume the city's rights, powers, duties,
24 assets, and liabilities. The consent must be ratified by a majority of
25 borough voters voting on the question.

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

29 (b) If the petition contains the required information and signa-

1 tures, the department shall investigate the proposal.

2 Sec. 29.06.490. REPORT AND HEARING. (a) The department shall
3 report its findings to the Local Boundary Commission with its recommen-
4 dation regarding the dissolution of a municipality .

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

7 Sec. 29.06.500. DECISION. (a) If the Local Boundary Commission
8 determines that a municipality fails to meet the standards for dissolu-
9 tion, it shall reject the petition. If the commission determines that
10 the municipality meets the standards, it shall accept the petition.

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

13 Sec. 29.06.510. ELECTION. (a) The Local Boundary Commission
14 shall immediately notify the director of elections of its acceptance of
15 a dissolution petition. Within 30 days after notification, the director
16 of elections shall order an election in the municipality to determine
17 whether the voters desire dissolution. The election must be held at
18 least 30 and not more than 90 days after the election order. A person
19 who is a voter of the municipality may vote in the dissolution election.

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

23 (c) The director of elections shall certify the election results.
24 If dissolution is approved, he shall declare that the municipality is
25 dissolved effective on the date of certification.

26 Sec. 29.06.520. SUCCESSION. The government succeeding to a dis-
27 solved municipality succeeds to all its rights, powers, duties, assets,
28 and liabilities.

29 Sec. 29.06.530. APPLICATION. AS 29.06.450 - 29.06.530 apply to

1 home rule and general law municipalities.

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

3 CHAPTER 10. HOME RULE MUNICIPALITIES.

4 ARTICLE 1. CHARTERS.

5 Sec. 29.10.010. MUNICIPAL CHARTER ADOPTION. (a) A general law
6 borough or first class city may adopt a charter for its own government.
7 A second class city may adopt a charter for its own government if the
8 department determines from the best figures available that the popula-
9 tion of the city is at least 600 permanent residents. A home rule
10 municipality may adopt a new charter.

11 (b) A charter is prepared by a charter commission of seven
12 elected members. A candidate for the commission shall be a voter of the
13 municipality for three years immediately preceding the charter commis-
14 sion election.

15 (c) A charter commission election is called by filing a
16 petition with the governing body or by resolution of the governing body.
17 The petition shall be signed by a number of voters equal to 15 percent
18 of the votes cast in the last regular election in the municipality.

19 Sec 29.10.020. NOMINATION. (a) A charter commission candidate is
20 nominated by a petition signed by 50 voters or the number of voters
21 equal to 10 percent of the number of votes cast in the municipality
22 during the last regular election, whichever is less.

23 (b) A nomination petition shall be filed with the municipal clerk
24 on or before a date fixed by the governing body. If at least seven
25 nominations for qualified charter commission candidates are not filed,
26 the petition or resolution calling for a charter commission is void and
27 no election on the question may be held.

28 Sec. 29.10.030. ELECTION. At a charter commission election the
29 voters shall consider the question "Shall a charter commission be elected

1 to prepare a proposed charter?" and shall elect the members of the
2 commission. If the question is approved, the seven candidates receiving
3 the highest number of votes shall immediately organize as a charter
4 commission.

5 Sec. 29.10.040. PREPARATION OF CHARTER. The charter commission
6 shall, within one year, prepare a proposed home rule charter. The
7 proposed charter shall be signed by a majority of the members of the
8 commission and filed in the office of the municipal clerk. Within 15
9 days, the clerk shall have the proposed charter published and make
10 copies available. The commission shall give published notice of and
11 hold at least one public hearing on the proposed charter before the
12 signing and filing of the charter.

13 Sec. 29.10.050. INITIATIVE AND REFERENDUM. (a) A home rule
14 charter shall provide procedures for initiative and referendum.

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

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

21 Sec. 29.10.060. CHARTER ELECTION. The proposed home rule charter
22 shall be submitted to the voters at an election held not less than 30
23 days or more than 90 days after the proposed charter is published.

24 Sec. 29.10.070. CHARTER ADOPTION. (a) If a majority of those
25 voting on the question favor the proposed charter, it becomes the organic
26 law of the municipality effective on the date the election is certified.
27 Thereafter, a court shall take judicial notice of the charter. The new
28 home rule municipality shall file the indicated number of copies of the
29 charter with

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

5 (b) At the time of voting on the proposed charter in a third class
6 borough, voters shall vote also on whether the borough shall on adoption
7 of the charter retain a combined assembly and school board or elect a
8 separate assembly and board as otherwise provided for home rule boroughs.
9 If the majority of votes cast on the question favors retention of the
10 combined assembly and board, the assembly serving at the time of the
11 charter election continues to serve as the assembly and board on voter
12 approval of the charter and until terms of assemblymen expire as pro-
13 vided before adoption of the charter. If a separate board and assembly
14 are approved at the charter election, a school board shall be elected in
15 conformity with AS 14.12.030 - 14.12.100 at the next regular election,
16 if it occurs within 90 days of the date of the charter election, or
17 otherwise at a special election within 90 days of the date of the charter
18 election. Expiration dates of terms of school board members elected at
19 a special election must coincide with the date of the regular election.
20 Until a board is elected and qualified, the assembly continues to serve
21 as the board.

22 (c) If a proposed charter is rejected, the charter commission
23 shall prepare another proposed charter to be submitted to the voters at
24 an election to be held within one year after the date of the first
25 charter election. If the second proposed charter is also rejected, the
26 charter commission shall be dissolved and the question of adoption of a
27 charter shall be treated as if it had never been proposed or approved.

28 Sec. 29.10.080. CHARTER AMENDMENT. (a) A home rule charter may
29 be amended as provided in the charter except that no amendment is effec-

1 tive unless ratified by the voters.

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

3 ARTICLE 2. HOME RULE LIMITATIONS.

4 Sec. 29.10.110. LIMITATION OF HOME RULE POWERS. Only the follow-
5 ing provisions of this title apply to home rule municipalities as pro-
6 hibitions on acting otherwise than as provided. These provisions super-
7 secede existing and prohibit future home rule enactments that provide
8 otherwise:

- 9 (1) AS 29.05.140 (transition)
- 10 (2) AS 29.06.010 (change of municipal name)
- 11 (3) AS 29.06.040 - 29.06.060 (annexation and detachment)
- 12 (4) AS 29.06.090 - 29.06.170 (merger and consolidation)
- 13 (5) AS 29.06.190 - 29.06.410 (unification of municipalities)
- 14 (6) AS 29.06.450 - 29.06.530 (dissolution)
- 15 (7) AS 29.10.080 (charter amendment)
- 16 (8) AS 29.20.010 (conflict of interest)
- 17 (9) AS 29.20.020 (meetings public)
- 18 (10) AS 29.20.050 (legislative power)
- 19 (11) AS 29.20.060 - 29.20.120 (assembly composition and
- 20 apportionment)
- 21 (12) AS 29.20.140 (qualifications of members of governing
- 22 bodies)
- 23 (13) AS 29.20.150 (term of office)
- 24 (14) AS 29.20.220 (executive power)
- 25 (15) AS 29.20.630 (prohibitions)
- 26 (16) AS 29.20.640 (reports)
- 27 (17) AS 29.25.010(a)(10) (municipal exemption on contractor
- 28 bond requirements)
- 29 (18) AS 29.25.050 (codification)

- 1 (19) AS 29.25.060 (resolutions)
- 2 (20) AS 29.26.030 (notice of elections)
- 3 (21) AS 29.26.050 (voter qualification)
- 4 (22) AS 29.26.240 - 29.26.360 (recall)
- 5 (23) AS 29.35.020 (extraterritorial jurisdiction)
- 6 (24) AS 29.35.030 (eminent domain)
- 7 (25) AS 29.35.050 (garbage and solid waste services)
- 8 (26) AS 29.35.070 (public utilities)
- 9 (27) AS 29.35.110 (post audit)
- 10 (28) AS 29.35.150(b) (effect of areawide exercise of borough
- 11 powers)
- 12 (29) AS 29.35.160 (education)
- 13 (30) AS 29.35.170(b) (assessment and collection of taxes)
- 14 (31) AS 29.35.180(b) (land use regulation)
- 15 (32) AS 29.35.250 (cities inside boroughs)
- 16 (33) AS 29.35.260 (cities outside boroughs)
- 17 (34) AS 29.35.340 (acquisition of areawide power)
- 18 (35) AS 29.40.160(a) - (c) (title to vacated areas)
- 19 (36) AS 29.40.200 (subdivisions of state land)
- 20 (37) AS 29.45.010 - 29.45.570 (property taxes)
- 21 (38) AS 29.45.650(c) and (d) (sales and use tax)
- 22 (39) AS 29.46.090 (exemption from special assessment)
- 23 (40) AS 29.47.200(b) (security for bonds)
- 24 (41) AS 29.47.260 (construction)
- 25 (42) AS 29.60.050(a) (limitation on computation and use of
- 26 payment)
- 27 (43) AS 29.60.120(a) and (c) (state aid for health facilities
- 28 and hospitals)
- 29 (44) AS 29.60.230 (state aid for hospital and health facility

1 construction)

2 (45) AS 29.65.010 - 29.65.140 (general grant land)

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

4 CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

5 ARTICLE 1. CONFLICT OF INTEREST, PUBLIC MEETINGS.

6 Sec. 29.20.010. CONFLICT OF INTEREST. (a) Each municipality
7 shall adopt a conflict of interest ordinance that provides that

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

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

13 (3) the decision of the presiding officer on a request to be
14 excused from a vote may be overridden by the majority vote of the govern-
15 ing body.

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

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

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

24 ARTICLE 2. GOVERNING BODIES.

25 Sec. 29.20.050. LEGISLATIVE POWER. (a) The legislative power of
26 a borough is vested in the assembly. The legislative power of a city is
27 vested in the council.

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

1 Sec. 29.20.060. ASSEMBLY COMPOSITION AND APPORTIONMENT. (a)
2 Assembly composition and apportionment shall be consistent with
3 the equal representation standards of the Constitution of the United
4 States.

5 (b) The assembly of a newly incorporated borough is, after incor-
6 poration and until the adoption of an ordinance providing for a change
7 in composition or apportionment, composed of the number of members and
8 apportioned as set out in the incorporation petition approved by the
9 voters. If the borough is already incorporated, the assembly shall be
10 composed and apportioned in a manner that is consistent with the re-
11 quirements of this section and prescribed by charter or ordinance.

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

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

15 (e) This section applies to home rule and general law municipali-
16 ties.

17 Sec. 29.20.070. COMPOSITION AND FORM OF REPRESENTATION. (a) The
18 assembly shall provide for its composition and for the form of its
19 representation.

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

26 (1) election of members of the assembly at large by the
27 voters throughout the borough;

28 (2) election of members of the assembly by district, includ-
29 ing

1 (A) election at large by the voters throughout the
2 borough, but with a requirement that a candidate live in an election
3 district established by the borough for election of assembly
4 members; or

5 (B) election from election districts established by the
6 borough for the election of assembly members by the voters of a
7 district;

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

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

14 (d) The assembly shall, within 30 days after certification of the
15 results of the election held under this section, adopt an ordinance
16 providing for

17 (1) composition of the assembly;

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

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

22 (e) This section does not apply to a

23 (1) unified municipality;

24 (2) home rule borough if the home rule charter contains
25 procedures for changing assembly composition and form of representation.

26 Sec. 29.20.080. ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT. (a)
27 Not later than two months after the official report of a federal de-
28 cennial census, the assembly shall determine and declare by resolution
29 whether the existing apportionment of the assembly meets the standards

1 of AS 29.20.060. If the assembly submits to the voters a form of repre-
2 sentation that includes election of assembly members under AS 29.-
3 20.070(b)(2) or (b)(3) the assembly shall submit with the proposition a
4 proposed plan of apportionment that corresponds to the form of represen-
5 tation proposed. The assembly shall describe the plan of apportionment
6 in the ballot proposition, and may present the plan in any manner that
7 it believes accurately describes the apportionment that is proposed
8 under the form of representation. If the assembly determines that its
9 existing apportionment meets the standards of AS 29.20.060, the assembly
10 may include the existing apportionment as a proposed plan of apportion-
11 ment of assembly seats that corresponds to a form of representation that
12 is proposed.

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

18 (c) If a petition signed by not less than 50 voters requests
19 the assembly to determine whether the existing apportionment meets
20 the standards for apportionment in AS 29.20.060, and the petition con-
21 tains evidence that the existing apportionment does not meet those
22 standards, the assembly may make the determination requested. The
23 assembly shall make a determination required by this subsection within
24 two months of receipt of a petition that meets the requirements of this
25 subsection.

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

1 (e) Within six months after a determination by the assembly under
2 (b) or (c) of this section that the current apportionment does not meet
3 the standards of AS 29.20.060 the assembly shall adopt an ordinance
4 providing for reapportionment and submit the ordinance to the voters.
5 If, at the end of the six-month time period, an ordinance providing for
6 reapportionment has not been approved by the voters, the commissioner
7 shall provide for the reapportionment in accordance with the standards
8 of AS 29.20.060 by preparing an order of reapportionment and delivering
9 the order to the borough mayor.

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

25 (b) The commissioner shall review the petition and may make the
26 determination requested. The commissioner shall provide copies of his
27 determination to the persons petitioning for appeal and to borough
28 officials not later than 60 days after he receives the petition.

29 (c) If the commissioner determines that the proposed reapportionment

1 ment ordinance approved by the voters does not meet the standards of
2 AS 29.20.060, or if he determines that the decision of the assembly that
3 the standards of AS 29.20.060 do not require a change of apportionment
4 is not correct, the commissioner shall, by order, direct the assembly to
5 prepare a reapportionment ordinance that meets the standards of AS 29.-
6 20.060 and submit the ordinance to the voters.

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

14 (e) If at the end of the time period provided under (d) of this
15 section an ordinance providing for reapportionment has not been approved
16 by the voters, the commissioner shall provide for the reapportionment of
17 the assembly in accordance with the standards of AS 29.20.060 by pre-
18 paring an order of reapportionment and delivering the order to the
19 borough mayor.

20 Sec. 29.20.100. JUDICIAL REVIEW AND RELIEF. (a) The commissioner
21 may request the superior court to enforce a reapportionment order issued
22 under AS 29.20.090(e).

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

24 (1) a plan of reapportionment approved by the voters under
25 AS 29.20.080(a);

26 (2) a determination by the assembly under AS 29.20.080 that
27 the standards of AS 29.20.060 do not require a change in apportionment;

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

1 (4) a reapportionment order of the commissioner made under
2 AS 29.20.090(e);

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

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

7 Sec. 29.20.110. EFFECTIVE DATE OF APPORTIONMENT. (a) A change in
8 assembly apportionment or composition under AS 29.20.080 or 29.20.090 is
9 effective beginning with the first regular election for members of the
10 assembly that is held more than 60 days after the later of

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

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

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

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

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

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

1 of the assembly.

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

4 (1) unified municipality;

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

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

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

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

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

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

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

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

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

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

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

14 Sec. 29.20.160. PROCEDURES OF GOVERNING BODIES. (a) The assembly
15 shall elect from among its members a presiding officer and a deputy
16 presiding officer to serve at the pleasure of the members, except that
17 in a borough that has adopted a manager form of government under AS 29.-
18 20.450 - 29.20.520 the mayor serves as presiding officer. In a city the
19 mayor serves as presiding officer. If the presiding officer is not
20 present or disqualifies himself, the deputy presiding officer shall
21 preside.

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

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

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

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

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

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

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

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

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

28 (3) resigns and his resignation is accepted;

29 (4) is physically or mentally unable to perform the duties

1 of his office as determined by two-thirds vote of the governing body;

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

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

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

9 (8) if a member of the governing body, misses three consecu-
10 tive regular meetings and is not excused.

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

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

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

23 ARTICLE 3. MUNICIPAL EXECUTIVE AND ADMINISTRATOR.

24 Sec. 29.20.220. EXECUTIVE POWER. (a) The executive power in a
25 municipality is vested in a mayor. The mayor of a home rule or unified
26 municipality is elected by the voters, and the mayor of other municipali-
27 ties is elected in accordance with AS 29.20.230.

28 (b) The mayor acts as ceremonial head of government, executes
29 official documents on authorization of the governing body, and is

1 responsible for additional duties and powers prescribed by this chapter
2 or by home rule charter.

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

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

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

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

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

26 (b) Residency requirements for the office of mayor not exceeding
27 three years may be prescribed by ordinance.

28 Sec. 29.20.250. POWERS AND DUTIES OF MAYOR. (a) If a municipality
29 has not adopted a manager plan of government under AS 29.20.460 -

1 29.20.520, the administrative power is vested in the mayor and the mayor
2 has the same powers and duties as those of the manager.

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

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

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

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

24 (c) The veto does not extend to

- 25 (1) appropriation items in a school budget ordinance;
26 (2) actions of the governing body sitting as board of equali-
27 zation or the board of adjustment;
28 (3) adoption or repeal of a manager plan of government.

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

1 Sec. 29.20.280. VACANCY IN THE OFFICE OF MAYOR. (a) The govern-
2 ing body shall, by two-thirds concurring vote, declare the office of
3 mayor vacant only when the person elected

4 (1) fails to qualify or take office within 30 days after his
5 election or appointment;

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

8 (3) resigns and his resignation is accepted;

9 (4) is physically or mentally unable to perform the duties of
10 his office;

11 (5) is convicted of a felony or of an offense involving a
12 violation of his oath of office;

13 (6) is convicted of a felony or misdemeanor described in
14 AS 15.56; or

15 (7) no longer physically resides in the municipality; or

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

18 (b) A vacancy in the office of mayor occurring six months before a
19 regular election shall be filled by the governing body. The person
20 appointed serves until the next regular election when a successor is
21 elected to serve the balance of the term. If a member of the governing
22 body is appointed mayor, he shall resign his seat on the governing body.
23 If a vacancy occurs more than six months before a regular election, the
24 governing body shall call a special election to fill the unexpired term.

25 (c) Notwithstanding (b) of this section, a vacancy in the office
26 of mayor of a second class city shall be filled by and from the council.
27 A mayor appointed under this section serves the balance of the term to
28 which appointed, except he may serve only while he is a member of the
29 council.

1 ARTICLE 4. BOARDS AND COMMISSIONS.

2 Sec. 29.20.300. SCHOOL BOARDS. (a) Each municipal school district
3 has a school board. Except as provided in (b) of this section members
4 are elected at the regular election for three-year terms and until their
5 successors take office. Members are elected at large unless a different
6 method of election has been approved by the voters in a regular election.

7 (b) The assembly is the school board for a third class borough.
8 The mayor is the presiding officer of the assembly and president of the
9 school board; however, he may not veto an action of the school board.

10 Sec. 29.20.310. UTILITY BOARDS. (a) The governing body of a
11 municipality operating a public utility may provide by ordinance for a
12 managing board of five members and define the board's powers and duties.

13 (b) As determined by ordinance, members of a utility board are
14 appointed by the municipal executive and confirmed by the governing body
15 or are elected at a regular election. The term of a utility board
16 member is two years and until a successor is selected and qualifies.
17 However, the governing body may by ordinance provide for a different
18 term not to exceed four years. The current term of an elected incumbent
19 may not be altered.

20 (c) Vacancies on a utility board are filled by the municipal
21 executive. Executive appointments shall be confirmed by the governing
22 body. A person appointed to fill a vacancy on a utility board serves
23 until the expiration of the term for which appointed and until a
24 successor is elected and qualifies.

25 (d) Unless otherwise provided by ordinance, a utility board shall
26 (1) choose its chairman and secretary;
27 (2) appoint the manager of the public utility for a term not
28 longer than five years and set his salary;

29 (3) formulate and enforce the general rules and policies of