

LEG. FINANCE - BILLS 1981 - 1982 1642

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1 the utility.

2 Sec. 29.20.320. OTHER BOARDS AND COMMISSIONS. (a) The governing  
3 body may by ordinance establish advisory, administrative, technical, or  
4 quasi-judicial boards and commissions.

5 (b) Members of boards and commissions, except for members of the  
6 board of adjustment and assembly members serving on the board of equali-  
7 zation, are appointed by the mayor and confirmed by the governing body.

8 ARTICLE 5. OTHER OFFICIALS AND EMPLOYEES.

9 Sec. 29.20.360. APPOINTMENT OF OFFICIALS. Unless otherwise pro-  
10 vided by ordinance, the municipal clerk, attorney, treasurer, and police  
11 chief are appointed by the chief administrative official. Unless other-  
12 wise provided by ordinance, an official described in this section serves  
13 at the pleasure of the appointing authority and, if appointed by the  
14 chief administrative official, must be confirmed by the governing body.

15 Sec. 29.20.370. MUNICIPAL ATTORNEY. The municipal attorney is the  
16 legal advisor of the governing body, the school board, and the other  
17 officials of the municipality. He represents the municipality as  
18 attorney in civil and criminal proceedings. The school board may hire  
19 independent counsel when in its judgment independent counsel is needed.

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

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

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

25 (3) arrange publication of notices, ordinances, and resolu-  
26 tions;

27 (4) maintain and make available for public inspection an  
28 indexed file containing municipal ordinances, resolutions, rules, regula-  
29 tions, and codes;

1 (5) attest deeds and other documents;

2 (6) perform other duties specified in this title or pre-  
3 scribed by the chief executive or by the governing body.

4 (b) The governing body may combine the office of clerk with that  
5 of treasurer. If the offices are combined, the clerk-treasurer shall,  
6 as required of the treasurer, give his bond to the municipality for the  
7 faithful performance of his duties as clerk-treasurer.

8 Sec. 29.20.390. MUNICIPAL TREASURER. (a) Except as provided in  
9 AS 14.14.060, the treasurer is the custodian of all municipal funds. He  
10 shall keep an itemized account of money received and disbursed. He  
11 shall pay money on vouchers drawn against appropriations.

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

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

16 (b) Each municipal department is administered by a department  
17 head. With the consent of the governing body, the mayor may serve as  
18 head of one or more departments or a single administrator may serve as  
19 head of two or more departments.

20 Sec. 29.20.410. PERSONNEL SYSTEM. (a) Except as provided by (b)  
21 of this section, appointments and promotions of municipal employees are  
22 made on the basis of merit. The governing body may provide for a per-  
23 sonnel system and classified service.

24 (b) By ordinance the governing body may designate confidential or  
25 managerial positions that are wholly or partially exempt from the classi-  
26 fied service. A wholly or partially exempt position is filled by a  
27 person who serves at the pleasure of the appointing authority and whose  
28 term of employment is determined by the appointing authority.

29 ARTICLE 6. MANAGER PLAN.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

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27 person who serves at the pleasure of the appointing authority and whose  
28 term of employment is determined by the appointing authority.

29 ARTICLE 6. MANAGER PLAN.

1           Sec. 29.20.460. MANAGER PLAN. A municipality may adopt a manager  
2 plan of government. Adoption of a manager plan may be initiated either  
3 by petition or by motion of the governing body. A petition for the  
4 adoption of a manager plan is submitted to the governing body. The  
5 petition must be signed by a number of voters equal to the following  
6 percentage of the votes cast at the preceding regular election:

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

9           (2) 15 percent if the municipality has 7,500 persons or more.

10          Sec. 29.20.470. ELECTION. On receipt of a petition to adopt a  
11 manager plan or on its own motion to adopt a manager plan, the governing  
12 body shall provide by ordinance or resolution for a vote on the question  
13 at the next election.

14          Sec. 29.20.480. ADOPTION. (a) If a manager plan is approved, the  
15 governing body shall, within 60 days, adopt the plan by ordinance or  
16 resolution.

17          (b) The governing body shall notify the department of the adoption  
18 of a manager plan.

19          Sec. 29.20.490. APPOINTMENT. (a) The governing body shall appoint  
20 a manager by a majority vote of its membership. He is chosen on the  
21 basis of his administrative qualifications and receives the compensation  
22 set by the governing body. A member of the governing body may not be  
23 appointed manager of the municipality sooner than one year after leaving  
24 office, except by a vote of three-fourths of the authorized membership  
25 of the governing body.

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

28          Sec. 29.20.500. POWERS AND DUTIES OF A MANAGER. As chief admin-  
29 istrator the manager shall

1 (1) appoint, suspend, or remove municipal employees and  
2 administrative officials, except as provided otherwise in this title and  
3 AS 14.14.065; he may hire necessary administrative assistants and may  
4 authorize an administrative official to appoint, suspend, or remove  
5 subordinates;

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

8 (3) prepare and submit an annual budget and capital improve-  
9 ment program for consideration by the governing body, and execute the  
10 budget and capital improvement program adopted;

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

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

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

17 (7) serve as personnel officer, unless the governing body  
18 authorizes him to appoint a personnel officer.

19 Sec. 29.20.510. INTERGOVERNMENT APPOINTMENTS. A borough adopting  
20 a manager plan may, on agreement with a city in the borough, provide  
21 that the manager of the city serve also as borough manager. A city  
22 adopting a manager plan may, on agreement with the borough in which it  
23 is located, provide that the manager of the borough serve also as city  
24 manager. Appointment and service of the manager shall be as provided in  
25 AS 29.20.490 - 29.20.500. Nothing in this section affects the authority  
26 of the governing body to provide for other dual officeholding if the  
27 dual offices held are compatible, or otherwise to appoint officials and  
28 employees in accordance with law.

29 Sec. 29.20.520. REPEAL. A municipality may repeal a manager plan

1 in the same manner used for its adoption. Within 60 days after repeal  
2 of a manager plan, the governing body shall enact provisions for the  
3 reorganization of the municipal executive and administrative functions.

4 ARTICLE 7. MISCELLANEOUS PROVISIONS.

5 Sec. 29.20.600. OATHS OF OFFICE. Before taking office a municipal  
6 official shall affirm in writing that he will honestly, faithfully, and  
7 impartially perform his duties. The oath is filed with the municipal  
8 clerk.

9 Sec. 29.20.610. BONDING. The manager and the other municipal  
10 officials or employees that the governing body may designate shall give  
11 bond in the amount and with the surety prescribed by the governing body.  
12 Premiums on bonds are paid by the municipality.

13 Sec. 29.20.620. COMPENSATION FOR ELECTED OFFICIALS. The governing  
14 body shall by ordinance provide a method of determining the salaries of  
15 elected officials. The salary of the mayor may not be reduced during  
16 his term of office, unless during his term a manager plan is adopted.  
17 An elected official may not receive compensation for service to the  
18 municipality in addition to his salary, unless otherwise provided by  
19 ordinance. Per diem payments or reimbursements for expenses are not  
20 compensation under this section.

21 Sec. 29.20.630. PROHIBITIONS. (a) Subject to AS 14.14.140, a  
22 state employee or school district employee may not be denied the right  
23 to serve as an elected municipal official because of his employment by  
24 the state or a school district. For purposes of this section a school  
25 district employee is not a municipal employee.

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

28 Sec. 29.20.640. REPORTS. (a) A municipality shall file with the  
29 department

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

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

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

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

7 (5) a summary of the optional property tax exemptions autho-  
8 rized together with the estimate of the revenues lost to the municipal-  
9 ity by operation of each of the exemptions.

10 (b) Compliance with the provisions of this section is a prerequi-  
11 site to receipt of municipal tax resource equalization assistance under  
12 AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal  
13 services under AS 29.60.100 - 29.60.180. The department shall withhold  
14 annual allocations under those sections in the event of noncompliance  
15 until the report requirements are met.

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

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

19 CHAPTER 25. MUNICIPAL ENACTMENTS.

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

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

24 (2) provide for a fine or other penalty, or establish rules  
25 or regulations for violation of which a fine or other penalty is im-  
26 posed;

27 (3) provide for the levying of taxes;

28 (4) make appropriations, including supplemental appropriations  
29 or transfer of appropriations;

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

2 (6) adopt, modify, or repeal the comprehensive plan, land use  
3 and subdivision regulations, building and housing codes, and the official  
4 map;

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

7 (8) designate the borough seat;

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

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

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

17 Sec. 29.25.020. ORDINANCE PROCEDURE. (a) An ordinance is intro-  
18 duced in writing in the form required by the governing body.

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

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

23 (2) an ordinance shall be set by the governing body for a  
24 public hearing by the affirmative vote of a majority of the votes autho-  
25 rized on the question;

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

29 (4) copies of the ordinance shall be available to all persons

1 present at the hearing, or the ordinance shall be read in full;

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

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

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

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

10 Sec. 29.25.030. EMERGENCY ORDINANCES. (a) To meet a public  
11 emergency the governing body may adopt an emergency ordinance effective  
12 on adoption. Each emergency ordinance shall contain a finding by the  
13 governing body that an emergency exists and a statement of the facts  
14 upon which the finding is based. An emergency ordinance may be adopted,  
15 amended and adopted, or rejected at the meeting at which it is intro-  
16 duced. The affirmative vote of all members present, or the affirmative  
17 vote of three-fourths of the total membership, whichever is less, is  
18 required for adoption of an emergency ordinance. The governing body  
19 shall print and make available copies of adopted emergency ordinances.

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

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

24 Sec. 29.25.040. CODES OF REGULATION. The governing body may in a  
25 single ordinance adopt or amend by reference provisions of a published  
26 code of municipal regulations. The procedure under AS 29.25.050 applies  
27 to an ordinance adopted under this section, except that neither the  
28 ordinance or its amendments must be distributed to the public or read in  
29 full at the public hearing. For a period of 15 days before adoption of

1 an ordinance under this section, at least five copies of the code of  
2 regulations shall be made available for public inspection at a time and  
3 place set out in the hearing notice. Only the ordinance must be printed  
4 after it is adopted under this section. The governing body shall provide  
5 for an adopted code of regulations to be made available to the public at  
6 no more money than cost.

7 Sec. 29.25.050. CODIFICATION. (a) Each ordinance shall be codi-  
8 fied after it is adopted.

9 (b) Within three years after incorporation of a municipality, the  
10 municipal clerk or his designee shall have prepared a general codifi-  
11 cation of all municipal ordinances of general applicability having the  
12 force and effect of law. The municipal code shall be revised and printed  
13 at least every five years, unless the code is kept current by regular  
14 supplements.

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

16 (1) the ordinance has been given a serial number or other  
17 permanent identifying number, and, bearing a notation of the date of  
18 adoption and the adopting authority, it has been entered by the municipal  
19 clerk in a properly indexed book maintained for the purposes of organ-  
20 izing and recording the ordinances; or

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

25 (d) This section applies to home rule and general law munici-  
26 palities.

27 Sec. 29.25.060. RESOLUTIONS. (a) The governing body shall provide  
28 for the maintenance of a permanent file of resolutions that have been  
29 adopted.

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

3 Sec. 29.25.070. PENALTIES. (a) For the violation of an ordinance,  
4 a municipality may prescribe penalties not to exceed those imposed for a  
5 class B misdemeanor.

6 (b) The municipality or an aggrieved person may institute a civil  
7 action against a person who violates an ordinance. In addition to  
8 injunctive and compensatory relief, a civil penalty not to exceed \$1,000  
9 may be imposed for each violation. An action to enjoin a violation may  
10 be brought notwithstanding the availability of any other remedy. On  
11 application for injunctive relief and a finding of a violation or a  
12 threatened violation, the superior court shall grant the injunction.  
13 Each day that a violation of an ordinance continues constitutes a separ-  
14 ate violation.

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

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

19 CHAPTER 26. ELECTIONS.

20 ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

21 Sec. 29.26.010. ADMINISTRATION. The governing body shall pre-  
22 scribe the rules for conducting an election and shall appoint an elec-  
23 tion board composed of at least three judges for each precinct. A judge  
24 shall be a voter of the precinct for which he is appointed unless no  
25 voter is willing to serve.

26 Sec. 29.26.020. NOMINATIONS. (a) Subject to other provisions of  
27 this title, the governing body shall provide by ordinance for nomina-  
28 tions of elected officials by providing for declaration of candidacy or  
29 for petition requiring the signatures of not more than 10 voters, or for

1 both.

2 (b) A person may be nominated for and occupy more than one office,  
3 but he may not serve simultaneously as borough mayor and as a member of  
4 the assembly or, in a first class city, as city mayor and as a member of  
5 the council.

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

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

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

14 Sec. 29.26.050. VOTER QUALIFICATION. (a) A person may vote in a  
15 municipal election only if he

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

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

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

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

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

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

29 Sec. 29.26.060. MAJORITY ELECTIONS. (a) Unless otherwise pro-

1 vided by ordinance, a runoff election shall be held if no candidate  
2 receives over 40 percent of the votes cast for the office of mayor or  
3 member of the governing body or school board.

4 (b) Unless otherwise provided by ordinance, a runoff election  
5 shall be held within three weeks after the date of certification of the  
6 election for which a runoff is required, and notice of the runoff elec-  
7 tion shall be published at least five days before the election date.

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

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

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

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

25 (e) A person may not appeal or seek judicial review of an election  
26 for any cause unless the person is a municipal voter, has exhausted his  
27 administrative remedies before the governing body, and has commenced,  
28 within 10 days after the governing body has declared the election  
29 results, an action in the superior court in the judicial district in

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

4 ARTICLE 2. INITIATIVE AND REFERENDUM.

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

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

19 (1) is not restricted by AS 29.26.100;

20 (2) includes only a single subject;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 ARTICLE 3. RECALL.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

25 ARTICLE 1. GENERAL POWERS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (14) to sue and be sued.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 ARTICLE 2. MANDATORY AREAWIDE POWERS.

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

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

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

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

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

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

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

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

12                           ARTICLE 3. ADDITIONAL POWERS.

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

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

18                   (1) provide transportation systems;

19                   (2) provide water pollution control;

20                   (3) provide air pollution control in accordance with AS 46.-  
21 03.140 - 46.03.240;

22                   (4) license day care facilities;

23                   (5) license, impound, and dispose of animals.

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

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

1 basis:

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

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

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

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

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

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

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

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

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

17 ARTICLE 4. CITY POWERS.

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

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

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

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

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

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

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

16           ARTICLE 5. ACQUISITION OF ADDITIONAL POWERS.

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

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

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

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

1 transferred to it by a city.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 ARTICLE 6. CONSTRUCTION OF POWERS.

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

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

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

18 ARTICLE 7. SERVICE AREAS.

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

25 (1) the city agrees by ordinance; or

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

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

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

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

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

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

17 Sec. 29.35.490. SERVICE AREAS IN SECOND AND THIRD CLASS BOROUGHES.

18 (a) A second class borough may exercise in a service area any power  
19 granted a first class city by law or a nonareawide power that may be  
20 exercised by a first class borough if

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

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

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

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

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

10 ARTICLE 8. MISCELLANEOUS PROVISIONS.

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

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

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

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

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

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

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

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

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

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

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

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

22 (2) a land use plan;

23 (3) a community facilities plan;

24 (4) a transportation plan; and

25 (5) recommendations for implementation of the plan.

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

1 as necessary.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (2) dimensions and design of lots;

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

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

1 other public uses.

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

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

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

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

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

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

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

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

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

25 (1) initial point of survey;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (2) other boards or commissions;

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

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

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

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

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

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

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

1 sioner of natural resources unless the platting authority

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

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

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

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

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

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

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

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

22 CHAPTER 45. MUNICIPAL TAXATION.

23 ARTICLE 1. MUNICIPAL PROPERTY TAX.

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

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

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

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

1 the service area.

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

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

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

10 "NOTICE TO TAXPAYER

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

14 PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE

15 (AS 14.17) \$

16 STATE AID FOR RETIREMENT OF SCHOOL CONSTRUC-

17 TION DEBT (AS 43.18.100) \$

18 MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE

19 (AS 29.60.010 - 29.60.080) \$

20 STATE AID FOR MISCELLANEOUS MUNICIPAL

21 SERVICES (AS 29.60.100 - 29.60.180) \$

22 TOTAL AID \$

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

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

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

8 Notice shall be provided

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

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

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

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

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

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

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

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

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

4 (5) money on deposit;

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

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

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

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

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

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

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

25 (e) The real property owned and occupied as a permanent place of  
26 abode by a resident 65 years of age or over is exempt from taxation of  
27 the assessed value of the real property. Real property may not be  
28 exempted under this subsection that the assessor determines, after  
29 notice and hearing to the parties concerned, has been conveyed to the

1 applicant primarily for the purpose of obtaining the exemption. The  
2 determination of the assessor is appealable under AS 44.62.560 and  
3 44.62.570.

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

24 (g) The state shall reimburse a borough or city, as appropriate,  
25 for the real property tax revenues lost to it by the operation of (e) of  
26 this section. However, reimbursement will be made to a municipality for  
27 revenue lost to it only to the extent that the loss exceeds an exemption  
28 that was granted by the municipality, or that on proper application by  
29 an individual would have been granted under AS 29.45.050(a).

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

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

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

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

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

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

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

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

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

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

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

23 (b) A municipality may by ordinance

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

27 (2) classify and exempt from taxation

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

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

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

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

11 (3) exempt personal property from taxation.

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

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

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

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

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

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

1 ing property from taxation.

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

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

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

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

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

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

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

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

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

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

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

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

3 Sec. 29.43.070. MOBILE HOMES. Mobile homes, trailers, house  
4 trailers, trailer coaches and similar property used or intended to be  
5 used for residential, office, or commercial purposes and attached to the  
6 land or connected to water, gas, electric, or sewage facilities are  
7 classified as real property for tax purposes unless expressly classified  
8 as personal property by ordinance. This section does not apply to house  
9 trailers and mobile homes that are unoccupied and held for sale by  
10 persons engaged in the business of selling mobile homes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 12             (1) a description of all taxable property;  
13             (2) the assessed value of all taxable property;  
14             (3) the names and addresses of persons with property subject

15 to assessment and taxation.

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

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

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

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

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

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

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

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

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

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

1 appealed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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ARTICLE 2. ENFORCEMENT OF TAX LIENS.

Sec. 29.45.290. VALIDITY. Certified assessment and tax rolls are valid and binding on all persons, notwithstanding a defect, error, omission, or invalidity in the assessment rolls or proceedings pertaining to the assessment roll.

Sec. 29.45.300. TAX LIABILITY. (a) The owner of assessed personal property is personally liable for the amount of taxes assessed against his property. The tax, together with penalty and interest, may be collected in a personal action brought in the name of the municipality.

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

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

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

1 sale is forever barred.

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

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

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

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

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

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

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

- 25 (1) the last known owner;  
26 (2) the property description as stated on the assessment  
27 roll;  
28 (3) years and amounts of delinquency;  
29 (4) penalty and interest due;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 ARTICLE 3. CITY PROPERTY TAX.

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

8 Sec. 29.45.560. CITIES INSIDE BOROUGHS. Home rule and first class  
9 cities inside boroughs may levy a property tax. A property tax, if  
10 levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.100,  
11 29.45.250, 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The council  
12 shall by June 15 of each year present to the assembly a statement of the  
13 city's rate of levy unless a different date is agreed upon by the borough  
14 and city.

15 Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to  
16 home rule and general law municipalities.

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

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

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

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

7 ARTICLE 4. BOROUGH SALES AND USE TAX.

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

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

16 (c) A person who furnishes proof, in the form required by the  
17 borough tax collector, that he has paid a sales tax on the source on  
18 which a use tax is levied by the borough is required to pay the use tax  
19 only to the extent of the difference between the amount of the sales tax  
20 paid and the amount of the use tax levied by the borough. This subsec-  
21 tion applies to a sales tax levied in any taxing jurisdiction whether  
22 inside or outside the state.

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

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

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

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

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

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

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

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

1 ARTICLE 5. CITY SALES AND USE TAXES.

2 Sec. 29.45.700. POWER OF LEVY. (a) A city in a borough that  
3 levies and collects areawide sales and use taxes may levy sales and use  
4 taxes on all sources taxed by the borough in the manner provided for  
5 boroughs, except that the assembly may by ordinance authorize a city to  
6 levy and collect sales and use taxes on other sources.

7 (b) A city in a borough that does not levy and collect sales and  
8 use taxes for areawide borough functions may levy and collect sales and  
9 use taxes in the manner provided for boroughs.

10 (c) A city outside a borough may levy and collect sales and use  
11 taxes in the manner provided for boroughs.

12 Sec. 29.45.710. COMBINING SALES AND USE TAX WITH INCORPORATION OF  
13 A SECOND CLASS CITY. A petition for incorporation of a second class  
14 city may request that a sales and use tax proposal be placed on the same  
15 ballot. The petition must state the proposed tax rate. The petition  
16 may request that incorporation be dependent on the passage of the tax  
17 proposition. If so, the incorporation proposition fails if the tax  
18 fails.

19 \* Sec. 12. AS 29 is amended by adding a new chapter to read:

20 CHAPTER 46. SPECIAL ASSESSMENTS.

21 Sec. 29.46.010. ASSESSMENT AND PROPOSAL. The municipality may  
22 assess against the property of a state or federal governmental unit and  
23 private real property to be benefited by an improvement all or a portion  
24 of the cost of acquiring, installing, or constructing capital improve-  
25 ments. The state shall pay an assessment levied, except as otherwise  
26 provided by law and subject to its right of protest under AS 29.46.020-  
27 (a)(8). If a governmental unit other than the state benefited by an  
28 improvement refuses to pay the assessment, it shall be denied the benefit  
29 of the improvement. An improvement proposal may be initiated by

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

3           (2) the governing body.

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

8           (1) a procedure for filing petitions;

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

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

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

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

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

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

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

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

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

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

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

14 (c) The governing body shall set a time for public hearing on the  
15 improvement plan and the period for filing objections to the plan. The  
16 governing body shall publish a notice of the hearing and of the period  
17 during which objections may be filed at least once a week for four  
18 consecutive weeks in a newspaper of general circulation if distributed  
19 in the municipality and shall send notice by mail to every record owner  
20 of property in the special assessment district.

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

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

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

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

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

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

18 Sec. 29.46.070. HEARING AND SETTLEMENT. After the public hearing,  
19 the governing body shall correct errors and inequalities in the roll.  
20 If an assessment is increased, a new hearing shall be set and notice  
21 published, except that a new hearing and notice is not required if all  
22 record owners of property subject to the increased assessment consent in  
23 writing to the increase. Objections to the increased assessment shall  
24 be limited to record owners of property on which the assessment was  
25 increased. When the roll is corrected, it shall be confirmed by resolu-  
26 tion or ordinance.

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

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

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

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

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

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

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

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

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

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