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

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

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

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

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

20 (e) In this section

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

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

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

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

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

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

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

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

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

16 (4) interest on interim financing;

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

19 (6) the cost of completing the improvement and financing the
20 improvement, including the issuance of bonds.

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

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

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

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

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

10 (b) Notes issued against assessments shall be claims against the
11 assessments that are prior and superior to a right, lien or claim of a
12 surety on the bond given to the municipality to secure the performance
13 of its contract for a local improvement project, or to secure the payment
14 of persons who have performed work or furnished materials under the
15 contract.

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

18 (1) assessments against which the notes were issued in order
19 of priority;

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

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

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

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

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

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

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

18 CHAPTER 47. MUNICIPAL DEBT.

19 ARTICLE 1. REVENUE ANTICIPATION NOTES.

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

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

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

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

11 (b) If the state or federal grants for capital improvement pro-
12 jects have not been paid to the municipality before maturity of the
13 notes issued in anticipation of the receipt of the revenue, the govern-
14 ing body may issue new notes in order to meet payment of the notes then
15 maturing or may renew the outstanding revenue anticipation notes. New
16 notes issued or renewals of outstanding revenue anticipation notes
17 mature not later than the end of the next fiscal year.

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

22 ARTICLE 2. BOND ANTICIPATION NOTES.

23 Sec. 29.47.080. BOND ANTICIPATION BORROWING. A municipality may
24 borrow money in anticipation of the sale of general obligation and
25 revenue bonds if

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

28 (2) the revenue bonds to be sold have been authorized by
29 ordinance.

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

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

16 Sec. 29.47.110. REPAYMENT OF NOTES. Every note is payable from
17 the proceeds of the sale of bonds that the notes anticipated or from the
18 proceeds of the sale of new bond anticipation notes.

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

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

27 Sec. 29.47.130. LIMITATION. The total amount of notes issued and
28 outstanding may at no time exceed the total amount of bonds authorized
29 to be issued.

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

5 ARTICLE 3. GENERAL OBLIGATION BONDS.

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

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

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

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

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

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

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

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

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

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

6 ARTICLE 4. REVENUE BONDS.

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

11 (b) A municipality may issue its revenue bonds to finance the
12 purchase of residential mortgage loans. The revenue bonds issued under
13 this subsection are payable solely from the principal and interest of
14 the mortgage loans and from other amounts pledged by the municipality,
15 except the pledge of revenues derived from taxes. Revenue bonds issued
16 under this subsection do not constitute a general obligation of the
17 municipality.

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

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

24 ARTICLE 5. REFUNDING BONDS.

25 Sec. 29.47.300. AUTHORIZATION. If a municipality has outstanding
26 general obligation or revenue bonds and the governing body determines
27 that it would be financially advantageous to refund the bonds, the
28 municipality may provide by ordinance or resolution for the issuance of
29 negotiable or nonnegotiable

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

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

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

13 Sec. 29.47.330. PAYMENT OF REFUNDING BONDS. General obligation
14 refunding bonds are payable according to AS 29.47.200. Revenue refund-
15 ing bonds are payable according to AS 29.47.240.

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

21 ARTICLE 6. MISCELLANEOUS PROVISIONS.

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

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

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

7 (c) A municipality may

8 (1) loan the proceeds of the bonds issued under this section;

9 (2) pledge, mortgage or assign money, leases, agreements,
10 property, or other assets of the project being financed;

11 (3) enter into covenants and agreements concerning bonds
12 issued under this section that the municipality determines to be de-
13 sirable;

14 (4) provide for any matter that affects the security of the
15 bonds.

16 (d) In this section

17 (1) "bonds" means bonds, notes, or other evidence of indebt-
18 edness;

19 (2) "project" includes but is not limited to commercial,
20 manufacturing, agricultural, industrial, residential housing, recrea-
21 tion, tourism, and medical projects and programs.

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

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

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

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

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

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

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

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

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

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

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

CORRECTION

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

4 Sec. 29.47.420. INTEREST RATE. The interest rate payable on a
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13 (1) on an areawide basis for areawide functions; or

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

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

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

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

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

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

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

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

17 CHAPTER 55. MUNICIPAL PROGRAMS.

18 Sec. 29.55.010. CREATION OF LOCAL HISTORICAL DISTRICT COMMISSIONS.
19 The governing body of a municipality may establish a local historical
20 district commission or designate the planning commission or itself to
21 serve as the historical district commission.

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

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

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

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

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

17 CHAPTER 60. STATE PROGRAMS.

18 ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

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

23 (b) The equalization entitlement computed for a taxing unit is
24 based on the population, relative ability to generate revenue, and local
25 tax burden of the taxing unit and is determined by the application of
26 the formula

27 Entitlement = P x R

28 where P = population, and

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

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

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

7 (1) includes

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

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

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

19 (D) special assessments received during the preceding
20 fiscal year; and

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

24 (2) excludes

25 (A) revenue derived from the levy and collection of
26 municipal taxes and appropriated for the operating expenses and
27 debt service of utilities;

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

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

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

7 (b) The population of the taxing unit includes the population of
8 any military reservation that is a part of the taxing unit.

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

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

20 (c) As early as possible, but not later than December 15 of each
21 year, the department shall make a final determination of the millage
22 rate equivalent of each taxing unit to use to compute and distribute
23 equalization entitlements under AS 29.60.010 - 29.60.080. The depart-
24 ment shall base the determination on audits, financial statements and
25 other financial reports prepared and submitted by a municipality. The
26 department shall adjust the locally generated revenue reported by a
27 municipality to exclude the municipal revenue claimed that does not
28 qualify for inclusion in or recognition as locally generated revenue for
29 municipal purposes under AS 29.60.010(c)(1). The adjustment shall be

1 made by deducting from total revenue claimed by the municipality the
2 amount of the department's estimate of revenue that is not recognized
3 for municipal purposes.

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

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

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

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

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

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

29 Sec. 29.60.040. REPORTS. A payment of an equalization entitlement

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

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

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

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

22 Sec. 29.60.060. TAX EQUALIZATION ACCOUNT. The tax equalization
23 account is established. Money to carry out the provisions of AS 29.60.-
24 010 - 29.60.080 shall be allocated by the department to the account.
25 The amount allocated to the account shall be fully distributed by the
26 department as payments to municipalities to fulfill each share autho-
27 rized under AS 29.60.010. The amount allocated to the account shall be
28 distributed by the department pro rata among eligible municipalities.

29 Sec. 29.60.070. ADMINISTRATION. (a) The department may adopt

1 regulations necessary to implement AS 29.60.010 - 29.60.080. The regu-
2 lations shall include, among other provisions,

3 (1) procedures and filing dates for submitting certification
4 and financial reports;

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

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

12 (b) The department shall make reasonable efforts to advise and
13 assist municipalities in collecting information and completing reports
14 necessary for the determination of entitlements under AS 29.60.010 -
15 29.60.080.

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

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

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

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

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

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

27 ARTICLE 2. STATE AID FOR MISCELLANEOUS PURPOSES.

28 Sec. 29.60.100. REVENUE SHARING PAYABLE. In addition to the
29 equalization entitlements paid under AS 29.60.010 - 29.60.080, during

1 each fiscal year the department shall pay aid

2 (1) to a municipality or other eligible recipient that has
3 the power to provide the services described in AS 29.60.030 - 29.60.070
4 and exercises the power in the manner required by AS 29.60.100 - 29.60.-
5 180;

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

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

18 (b) A frozen waterway and a connection from an inhabited area to a
19 waterway that may be safely used for public transportation by automotive
20 equipment and is so used during a portion of a year is eligible for a
21 payment of \$1,500 per mile if the waterway and connection are maintained
22 during the period of use by a municipality or combination of municipali-
23 ties. The department, after consultation with the Department of Trans-
24 portation and Public Facilities, shall determine which waterways and
25 connections qualify and, where the waterways or connections lie outside
26 the corporate limits of a municipality, which municipalities shall
27 receive the payments under this subsection, unless the municipalities
28 involved have agreed in writing to a particular distribution.

29 Sec. 29.60.120. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE

1 RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The department
2 shall pay

3 (1) to a municipality that has the power to provide hospital
4 facilities and services and that exercises that power, \$1,000 per bed
5 for each bed actually used for patient care, limited to the number of
6 beds provided for in the construction design of the hospital, or
7 \$250,000 a hospital for those hospitals with 10 or more beds, or \$50,000
8 a hospital for those hospitals with less than 10 beds, as the municipal-
9 ity may elect; money received under this paragraph may be used only for
10 hospitals and shall be apportioned among qualifying hospitals as the
11 municipality determines;

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

23 (3) to a municipality in which a health facility is operated,
24 \$2,000 per bed for each bed actually used for patient care, limited to
25 the number of beds provided for in the construction design of the health
26 facility, or \$8,000 per health facility as the municipality determines.

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

29 (c) Money received by a municipality under (a)(3) of this section

1 shall be used for expenses of health services or operation and main-
2 tenance of health facilities as the municipality determines.

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

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

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

16 (b) A grant shall be made under (a) of this section to facilitate
17 the organization of a volunteer fire department in an area not in an
18 organized municipality, upon application of the proposed fire protection
19 group to the state fire marshal and upon approval of applications accord-
20 ing to standards of organization and service prescribed by regulations
21 adopted by the state fire marshal.

22 Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. The
23 state shall pay \$25,000 to each unincorporated community to be used for
24 a public purpose. An entitlement under this section shall be paid to an
25 organization located in the unincorporated community that is able to
26 provide public services to the unincorporated community as determined by
27 regulation of the department. The department may not pay an entitlement
28 under this section to an organization with sovereign immunity unless the
29 organization waives sovereign immunity on a form provided by the Depart-

1 ment of Law. In this section

2 (1) "organization" means a nonprofit corporation, nonprofit
3 association, or other nonprofit organization;

4 (2) "unincorporated community" means a community with 25 or
5 more residents that is not a municipality and that is located in the
6 unorganized borough.

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

13 Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments
14 to a municipality or other eligible recipient under AS 29.60.110 -
15 29.60.120 shall reflect area cost-of-living differentials. Payments
16 shall be based on the sum of per capita, per mile and per bed or facil-
17 ity grants due each municipality or other recipient multiplied by the
18 appropriate area cost-of-living differential. The area cost-of-living
19 differential for each recipient shall be determined annually by election
20 district under the provisions of AS 39.27.030. Application of the area
21 cost-of-living differential may not result in distribution of an amount
22 less than the amount of the payment determined without reference to
23 application of this section.

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

29 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscellaneous

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

8 Sec. 29.60.180. REGULATIONS. The department shall adopt regula-
9 tions necessary to carry out the purposes of AS 29.60.100 - 29.60.180.
10 The regulations shall include minimum standards required to qualify a
11 municipality or other recipient for payments for each service. The
12 department may require a municipality or other recipient to submit a
13 performance report adequate to demonstrate to the department that a
14 service for which payment is requested under AS 29.60.100 - 29.60.180
15 was performed by the municipality or other recipient and meets minimum
16 standards of service prescribed by regulation.

17 ARTICLE 3. STATE AID FOR HOSPITAL AND
18 HEALTH FACILITY CONSTRUCTION.

19 Sec. 29.60.230. STATE AID FOR HOSPITAL AND HEALTH FACILITY CON-
20 STRUCTION. (a) If construction of a hospital began after January 1,
21 1968, or if construction of a health facility began after January 1,
22 1980, and before July 1, 1980, and state matching aid for construction
23 approved for payment to a municipality or other hospital or health
24 facility sponsor constitutes less than 25 percent of the total project
25 cost, the department shall pay to the municipality or other hospital or
26 health facility sponsor each fiscal year \$2,500 a bed for the maximum
27 number of beds provided for in the construction design of the hospital
28 or health facility or five percent of the total project cost, whichever
29 is greater. State aid provided for in this section shall continue until

1 the municipality or other hospital or health facility sponsor has re-
2 ceived an amount that, combined with state matching money for construc-
3 tion of the hospital or health facility, equals 25 percent of the total
4 project cost. Money received for construction may not be used for any
5 other purpose.

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

7 (1) costs directly related to the project; and

8 (2) the total of all costs of financing and carrying out the
9 project, including but not limited to,

10 (A) the costs of all necessary studies, surveys, plans
11 and specifications, architectural, engineering or other special
12 services, acquisition of real property, site preparation and
13 development, purchase, construction, reconstruction and improvement
14 of real property, and the acquisition of machinery and equipment as
15 may be necessary in connection with the project;

16 (B) an allocable portion of the administrative and
17 operating expenses of the municipality or other hospital or health
18 facility sponsor;

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

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

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

27 Sec. 29.60.240. HOSPITAL AND HEALTH FACILITY CONSTRUCTION ASSIS-
28 TANCE ACCOUNT. The hospital and health facility construction assistance
29 account is established. Money to carry out the provisions of AS 29.-

1 60.230 - 29.60.240 shall be allocated by the department to the account
2 in accordance with AS 29.60.280. If amounts in the account are insuffi-
3 cient to pay each recipient's share authorized under AS 29.60.230 -
4 29.60.240, the amounts that are available shall be distributed pro rata
5 among eligible recipients.

6 ARTICLE 4. GENERAL PROVISIONS.

7 Sec. 29.60.280. ALLOCATION AND DISTRIBUTION. (a) Each year, the
8 department shall allocate money appropriated to the accounts established
9 in AS 29.60.060, 29.60.170, and 29.60.240 in the amounts determined by
10 the legislature.

11 (b) Money in the miscellaneous services account established in
12 AS 29.60.170 that exceeds the amount required to fully fund distribu-
13 tions authorized by AS 29.60.100 - 29.60.180 shall be reallocated to the
14 tax equalization account established in AS 29.60.060 and distributed
15 according to the provisions of AS 29.60.010 - 29.60.080.

16 (c) Money in the hospital and health facility construction assis-
17 tance account established in AS 29.60.240 that exceeds the amount re-
18 quired to fully fund distributions authorized by AS 29.60.230 - 29.60.-
19 240 shall be reallocated to the tax equalization account established in
20 AS 29.60.060 and distributed according to the provisions of AS 29.60.-
21 010 - 29.60.080.

22 Sec. 29.60.290. QUALIFICATION FOR MINIMUM PAYMENT. (a) A munici-
23 pality qualifying for an entitlement under AS 29.60.010 - 29.60.080 or
24 29.60.100 - 29.60.180 shall receive a minimum payment of \$25,000 plus an
25 area cost-of-living differential for each fiscal year if

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

1 (2) regular meetings of the governing body are held in the
2 municipality during the fiscal year preceding the year for which payment
3 of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.-
4 100 - 29.60.180 and a record of the proceedings is maintained;

5 (3) a municipal budget has been adopted for the fiscal year
6 during which payment of an entitlement is authorized by AS 29.60.010 -
7 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement
8 for the preceding fiscal year has been prepared and furnished to the
9 department in accordance with AS 29.20.640(a); and

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

12 (b) The area cost-of-living differential payable to each munici-
13 pality under this section shall be determined annually by election
14 district under the provisions of AS 39.27.030. Except as provided in
15 AS 29.60.300, application of the area cost-of-living differential may
16 not result in a payment that is less than the minimum payment determined
17 under (a) of this section. For purposes of this subsection, the elec-
18 tion districts used are those designated by the proclamation of reappor-
19 tionment and redistricting of December 7, 1961, and retained for the
20 house of representatives by proclamation of the governor September 3,
21 1965.

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

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

29 (e) Payments under this section shall be made from the money

1 allocated to the tax equalization account established in AS 29.60.060.

2 Sec. 29.60.300. PRORATION OF PAYMENTS. (a) Payments under AS 29.-
3 60.290 and 29.60.010 - 29.60.180 shall equal the amount allocated to the
4 tax equalization account (AS 29.60.060), adjusted in accordance with
5 AS 29.60.280.

6 (b) Adjustments of payments shall be determined by prorating
7 amounts payable under AS 29.60.290 and amounts payable under AS 29.-
8 60.010 - 29.60.180 by a factor that, when applied, reduces all payments
9 in equal proportion so that payment under AS 29.60.290 and payments
10 under AS 29.60.010 - 29.60.180 equal the amount allocated to the tax
11 equalization account established in AS 29.60.060.

12 Sec. 29.60.310. DEFINITIONS. In this chapter

13 (1) "health facility"

14 (A) means a facility is licensed, when required, by the
15 state under AS 18.20.010 - 18.20.130 and that is owned or operated
16 or both by a municipality or by a nonprofit corporation or other
17 nonprofit sponsor;

18 (B) includes a public health center, maternity home,
19 community mental health center, facility for the mentally or
20 physically handicapped, nursing home, or convalescent center;

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

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

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

28 CHAPTER 65. GENERAL GRANT LAND.

29 Sec. 29.65.010. DETERMINATION OF ENTITLEMENT OF BOROUGH AND

1 UNIFIED MUNICIPALITIES. The general grant land entitlement of each of
2 the municipalities in this section is the amount set out opposite each:

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

14 Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR CITIES. The
15 general grant land entitlement of a city formerly eligible to receive
16 general grant land under the provisions of AS 29.18.190 and 29.18.200 is
17 10 percent of the maximum total acreage of vacant, unappropriated,
18 unreserved land in the boundaries of each city at any time between the
19 initial date of eligibility under former AS 29.18.190 and 29.18.200 and
20 July 1, 1978. Within six months after July 1, 1978, the director shall
21 determine the entitlement for each city eligible to receive general
22 grant land under this section and certify that entitlement to the city.

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

28 (b) Within six months after the date of incorporation of a muni-
29 cipality that is incorporated after July 1, 1978, the director shall

1 determine the entitlement of each municipality eligible to receive
2 general grant land under (a) of this section and certify the entitlement
3 to the municipality.

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

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

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

18 (d) Land may be selected by a municipality to satisfy a general
19 grant land entitlement under AS 29.65.030 at any time within one year
20 after the director certifies the entitlement to the municipality.

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

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

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

28 (3) the portion of an entitlement that cannot be satisfied
29 because the land selected by a municipality has been selected by a party

1 entitled to select land owned by the United States or the state; or

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

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

9 (b) All approved selections under former AS 29.18.190 and 29.-
10 18.200 for which patent has not been issued to a municipality on July 1,
11 1978, shall be reviewed by the director within nine months after July 1,
12 1978. Any approved selection of land that was vacant, unappropriated,
13 or unreserved on the date of selection is valid as of the date of the
14 approval under former AS 29.18.190 and 29.18.200, and a patent shall be
15 issued to the municipality within three months after approval by the
16 director of a plat of survey. The acreage shall be credited toward
17 fulfillment of the municipality's entitlement. A municipality is not
18 entitled to receive patent under this chapter to more than its entitle-
19 ment determined under AS 29.65.010 - 29.65.030. Any prior approval by
20 the director of municipal selections for land that was not vacant,
21 unappropriated, or unreserved on the date of selection shall be re-
22 scinded, and patent may not be issued except when disposal to a third
23 party by sale or lease has occurred. Transfers of land to municipali-
24 ties under this chapter are subject to AS 38.05.321. Classification
25 actions as reflected on the land status records of the Department of
26 Natural Resources are determinative of land classification status for
27 purposes of this chapter.

28 (c) The director shall approve each selection for patent within
29 nine months of its selection by a municipality, and a patent shall be

1 issued to the municipality for land selected in satisfaction of a
2 general grant land entitlement vested under AS 29.65.010 - 29.65.030
3 within three months after approval by the director of a plat of survey.

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

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

19 (c) Land conveyed under this section will be credited against a
20 municipality's remaining land entitlement under this chapter.

21 (d) Within six months after approval of a municipal selection of
22 school, university, or mental health land, the director shall identify
23 state general grant land of approximately equal value to the land re-
24 quested by the municipality and shall propose the replacement land for
25 the concurrence of the appropriate board. If a proposal by the director
26 is rejected by the board, the director shall meet with the board as
27 often as necessary to determine the type and amount of equal value
28 replacement land that would be required to obtain the board's concur-
29 rence, and shall propose the replacement land for consideration by the

1 board. The replacement land shall thereafter be managed for the pur-
2 poses for which the land selected by the municipality was acquired by
3 the Territory and State of Alaska.

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

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

18 Sec. 29.65.070. SELECTION AND CONVEYANCE PROCEDURE. (a) If land
19 selected by a municipality is unsurveyed at the time of approval, the
20 director shall survey, or may approve the municipality's survey of, the
21 exterior boundaries of an approved selection without interior subdivi-
22 sion, and shall issue patent in terms of the exterior boundary survey.
23 The cost of the survey shall be borne by the municipality. If land
24 selected by a municipality has been surveyed at the time of its selec-
25 tion, the boundaries shall conform to the public land subdivisions
26 established by the approved survey.

27 (b) The director may approve municipal selections of land that
28 have been tentatively approved or patented to the state by the federal
29 government, but he may not issue patent to a municipality until the land

1 has first been patented to the state. After approval of a selection by
2 the director, but before patent to a municipality, the municipality may
3 execute conditional leases and make conditional sales only with the
4 consent of the director. Conditional sales and conditional leases made
5 before July 1, 1978, do not require the consent of the director.

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

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

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

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

21 (b) A municipality shall receive payment for its land deficiency
22 from the municipal land account. A municipality is eligible to receive
23 payment for land deficiency if, after July 1, 1980, the amount of land
24 selected by a municipality that is physically suitable for residential,
25 commercial, or industrial purposes amounts to less than one-third acre
26 per capita. Any entitlement under AS 29.65.010 that is less than one-
27 third acre per capita will, for the purposes of this subsection, be
28 considered a land deficiency. An unselected remaining entitlement will,
29 for the purpose of deficiency payment under this subsection, be con-

1 sidered as land physically suitable for residential, commercial, or
2 industrial purposes. A municipality eligible under this subsection is
3 entitled to receive a payment for land deficiency equal to \$1,000 per
4 acre for a number of acres equal to the difference between one-third of
5 the population of the municipality less the number of acres physically
6 suitable for residential, commercial or industrial purposes that has
7 been selected by the municipality. For the purpose of this subsection,
8 the population of the municipality shall be the population determined in
9 accordance with AS 29.65.060(f). No payment may be made to a munici-
10 pality under this subsection in excess of \$9,000,000.

11 (c) If a municipality selected vacant, unappropriated, unreserved
12 land on or before December 18, 1971, to which the state had received
13 tentative approval or patent, and that land was also selected by a
14 Native corporation organized under the Alaska Native Claims Settlement
15 Act (P.L. 92-203), and title to that land is ultimately vested in that
16 Native corporation, the municipality may, at its option, request payment
17 for land deficiency from the municipal land account. The acceptance of
18 payment under this subsection by a municipality constitutes a relin-
19 quishment of any other right, title, or claim to the land by that muni-
20 cipality. The total payment to a municipality under this subsection may
21 not exceed \$1,000 per acre to a maximum of 8,000 acres.

22 (d) The governor shall annually submit to the legislature a request
23 for an appropriation to the municipal land account for the municipali-
24 ties that have elected to receive payments under (b) or (c) of this
25 section. The request for appropriation shall distinguish between
26 amounts necessary to make payments for land deficiency under (b) of this
27 section and those required to make payments for land deficiency under
28 (c) of this section.

29 (e) For purposes of fulfilling entitlements under this section,

1 the legislature is authorized to appropriate

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

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

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

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

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

26 Sec. 29.65.090. AUTHORIZATION FOR LAND EXCHANGES. The director,
27 with the concurrence of the commissioner, and a municipality are autho-
28 rized to exchange land or interests in land when it is in the public
29 interest. Land or interests in land exchanged under this section must

1 be of approximately equal value, including the nonmonetary value of
2 public benefits. Exchange procedures shall comply with applicable law
3 and municipal ordinances. The notice and review provisions of AS 38.-
4 05.305 and 38.05.345 apply to exchanges of land under this section. The
5 provisions of AS 38.50 do not apply to exchanges of land under this
6 section.

7 Sec. 29.65.100. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Consis-
8 tent with the best interests of the state, if a municipality does not
9 contain and cannot reasonably acquire sufficient nonfederal land within
10 its boundaries to meet its legitimate needs for public or private
11 settlement or development, it shall be the policy of the state to select
12 federal land reasonably necessary to meet the needs of the municipality
13 and to make the land selected available to the municipality under AS 38.-
14 05.315 or (b) of this section.

15 (b) Where state land is the most logical location for demonstrated
16 municipal expansion for nonpublic settlement and development purposes,
17 and when an exchange of land under AS 29.65.090 is not possible or is
18 not in the public interest, it is the policy of the state to sell or
19 lease the land at public auction. The state may contract with a muni-
20 cipality to act as its agent in an auction of state land under appli-
21 cable statutes. When a municipality acts as the agent of the state in
22 an auction, the municipality may retain from the proceeds of the auction
23 the expenses that the director determines to be necessary and reason-
24 able.

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

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

16 (b) A municipality that was eligible to file land selections under
17 former AS 29.18.190 and 29.18.200 and that does not enter into litiga-
18 tion over a claim to rights under those sections before the expiration
19 of the time period within which it could make an election under (a) of
20 this section is considered to have elected to receive benefits under
21 this chapter and to have waived any claim that might have been raised
22 under former AS 29.18.190 and 29.18.200.

23 (c) The provisions of this chapter do not affect the rights of a
24 party to litigation regarding the former AS 29.18.190, 29.18.200 or
25 29.18.420 maintained by a municipality that has elected not to obtain
26 the benefits provided by this chapter.

27 Sec. 29.65.120. ADMINISTRATION. The commissioner of natural
28 resources may adopt regulations in accordance with the Administrative
29 Procedure Act (AS 44.62) necessary to carry out the purposes of this

1 chapter.

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

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

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

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

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

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

19 (6) "patent" means a document, issued by the director to a
20 municipality for a previously approved selection, that conveys and
21 quitclaims all the right, title, and interest of the state without
22 reservation or condition except as may be required by law;

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

27 (8) "school land" means those rectangular sections 16 and 36
28 within each township surveyed on or before January 3, 1959, and con-
29 firmed and transferred to the State of Alaska upon its admission under

1 sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other land
2 designated solely for school revenues;

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

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

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

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

13 (C) is unclassified or, if classified under AS 38.05.-
14 300, is classified for agricultural, grazing, commercial, indus-
15 trial, private recreational, residential, utility, or open-to-entry
16 purposes, or is classified in accordance with an agreement between
17 a municipality and the state providing for state management of land
18 of the municipality.

19 Sec. 29.65.140. APPLICATION. This chapter applies to home rule
20 and general law municipalities.

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

22 CHAPTER 71. GENERAL PROVISIONS.

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

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

1 dedicated.

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

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

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

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

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

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

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

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

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

20 (8) "department" means the Department of Community and
21 Regional Affairs;

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

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

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

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

29 (13) "municipality" means a political subdivision incorporated

1 under the laws of the state that is a home rule or general law city, a
2 home rule or general law borough, or a unified municipality;

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

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

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

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

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

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

18 (20) "regular election" means the municipal election held on
19 the first Tuesday of October annually, or on a different date or inter-
20 val of years provided by ordinance or charter;

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

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

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

29 (24) "unified municipality" means a municipality unified in

1 accordance with AS 29.06.190 - 29.06.410;

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

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

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

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

12 Sec. 09.55.275. REPLAT APPROVAL. No agency of the state or
13 municipality may acquire property located within a municipality exercis-
14 ing the powers conferred by AS 29.40.070 - 29.40.160 that [AS 29.33.-
15 150 - 29.33.245 WHICH] results in a boundary change unless the agency or
16 municipality first obtains from the municipal platting authority pre-
17 liminary approval of a replat showing clearly the location of the pro-
18 posed public streets, easements, rights-of-way, and other taking of
19 private property. Final approval of replat shall be similarly obtained.
20 However, if a state agency clearly demonstrates an overriding state
21 interest, a waiver to the approval requirements of this section may be
22 granted by the governor. The platting authority shall treat applica-
23 tions for replat made by state or local governmental agencies in the
24 same manner as replat petitions originated by private landowners.

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

26 (1) "municipality" means a home rule borough or city, a
27 general law borough or city of any class, or a unified municipality
28 [ESTABLISHED UNDER AS 29.68.240 - 29.68.440, OR A MUNICIPALITY ESTAB-
29 LISHED BY MERGER OR CONSOLIDATION UNDER AS 29.68.030 - 29.68.110]; the

1 term includes a public corporation established by a municipality;

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

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

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

19 Sec. 14.08.081. RECALL. The members of a regional school board
20 are subject to recall in accordance with AS 29.26.240 - 29.26.360
21 [AS 29.28.130 - 29.28.250], except that the director of the division of
22 elections shall perform the functions of a municipal clerk, and the
23 lieutenant governor shall perform the functions of the assembly or
24 council under those sections.

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

26 (c) The [NOTWITHSTANDING THE] provisions of (a) and (b) of this
27 section do not apply if [, WHERE] the [BOROUGH] assembly serves as the
28 school board of the borough school district [UNDER AS 29.41.020 THE
29 NUMBER OF MEMBERS OF THE ASSEMBLY-SCHOOL BOARD SHALL BE DETERMINED IN

1 THE MANNER PRESCRIBED BY AS 29.23.020].

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

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

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

12 (2) [IF] the public school population within the borough is
13 500 pupils or less.

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

15 Sec. 14.14.020. BOND REQUIRED. Before the officer responsible for
16 custody [OF], investment, or management of school district money enters
17 upon the duties of office, the district, or the municipality if the
18 treasury is centralized, shall obtain a bond with sufficient sureties in
19 an amount equal to the money that may come into the officer's official
20 custody, but not to exceed \$50,000. The bond shall be conditioned on
21 the officer's honest and faithful disbursement and accounting of all
22 money that may come into his official custody. The bond shall be filed
23 with the clerk of the school board. This section does not apply to an
24 officer who has been bonded under AS 29.20.610 [AS 29.23.520].

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

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

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

2 (a) To determine the equalized percentage to be applied to basic
3 need under AS 14.17.021, and the matching ratio for required local
4 effort under AS 14.17.071, the Department of Community and Regional
5 Affairs, in consultation with the assessor for each district, shall
6 determine the full value of the taxable real and personal property in
7 each district. Exemptions granted under ch. 129, SLA 1957, known as the
8 Alaska Industrial Incentive Act (AS 43.25), shall be honored. If there
9 is no local assessor or current local assessment for a district, then
10 the Department of Community and Regional Affairs shall make the deter-
11 mination of full value from information available. In making the deter-
12 mination, the Department of Community and Regional Affairs shall be
13 guided by AS 29.45.110 [AS 29.53.060]. The determination of full value
14 shall be made before October 1 and sent by certified mail, return
15 receipt requested, before that date to the president of the school board
16 in each district. Duplicate copies shall be sent to the commissioner.
17 The governing body of the municipality that [BOROUGH OR CITY WHICH] is
18 the district may obtain judicial review of the determination by filing a
19 motion in the superior court of the judicial district in which the
20 district is located within 30 days after receipt of the determination.
21 The superior court may modify the determination of the Department of
22 Community and Regional Affairs only upon a finding of abuse of discre-
23 tion or upon a finding that there is no substantial evidence to support
24 the determination.

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

26 (a) This chapter applies in every election for governor, lieu-
27 tenant governor, a member of the state legislature, a delegate to a
28 constitutional convention, or judge seeking electoral confirmation. It
29 also applies to every candidate for election to a municipal office in a

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

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

16 (2) a borough assemblyman under AS 29.20.170(6) [AS 29.23.-
17 060(c)];

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

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

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

21 (4) a city councilman under AS 29.20.170(6) [AS 29.23.-
22 210(b)];

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

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

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

26 (g) The establishment of a refuge under this section does not
27 impair or alter existing rights of a municipality [BOROUGH OR CITY] to
28 state land selected [SELECT STATE LAND] under former AS 29.18.190 -
29 29.18.200.

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

2 (g) The establishment of a refuge under this section does not
3 impair or alter existing rights of a municipality [BOROUGH OR CITY] to
4 state land selected [SELECT STATE LAND] under former AS 29.18.190 -
5 29.18.200.

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

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

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

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

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

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

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

18 (3) "local government" means an organized borough of any
19 class, a unified municipality [ORGANIZED UNDER AS 29.68.240 - 29.68.440],
20 a home rule city, or a first class city [OF THE FIRST CLASS];

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

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

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

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

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

2 (d) The department may issue a special driver's permit to a person
3 who is at least 14 years of age with the consent of his parents or
4 guardians for the purpose of driving a motor-driven cycle. This permit
5 may be issued upon application and successful completion of all pre-
6 scribed tests and fees, and is valid for the same period of time as a
7 driver's license. The permit is not valid in a municipality that
8 [WHICH] by ordinance prohibits the driving of a motor-driven cycle by a
9 person under the age of 16 years; a borough may adopt the ordinance on a
10 nonareawide basis only, unless the power to adopt it on an areawide
11 basis is acquired under AS 29.35.300 - 29.35.330 or former AS 29.33.250 -
12 29.33.290.

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

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

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

18 (4) for preliminary feasibility studies, engineering design
19 work, and construction of access roads and capital improvements required
20 by municipal subdivision ordinance or regulation of the platting author-
21 ity [BOARD UNDER AS 29.33.150]; if an accurate determination of the
22 amounts necessary for access roads or capital improvements cannot be
23 made at the time the estimate is submitted, a schedule for obtaining the
24 estimates, constructing the access roads or capital improvements, and
25 disposing of the land shall be submitted;

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

27 (a) A municipality may apply for financial assistance for the
28 execution of a land disposal program of general grant land entitlements
29 received from the state under AS 29.65 or former AS 29.18.201 - 29.18.-

1 213 by submitting a request to the commissioner for inclusion in the
2 request submitted to the legislature under AS 38.04.020(e). A municipi-
3 pality may request financial assistance for expenses of surveying land,
4 designing subdivision plats, installing improvements required by municipi-
5 pal ordinance or regulation of the local platting authority [BOARD], and
6 other reasonable direct costs of land disposal.

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

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

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

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

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

18 (b) A municipality has standing to petition the commissioner for
19 the adoption of a regulation, or for the amendment or repeal of an
20 existing regulation, or to appeal a decision of the commissioner with
21 respect to classification, management, or disposal of land made under
22 authority of a regulation adopted under (a) of this section with respect
23 to state land outside the corporate boundaries of the municipality to
24 protect any interest which the municipality is authorized to regulate
25 outside its boundaries under AS 29.35.020 [AS 29.48.037].

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

27 (d) Upon application by a municipality or an affected owner of
28 land, the department may vacate, release, modify, or relocate an ease-
29 ment and right-of-way for public access to or along navigable or public

1 waters reserved by the department in a patent issued under AS 29.18.-
2 510 - 29.18.610, AS 29.05, AS 29.65, or former AS 29.18.011 - 29.18.460,
3 [AS 29.18] if the commissioner determines the action is consistent with
4 the public interest.

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

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

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

11 (b) State land classified as agricultural land that [WHICH] has
12 been selected by a municipality under former AS 29.18.190 - 29.18.200 or
13 former AS 29.18.205(e) may be approved by the director for patent under
14 AS 29.65.050(c) or former AS 29.18.205(f); however, only rights in the
15 land for agricultural purposes may be transferred and all other inter-
16 ests in the land will remain with the state. Agricultural land approved
17 for patent to a municipality [UNDER AS 29.18.205(f)] shall be credited,
18 acre for acre, toward fulfillment of that municipality's entitlement
19 under AS 29.65.010 - 29.65.030 or former AS 29.18.201 - 29.18.203. If
20 the director later determines it to be in the best interests of the
21 state to transfer some or all of the additional rights in that approved
22 or patented agricultural land, those rights shall pass without consider-
23 ation to the municipality in which the land is located. The notice and
24 review provisions of [AS 38.05.305 AND] AS 38.05.345 are applicable to
25 conveyance of rights under this section.

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

27 (c) The provisions of this section do not apply to state land
28 classified as agricultural land which has been selected by a municipal-
29 ity under the provisions of former AS 29.18.190 - 29.18.200 if the

1 selection is an approved selection before April 1, 1978 and is otherwise
2 valid under AS 29.65.050(b) or former AS 29.18.205(b).

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

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

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

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

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

19 (6) "municipal officer" includes a borough or city mayor,
20 borough assemblyman, city councilman, school board member, elected
21 utility board member, city or borough manager, members of a city or
22 borough planning or zoning commission within a home rule or general law
23 city or borough or [INCLUDING BUT NOT LIMITED TO] a unified municipality
24 [UNDER AS 29.68];

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

26 Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH AND THIRD
27 CLASS BOROUGH. The division of lands is the platting authority in the
28 area outside organized boroughs and outside cities in the unorganized
29 borough and in the third class borough for only the purposes of hearing

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

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

10 Sec. 43.18.430. POWER OF MUNICIPALITY. A municipality may own,
11 maintain and employ a facility constructed under AS 43.18.400 - 43.18.-
12 460. The exercise of this power on an areawide basis is at the option
13 of the borough and is not subject to the restrictions on acquiring
14 additional areawide powers in AS 29.35.300 - 29.35.330 [AS 29.33.250 -
15 29.33.290].

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

17 (A) has the authority under AS 29.35 [AS 29.41 OR AS 29.-
18 48] to provide and maintain a cultural facility;

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

20 (b) A municipality may levy and collect a tax under AS 29.45.080
21 [AS 29.53.045] at the rate of taxation that applies to other property
22 taxed by the municipality. The tax shall be levied at a rate no higher
23 than the rate applicable to other property taxable by the municipality.
24 No municipality may exempt from taxation property authorized to be taxed
25 under this chapter. Exemptions shall be limited to those in AS 29.-
26 45.030, 29.45.050, [AS 29.53.020 AND AS 29.53.025] and AS 43.56.020.

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

28 (c) If the total value of assessed property of a municipality
29 taxing under AS 29.45.080(c) [AS 29.53.045(c)] exceeds the product of

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

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

11 (d) A tax paid to a municipality under AS 29.45.080 [AS 29.53.045]
12 on or before June 30 of the tax year shall be credited against the tax
13 levied under (a) of this section for that tax year. If, however, a tax
14 is not paid to a municipality until after June 30 of the taxable year,
15 the department upon application shall refund to the taxpayer the amount
16 of tax paid to the municipality under AS 29.45.080 [AS 29.53.045]. The
17 credit or refund of taxes paid to a municipality may not exceed the
18 total amount of tax levied by the department upon the taxpayer for the
19 tax year, under (a) of this section.

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

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

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

28 (1) to each unified municipality [UNIFIED UNDER AS 29.68.-
29 240 - 29.68.440,] and to each city located in the unorganized borough,

1 50 percent of the amount of tax revenue collected in the municipality
2 from taxes levied by AS 43.75;

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

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

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

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

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

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

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

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

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

21 (i) All references to the "reserve fund" in this section include
22 special accounts within the reserve fund which may be created by the
23 authority to secure the payment of particular bonds, including, without
24 limitation, bonds issued by the capital city established under AS 29.-
25 14.010 [AS 29.18.510]. The commissioner of revenue may lend surplus
26 money in the general fund to the authority for deposit to any account in
27 the reserve fund in an amount equal to the required debt service
28 reserve. The loans shall be made on such terms and conditions as may be
29 agreed upon by the commissioner of revenue and the authority, including,

1 without limitation, terms and conditions providing that the loans need
2 not be repaid until the obligations of the corporation secured and to be
3 secured by the account in the reserve fund are no longer outstanding.

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

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

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

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

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

16 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and
17 plan approval by a local historical district commission established
18 under AS 29.55.010 or former AS 29.48.108 and the recommendation of a
19 majority of the members of the Historic Sites Advisory Committee, the
20 Department of Commerce and Economic Development may make loans to a
21 person, firm, business or municipality subject to applicable laws for
22 the restoration, improvement, rehabilitation, or maintenance of a struc-
23 ture that [WHICH] is

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

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

28 (3) another building or structure within a historical dis-
29 trict, and suitable for superficial modification so that it can conform

1 to the period or motif of the surrounding buildings or structures that
2 are the reason for the area's designation as a historical district.

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

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

12 (1) provide by ordinance for requirements compatible with
13 those imposed by the provisions of AS 46.03.140 and 46.03.170 and
14 applicable regulations;

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

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

20 (4) be approved by the department as being satisfactory to
21 meet the requirements of AS 46.03.140 - 46.03.170 and the applicable
22 regulations.

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

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

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

28 (8) "state financial assistance" means a loan, grant, guaran-
29 tee, insurance, payment, rebate, subsidy, or other form of state assis-

1 tance (other than aid under AS 29.60 [AS 29.88, AS 29.89, AS 29.90,
2 AS 29.95] and AS 43.18) including the purchase by a state agency of a
3 loan to finance the construction of a new residential, commercial, or
4 industrial building;

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

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

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

9 (h) Members of coastal resource service area boards are subject to
10 recall on the same grounds and in the same manner as provided for recall
11 of municipal officials in AS 29.26.240 - 29.26.350 [AS 29.28.130 -
12 29.28.250]. The lieutenant governor functions in place of the assembly
13 or council and municipal clerk for receipt and review of recall petitions
14 and the conduct of recall elections.

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

16 (A) unified municipalities [ESTABLISHED UNDER AS 29.-
17 68.240 - 29.68.440];

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

19 (b) The department shall, within 90 days after receiving a written
20 request that it do so, delegate its powers relating to nurseries under
21 this section and under AS 47.35.040, 47.35.050 and 47.35.060 to a muni-
22 cipality which has adopted an ordinance providing for day care licensing
23 under home rule powers or as authorized under AS 29.35.200 - 29.35.210
24 [AS 29.48.035(a)(20)]. A municipality to which these powers have been
25 delegated may waive or modify any regulation or standard established by
26 the department under the authority of AS 47.35.010 - 47.35.080 as it
27 applies to nurseries or the application of any such regulation or stan-
28 dard as it applies to a particular day care licensee but must notify the
29 department of any waiver.

1 * Sec. 81. The following laws are repealed: AS 04.11.340(4), 04.11.-
2 00(c); AS 04.21.080(11); AS 14.56.065(b), 14.56.180(3); AS 15.13.130(6);
3 AS 18.55.950(10); AS 24.55.330(3); AS 28.35.260(10); AS 29.08; AS 29.13;
4 AS 29.18.011 - 29.18.460; 29.18; AS 29.23; AS 29.28; AS 29.33; AS 29.38;
5 AS 29.41; AS 29.43; AS 29.48; AS 29.53; AS 29.58; AS 29.63; AS 29.68; AS 29.-
6 73; AS 29.78; AS 29.88; AS 29.89; AS 29.90; AS 29.95; AS 30.15.070(3);
7 AS 30.30.170(2); AS 35.15.080(3), 35.15.120(3); AS 42.06.630(6); AS 43.18.-
8 00(j)(6); AS 43.56.210(8); AS 44.47.310(5); and AS 44.85.410(4).

9 * Sec. 82. A right or liability of a municipality existing on July 1,
10 1982, is not affected by the enactment of this Act. Ordinances and regula-
11 tions in effect on July 1, 1982, remain in effect unless they conflict with
12 provisions of this Act. Ordinances and regulations in effect on July 1,
13 1982, that conflict with provisions of this Act remain in effect for 150 days
14 after July 1, 1982. The terms of elected or appointed municipal officials in
15 office on July 1, 1982, are not affected by this Act, and their terms expire
16 as provided before July 1, 1982.

17 * Sec. 83. This Act takes effect July 1, 1982.
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COMMITTEE REPORT

HOUSE

6/10/81

(11)

FURTHER:

Date: June 11, 1981

Mr. Speaker: Taken from Rules 6/10/81

The Committee on FINANCE has had CSSB 181 (HESS) am

"An Act relating to the enforcement of child support and changing Rule 56 of the Alaska Rules of Civil Procedure."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^HCS for CSSB 181 (Jod) same title new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note (1981-82)
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
B. Fogar
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS CSSB 181 (Jud)
 Title An Act relating of child support; and changing Rule 7.
 Requested by Judiciary Date June 11, 1981

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprogram(s) Affected Child Support Enforcement

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		421.5				
TOTAL		421.5				

FUNDING (Thousands of Dollars)

GENERAL FUND		421.5				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The Department of Revenue originally estimated that \$618,750 would be needed to cover the temporary payments in Sec. 47.23.257 of this bill. House Research (see attached memo) has estimated \$421,500 using slightly different assumptions. Either estimate could be feasible and the Department is willing to accept the figure used by House Research. If, after six months of operating the program, the agency feels \$421,500 is not enough for FY 82, a request for a supplemental will be submitted for consideration by the Legislature. If the income assignment provisions are effective the temporary payment fund would work somewhat like a revolving fund. If the income assignment provisions are not effective because a large number of obligors are unemployed, the fund could be drawn down quickly.

IV. DATE June 11, 1981 PREPARED BY Joseph K. Donohue

AGENCY Revenue
 PHONE 465-2300

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsors: Ray and Rodey

Offered: 6/8/81
Referred: Rules

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 181 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to child support; and changing Rule
7 77 of the Alaska Rules of Civil Procedure."

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

9 * Section 1. AS 09.65 is amended by adding a new section to read:

10 Sec. 09.65.132. INCOME ASSIGNMENT ORDER FOR CHILD SUPPORT. (a)

11 A judgment, court order, or order of the child support enforcement
12 agency (AS 47.23) providing for the support of a minor child shall
13 contain an income assignment order.

14 (b) An income assignment order shall direct the obligor, his
15 employer, future employer, and any person, political subdivision, or
16 department of the state to assign money due or to be due the obligor to
17 the child support enforcement agency (AS 47.23) in an amount sufficient
18 to meet the support payments imposed by the court or by the child
19 support enforcement agency under AS 47.23.140.

20 (c) An obligee or person or public agency designated to receive
21 support payments may request an income assignment order to take effect
22 by alleging in a sworn statement that the obligor has failed to make a
23 support payment in full within 30 days of the date the payment was due.

24 (d) If an application has been filed with the clerk of court,
25 notice shall be sent by certified mail to the last known address of the
26 obligor. The notice shall be postmarked no later than 10 days after
27 the date on which the application was filed and shall inform the obligor
28 that the income assignment will take effect 15 days after the date on
29 which the notice was sent unless the obligor requests a hearing within

1 the 15 days after the notice was sent. If the obligor requests a
2 hearing, an income assignment may not take effect until the conclusion
3 of the hearing. The court shall hold a hearing requested under this
4 section within 15 days after the date the obligor requests the hearing.

5 (e) The applicant shall immediately send a copy of an income
6 assignment order by certified mail to persons identified by the obligee.
7 An income assignment made under this section is binding upon a person,
8 employer, political subdivision, or department of the state immediately
9 upon receipt of a copy of the assignment from the court.

10 (f) An employer may not discharge an obligor on the basis of an
11 assignment under this section.

12 (g) An income assignment under this section has priority over all
13 other attachments, executions, garnishments, or other assignments
14 unless otherwise ordered by the court. An income assignment is not
15 limited to the wages of an obligor but may include all money owed to
16 the obligor not otherwise exempt by law. The exemptions from execution
17 by judgment debtors under AS 09.35.080(a) and the restrictions from
18 execution by judgment debtors under AS 09.35.080(b)(1) do not apply to
19 income assignments under this section; however, 50 percent of the gross
20 wages of the obligor or \$100 a week, whichever is less, is exempt from
21 execution under this section.

22 (h) The court may order an obligor to pay all court costs involved
23 in an income assignment proceeding under this section.

24 * Sec. 2. AS 25.25.010(1) is amended to read:

25 (1) "state" includes the State of Alaska and a state, terri-
26 tory, or possession of the United States and the District of Columbia,
27 and a foreign country in which this or a substantially similar recip-
28 cal law has been enacted;

29 * Sec. 3. AS 47.23.100 is amended to read:

1 Sec. 47.23.100. ALL PERSONS MAY USE AGENCY. The agency shall
2 provide aid to any person due child support under the laws of this
3 state upon application. The agency may not impose a fee for services
4 provided under this chapter unless required by federal law. [IF THE
5 OBLIGEE IS INDIGENT OR OTHERWISE UNABLE TO PAY FOR THESE SERVICES, THE
6 AGENCY SHALL ACT WITHOUT CHARGE TO THE OBLIGEE. IF THE AGENCY DETER-
7 MINES THAT THE OBLIGEE IS FINANCIALLY ABLE TO PAY, COSTS SHALL BE
8 ASSESSED ACCORDING TO REGULATIONS ADOPTED BY THE DEPARTMENT AND BE PAID
9 INTO THE FUND ESTABLISHED IN AS 47.23.030.]

10 * Sec. 4. AS 47.23.110 is amended by adding new paragraphs to read:

11 (7) "earnings" means compensation paid or payable for per-
12 sonal services, whether denominated as wages, salary, commission,
13 bonus, or other similar description and includes the gain derived from
14 the investment of capital, from labor, or from a combination of invest-
15 ment and labor;

16 (8) "disposable earnings" means that part of the earnings of
17 an individual that remains after the deduction from those earnings of
18 any amount required by law to be withheld.

19 * Sec. 5. AS 47.23.130 is repealed and reenacted to read:

20 Sec. 47.23.130. SUBROGATION OF STATE. (a) If the obligor is li-
21 able to the state under AS 47.23.120(a) or (b), the state is subrogated
22 to the rights of the obligee to

23 (1) bring an action in the superior court seeking an order
24 of support;

25 (2) proceed under AS 47.23.160 - 47.23.270 to establish a
26 duty of support; or

27 (3) enforce by execution, in accordance with AS 47.23.230 -
28 47.23.270, or otherwise, a support order entered in favor of the obli-
29 gee.

1 (b) To establish or enforce an order of support, based on the
2 subrogation of the state, the agency is not limited to the amount of
3 assistance being granted to the minor child.

4 (c) The recovery of any amount for which the obligor is liable
5 that exceeds the total assistance granted under AS 47.25.310 - 47.25.-
6 420 shall be paid to the obligee.

7 * Sec. 6. AS 47.23.140 is amended by adding a new subsection to read:

8 (c) A decision of the agency determining a duty of support shall
9 include an income assignment order as provided under AS 09.65.132.

10 * Sec. 7. AS 47.23.170(f) is amended to read:

11 (f) If the alleged obligor requesting the hearing fails to appear
12 at the hearing, the hearing officer shall enter a decision declaring
13 the property of the alleged obligor subject to execution in accordance
14 with AS 47.23.230 - 47.23.270 in the amounts stated in the notice and
15 finding [FILING] of financial responsibility.

16 * Sec. 8. AS 47.23.250(i) is amended to read:

17 (i) The exemptions from execution by judgment debtors under
18 AS 09.35.080(a) and the restrictions from execution by judgment debtors
19 under AS 09.35.080(b)(1) do not apply to proceedings to enforce the
20 payment of child support under AS 47.23.230 - 47.23.270; however, 50
21 percent of the gross wages of the obligor or \$100 a week, whichever is
22 less, is exempt from execution under AS 47.23.230 - 47.23.270.

23 * Sec. 9. AS 47.23 is amended by adding new sections to read:

24 Sec. 47.23.253. EARNINGS SUBJECT TO AN ORDER OR LIEN. (a) A
25 person, political subdivision, or department of the state shall withhold
26 the earnings of the obligor subject to an order or lien at each succeed-
27 ing interval of payment until the entire amount of the debt stated in
28 the order to withhold and deliver has been withheld.

29 (b) An order to withhold and deliver issued to the Department of

1 Revenue remains in effect throughout the calendar year in which it is
2 served. That order applies to any tax refund or other disbursements to
3 which the obligor is entitled even if the tax refund or disbursement is
4 issued more than 30 days after service of the order.

5 Sec. 47.23.255. INCOME ASSIGNMENT ORDERS. (a) The agency shall
6 pay the obligee all money recovered by the agency under an income
7 assignment order except for costs that are recovered from the obligor
8 or amounts withheld under AS 47.23.257(c).

9 (b) Notwithstanding AS 47.23.250, an income assignment order
10 contained in a decision of the agency that has not been set aside by
11 the superior court under AS 47.23.220 shall be enforced under the
12 procedure established in AS 09.65.132.

13 Sec. 47.23.257. TEMPORARY PAYMENT OF CHILD SUPPORT BY AGENCY.

14 (a) If an obligor fails to make a child support payment subject to an
15 income assignment provision under AS 09.65.132, the agency may pay the
16 obligee the amount of child support due under the order. Payment of
17 child support under this section may continue for three months or until
18 the obligor has paid all arrearages plus interest and costs, whichever
19 occurs first.

20 (b) In order to receive temporary child support payments under
21 this section the obligee must file an application under AS 09.65.132(c)
22 and file a copy of the application with the agency. The obligee must
23 cooperate fully with the agency in enforcing an income assignment
24 provision under AS 09.65.132.

25 (c) The agency is entitled to reimbursement for payments made
26 under this section from any arrearages recovered from the obligor under
27 AS 09.65.132.

28 * Sec. 10. AS 47.23.260 is amended to read:

29 Sec. 47.23.260. CIVIL LIABILITY UPON FAILURE TO COMPLY WITH AN

1 ORDER OR LIEN. If any person, political subdivision, or department of
2 the state (1) fails to make answer to an order to withhold and deliver
3 within the time prescribed in AS 47.23.250; (2) fails or refuses to
4 deliver property in accordance with an order issued under AS 47.23.250;
5 (3) pays over, releases, sells, transfers, or conveys real property
6 subject to a lien filed under AS 47.23.230 to or for the benefit of the
7 obligor or any other person; (4) fails or refuses to surrender upon
8 demand property attached; (5) fails or refuses to honor an assignment
9 of wages or an income assignment under AS 09.65.132 presented by the
10 agency, the person, political subdivision, or department of the state
11 is liable to the agency in an amount equal to 100 percent of the amount
12 constituting the basis of the lien, order to withhold and deliver,
13 attachment, or assignment of wages or income, together with costs,
14 interest, and reasonable attorney fees.

15 * Sec. 11. AS 47.23 is amended by adding a new section to read:

16 Sec. 47.23.275. LOCATION OF CHILDREN. Upon the written request
17 of the obligor and notice to the obligee, the agency shall release
18 information concerning the location of children to whom a duty of
19 support is owed if the obligor has paid all support payments that are
20 due and there is a visitation or joint custody agreement or order in
21 effect.

22 * Sec. 12. AS 09.65.132 added in sec. 1 of this Act has the effect of
23 changing Rule 77 of the Alaska Rules of Civil Procedure by establishing a
24 procedure and time limits for court review of an income assignment order
25 which differ from those generally applicable in civil actions.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS CSSB 181 (Jud)
 Title An Act relating of child support; and changing Rule 7.
 Requested by Judiciary Date June 11, 1981

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprogram(s) Affected Child Support Enforcement
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		421.5				
TOTAL		421.5				

FUNDING (Thousands of Dollars)

GENERAL FUND		421.5				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The Department of Revenue originally estimated that \$618,750 would be needed to cover the temporary payments in Sec. 47.23.257 of this bill. House Research (see attached memo) has estimated \$421,500 using slightly different assumptions. Either estimate could be feasible and the Department is willing to accept the figure used by House Research. If, after six months of operating the program, the agency feels \$421,500 is not enough for FY 82, a request for a supplemental will be submitted for consideration by the Legislature. If the income assignment provisions are effective the temporary payment fund would work somewhat like a revolving fund. If the income assignment provisions are not effective because a large number of obligors are unemployed, the fund could be drawn down quickly.

IV. DATE June 11, 1981 PREPARED BY Joseph K. Donohue
 AGENCY Revenue
 Original: Legislative Finance PHONE 465-2300
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

Original sponsors: Ray and Rodey

Offered: 4/28/81
Referred: Judiciary

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 181 (HESS) am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the enforcement of child support
7 and changing Rule 56 of the Alaska Rules of Civil
8 Procedure."

9

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

10

* Section 1. AS 25.25.010(1) is amended to read:

11

(1) "state" includes the State of Alaska and a state, terri-

12

tory, or possession of the United States and the District of Columbia,

13

and a foreign country in which this or a substantially similar recipro-

14

cal law has been enacted;

15

* Sec. 2. AS 47.23.020(2)(A) is amended to read:

16

(A) schedules for determining the amount an obligor is

17

liable to contribute toward the support of a minor child [AN

18

OBLIGEE] under this chapter and under Title IV-D, Social Security

19

Act;

20

* Sec. 3. AS 47.23 is amended by adding a new section to read:

21

Sec. 47.23.092. REDUCING ARREARS TO JUDGMENT. The agency may

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submit to the superior court, with notice to the obligor, a certified

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statement of arrears. Notice may be given to the obligor by mailing by

24

certified mail a copy of the statement to the last known address of the

25

obligor. The court shall treat the certified statement of arrears as a

26

motion for summary judgment under the Alaska Rules of Civil Procedure.

27

The court may enter judgment for the amount of support which is due and

28

overdue payment fees.

29

* Sec. 4. AS 47.23.100 is amended to read:

1 Sec. 47.23.100. ALL PERSONS MAY USE AGENCY. The agency shall
2 provide aid to any person who receives or pays [DUE] child support
3 under the laws of this state upon application. The agency may not
4 impose fees for services provided under this chapter unless required
5 by federal law [IF THE OBLIGEE IS INDIGENT OR OTHERWISE UNABLE TO PAY
6 FOR THESE SERVICES, THE AGENCY SHALL ACT WITHOUT CHARGE TO THE OBLIGEE.
7 IF THE AGENCY DETERMINES THAT THE OBLIGEE IS FINANCIALLY ABLE TO PAY,
8 COSTS SHALL BE ASSESSED ACCORDING TO REGULATIONS ADOPTED BY THE DEPART-
9 MENT AND BE PAID INTO THE FUND ESTABLISHED IN AS 47.23.030].

10 * Sec. 5. AS 47.23.110(4) is amended to read:

11 (4) "obligee" means the legal custodial parent or person who
12 has the primary physical custody and responsibility for the minor child
13 [A PERSON] to whom a duty of support is owed and does not include a
14 parent who exercises regular or extended visitation rights;

15 * Sec. 6. AS 47.23.110 is amended by adding new paragraphs to read:

16 (7) "earnings"

17 (A) means compensation paid or payable for
18 personal services, whether denominated as wages, salary, commission,
19 bonus, or other similar description and includes the gain derived from
20 the investment of capital, from labor, or from a combination of in-
21 vestment and labor; and

22 (B) does not include profit gained from the
23 sale or conversion of a capital asset;

24 (8) "disposable earnings" means that part of the earnings of
25 an individual which remains after the deduction from those earnings of
26 any amount required by law to be withheld.

27 * Sec. 7. AS 47.23.130 is repealed and reenacted to read:

28 Sec. 47.23.130. SUBROGATION OF STATE. (a) If the obligor is li-
29 able to the state under AS 47.23.120(a) or (b), the state is subrogated

1 to the rights of the obligee to

2 (1) bring an action in the superior court seeking an order
3 of support or modifying an existing order of support;

4 (2) proceed under AS 47.23.160 - 47.23.270 to establish or
5 modify a duty of support; or

6 (3) enforce by execution, in accordance with AS 47.23.230 -
7 47.23.270, or otherwise, a support order entered in favor of the obli-
8 gee.

9 (b) To establish, modify, or enforce an order of support, based
10 on the subrogation of the state, the agency is not limited to the
11 amount of assistance being granted to the minor child.

12 (c) The recovery of any amount for which the obligor is liable
13 which exceeds the total assistance granted under AS 47.25.310 - 47.25.-
14 420 shall be paid to the obligee.

15 * Sec. 8. AS 47.23.150 is amended by adding a new subsection to read:

16 (c) Refusal by the obligor to accept the notice under (a) of this
17 section is considered service as of the time of the refusal.

18 * Sec. 9. AS 47.23.160(b) is amended to read:

19 (b) The notice and finding of financial responsibility served
20 under (a) of this section shall state

21 (1) the sum or periodic payments for which the alleged
22 obligor is found to be responsible, calculated by taking into consid-
23 eration the need of the minor child [ALLEGED OBLIGEE], the alleged
24 obligor's liability to the state under AS 47.23.130 if any, and his
25 duty of support under the law;

26 (2) the name of the alleged obligee and the minor child [HIS
27 CUSTODIAN];

28 (3) that the alleged obligor may appear and show cause in a
29 hearing held by the agency why the finding is incorrect, should not be

1 finally ordered, and should be modified or rescinded, because (A) no
2 duty of support is owed, or (B) the amount of support found to be owed
3 is incorrect;

4 (4) that if the person served with the notice and finding of
5 financial responsibility does not request a hearing within 30 days, the
6 property of the person will be subject to execution in accordance with
7 AS 47.23.230 - 47.23.270 in the amounts stated in the finding without
8 further notice or hearing.

9 * Sec. 10. AS 47.23.160 is amended by adding a new subsection to read:

10 (c) Refusal by the obligor to accept the notice under (a) of this
11 section is considered service as of the time of the refusal.

12 * Sec. 11. AS 47.23.170(e) is amended to read:

13 (e) The hearing officer shall consider the following in making
14 his determination under (d) of this section:

15 (1) the needs of the minor child [ALLEGED OBLIGEE, DISRE-
16 GARDING THE INCOME OR ASSETS OF THE CUSTODIAN OF THE ALLEGED OBLIGEE];

17 (2) the amount of the alleged obligor's liability to the
18 state under AS 47.23.120 [AS 47.23.125] if any;

19 (3) the intent of the legislature that children be supported
20 as much as possible by their natural parents;

21 (4) the ability of the alleged obligor to pay.

22 * Sec. 12. AS 47.23.170(f) is amended to read:

23 (f) If the alleged obligor requesting the hearing fails to appear
24 at the hearing, the hearing officer shall enter a decision declaring
25 the property of the alleged obligor subject to execution in accordance
26 with AS 47.23.230 - 47.23.270 in the amounts stated in the notice and
27 finding [FILING] of financial responsibility.

28 * Sec. 13. AS 47.23.190(a) is amended to read:

29 (a) Unless a support order has been entered, the obligor, or the

1 obligee [OR HIS CUSTODIAN], may petition the agency or its designee for
2 a modification of the finding or decision of responsibility previously
3 entered with regard to future periodic support payments.

4 * Sec. 14. AS 47.23.190(c) is amended to read:

5 (c) If a hearing is granted, the agency shall serve a notice of
6 hearing together with a copy of the petition and affidavits submitted
7 on the obligee [OR HIS CUSTODIAN] and the obligor personally or by
8 [REGISTERED,] certified [, OR INSURED] mail, return receipt requested,
9 for restricted delivery only to the person to whom the notice is
10 directed or to the person authorized under federal regulation to receive
11 his restricted delivery mail.

12 * Sec. 15. AS 47.23 is amended by adding a new section to read:

13 Sec. 47.23.255. EARNINGS EXEMPT FROM ORDER OR LIEN. (a) Not
14 more than 50 percent of the disposable earnings of the obligor is
15 exempt from an order to withhold and deliver under AS 47.23.250. The
16 exempt part of the disposable earnings may be paid to the obligor even
17 if the earnings are paid monthly, weekly, or at other intervals.

18 (b) A person, political subdivision, or department of the state
19 shall withhold the nonexempt part of the earnings of the obligor at
20 each succeeding interval of payment until the entire amount of the debt
21 stated in the order to withhold and deliver has been withheld.

22 (c) An order to withhold and deliver issued to the Department of
23 Revenue remains in effect throughout the calendar year in which it is
24 served. That order applies to any tax refund or other disbursements to
25 which the obligor is entitled even if the tax refund or disbursement is
26 issued more than 30 days after service of the order.

27 * Sec. 16. AS 47.23.092 added in sec. 3 of this Act has the effect of
28 changing Rule 56 of the Alaska Rules of Civil Procedure by permitting a
29 certified statement of arrears from the child support enforcement agency to

1 be treated as a motion for summary judgment under Rule 56.

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ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

April 8, 1981

MEMORANDUM

TO: Representative Don Clocksin

FROM: Christine Johnson *Johnson*
Research Staff

SUBJECT: Research Request No. 81-106
Temporary Child Support Fund

As you requested, I have attempted to calculate the amount that would be needed in a fund making temporary child support payments to children covered by mandatory wage assignments.

Based on 1975-1979 divorce trends, there should be about 1850 families with mandatory wage assignments during 1981. It is difficult to estimate how many of these assignments will go into effect during the year. The Child Support Enforcement Agency currently reports a default rate of about 62% for its cases with child support orders. However, the default rate may be lower for the cases under consideration for two reasons. First, obligors are more likely to make regular payments during the first year after a divorce or separation. Second, in other states, cases with mandatory wage assignments show very high payment rates. In New York, for example, cases with a mandatory income withholding have a payment rate of 80%, regardless of whether the assignment is in effect, compared to a 40% payment rate for cases without such a provision.

Our best estimate is that the temporary payment fund would require an investment of about \$316,000 for FY 82; however, this is based on a number of assumptions which you should consider:

1. The average monthly child support payment awarded by the court will be \$150. This may appear high. The Child Support Enforcement Agency reports that the average monthly child support award for their clients is \$82.50 per child. However, many of the Agency's cases are several years old; it is likely that child support awards have risen with the cost of living. Additionally, the Agency's caseload is not representative of all the families in the state awarded child support payments, but may include most of the families with low support orders.
2. The default rate among obligors will be 25% over the year.

MEMORANDUM

State of Alaska

TO: Robert D. Stevenson
Legislative Assistant

DATE: March 17, 1981

FILE NO:

TELEPHONE NO: 465-2320

FROM: Gary L. Jenkins
Director, Audit Division

SUBJECT: Analysis of
Senate Bill 181

Senate Bill 181 is apparently based on an early draft for proposed legislative changes prepared by CSEA during the summer of 1980. There was considerable concern that the proposed language was not as clear as it could be and that it included civil procedure rules changes. After very careful review by the Department of Law and the staff of the Child Support Enforcement Agency, a final draft was prepared which was introduced by the Governor as House Bill 167. The final language generally accomplishes the same things, does not require any changes in civil procedure rules and gives a clearer picture of the processes which it will change.

The language in SB 181 could cause a person to believe that because a change in the consumer price index of 20% is prima facie evidence of a change in circumstances and it would result in an automatic modification of a support order. The language in HB 167 makes it clear that the consumer price index change can be used as one source of information in the modification process.

The current language in AS 47.23.100 mandates the agency to adopt regulations to charge the custodial parent who has the ability to pay such fees, a reasonable fee for collecting child support payments. At the public hearings regarding these regulations, the public unanimously requested this mandate be eliminated. As no fees have been collected to date, there would be no fiscal impact on eliminating the requirement to assess these fees. Although the agency does not anticipate charging a fee at any time in the foreseeable future, it is recommended that the law retain maintaining the discretion to charge reasonable fees, if needed, to those individuals with the ability to pay such fees. This discretion would be critical if the federal government changed its position with regard to the 75% funding or a mandatory requirement for fees.

SB 181 will make an order to withhold and deliver more efficient by requiring less repetitive paperwork. This new section will allow a third party to continue holding fifty percent of wages or earnings as it becomes due to the delinquent obligor, until the total arrearages stated in the notice of the delinquent obligor's liability has been

satisfied. Prior to issuing a withhold and deliver attachment, the obligor is formally notified of the delinquency and is given thirty days to make arrangements with the agency to satisfy the delinquency. The agency and the third party will only have to serve and receive the order to withhold and deliver once in those cases where the obligor has not made payments as required by court order.

SB 181 will also allow the agency to attach any tax refunds or any other distributions made by the state to delinquent obligors, up to the amount of arrearage stated in the order to withhold and deliver. Section 15 of House Bill 167 accomplishes the same thing, but with more direct language, which clearly explains the entire process. Several terms are also defined in House Bill 167 which further explain the working process of withhold and deliver attachments.