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1 be calculated without regard to the assessed value of taxable property
2 under AS 43.58.

3 Sec. 29.45.100. NO LIMITATIONS ON TAXES TO PAY BONDS. The
4 limitations provided for in AS 29.45.080 - 29.45.090 do not apply to
5 taxes levied or pledged to pay or secure the payment of the principal
6 and interest on bonds. Taxes to pay or secure the payment of princi-
7 pal and interest on bonds may be levied without limitation as to rate
8 or amount, regardless of whether the bonds are in default or in danger
9 of default.

10 Sec. 29.45.103. TAXATION RECORDS. (a) Municipal records
11 dealing with assessment, valuation or taxation may be inspected by the
12 State Assessor or the assessor's designee.

13 (b) If a municipality's assessment and valuation has been done
14 by a private contractor, records concerning the municipality's
15 valuation and assessment shall be made available to the State Assessor
16 or the assessor's designee on request.

17 Sec. 29.45.105. ERRORS IN TAXATION PROCEDURES. (a) If a
18 municipality receives a notice from the State Assessor that major
19 errors have been found in its assessment, valuation or taxation
20 procedures, the municipality shall correct its procedures before the
21 beginning of the next fiscal year or file an appeal under (b) of this
22 section.

23 (b) A municipality may appeal a notice from the State Assessor
24 that it has made a major error in assessment, valuation or taxation
25 procedures by filing an appeal with the commissioner within 30 days
26 after receipt of notice of error.

27 (c) The commissioner, after consulting with the Alaska
28 Association of Assessing Officers, shall render a decision within 60
29 days after the receipt of a request under (b) of this section. If the

1 commissioner determines that a major error has been made in
2 assessment, valuation or taxation procedures the commissioner shall
3 notify the municipality of changes that must be made and the
4 municipality shall correct its procedures before the beginning of the
5 next fiscal year.

6 (d) If errors in its assessment, valuation or taxation
7 procedures have resulted in a loss of revenue to the state, the
8 municipality shall reimburse the state for the amount of revenues
9 lost.

10 Sec. 29.45.110. FULL AND TRUE VALUE. (a) The assessor shall
11 assess property at its full and true value as of January 1 of the
12 assessment year, except as provided in this section, AS 29.45.060, and
13 29.45.230. The full and true value is the estimated price that the
14 property would bring in an open market and under the then prevailing
15 market conditions in a sale between a willing seller and a willing
16 buyer both conversant with the property and with prevailing general
17 price levels.

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

22 (c) In the case of cessation of business during the tax year,
23 the municipality may provide for reassessment of business inventories
24 using the average monthly method of assessment for the tax year rather
25 than the value existing on January 1 of the tax year, and for reduc-
26 tion and refund of taxes. In enacting an ordinance authorized by this
27 section, the municipality may prescribe procedures, restrictions, and
28 conditions of assessing or reassessing business inventories and of
29 remitting or refunding taxes.

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

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

8 Sec. 29.45.130. INDEPENDENT INVESTIGATION. (a) The assessor is
9 not bound to accept a return as correct. The assessor may make an
10 independent investigation of property returned or of taxable property
11 on which no return has been filed. In either case, the assessor may
12 make the assessor's own valuation of the taxable property and this
13 valuation is prima facie evidence of the value of the property.

14 (b) For investigation, the assessor or the assessor's agent may
15 enter a premise during reasonable hours and may examine property on
16 the premise. The assessor or the assessor's agent may examine all
17 property records involved. A person shall, on request, furnish to the
18 assessor or the assessor's agent every facility and assistance for the
19 investigation. The assessor may seek a court order to compel entry
20 and production of records needed for assessment purposes.

21 (c) An assessor may examine a person on oath. On request, the
22 person shall submit to examination at a reasonable time and place
23 selected by the assessor.

24 Sec. 29.45.140. VIOLATIONS. A person who knowingly fails to
25 file a statement required by ordinance or who knowingly makes a false
26 affidavit to a statement required by a tax ordinance relative to the
27 amount, location, kind or value of property subject to taxation with
28 intent to evade the taxation, is guilty of a class B misdemeanor.

29 Sec. 29.45.150. REEVALUATION. A systematic reevaluation of

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

8 Sec. 29.45.160. ASSESSMENT ROLL. (a) The assessor shall pre-
9 pare an annual assessment roll. The roll shall contain

- 10 (1) a description of all taxable property;
- 11 (2) the assessed value of all taxable property;
- 12 (3) the names and addresses of persons with property sub-
13 ject to assessment and taxation.

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

26 Sec. 29.45.170. ASSESSMENT NOTICE. (a) The assessor shall give
27 each person named in the assessment roll a notice of assessment,
28 showing the assessed value of the person's property. On each notice
29 is printed a brief summary of the dates when taxes are payable,

1 delinquent, and subject to penalty and interest, and the dates when
2 the board of equalization will sit.

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

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

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

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

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

24 (c) The assessor shall notify an appellant by mail of the time
25 and place of hearing.

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

29 (e) A city in a borough may appeal an assessment to the borough

1 board of equalization in the same manner as a taxpayer. Within five
2 days after receipt of the appeal, the assessor shall notify the person
3 whose property assessment is being appealed by the city.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (e) In this section "disaster" means a major disaster declared
5 by the President of the United States under the provisions of the
6 Federal Disaster Act of 1950, Title 42, United States Code, sec.
7 1855-1855g, or other federal law, or a disaster declared by the gover-
8 nor under AS 26.23.010 - 26.23.110.

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

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

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

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

1 the date the installment becomes due.

2 ARTICLE 2. ENFORCEMENT OF TAX LIENS.

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

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

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

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

24 (b) If the personal property sold is not sufficient to satisfy
25 the tax, penalty, and interest, and costs of sale, the warrant may
26 authorize the seizure of other personal property sufficient to satisfy
27 the tax, penalty, interest, and costs of sale. If the property is
28 sold for more money than is needed to satisfy the tax, the municipal-
29 ity shall remit the excess to the former record owner upon

1 presentation of a proper claim. A claim for the excess filed after
2 six months of the date of sale is forever barred.

3 Sec. 29.45.320. REAL PROPERTY TAX COLLECTION. (a) The munici-
4 pality shall enforce delinquent real property tax liens by annual
5 foreclosure, unless otherwise provided by ordinance.

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

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

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

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

20 (3) within 10 days after the first publication or posting,
21 mail to the last known owner of each property as the owner's name and
22 address appear on the list a notice advising of the foreclosure pro-
23 ceeding in which a petition for judgment of foreclosure has been filed
24 and describing the property and the amount due as stated on the list.

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

27 (1) the last known owner;

28 (2) the property description as stated on the assessment
29 roll;

- 1 (3) years and amounts of delinquency;
2 (4) penalty and interest due;
3 (5) a statement that the list is available for public
4 inspection at the clerk's office;
5 (6) a statement that the list has been presented to the
6 superior court with a petition for judgment and decree.

7 (c) Completion of the requirements of (a) of this section con-
8 stitutes and has the same force and effect as the filing of an indi-
9 vidual and separate complaint and service of summons to foreclose a
10 lien against each property described on the foreclosure list.

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

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

19 Sec. 29.45.360. GENERAL FORECLOSURE. A municipality shall bring
20 one general foreclosure proceeding in rem against the properties in-
21 cluded in the foreclosure list. If the owner is unknown, the property
22 is proceeded against as belonging to "unknown owner."

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

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

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

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

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

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

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

27 Sec. 29.45.410. EFFECT. Receipt of redemption money by the
28 municipality releases the judgment obtained under AS 29.45.380. The
29 clerk or the clerk's designee shall record the redemption and issue a

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

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

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

17 Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the
18 expiration of the redemption period the clerk or the clerk's designee
19 shall publish a redemption period expiration notice. The notice shall
20 contain the date of judgment, the date of expiration of the period of
21 redemption, and a warning that all properties ordered sold under the
22 judgment, unless redeemed, shall be deeded to the municipality immedi-
23 ately on expiration of the period of redemption and that every right
24 or interest of a person in the properties will be forfeited forever to
25 the municipality. The notice appears once a week for four consecutive
26 weeks in a newspaper of general circulation distributed in the muni-
27 cipality. If there is no newspaper of general circulation distributed
28 in the municipality, the notice is posted in three public places for
29 at least four consecutive weeks. The clerk shall send a copy of the

1 notice by certified mail to each record owner of property against
2 which a judgment of foreclosure has been taken and, if the assessed
3 value of the property is more than \$20,000, to all holders of mort-
4 gages or other liens of record on the property. The notice shall be
5 mailed within five days after the first publication. The mailing
6 shall be sufficient if mailed to the property owner and to the holder
7 of a mortgage or recorded lien at the last address of record.

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

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

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

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

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

1 (d) No deed is invalid for irregularities, omissions, or defects
2 in the proceedings under this chapter unless the former owner has been
3 misled so as to be injured. Two years after the date of the deed, its
4 validity is conclusively presumed and a claim of the former owner or
5 other person having an interest in the property is forever barred.

6 Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTY.

7 (a) The municipality shall determine by ordinance whether foreclosed
8 property deeded to the municipality shall be retained for a public
9 purpose. The ordinance shall contain the legal description of the
10 property, the address or a general description of the property suffi-
11 cient to provide the public with notice of its location, and the name
12 of the last record owner of the property as the name appears on the
13 assessment rolls.

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

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

28 (d) The provisions of (c) of this section do not apply with
29 respect to property that has been held by the municipality for a

1 period of more than 10 years after the close of the redemption period.

2 Sec. 29.45.470. REPURCHASE BY RECORD OWNER. (a) The record
3 owner at the time of tax foreclosure of property acquired by a muni-
4 cipality, or the assigns of that record owner, may, within 10 years
5 and before the sale or contract of sale of the tax-foreclosed property
6 by the municipality, repurchase the property. The municipality shall
7 sell the property for the full amount applicable to the property under
8 the judgment and decree, with interest not to exceed 15 percent a year
9 from the date of entry of the judgment of foreclosure to the date of
10 repurchase, delinquent taxes assessed and levied as though it had
11 continued in private ownership, and costs of foreclosure and sale.

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

16 Sec. 29.45.480. PROCEEDS OF TAX SALE. (a) On sale of fore-
17 closed real or personal property the municipality shall divide the
18 proceeds less cost of collection, between the borough and the city
19 having unpaid taxes against the property. The division is in propor-
20 tion to the respective municipal taxes against the property at the
21 time of foreclosure.

22 (b) If tax-foreclosed real property that has been held by a
23 municipality for less than 10 years after the close of the redemption
24 period and never designated for a public purpose is sold at a tax-
25 foreclosure sale, the former record owner is entitled to the portion
26 of the proceeds of the sale that exceeds the amount of unpaid taxes,
27 the amount equal to taxes that would have been assessed and levied
28 after foreclosure if the property had continued in private ownership,
29 penalty, interest, and costs to the municipality of foreclosing and

1 selling the property. If the proceeds of the sale of tax-foreclosed
2 property exceed the total of unpaid and delinquent taxes, penalty,
3 interest, and costs, the municipality shall provide the former owner
4 of the property written notice advising of the amount of the excess
5 and the manner in which a claim for the balance of the proceeds may be
6 submitted. Notice is sufficient under this subsection if mailed to
7 the former record owner at the last address of record of the former
8 record owner. On presentation of a proper claim, the municipality
9 shall remit the excess to the former record owner. A claim for the
10 excess filed after six months of the date of sale is forever barred.

11 Sec. 29.45.490. PAYMENT OF TAXES UPON PUBLIC UTILIZATION. If a
12 municipality takes title to tax-foreclosed property for a public pur-
13 pose, the municipality shall satisfy unpaid taxes and assessments
14 against the property held by other municipalities, with accrued inter-
15 est but without penalty. If the amount required to satisfy the unpaid
16 taxes and assessments exceeds the assessed value of the property, the
17 municipality shall pay the other municipalities the assessed value,
18 which shall be divided between the other municipalities in proportion
19 to their respective taxes and assessments against the property at the
20 time of foreclosure.

21 Sec. 29.45.500. REFUND OF TAXES. (a) If a taxpayer pays taxes
22 under protest, the taxpayer may bring suit in the superior court
23 against the municipality for recovery of the taxes. If judgment for
24 recovery is given against the municipality, or, if in the absence of
25 suit, it becomes obvious to the governing body that judgment for
26 recovery of the taxes would be obtained if legal proceedings were
27 brought, the municipality shall refund the amount of the taxes to the
28 taxpayer with interest at eight percent from the date of payment plus
29 costs.

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

8 (c) The governing body may correct manifest clerical errors at
9 anytime.

10 ARTICLE 3. CITY PROPERTY TAX.

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

15 Sec. 29.45.560. CITIES INSIDE BOROUGHES. Home rule and first
16 class cities inside boroughs may levy a property tax. A property tax,
17 if levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.-
18 100, 29.45.250, 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The
19 council shall by June 15 of each year present to the assembly a state-
20 ment of the city's rate of levy unless a different date is agreed upon
21 by the borough and city.

22 Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to
23 home rule and general law municipalities.

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

28 Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS
29 CITIES. A second class city may by referendum levy property taxes as

1 provided for first class cities. However, levy by a second class city
2 may not exceed one-half of one percent of the assessed value of the
3 property taxed, except that the limit does not apply to a levy neces-
4 sary to avoid a default upon payment of principal and interest of
5 bonded or other indebtedness that is secured by a pledge to levy ad
6 valorem or other taxes without limit to meet debt payments.

7 Sec. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A
8 SECOND CLASS CITY. A petition for second class city incorporation may
9 request that a property tax proposal be placed on the same ballot.
10 The petition must state the proposed tax rate. The petition may re-
11 quest that incorporation be dependent on the passage of the property
12 tax proposition. If so, the incorporation proposition fails if the
13 property tax fails.

14 ARTICLE 4. BOROUGH SALES AND USE TAX.

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

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

23 (c) A person who furnishes proof, in the form required by the
24 borough tax collector, that the person has paid a sales tax on the
25 source on which a use tax is levied by the borough is required to pay
26 the use tax only to the extent of the difference between the amount of
27 the sales tax paid and the amount of the use tax levied by the bor-
28 ough. This subsection applies to a sales tax levied in any taxing
29 jurisdiction whether inside or outside the state.

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

6 (e) A borough may provide for the creation, recording, and
7 notice of a lien on real or personal property to secure the payment of
8 a sales and use tax, and the interest, penalties, and administration
9 costs in the event of delinquency. When recorded, a lien authorized
10 under this section has priority over other liens except those for
11 property taxes and special assessments.

12 Sec. 29.45.660. NOTICE OF SALES AND USE TAX. (a) If the bor-
13 ough levies and collects only a sales tax and use tax, the assembly
14 shall provide a notice substantially in the form set out in AS 29.45.-
15 020. In providing notice under this subsection, the assembly shall
16 substitute for the millage equivalency its estimate of the equivalent
17 sales tax rate for each of the categories of financial assistance set
18 out in AS 29.45.020. Notice shall be provided

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

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

27 (b) Compliance with the provisions of this section is a prereq-
28 uisite to receipt of municipal tax resource equalization assistance
29 under AS 29.60.010 - 29.60.080 and state aid for miscellaneous

1 municipal services under AS 29.60.100 - 29.60.180. The department
2 shall withhold annual allocations under those sections until municipal
3 officials demonstrate that the requirements of this section have been
4 met.

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

9 ARTICLE 5. CITY SALES AND USE TAXES.

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

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

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

20 Sec. 29.45.710. COMBINING SALES AND USE TAX WITH INCORPORATION
21 OF A SECOND CLASS CITY. A petition for incorporation of a second
22 class city may request that a sales and use tax proposal be placed on
23 the same ballot. The petition must state the proposed tax rate. The
24 petition may request that incorporation be dependent on the passage of
25 the tax proposition. If so, the incorporation proposition fails if
26 the tax fails.

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

28 CHAPTER 46. SPECIAL ASSESSMENTS.

29 Sec. 29.46.010. ASSESSMENT AND PROPOSAL. The municipality may

1 assess against the property of a state or federal governmental unit
2 and private real property to be benefited by an improvement all or a
3 portion of the cost of acquiring, installing, or constructing capital
4 improvements. The state shall pay an assessment levied, except as
5 otherwise provided by law and subject to its right of protest under
6 AS 29.46.020(b). If a governmental unit other than the state
7 benefited by an improvement refuses to pay the assessment, it shall be
8 denied the benefit of the improvement. An improvement proposal may be
9 initiated by

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

12 (2) the governing body.

13 Sec. 29.46.020. PROCEDURE. (a) The municipality may prescribe
14 by ordinance the procedures relating to creating special assessment
15 districts, making local improvements, levying and collecting assess-
16 ments, and financing improvements, including the following:

17 (1) a procedure for filing petitions;

18 (2) a survey and report by the mayor concerning the need
19 for, desirable extent of, and estimated cost of each proposed local
20 improvement;

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

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

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

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

1 (7) a resolution or ordinance confirming the special as-
2 essment roll for the proposed local improvement.

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

9 (c) To the extent that the municipality does not prescribe a
10 procedure for special assessments as permitted by this section, the
11 municipality shall comply with the special assessment procedures set
12 out in AS 29.46.030 - 29.46.100.

13 Sec. 29.46.030. CREATION OF DISTRICT. (a) When an improvement
14 proposal is filed with the municipal clerk and presented to the gov-
15 erning body, the municipality shall find by resolution or ordinance
16 whether (1) the improvement requested is necessary and should be made,
17 and (2) if by petition, the request has sufficient and proper peti-
18 tioners. The findings under this section are conclusive.

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

24 (c) The governing body shall set a time for public hearing on
25 the improvement plan and the period for filing objections to the plan.
26 The governing body shall publish a notice of the hearing and of the
27 period during which objections may be filed at least once a week for
28 four consecutive weeks in a newspaper of general circulation if dis-
29 tributed in the municipality and shall send notice by mail to every

1 record owner of property in the special assessment district.

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

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

11 (b) If objections are made in writing during the period set for
12 objections by the owners of property bearing 50 percent or more of the
13 estimated total cost of the improvement, the governing body may not
14 proceed with the improvement unless it revises the plan to meet the
15 objections and the objections are reduced to less than 50 percent. A
16 revised plan shall be approved and adopted as an original plan in
17 accordance with AS 29.46.030.

18 Sec. 29.46.060. ASSESSMENT ROLL. (a) At any time after ap-
19 proval of an improvement plan, the governing body shall assess the
20 authorized percentage of the cost against property in the district
21 included in the plan in proportion to the benefit received.

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

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

28 Sec. 29.46.070. HEARING AND SETTLEMENT. After the public hear-
29 ing, the governing body shall correct errors and inequalities in the

1 roll. If an assessment is increased, a new hearing shall be set and
2 notice published, except that a new hearing and notice is not required
3 if all record owners of property subject to the increased assessment
4 consent in writing to the increase. Objections to the increased
5 assessment shall be limited to record owners of property on which the
6 assessment was increased. When the roll is corrected, it shall be
7 confirmed by resolution or ordinance.

8 Sec. 29.46.080. PAYMENT. (a) The governing body shall fix
9 times of payment, penalties on delinquent payments, and the rate of
10 interest on the unpaid balance of the assessment. Payment may be in
11 one sum or by installments. If payment is to be in one sum, payment
12 may not be required sooner than 60 days after mailing of the assess-
13 ment statement. The entire assessment may be prepaid without interest
14 or penalty within 30 days after mailing of the assessment statement,
15 and thereafter the assessment may be prepaid in whole or in part with
16 interest to the payment date.

17 (b) Within 30 days after fixing the time of payment the municipi-
18 pal clerk shall mail a statement to the record owner of each property
19 assessed. The statement designates the property, the assessment
20 amount, method of payment, rate of interest on the unpaid balance of
21 the assessment, the time of delinquency, and penalties on delinquent
22 payments. Within five days after the statements are mailed, the clerk
23 shall have notice published that the statements have been mailed.

24 (c) Assessments are liens on the property assessed and are prior
25 and paramount to all liens except municipal tax liens. They may be
26 enforced as provided in AS 29.53.200 - 29.53.390 for enforcement of
27 property tax liens.

28 Sec. 29.46.090. EXEMPTION. (a) The real property owned and
29 occupied by a resident 65 years of age or over, or the spouse, widow,

1 widower, or minor heir of the original applicant, on which is located
2 only the permanent abode of the applicant that is a single-family
3 residence, is exempt from (1) special sewer assessments levied by a
4 municipality after September 2, 1975, and (2) special water assess-
5 ments levied by a municipality after September 2, 1975. Only one
6 exemption may be granted with respect to the same property, and, if
7 two or more persons are eligible for an exemption with respect to the
8 same property, the parties shall decide between or among themselves
9 which shall receive the benefit of the exemption. Real property may
10 not be exempted under this subsection that the municipality deter-
11 mines, after notice and hearing to the parties concerned, has been
12 conveyed to the applicant primarily for the purpose of obtaining the
13 exemption. The determination of the municipality is appealable under
14 AS 44.62.560 - 44.62.570.

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

19 (1) The claimant must file the initial application during
20 the period of time between the date the assessment roll is confirmed
21 and the time of payment fixed by the governing body. Within one year
22 after the date the assessment roll is confirmed the governing body for
23 good cause shown may waive the claimant's failure to make timely
24 initial application for the exemption and authorize the assessor to
25 accept the application as if timely filed.

26 (2) A claimant receiving the exemption must file with the
27 assessor by March 15 of each subsequent year a separate application
28 proving eligibility as of January 1 in order to retain the exemption.
29 Within the same year the assessor for good cause shown may waive the

1 claimant's failure to make timely application and approve the applica-
2 tion as if timely filed.

3 (3) If an application is filed within the required time
4 under this subsection and is approved by the governing body, the
5 exemption shall be allowed in accordance with the provisions of this
6 section. If a waiver under this subsection is granted and the appli-
7 cation for exemption approved, the amount of any assessment, penalty,
8 or interest that the claimant has already paid on the assessment shall
9 be refunded to the claimant. The municipality may at any time require
10 proof in the form considered necessary of the right and amount of an
11 exemption claimed under this section.

12 (c) The state shall reimburse a municipality for the sewer and
13 water assessment revenues that it would receive but for the operation
14 of this section. Reimbursement under this subsection is a lien in
15 favor of the state against the property exempted to the extent of the
16 assessment against the property exempted. When properly recorded, the
17 lien is prior and superior to other liens against the property except
18 for property taxes or other special assessments and may be enforced by
19 lien foreclosure. The lien becomes immediately due and payable

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

24 (2) when property exempted under (a)(1) or (2) of this
25 section receives more than one sewer connection or more than one water
26 connection; or

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

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

1 municipalities.

2 (e) In this section

3 (1) "minor heir" means a person who, at the time of trans-
4 fer of the property, has not attained the age of 19 years or who, if
5 under 22 years of age, is a full-time student at an educational insti-
6 tution or a member of the armed forces of the United States;

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

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

14 (b) Payments on the initial assessment are credited to the prop-
15 erty upon reassessment. The reassessment becomes a charge upon the
16 property notwithstanding failure to comply with any provision of the
17 assessment procedure.

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

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

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

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

25 (4) interest on interim financing;

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

28 (6) the cost of completing the improvement and financing
29 the improvement, including the issuance of bonds.

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

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

8 (b) The decision of the governing body on an objection may be
9 appealed to the superior court within 30 days after the date of con-
10 firmation of the assessment roll. If no objection is filed or appeal
11 taken within that time, the assessment procedure is considered valid
12 in all respects.

13 Sec. 29.46.130. INTERIM FINANCING. (a) A municipality may
14 provide by resolution or ordinance for the issuance of notes in pay-
15 ment of the costs of a local improvement project, payable out of
16 special assessments for the improvement. The notes shall bear inter-
17 est at a rate or rates authorized by the resolution or ordinance, and
18 shall be redeemed either in cash or bonds for the improvement project.

19 (b) Notes issued against assessments shall be claims against the
20 assessments that are prior and superior to a right, lien or claim of a
21 surety on the bond given to the municipality to secure the performance
22 of its contract for a local improvement project, or to secure the
23 payment of persons who have performed work or furnished materials
24 under the contract.

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

28 (1) assessments against which the notes were issued in
29 order of priority;

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

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

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

14 (b) On default in a payment due on a special assessment bond, a
15 bondholder may enforce payment of principal, interest, and costs of
16 collection in a civil action in the same manner and with the same
17 effect as actions for the foreclosure of mortgages on real property.
18 Foreclosure shall be against all property on which assessments are in
19 default. The period for redemption is the same as for a mortgage
20 foreclosure on real property.

21 (c) Before the governing body may issue special assessment
22 bonds, it shall establish a guarantee fund and appropriate to the fund
23 annually a sum adequate to cover a deficiency in meeting payments of
24 principal and interest on bonds if the reason for the deficiency is
25 nonpayment of assessments when due. Money received from actions taken
26 against property for nonpayment of assessments shall be credited to
27 the guarantee fund.

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

29 CHAPTER 47. MUNICIPAL DEBT.

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ARTICLE 1. REVENUE ANTICIPATION NOTES.

Sec. 29.47.010. BORROWING IN ANTICIPATION OF REVENUE. A municipality that is authorized to incur indebtedness may borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues for that year, but all debt so contracted shall be paid before the end of the next fiscal year. Negotiable or nonnegotiable revenue anticipation notes may be issued as evidence of the borrowing.

Sec. 29.47.020. ISSUANCE OF NOTES. A municipality may by ordinance or resolution authorize the issuance of revenue anticipation notes. The governing body may delegate to its chief fiscal officer the power to issue the notes from time to time under the terms and conditions of the ordinance or resolution that provides for the manner of their sale.

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

(b) If the state or federal grants for capital improvement projects have not been paid to the municipality before maturity of the notes issued in anticipation of the receipt of the revenue, the governing body may issue new notes in order to meet payment of the notes then maturing or may renew the outstanding revenue anticipation notes. New notes issued or renewals of outstanding revenue anticipation notes

1 mature not later than the end of the next fiscal year.

2 Sec. 29.47.040. PRIORITY OF REPAYMENT. The payment of the
3 principal and interest on revenue anticipation notes is payable from
4 revenues, and their payment additionally shall be secured by a pledge
5 of the full faith and credit of the municipality issuing them.

6 ARTICLE 2. BOND ANTICIPATION NOTES.

7 Sec. 29.47.080. BOND ANTICIPATION BORROWING. A municipality may
8 borrow money in anticipation of the sale of general obligation and
9 revenue bonds if

10 (1) the general obligation bonds to be sold have been
11 authorized by ordinance and ratified by a majority vote at an elec-
12 tion;

13 (2) the revenue bonds to be sold have been authorized by
14 ordinance.

15 Sec. 29.47.090. ISSUANCE OF NOTES. The governing body shall
16 issue negotiable or nonnegotiable notes for the amounts borrowed with
17 a maturity date not to exceed one year from the date of issue. All
18 notes and the interest on them are payable at fixed places on or
19 before a fixed time from the proceeds of the sale of bonds in antici-
20 pation of which the original note or notes were issued, unless the
21 bonds have not been sold by the maturity date of the notes.

22 Sec. 29.47.100. ISSUANCE OF NEW NOTES. If the sale of the bonds
23 has not occurred before the maturity of the notes issued in antici-
24 pation of the sale, the governing body shall issue new notes in order to
25 meet payment of the notes then maturing, or shall renew the outstand-
26 ing bond anticipation notes. New notes issued or renewals of out-
27 standing bond anticipation notes bear a maturity date not to exceed
28 one year from the date of issue. Notes, new notes, and renewals of
29 notes may not be outstanding for a total elapsed time of more than

1 three years.

2 Sec. 29.47.110. REPAYMENT OF NOTES. Every note is payable from
3 the proceeds of the sale of bonds that the notes anticipated or from
4 the proceeds of the sale of new bond anticipation notes.

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

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

14 Sec. 29.47.130. LIMITATION. The total amount of notes issued
15 and outstanding may at no time exceed the total amount of bonds autho-
16 rized to be issued.

17 Sec. 29.47.140. USE OF PROCEEDS. The proceeds from the sale of
18 notes shall be used only for the purposes for which the proceeds from
19 the sale of bonds may be used, or to meet payment of outstanding bond
20 anticipation notes.

21 ARTICLE 3. GENERAL OBLIGATION BONDS.

22 Sec. 29.47.180. GENERAL OBLIGATION BONDS. A municipality may
23 acquire, construct, improve, and equip capital improvements and issue
24 negotiable or nonnegotiable general obligation bonds for these pur-
25 poses.

26 Sec. 29.47.190. VOTE AND NOTICE OF EXISTING INDEBTEDNESS RE-
27 QUIRED. (a) A municipality may incur general obligation bond debt
28 only after a bond authorization ordinance is approved by a majority
29 vote at an election. Any municipal voter may vote in the bond

1 election, except as otherwise provided by law.

2 (b) Before a general obligation bond issue election, the govern-
3 ing body shall have published a notice of the total existing bond
4 indebtedness at least once a week for three consecutive weeks. The
5 first notice shall be published at least 20 days before the date of
6 the election. A notice shall include

7 (1) the current total general obligation bonded indebted-
8 ness, including authorized but unsold bonds of the municipality;

9 (2) the cost of the debt service on the current indebted-
10 ness;

11 (3) the total assessed value of property in the municipal-
12 ity.

13 Sec. 29.47.200. PAYMENT. (a) The full faith and credit of a
14 municipality are pledged for the payment of principal and interest on
15 general obligation bonds. The municipality may levy ad valorem taxes
16 for payment without limitation of rate or amount to pay or secure the
17 payment of the principal and interest on bonds, regardless of whether
18 the bonds are in default or in danger of default.

19 (b) General obligation bonds issued for acquiring, constructing,
20 improving and equipping a municipally owned utility or other revenue-
21 generating enterprise may be additionally secured by a pledge of the
22 revenue derived from operation. Bonds so secured are not subject to a
23 debt limitation imposed by a home rule charter. This subsection
24 applies to home rule and general law municipalities.

25 ARTICLE 4. REVENUE BONDS.

26 Sec. 29.47.240. REVENUE BONDS. (a) A municipality may issue
27 negotiable or nonnegotiable revenue bonds for a public enterprise or
28 public corporation of the municipality where the only security is the
29 revenue of the public enterprise or corporation.

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

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

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

14 ARTICLE 5. REFUNDING BONDS.

15 Sec. 29.47.300. AUTHORIZATION. If a municipality has outstand-
16 ing general obligation or revenue bonds and the governing body deter-
17 mines that it would be financially advantageous to refund the bonds,
18 the municipality may provide by ordinance or resolution for the issu-
19 ance of negotiable or nonnegotiable

20 (1) general obligation refunding bonds; or

21 (2) revenue refunding bonds.

22 Sec. 29.47.310. EFFECT OF REFUNDING BONDS. The refunding bonds
23 may take up and refund all or part of outstanding bonds at or before
24 their maturity or redemption date. The governing body may include
25 various series and issues of bonds in a single issue of refunding
26 bonds.

27 Sec. 29.47.320. NO ELECTION REQUIRED. An election is not re-
28 quired to authorize the issuance and sale of refunding bonds. Their
29 issuance may be authorized and all proceedings with reference to them

1 prescribed by ordinance. However, when it is desirable to use general
2 obligation bonds to refund a revenue bond issue, the governing body
3 shall call an election on the question.

4 Sec. 29.47.330. PAYMENT OF REFUNDING BONDS. General obligation
5 refunding bonds are payable according to AS 29.47.200. Revenue re-
6 funding bonds are payable according to AS 29.47.240.

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

12 ARTICLE 6. MISCELLANEOUS PROVISIONS.

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

18 (b) Bonds issued under this section are not a debt or liability
19 of the municipality and do not create or constitute an indebtedness,
20 liability, or obligation of the municipality, nor do they constitute a
21 pledge of faith, credit, or taxing power of the municipality. Each
22 bond must contain on its face a statement that the municipality is not
23 obligated to pay the principal or the interest on the bonds except
24 from those sources indicated, and that neither the faith and credit
25 nor the taxing power of the municipality is pledged to the payment of
26 principal or interest on the bond.

27 (c) A municipality may

28 (1) loan the proceeds of the bonds issued under this sec-
29 tion;

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

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

6 (4) provide for any matter that affects the security of the
7 bonds.

8 (d) In this section

9 (1) "bonds" means bonds, notes, or other evidence of in-
10 debtedness;

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

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

17 Sec. 29.47.410. FORMS AND TERMS. The municipality may by ordi-
18 nance or resolution fix the date, denominations, maturities, rate or
19 rates of interest, redemption terms, registration privileges, manner
20 of execution, signatures required, purchase price, manner of sale, and
21 other requirements for issuing bonds or notes under this chapter. If
22 an official whose signature appears on the bonds or coupons ceases to
23 be an official before delivery of the bonds, the signature of the
24 former official is valid as if the former official had remained in
25 office until delivery.

26 Sec. 29.47.420. INTEREST RATE. The interest rate payable on a
27 bond or note issued under this chapter shall be determined by the
28 municipality and is not subject to the usury rate limitations of
29 AS 45.45.010.

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

4 Sec. 29.47.440. BOROUGH INDEBTEDNESS. (a) A borough may incur
5 indebtedness

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

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

9 (3) on a service area basis for functions performed only in
10 a service area.

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

16 (c) If the bonded debt to be incurred by a borough is an area-
17 wide debt, the vote is areawide. If the full faith and credit of the
18 entire borough is pledged for the payment of the debt of the borough
19 area outside all cities or of a service area, an areawide election is
20 held and the proposition must pass both areawide and in the area that
21 will benefit from the improvement. If the bonded indebtedness to be
22 incurred . limited to the borough area outside all cities, the vote
23 is limited to voters outside all cities. If the indebtedness to be
24 incurred is limited to a service area, the vote is limited to voters
25 in the service area. Only the full faith and credit of the area
26 voting on the indebtedness is pledged for the payment of the debt.

27 (d) The indebtedness of a municipality reclassified under
28 AS 29.04.040 - 29.04.060 is not affected by reclassification. All
29 property in a municipality that is reclassified remains subject to

1 taxation to amortize bonded or other indebtedness affecting the muni-
2 cipality and authorized on the effective date of reclassification.

3 Sec. 29.47.450. SERVICE AREA DEBT. The indebtedness of a ser-
4 vice area acquired under AS 29.47.440 remains the indebtedness of the
5 area that incurred the debt, notwithstanding a subsequent court deter-
6 mination that the service area was not validly formed under law or by
7 virtue of a defect in the proceedings creating the service area. All
8 property in the service area remains subject to taxation to pay the
9 bonded indebtedness.

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

11 CHAPTER 55. MUNICIPAL PROGRAMS.

12 Sec. 29.55.010. CREATION OF LOCAL HISTORICAL DISTRICT COMMIS-
13 SIONS. The governing body of a municipality may establish a local
14 historical district commission or designate the planning commission or
15 itself to serve as the historical district commission.

16 Sec. 29.55.020. ESTABLISHMENT OF HISTORICAL DISTRICTS. (a) In
17 addition to existing municipal authority providing for the preserva-
18 tion, protection, and maintenance of historic sites, the local histor-
19 ical district commission, in consultation with the Historic Sites
20 Advisory Committee in the Department of Natural Resources, may estab-
21 lish historical districts within the boundaries of the municipality.

22 (b) A historical district shall be a reasonably compact area of
23 historical significance in which two or more structures important in
24 state or national history, and related by physical proximity or his-
25 torical association, are located. For purposes of this section,
26 "structures important in state or national history" means properties
27 recommended by historical district commissions that are listed in the
28 National Register of Historic Places or are characteristic of the
29 Russian-American period before October 18, 1867, the early territorial

1 period before 1930, or early Native heritage, reflecting the indige-
2 nous characteristics of Native culture in Alaska. On recommendation
3 of the governing body of a municipality and the Historic Sites Advi-
4 sory Committee, the Department of Natural Resources may by regulation
5 formulate additional criteria for the establishment of historical
6 districts not inconsistent with this subsection.

7 (c) The establishment of a historical district under this sec-
8 tion shall be consistent with any applicable comprehensive plan for
9 the municipality.

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

11 CHAPTER 60. STATE PROGRAMS.

12 ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

13 Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICI-
14 PAL SERVICES. (a) During each fiscal year the department shall
15 compute an equalization entitlement for municipal services provided by
16 a taxing unit.

17 (b) The equalization entitlement computed for a taxing unit is
18 based on the population, relative ability to generate revenue, and
19 local tax burden of the taxing unit and is determined by the applica-
20 tion of the formula

21 Entitlement = P x R

22 where P = population, and

23 R = millage rate equivalent, determined by dividing the sum
24 of the locally generated revenue of the taxing unit by one-tenth of
25 one percent of the full and true value of assessed property of the
26 taxing unit determined under AS 29.60.030(d); however, the per capita
27 property value used under this subsection may not be less than 15
28 percent of the statewide average per capita full and true assessed
29 property value.

1 (c) For purposes of this section, locally generated revenue
2 (1) includes
3 (A) the actual revenue derived from the levy and
4 collection of local taxes in the taxing unit for municipal ser-
5 vices during the preceding fiscal year of the taxing unit;
6 (B) motor vehicle payments received by the municipal-
7 ity during the preceding fiscal year under AS 28.10.431;
8 (C) revenue from fees, rentals, leases, penalties,
9 licenses or permits received during the preceding fiscal year by
10 the municipality for a function or service over which it has con-
11 trol, including revenues derived from parks and recreation ser-
12 vices, mass transit, offstreet parking, and garbage and solid
13 waste disposal services;
14 (D) special assessments received during the preceding
15 fiscal year; and
16 (E) payments received by a municipality from a utility
17 that are in place of taxes levied and collected by the municipal-
18 ity;
19 (2) excludes
20 (A) revenue derived from the levy and collection of
21 municipal taxes and appropriated for the operating expenses and
22 debt service of utilities;
23 (B) revenue from interest earned on investments and
24 from the sale and lease of land or equipment; and
25 (C) all other revenue from whatever service derived.
26 Sec. 29.60.020. DETERMINATION OF POPULATION. For purposes of
27 AS 29.60.010 - 29.60.080, the population of a taxing unit shall be
28 determined annually by the latest figures of the United States Bureau
29 of the Census or other population data that in the judgment of the

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

2 (1) includes

3 (A) the actual revenue derived from the levy and
4 collection of local taxes in the taxing unit for municipal ser-
5 vices during the preceding fiscal year of the taxing unit;

6 (B) motor vehicle payments received by the municipal-
7 ity during the preceding fiscal year under AS 28.10.431;

8 (C) revenue from fees, rentals, leases, penalties,
9 licenses or permits received during the preceding fiscal year by
10 the municipality for a function or service over which it has con-
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12 vices, mass transit, offstreet parking, and garbage and solid
13 waste disposal services;

14 (D) special assessments received during the preceding
15 fiscal year; and

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

19 (2) excludes

20 (A) revenue derived from the levy and collection of
21 municipal taxes and appropriated for the operating expenses and
22 debt service of utilities;

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

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

26 Sec. 29.60.020. DETERMINATION OF POPULATION. For purposes of
27 AS 29.60.010 - 29.60.080, the population of a taxing unit shall be
28 determined annually by the latest figures of the United States Bureau
29 of the Census or other population data that in the judgment of the

1 period before 1930, or early Native heritage, reflecting the indige-
2 nous characteristics of Native culture in Alaska. On recommendation
3 of the governing body of a municipality and the Historic Sites Advi-
4 sory Committee, the Department of Natural Resources may by regulation
5 formulate additional criteria for the establishment of historical
6 districts not inconsistent with this subsection.

7 (c) The establishment of a historical district under this sec-
8 tion shall be consistent with any applicable comprehensive plan for
9 the municipality.

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

11 CHAPTER 60. STATE PROGRAMS.

12 ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

13 Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICI-
14 PAL SERVICES. (a) During each fiscal year the department shall
15 compute an equalization entitlement for municipal services provided by
16 a taxing unit.

17 (b) The equalization entitlement computed for a taxing unit is
18 based on the population, relative ability to generate revenue, and
19 local tax burden of the taxing unit and is determined by the applica-
20 tion of the formula

21 Entitlement = P x R

22 where P = population, and

23 R = millage rate equivalent, determined by dividing the sum
24 of the locally generated revenue of the taxing unit by one-tenth of
25 one percent of the full and true value of assessed property of the
26 taxing unit determined under AS 29.60.030(d); however, the per capita
27 property value used under this subsection may not be less than 15
28 percent of the statewide average per capita full and true assessed
29 property value.

1 department is reliable.

2 Sec. 29.60.030. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a)

3 The department may require a municipality to return a certification,
4 signed by the municipal treasurer or manager and the mayor, that pro-
5 vides an estimate of the locally generated revenue received by the
6 municipality during the preceding fiscal year.

7 (b) By October 15 of each year, the department shall make an
8 initial determination of the millage rate equivalent of each taxing
9 unit to be used for computing and distributing equalization entitle-
10 ments for the current fiscal year under AS 29.60.010 - 29.60.080. The
11 department shall base the initial determination on the estimates in
12 the certification returned by a municipality under (a) of this sec-
13 tion.

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

27 (d) The full and true assessed property value shall be deter-
28 mined by the department in the manner provided for the computation of
29 state aid to education under AS 14.17.140. When the determination of

1 locally generated revenue includes revenue of a utility received under
2 AS 29.60.010(c)(1)(E), the full and true assessed property value shall
3 include the computed assessed value of the utility, determined by
4 dividing the amount of the payment in place of taxes made by the
5 utility by the millage rate that would apply to the utility if the
6 utility were subject to levy and collection of taxes under
7 AS 29.53.010 - 29.53.420.

8 (e) In addition to the computation for municipalities that levy
9 and collect a property tax, the department shall determine an esti-
10 mated full and true assessed property value under (d) of this section
11 for

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

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

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

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

25 Sec. 29.60.040. REPORTS. A payment of an equalization entitle-
26 ment may not be made to a municipality under AS 29.60.010 - 29.60.080
27 until the municipality has submitted its certificate of estimated
28 revenue and its financial report to the department for the fiscal year
29 preceding the year for which the equalization entitlement is sought,

1 together with a budget for the municipality's current fiscal year.
2 The financial report shall include a listing of general revenue col-
3 lected from taxes levied and assessed and any other revenue that, in
4 the opinion of the municipal officials, is eligible for inclusion in
5 computations of the locally generated revenue of the taxing unit.

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

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

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

18 Sec. 29.60.060. TAX EQUALIZATION ACCOUNT. The tax equalization
19 account is established. Money to carry out the provisions of AS 29.-
20 60.010 - 29.60.080 shall be allocated by the department to the ac-
21 count. The amount allocated to the account shall be fully distributed
22 by the department as payments to municipalities to fulfill each share
23 authorized under AS 29.60.010. The amount allocated to the account
24 shall be distributed by the department pro rata among eligible munici-
25 palities.

26 Sec. 29.60.070. ADMINISTRATION. (a) The department may adopt
27 regulations necessary to implement AS 29.60.010 - 29.60.080. The
28 regulations shall include, among other provisions,

29 (1) procedures and filing dates for submitting

1 certification and financial reports;

2 (2) procedures for obtaining information required to com-
3 pute and determine the municipality's millage rate equivalent; and

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

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

14 (c) The department shall, by regulation, classify for inclusion
15 or exclusion as a component of a municipality's millage rate equiva-
16 lent under AS 29.60.010 any tax revenue appropriated for a utility not
17 included in the definition set out in AS 29.60.080(2).

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

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

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

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

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

25 ARTICLE 2. STATE AID FOR MISCELLANEOUS PURPOSES.

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

29 (1) to a municipality or other eligible recipient that has

1 the power to provide the services described in AS 29.60.110 - 29.60.-
2 130 and exercises the power in the manner required by AS 29.60.100 -
3 29.60.180;

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

5 Sec. 29.60.110. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The
6 department shall pay to a municipality that has power to provide for
7 road maintenance and exercises that power, \$2,500 a mile for each mile
8 of road, street, or highway maintained by the municipality, excluding
9 (1) the official state highway system, (2) roads, streets, or highways
10 not dedicated to public use, (3) roads, streets, or highways main-
11 tained under the local service road program (AS 19.30.111 - 19.30.-
12 251), and (4) alleyways, in accordance with regulations adopted by the
13 Department of Transportation and Public Facilities. A payment may not
14 be made under this subsection for maintenance of a road that is not
15 used by automotive equipment.

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

28 Sec. 29.60.120. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE
29 RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The department

1 shall pay

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

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

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

1 section shall be used for expenses of health services or operation and
2 maintenance 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
6 assets by nonprofit corporations or other recipients under this sec-
7 tion is dedicated irrevocably to a public purpose.

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

10 (f) In this section

11 (1) "health facility"

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

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

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

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

25 Sec. 29.60.130. STATE AID TO VOLUNTEER FIRE DEPARTMENT'S NOT IN
26 ORGANIZED MUNICIPALITY. (a) The department shall pay to a volunteer
27 fire department registered with the state fire marshal and serving an
28 area not in an organized municipality a sum for protection purposes
29 equal to \$10 per capita for the population served by the fire

1 department, as determined by the state fire marshal.

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

8 Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a)

9 The department shall pay to each unincorporated community an
10 entitlement of \$25,000 each fiscal year to be used for a public
11 purpose. The department with advice from the Department of Law shall
12 determine whether there is in each unincorporated community an
13 incorporated nonprofit entity or a Native village council that will
14 agree to receive and spend the entitlement. If there is more than one
15 qualified entity in an unincorporated community, the department shall
16 pay the money under the entitlement to the entity that the department
17 finds most qualified to receive and spend the money. The department
18 may not pay money under an entitlement to a Native village council
19 unless the council waives immunity from suit for claims arising out of
20 activities of the council related to the entitlement. A waiver of
21 immunity from suit under this subsection must be on a form provided by
22 the Department of Law. If there is no qualified incorporated
23 nonprofit entity or Native village council in an unincorporated
24 community that is willing to receive money under an entitlement, the
25 entitlement for that unincorporated community may not be paid.
26 Neither this subsection nor any action taken under it enlarges or
27 diminishes the governmental authority or jurisdiction of a Native
28 village council.

29 (b) In this section "unincorporated community" means a place in

1 the unorganized borough that is not incorporated as a city and in
2 which 25 or more persons reside as a social unit.

3 Sec. 29.60.150. POPULATION DETERMINATION. For purposes of
4 AS 29.60.100 - 29.60.180, population shall be determined by the latest
5 figures of the United States Bureau of the Census or other population
6 data that in the judgment of the department is reliable.

7 Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments
8 to a municipality or other eligible recipient under AS 29.60.110 -
9 29.60.130 shall reflect area cost-of-living differentials. Payments
10 shall be based on the sum of per capita, per mile and per bed or
11 facility grants due each municipality or other recipient multiplied by
12 the appropriate area cost-of-living differential. The area cost-of-
13 living differential for each recipient shall be determined annually by
14 election district under the provisions of AS 39.27.030. Application
15 of the area cost-of-living differential may not result in distribution
16 of an amount less than the amount of the payment determined without
17 reference to application of this section.

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

23 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscella-
24 neous services account is established. Money to carry out the provi-
25 sions of AS 29.60.100 - 29.60.180 shall be allocated by the department
26 to the account in accordance with AS 29.60.280. If amounts in the
27 account are insufficient to pay each municipality's or other recip-
28 ient's share authorized under AS 29.60.100 - 29.60.180, the amounts
29 that are available shall be distributed pro rata among eligible

1 municipalities and other recipients.

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

11 ARTICLE 3. ADMINISTRATION OF STATE AID PROGRAMS.

12 Sec. 29.60.280. ALLOCATION AND DISTRIBUTION. (a) Each year,
13 the department shall allocate money appropriated to the accounts
14 established in AS 29.60.060, 29.60.170, and former AS 29.90.020 in the
15 amounts determined by the legislature.

16 (b) Money in the miscellaneous services account established in
17 AS 29.60.170 that exceeds the amount required to fully fund distribu-
18 tions authorized by AS 29.60.100 - 29.60.180 shall be reallocated to
19 the tax equalization account established in AS 29.60.060 and distri-
20 buted according to the provisions of AS 29.60.010 - 29.60.080.

21 (c) Money in the hospital and health facility construction
22 assistance account established in former AS 29.90.020 that exceeds the
23 amount required to fully fund distributions authorized by sec. 9, ch.
24 95, SLA 1983 shall be reallocated to the tax equalization account
25 established in AS 29.60.060 and distributed according to the
26 provisions of AS 29.60.010 - 29.60.080.

27 Sec. 29.60.290. QUALIFICATION FOR MINIMUM PAYMENT. (a) A
28 municipality qualifying for an entitlement under AS 29.60.010 - 29.-
29 60.080 or 29.60.100 - 29.60.180 shall receive a minimum payment of

1 \$25,000 plus an area cost-of-living differential for each fiscal year
2 if

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

8 (2) regular meetings of the governing body are held in the
9 municipality during the fiscal year preceding the year for which
10 payment of an entitlement is authorized by AS 29.60.010 - 29.60.080 or
11 29.60.100 - 29.60.180 and a record of the proceedings is maintained;

12 (3) a municipal budget has been adopted for the fiscal year
13 during which payment of an entitlement is authorized by AS 29.60.010 -
14 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement
15 for the preceding fiscal year has been prepared and furnished to the
16 department in accordance with AS 29.20.640(a); and

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

19 (b) The area cost-of-living differential payable to each munici-
20 pality under this section shall be determined annually by election
21 district under the provisions of AS 39.27.030. Except as provided in
22 AS 29.60.300, application of the area cost-of-living differential may
23 not result in a payment that is less than the minimum payment deter-
24 mined under (a) of this section. For purposes of this subsection, the
25 election districts used are those designated by the proclamation of
26 reapportionment and redistricting of December 7, 1961, and retained
27 for the house of representatives by proclamation of the governor
28 September 3, 1965.

29 (c) The department shall pay to each municipality eligible to

1 receive a minimum payment under this section an amount equal to the
2 difference between the minimum payment determined under (a) and (b) of
3 this section and the sum of the amounts payable for the same fiscal
4 year under AS 29.60.010 - 29.60.080 and 29.60.100 - 29.60.180.

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

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

9 Sec. 29.60.300. PRORATION OF PAYMENTS. (a) Payments under
10 AS 29.60.290 and 29.60.010 - 29.60.180 shall equal the amount allo-
11 cated to the tax equalization account (AS 29.60.060), adjusted in
12 accordance with AS 29.60.280.

13 (b) Adjustments of payments shall be determined by prorating
14 amounts payable under AS 29.60.290 and amounts payable under AS 29.-
15 60.010 - 29.60.180 by a factor that, when applied, reduces all pay-
16 ments in equal proportion so that payment under AS 29.60.290 and
17 payments under AS 29.60.010 - 29.60.180 equal the amount allocated to
18 the tax equalization account established in AS 29.60.060.

19 ARTICLE 4. MUNICIPAL ASSISTANCE.

20 Sec. 29.60.350. MUNICIPAL ASSISTANCE FUND. (a) There is estab-
21 lished in the department the municipal assistance fund. The legisla-
22 ture may appropriate to the municipal assistance fund during each
23 fiscal year an amount equal to or greater than 30 percent of the
24 income tax revenue received by the state under AS 43.20.011(e) for the
25 previous fiscal year.

26 (b) The department shall distribute money from the municipal
27 assistance fund to each municipality on an annual basis as provided in
28 AS 29.60.360 and 29.60.370. A municipality may not receive payment
29 until it submits to the department a resolution approved by the

1 governing body of the municipality that requests the money.
2 Distribution of money from the municipal assistance fund to a
3 municipality with a fiscal year beginning on January 1 shall be made
4 on February 1 of the state fiscal year for which the appropriation to
5 the fund is made. Distribution of money from the municipal assistance
6 fund to all other municipalities shall be made on June 1 of the state
7 fiscal year for which the appropriation to the fund is made. A
8 municipality that incorporates after December 31 of a state fiscal
9 year is not eligible for a distribution under this section until the
10 following state fiscal year.

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

25 (b) If the amount appropriated to the municipal assistance fund
26 by the legislature during a fiscal year is insufficient for distri-
27 bution of the full base amount to each municipality, the department
28 shall prorate the amount available for distribution on the basis of
29 amounts received during the fiscal year 1978 under AS 43.70.080.

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

9 (b) The intent of (a) of this section is that a municipality
10 that levies property taxes reduce those levies in reasonable propor-
11 tion to the amount of increased state aid received by the municipal-
12 ity. The governing body of each municipality shall furnish a notice
13 with each tax statement describing its use of this increased state
14 aid.

15 ARTICLE 5. COMMUNITY FACILITIES GRANTS.

16 Sec. 29.60.400. GRANTS FOR COMMUNITY FACILITIES. (a) Within
17 the limits of appropriations for the purpose the Department of
18 Commerce and Economic Development shall make matching grants in
19 accordance with the provisions of AS 29.60.410 - 29.60.440 to
20 municipalities or their nonprofit designees equal to

21 (1) 50 percent of the estimated reasonable costs of
22 construction of municipal civic, convention, and community recreation
23 centers; and

24 (2) 50 percent of the cost of feasibility studies relating
25 to the construction of municipal civic, convention, and community
26 recreation centers.

27 (b) A grant may be made under this section only to a
28 municipality with the power to implement the study or project for
29 which the grant is authorized or to its nonprofit designee. A grant

1 for only one study and one project may be awarded to a municipality or
2 its designee under this section.

3 (c) In this section "costs of construction" means, in addition
4 to costs directly related to a project, the sum of all costs of
5 financing and carrying out the project, including the costs of all
6 necessary studies, surveys, plans and specifications, architectural,
7 engineering or other special services, acquisition of real property,
8 site preparation and development, purchase, construction,
9 reconstruction and improvement of real property and the acquisition of
10 machinery and equipment necessary to the project; an allocable portion
11 of the administrative and operating expenses of the grantee; and the
12 cost of financing the project, including interest on bonds issued to
13 finance the project, the cost of indemnity and surety bonds, premiums
14 on insurance, legal fees, fees and expenses of trustees, depositaries,
15 financial advisors, and the costs associated with the issuance of
16 bonds. It does not include the cost of feasibility studies.

17 Sec. 29.60.410. GRANT PROCEDURES. (a) An application for a
18 grant under AS 29.60.400 shall be made in a form prescribed by the
19 commissioner of commerce and economic development.

20 (b) A grant shall be allotted in accordance with an agreement
21 made between the commissioner of commerce and economic development on
22 behalf of the state and the grantee. The agreement may include any
23 provision agreed upon by the parties and shall include in substance
24 the following provisions:

25 (1) estimates of reasonable costs of the study or project
26 as approved by the commissioner after consultation with the Department
27 of Transportation and Public Facilities;

28 (2) a schedule of disbursements of money from the grant if
29 the commissioner determines that the grant money is not to be

1 disbursed in one sum;

2 (3) agreement by the grantee

3 (A) to proceed with and complete the proposed study or
4 project expeditiously;

5 (B) not to discontinue operation or dispose of all or
6 part of a community facility for which it receives a grant
7 without the approval of the commissioner;

8 (C) to apply for and make reasonable efforts to secure
9 federal assistance that may be available for the study or
10 project, subject to any conditions the commissioner may require
11 to maximize the amounts of that assistance available for all
12 projects in the state;

13 (D) to provide for payment of the grantee's share of
14 the cost of the study or project;

15 (E) that, if federal assistance for a study or project
16 becomes available to the grantee that was not included in the
17 calculation of the amount of the grant, the value of the federal
18 assistance shall be subtracted from the total value of the
19 project and the balance shall be equally divided between the
20 grantee and the state;

21 (4) alteration or modification of an approved study or
22 project;

23 (5) alteration or modification of an existing facility that
24 would have qualified for a grant at the time of initial construction
25 if AS 29.60.400 - 29.60.440 had been in effect;

26 (6) remedies in case of failure to perform the agreement or
27 noncompliance with regulations adopted under AS 29.60.420.

28 (c) The commissioner of commerce and economic development shall
29 require in negotiations and in each grant agreement that continued

1 maintenance of the community facility is the responsibility of the
2 municipality. The municipality must show the feasibility of
3 continuing to maintain the facility before state money may be
4 authorized for a grant.

5 Sec. 29.60.420. POWERS AND DUTIES OF THE COMMISSIONER. (a) The
6 commissioner of commerce and economic development shall provide an
7 annual report to the legislature about grants made under AS 29.60.400.

8 (b) The commissioner of commerce and economic development shall
9 adopt regulations to carry out the purposes of AS 29.60.400 -
10 29.60.440.

11 Sec. 29.60.430. ALLOCATION OF MONEY. If the amount of money
12 appropriated by the legislature for grants under AS 29.60.400 is not
13 adequate to satisfy amounts required for approved grant applications,
14 money shall be allocated on the basis of priority established by
15 regulations of the Department of Commerce and Economic Development.

16 Sec. 29.60.440. LIMITATION. AS 29.60.400 - 29.60.440 does not
17 require that a recipient of a grant for a feasibility study must
18 proceed with construction of the project, regardless of whether the
19 project is determined to be feasible.

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

21 CHAPTER 65. GENERAL GRANT LAND.

22 Sec. 29.65.010. DETERMINATION OF ENTITLEMENT OF BOROUGH AND
23 UNIFIED MUNICIPALITIES. The general grant land entitlement of each of
24 the municipalities in this section is the amount set out opposite
25 each:

- 26 (1) Municipality of Anchorage - 44,893 acres;
27 (2) City and Borough of Juneau - 19,584 acres;
28 (3) City and Borough of Sitka - 10,500 acres;
29 (4) Bristol Bay Borough - 2,898 acres;

- 1 (5) Fairbanks North Star Borough - 112,000 acres;
- 2 (6) Haines Borough - 2,800 acres;
- 3 (7) Kenai Peninsula Borough - 155,780 acres;
- 4 (8) Ketchikan Gateway Borough - 11,593 acres;
- 5 (9) Kodiak Island Borough - 56,500 acres;
- 6 (10) Matanuska-Susitna Borough - 355,210 acres;
- 7 (11) North Slope Borough - 89,850 acres.

8 Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR CITIES. The
9 general grant land entitlement of a city formerly eligible to receive
10 general grant land under the provisions of former AS 29.18.190 and
11 29.18.200 is 10 percent of the maximum total acreage of vacant,
12 unappropriated, unreserved land in the boundaries of each city at any
13 time between the initial date of eligibility under former AS 29.18.190
14 and 29.18.200 and July 1, 1978. Within six months after July 1, 1978,
15 the commissioner shall determine the entitlement for each city
16 eligible to receive general grant land under this section and certify
17 that entitlement to the city.

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

23 (b) Within six months after the date of incorporation of a muni-
24 cipality that is incorporated after July 1, 1978, the commissioner
25 shall determine the entitlement of each municipality eligible to
26 receive general grant land under (a) of this section and certify the
27 entitlement to the municipality.

28 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) After July 1,
29 1978, general grant land entitlements provided in AS 29.65.010 and

1 29.65.020 are vested property rights that must be fulfilled as pro-
2 vided in AS 29.65.050 or 29.65.080.

3 (b) General grant land entitlements provided by AS 29.65.030 are
4 property rights that vest on the date of incorporation of the munici-
5 pality. The entitlement must be fulfilled as provided in AS 29.65.-
6 050.

7 (c) Land may be selected or nominated for selection by a munici-
8 pality to satisfy a general grant land entitlement under former
9 AS 29.18.201 and 29.18.202 at any time before October 1, 1980. How-
10 ever, if a municipal selection or nomination or a part of a municipal
11 selection or nomination is rejected by the commissioner, the munici-
12 pality may, not later than 90 days after receipt of the rejection,
13 select additional state land as necessary to satisfy its entitlement.

14 (d) Land may be selected by a municipality to satisfy a general
15 grant land entitlement under AS 29.65.030 at any time within one year
16 after the commissioner certifies the entitlement to the municipality.

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

19 (1) the portion of an entitlement that cannot be satisfied
20 by that date because of a shortage of land suitable for residential,
21 commercial, and industrial purposes that is vacant, unappropriated,
22 unreserved land;

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

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

28 (4) the portion of an entitlement that cannot be satisfied
29 because the land nominated for selection by the municipality is not

1 tentatively approved for patent to the state.

2 Sec. 29.65.050. FULFILLMENT OF LAND ENTITLEMENTS. (a) The
3 acreage of each municipality's land selections for which patent has
4 been issued before July 1, 1978, shall be credited toward fulfillment
5 of the entitlement of that municipality.

6 (b) All approved selections under former AS 29.18.190 and 29.-
7 18.200 for which patent has not been issued to a municipality on
8 July 1, 1978, shall be reviewed by the commissioner within nine months
9 after July 1, 1978. Any approved selection of land that was vacant,
10 unappropriated, or unreserved on the date of selection is valid as of
11 the date of the approval under former AS 29.18.190 and 29.18.200, and
12 a patent shall be issued to the municipality within three months after
13 approval by the commissioner of a plat of survey. The acreage shall
14 be credited toward fulfillment of the municipality's entitlement. A
15 municipality is not entitled to receive patent under this chapter to
16 more than its entitlement determined under AS 29.65.010 - 29.65.030.
17 Any prior approval by the commissioner of municipal selections for
18 land that was not vacant, unappropriated, or unreserved on the date of
19 selection shall be rescinded, and patent may not be issued except when
20 disposal to a third party by sale or lease has occurred. Transfers of
21 land to municipalities under this chapter are subject to AS 38.05.321.
22 Classification actions as reflected on the land status records of the
23 Department of Natural Resources are determinative of land classifica-
24 tion status for purposes of this chapter.

25 (c) The commissioner shall approve each selection for patent
26 within nine months of its selection by a municipality, and a patent
27 shall be issued to the municipality for land selected in satisfaction
28 of a general grant land entitlement vested under AS 29.65.010 -
29 29.65.030 within three months after approval by the commissioner of a

1 plat of survey.

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

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

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

19 (d) Within six months after approval of a municipal selection of
20 school or mental health land, the commissioner shall identify state
21 general grant land of approximately equal value to the land requested
22 by the municipality and shall propose the replacement land for the
23 concurrence of the appropriate board. If a proposal by the
24 commissioner is rejected by the board, the commissioner shall meet
25 with the board as often as necessary to determine the type and amount
26 of equal value replacement land that would be required to obtain the
27 board's concurrence, and shall propose the replacement land for
28 consideration by the board. The replacement land shall thereafter be
29 managed for the purposes for which the land selected by the

1 municipality was acquired by the Territory and State of Alaska.

2 (e) The notice and review provisions of AS 38.05.345 apply to
3 the designation of other general grant land as school or mental health
4 land in replacement of land selected under this section. The
5 provisions of AS 38.50 do not apply to such designations under this
6 section. The provisions of AS 38.05.030(a) that require the approval
7 of the respective trust board before disposal of land by the
8 commissioner do not apply to selections of school or mental health
9 land by a local government under this section.

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

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

24 (b) The commissioner may approve municipal selections of land
25 that have been tentatively approved or patented to the state by the
26 federal government but may not issue patent to a municipality until
27 the land has first been patented to the state. After approval of a
28 selection by the commissioner, but before patent to a municipality,
29 the municipality may execute conditional leases and make conditional

1 sales only with the consent of the commissioner. Conditional sales
2 and conditional leases made before July 1, 1978, do not require the
3 consent of the commissioner.

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

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

13 (1) providing payment to the boroughs and unified muni-
14 cipalities designated in AS 29.65.010 for a deficiency of land phys-
15 ically suitable for residential, commercial, or industrial purposes;
16 or

17 (2) providing payment to the boroughs and unified muni-
18 cipalities designated in AS 29.65.010 for certain general grant lands
19 selected by the state and conveyed to a Native corporation under the
20 provisions 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 re-
23 ceive payment for land deficiency if, after July 1, 1980, the amount
24 of land selected by a municipality that is physically suitable for
25 residential, commercial, or industrial purposes amounts to less than
26 one-third acre per capita. Any entitlement under AS 29.65.010 that is
27 less than one-third acre per capita will, for the purposes of this
28 subsection, be considered a land deficiency. An unselected remaining
29 entitlement will, for the purpose of deficiency payment under this

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

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

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

1 deficiency under (c) of this section.

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

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

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

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

21 (g) Payments authorized by this section may not be made to a
22 municipality eligible for an entitlement under AS 29.65.020 or 29.65.-
23 030.

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

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

11 Sec. 29.65.100. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Con-
12 sistent with the best interests of the state, if a municipality does
13 not contain and cannot reasonably acquire sufficient nonfederal land
14 within its boundaries to meet its legitimate needs for public or
15 private settlement or development, it shall be the policy of the state
16 to select federal land reasonably necessary to meet the needs of the
17 municipality and to make the land selected available to the municipali-
18 ty under AS 38.05.315 or (b) of this section.

19 (b) Where state land is the most logical location for demon-
20 strated municipal expansion for nonpublic settlement and development
21 purposes, and when an exchange of land under AS 29.65.090 is not
22 possible or is not in the public interest, it is the policy of the
23 state to sell or lease the land at public auction. The state may
24 contract with a municipality to act as its agent in an auction of
25 state land under applicable statutes. When a municipality acts as the
26 agent of the state in an auction, the municipality may retain from the
27 proceeds of the auction the expenses that the commissioner determines
28 to be necessary and reasonable.

29 (c) Nothing in this chapter limits or impairs the authority of

1 the commissioner to transfer land to municipalities, without limit or
2 consideration, for public purposes in accordance with AS 38.05.315.
3 If there is a remaining entitlement of the municipality, land trans-
4 ferred under AS 38.05.315 shall be credited toward fulfillment of the
5 entitlement.

6 Sec. 29.65.110. ELECTION OF BENEFITS. (a) A municipality that
7 on July 1, 1978, is engaged in litigation, or that becomes engaged in
8 litigation, regarding a claim to state land under former AS 29.18.190
9 and 29.18.200 shall elect either to obtain the benefits provided in
10 this chapter or to pursue the litigation and waive any claim to en-
11 titlement under this chapter. An election shall be made by filing a
12 motion for dismissal with prejudice in the court in which the litiga-
13 tion is pending. If the claim involves a municipality identified in
14 AS 29.65.010, the municipality shall file its motion for dismissal
15 within 60 days after July 1, 1978. If a claim involves a city eligi-
16 ble to receive an entitlement under AS 29.65.020 the city shall file
17 its motion for dismissal within 60 days after receiving the certifi-
18 cate of entitlement provided by the commissioner under AS 29.65.020.
19 Failure of the municipality to file a motion for dismissal during the
20 time period provided in this subsection is considered a waiver of
21 entitlement under this chapter.

22 (b) A municipality that was eligible to file land selections
23 under former AS 29.18.190 and 29.18.200 and that does not enter into
24 litigation over a claim to rights under those sections before the
25 expiration of the time period within which it could make an election
26 under (a) of this section is considered to have elected to receive
27 benefits under this chapter and to have waived any claim that might
28 have been raised under former AS 29.18.190 and 29.18.200.

29 (c) The provisions of this chapter do not affect the rights of a

1 party to litigation regarding the former AS 29.18.190, 29.18.200 or
2 29.18.420 maintained by a municipality that has elected not to obtain
3 the benefits provided by this chapter.

4 Sec. 29.65.120. ADMINISTRATION. The commissioner may adopt
5 regulations in accordance with the Administrative Procedure Act
6 (AS 44.62) necessary to carry out the purposes of this chapter.

7 Sec. 29.65.130. DEFINITIONS. In this chapter, unless the con-
8 text otherwise requires,

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

12 (2) "commissioner" means the commissioner of natural
13 resources, or the commissioner's designee;

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

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

19 (5) "municipal land selection" means a request by a munici-
20 pality, filed in writing with the Department of Natural Resources
21 under authority of former AS 29.18.190 and 29.18.200 or under this
22 chapter for vacant, unappropriated, unreserved general grant land
23 within its municipal boundaries in partial fulfillment of its
24 municipal entitlement;

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

29 (7) "remaining entitlement" means the general grant land

1 entitlement determined in accordance with this chapter, reduced by the
2 total acreage of approved selections, including both patented and un-
3 patented parcels;

4 (8) "school land" means those rectangular sections 16 and
5 36 within each township surveyed on or before January 3, 1959, and
6 confirmed and transferred to the State of Alaska upon its admission
7 under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other
8 land designated solely for school revenues;

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

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

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

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

22 Sec. 29.65.140. APPLICATION. This chapter applies to home rule
23 and general law municipalities.

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

25 CHAPTER 71. GENERAL PROVISIONS.

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

28 Sec. 29.71.020. DEDICATION OF MUNICIPAL PROPERTY. Dedication of
29 streets, rights-of-way, easements or other areas for public use may

1 not be construed to require the municipality to maintain, improve or
2 provide for municipal services in the area dedicated and the dedica-
3 tion does not impose any liability on the municipality for the condi-
4 tion of the area dedicated.

5 Sec. 29.71.030. TAXATION OF MUNICIPALITIES. No state law or
6 regulation may assess or tax, or be construed to assess or tax, a
7 municipality unless the law or regulation expressly provides that the
8 municipality is to be assessed or taxed by the particular law or
9 regulation.

10 Sec. 29.71.800. DEFINITIONS. In this title, unless otherwise
11 provided or the context otherwise requires,

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

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

15 (3) "borough" means a general law borough or a home rule
16 borough;

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

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

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

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

24 (8) "department" means the Department of Community and
25 Regional Affairs;

26 (9) "election" means a regular or special municipal elec-
27 tion and does not include a state election;

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

- 1 (11) "majority" means a simple majority;
- 2 (12) "merger" means dissolution of a municipality and its
3 absorption by another municipality;
- 4 (13) "municipality" means a political subdivision incor-
5 porated under the laws of the state that is a home rule or general law
6 city, a home rule or general law borough, or a unified municipality;
- 7 (14) "nonareawide" means throughout the area of a borough
8 outside all cities in the borough;
- 9 (15) "owner" or "record owner" means the owner of record or
10 purchaser of record as shown in the records of the district recorder;
- 11 (16) "personal property" means tangible property other than
12 real property, such as merchandise, stock in trade, machinery, equip-
13 ment, furniture, fixtures, vehicles, boats, and aircraft;
- 14 (17) "property" means real and personal property;
- 15 (18) "published" means appearing at least once in a news-
16 paper of general circulation distributed in the municipality or, if
17 there is no newspaper of general circulation distributed in the muni-
18 cipality, posting in three public places for at least five days;
- 19 (19) "real property" means land and improvements, all pos-
20 sessory rights and privileges appurtenant to the property, and in-
21 cludes personal property affixed to the land or improvements;
- 22 (20) "regular election" means the municipal election held on
23 the first Tuesday of October annually, or on a different date or
24 interval of years provided by ordinance or charter;
- 25 (21) "special election" means a municipal election and does
26 not include a regular election or a state election;
- 27 (22) "street" includes streets, avenues, boulevards, roads,
28 lanes, alleys, and other ways;
- 29 (23) "subdivision"

1 (A) means the division of a parcel of land into two or
2 more lots or other divisions for the purpose of sale or building
3 development, includes resubdivision, and relates to the process
4 of subdividing or to the land subdivided;

5 (B) does not include cadastral plats, cadastral con-
6 trol plats, open-to-entry plats, or remote parcel plats created
7 by or on behalf of the state regardless of whether these plats
8 include easements or other public dedications;

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

11 (25) "voter" means a United States citizen who is qualified
12 to vote in state elections, has been a resident of the municipality
13 for 30 days immediately preceding the election, is registered to vote
14 in state elections, and is not disqualified under art. V of the state
15 constitution.

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

17 (15) "municipality" means a political subdivision incor-
18 porated under the laws of the state that is a home rule or general law
19 city, a home rule or general law borough, or a unified municipality.

20 * Sec. 19. AS 05.35.040 is amended to read:

21 Sec. 05.35.040. POWER OF MUNICIPALITY. A municipality may own,
22 maintain and employ a facility constructed under AS 05.35.010 -
23 05.35.070. The exercise of this power on an areawide basis is at the
24 option of the borough and is not subject to the restrictions on ac-
25 quiring additional areawide powers in AS 29.35.300 - 29.35.330
26 [AS 29.33.250 - 29.33.290].

27 * Sec. 20. AS 09.55.275 is amended to read:

28 Sec. 09.55.275. REPLAT APPROVAL. No agency of the state or
29 municipality may acquire property located within a municipality

1 exercising the powers conferred by AS 29.35.180 or 29.35.260(c) that
2 [AS 29.33.150 - 29.33.245 WHICH] results in a boundary change unless
3 the agency or municipality first obtains from the municipal platting
4 authority preliminary approval of a replat showing clearly the loca-
5 tion of the proposed public streets, easements, rights-of-way, and
6 other taking of private property. Final approval of replat shall be
7 similarly obtained. However, if a state agency clearly demonstrates
8 an overriding state interest, a waiver to the approval requirements of
9 this section may be granted by the governor. The platting authority
10 shall treat applications for replat made by state or local govern-
11 mental agencies in the same manner as replat petitions originated by
12 private landowners.

13 * Sec. 21. AS 09.65.070(e)(1) is amended to read:

14 (1) "municipality" has the meaning given in
15 AS 01.10.060(15) and [MEANS A HOME RULE BOROUGH OR CITY, A GENERAL LAW
16 BOROUGH OR CITY OF ANY CLASS, A UNIFIED MUNICIPALITY ESTABLISHED UNDER
17 AS 29.68.240 - 29.68.440, OR A MUNICIPALITY ESTABLISHED BY MERGER OR
18 CONSOLIDATION UNDER AS 29.68.030 - 29.68.110; THE TERM] includes a
19 public corporation established by a municipality;

20 * Sec. 22. AS 14.08.071(b) is amended to read:

21 (b) Except for the first election of regional school members
22 under (a) of this section, elections [ELECTION] shall be held annually
23 on the first Tuesday in October. Elections shall be supervised by the
24 director of elections in the office of the lieutenant governor, but
25 shall be administered within second class cites as part of the regular
26 municipal election. The lieutenant governor shall adopt [PROMULGATE]
27 regulations for the conduct of the election of regional school board
28 members comparable, as far as practicable, to those prescribed for
29 election of school board members under AS 14.12 and AS 29.20.300

1 [AS 29.28] except that the majority election requirements of AS 29.-
2 26.060 [AS 29.28.040] do not apply to, nor may the regulations require
3 runoff elections for, the first election of regional school board
4 members under (a) of this section or, if a school board by resolution
5 so requests, to subsequent elections in the regional educational
6 attendance area served by that school board.

7 * Sec. 23. AS 14.08.081 is amended to read:

8 Sec. 14.08.081. RECALL. The members of a regional school board
9 are subject to recall in accordance with AS 29.26.240 - 29.26.360
10 [AS 29.28.130 - 29.28.250], except that the director of the division
11 of elections shall perform the functions of a municipal clerk, and the
12 lieutenant governor shall perform the functions of the assembly or
13 council under those sections.

14 * Sec. 24. AS 14.12.030(c) is amended to read:

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

20 * Sec. 25. AS 14.12.110 is amended to read:

21 Sec. 14.12.110. SINGLE BODY AS ASSEMBLY AND SCHOOL BOARD. Not-
22 withstanding the provisions of this chapter or other law, a single
23 body may serve as both the [BOROUGH] assembly and [BOROUGH] school
24 board in the manner provided for third class boroughs under AS 29.20.-
25 300(b) [AS 07.17.030], if

26 (1) an [A BOROUGH] ordinance for that purpose is approved
27 by the assembly and ratified by a referendum of a majority of the
28 qualified borough voters voting on the question at a regular or spe-
29 cial election; [,] and

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

3 * Sec. 26. AS 14.14.020 is amended to read:

4 Sec. 14.14.020. BOND REQUIRED. Before the officer responsible
5 for custody [OF], investment, or management of school district money
6 enters upon the duties of office, the district, or the municipality if
7 the treasury is centralized, shall obtain a bond with sufficient
8 sureties in an amount equal to the money that may come into the offi-
9 cer's official custody, but not to exceed \$50,000. The bond shall be
10 conditioned on the officer's honest and faithful disbursement and
11 accounting of all money that may come into the official custody of the
12 officer. The bond shall be filed with the clerk of the school board.
13 This section does not apply to an officer who has been bonded under
14 AS 29.20.610 [AS 29.23.520].

15 * Sec. 27. AS 14.14.050(d) is amended to read:

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

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

21 (a) This chapter applies in every election for governor, lieu-
22 tenant governor, a member of the state legislature, a delegate to a
23 constitutional convention, or judge seeking electoral confirmation.
24 It also applies to every candidate for election to a municipal office
25 in a municipality [CITY OR BOROUGH] with a population of more than
26 1,000 inhabitants according to the latest United States census figures
27 or estimates of population certified as correct for administrative
28 purposes by the Department of Community and Regional Affairs. A
29 municipality may exempt its elected municipal officer from the

1 requirements of this chapter if a majority of the voters voting on the
2 question at a [ANY] regular election, as defined by AS 29.71.800(20)
3 [AS 29.78.010(14)], or a special municipality-wide election called for
4 that purpose, vote to exempt its elected municipal officers from the
5 requirements of this chapter. The question of exemption from the
6 requirements of this chapter may be submitted by the governing body
7 [CITY COUNCIL OR BOROUGH ASSEMBLY] by ordinance or by initiative
8 election [ORDINANCE]. Nothing in this chapter prohibits a municipal-
9 ity from regulating by ordinance campaign contributions and expendi-
10 tures.

11 * Sec. 29. AS 15.13.120(f)(3) is amended to read:

12 (3) AS 29.20.170 [AS 29.23.060(c)], if the candidate is a
13 candidate for the borough assembly;

14 * Sec. 30. AS 15.13.120(f)(4) is amended to read:

15 (4) AS 29.20.280 [AS 29.23.130(f)], if the candidate is a
16 candidate for borough mayor;

17 * Sec. 31. AS 15.13.120(f)(5) is amended to read:

18 (5) AS 29.20.170 [AS 29.23.210(b)], if the candidate is a
19 candidate for city council;

20 * Sec. 32. AS 15.13.120(f)(6) is amended to read:

21 (6) AS 29.20.280 [AS 29.23.255], if the candidate is a
22 candidate for city mayor;

23 * Sec. 33. AS 15.56.110(b)(2) is amended to read:

24 (2) a member of the borough assembly [ASSEMBLYMAN] under
25 AS 29.20.170(6) [AS 29.23.060(c)];

26 * Sec. 34. AS 15.56.110(b)(3) is amended to read:

27 (3) a borough mayor under AS 29.20.280(6) [AS 29.23.130-
28 (f)];

29 * Sec. 35. AS 15.56.110(b)(4) is amended to read:

1 (4) a member of the city council [COUNCILMAN] under AS 29.-
2 20.170(6) [AS 29.23.210(b)];

3 * Sec. 36. AS 15.56.110(b)(5) is amended to read:

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

5 * Sec. 37. AS 16.20.036(g) is amended to read:

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

10 * Sec. 38. AS 16.20.038(g) is amended to read:

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

15 * Sec. 39. AS 18.26.250(2) is amended to read:

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

18 * Sec. 40. AS 18.80.290(d) is amended to read:

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

24 * Sec. 41. AS 19.30.241(2) is amended to read:

25 (2) "home rule city" means a city as defined in AS 29.04.-
26 010 [AS 29.08.010];

27 * Sec. 42. AS 19.30.241(3) is amended to read:

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

1 29.68.440], a home rule city, or a first class city [OF THE FIRST
2 CLASS];

3 * Sec. 43. AS 26.23.230(5) is amended to read:

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

9 * Sec. 44. AS 28.15.051(d) is amended to read:

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

21 * Sec. 45. AS 38.04.020(b)(1) is amended to read:

22 (1) land nominated for selection or selected by a muni-
23 cipality to satisfy a general grant land entitlement under AS 29.65 or
24 former AS 29.18.201 - 29.18.213;

25 * Sec. 46. AS 38.04.020(e)(4) is amended to read:

26 (4) for preliminary feasibility studies, engineering design
27 work, and construction of access roads and capital improvements re-
28 quired by municipal subdivision ordinance or regulation of the plat-
29 ting authority [BOARD UNDER AS 29.33.150]; if an accurate

1 determination of the amounts necessary for access roads or capital
2 improvements cannot be made at the time the estimate is submitted, a
3 schedule for obtaining the estimates, constructing the access roads or
4 capital improvements, and disposing of the land shall be submitted;

5 * Sec. 47. AS 38.04.021(a) is amended to read:

6 (a) A municipality may apply for financial assistance for the
7 execution of a land disposal program of general grant land entitle-
8 ments received from the state under AS 29.65 or former AS 29.18.201 -
9 29.18.213 by submitting a request to the commissioner for inclusion in
10 the request submitted to the legislature under AS 38.04.020(e). A
11 municipality may request financial assistance for expenses of survey-
12 ing land, designing subdivision plats, installing improvements re-
13 quired by municipal ordinance or regulation of the local platting
14 authority [BOARD], and other reasonable direct costs of land disposal.

15 * Sec. 48. AS 38.04.021(d) is amended to read:

16 (d) A grant made under this section may not exceed five times
17 the amount of money appropriated by a first class city, a borough, or
18 a unified municipality [UNIFIED UNDER AS 29.68.240 - 29.68.440] for
19 the disposal of municipal land in the current fiscal year unless the
20 commissioner exempts the municipality from this subsection.

21 * Sec. 49. AS 38.04.021(e)(2) is amended to read:

22 (2) a first class city, a borough, or a unified municipal-
23 ity that [UNIFIED UNDER AS 29.68.240 - 29.68.440 WHICH] is exempted by
24 the commissioner under (d) of this section.

25 * Sec. 50. AS 38.04.900(b) is amended to read:

26 (b) A municipality has standing to petition the commissioner for
27 the adoption of a regulation, or for the amendment or repeal of an
28 existing regulation, or to appeal a decision of the commissioner with
29 respect to classification, management, or disposal of land made under

1 authority of a regulation adopted under (a) of this section with
2 respect to state land outside the corporate boundaries of the muni-
3 cipality to protect any interest which the municipality is authorized
4 to regulate outside its boundaries under AS 29.35.020 [AS 29.48.037].

5 * Sec. 51. AS 38.05.127(d) is amended to read:

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

13 * Sec. 52. AS 38.05.290(b) is amended to read:

14 (b) Consistent with the best interests of the state, in the
15 selection of general grant land it is the policy of the state to make
16 available the maximum land area from which municipalities may fulfill
17 land entitlements under AS 29.65 or former AS 29.18.201 - 29.18.213.

18 * Sec. 53. AS 38.05.321(b) is amended to read:

19 (b) State land classified as agricultural land that [WHICH] has
20 been selected by a municipality under former AS 29.18.190 - 29.18.200
21 or former AS 29.18.205(e) may be approved by the director for patent
22 under AS 29.65.050(c) [AS 29.18.205(f)]; however, only rights in the
23 land for agricultural purposes may be transferred and all other inter-
24 ests in the land will remain with the state. Agricultural land
25 approved for patent to a municipality [UNDER AS 29.18.205(f)] shall be
26 credited, acre for acre, toward fulfillment of that municipality's
27 entitlement under AS 29.65.010 - 29.65.030 or former AS 29.18.201 -
28 29.18.203. If the director later determines it to be in the best
29 interests of the state to transfer some or all of the additional