

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

771 SCOM123: TITLE 29 POLICY REVISION ADVISORY COMM. 1980

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(b) Before a general obligation bond issue election, the assembly or council shall have published a notice of the municipality's total existing bond indebtedness at least once a week for three consecutive weeks. The first notice shall be published at least 20 days before the date of the election. A notice shall include

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

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

(3) the total assessed valuation within the municipality.

****Sec. 29.51.200. Repeal.

Sec. 29.51.210. PAYMENT. (a) The full faith and credit of a municipality are pledged for the payment of principal and interest on general obligation bonds. The municipality may levy ad valorem taxes for payment without limitation of rate or amount to pay or secure the payment of the principal and interest on bonds, regardless of whether the bonds are in default or in danger of default.

(b) General obligation bonds issued for acquiring, constructing, improving and equipping a municipally-owned utility or other revenue-generating enterprise may be additionally secured by a pledge of the revenue derived from operation. Bonds so secured are not subject to a debt limitation imposed by a borough or city home rule charter.

ARTICLE 4. REVENUE BONDS.

Sec. 29.51.240. REVENUE BONDS. ****(a) A municipality may issue revenue bonds for a public enterprise or public corporation of the municipality where the only security is the revenue of the public enterprise or corporation.

(b) A municipality may issue its revenue bonds to finance the purchase of residential mortgage loans. The revenue bonds issued under this subsection are payable solely from the principal and interest of the mortgage

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1 loans and from any other amounts pledged by the municipality, except the
2 pledge of revenues derived from taxes. Revenue bonds issued under this
3 subsection do not constitute a general obligation of the municipality.

4 **** (c) Repeal.

5 Sec. 29.51.250. NO ELECTION REQUIRED. No election is required to
6 authorize the issuance and sale of revenue bonds, unless otherwise provided
7 by ordinance.

8 Sec. 29.51.260. FORMS AND TERMS. The assembly or council shall fix
9 the date of the bonds, denominations, maturities, rate or rates of interest,
10 place and manner of payment, redemption terms, registration privileges,
11 manner of execution, signatures required, and other details of the bonds.
12 If an officer whose signature appears on the bonds or coupons ceases to be
13 an officer before delivery of the bonds, his signature is valid as if he had
14 remained in office until delivery.

15 ****Sec. 29.51.270. Repeal.

16 ****Sec. 29.51.280. CONSTRUCTION. The prohibitions of AS 37.10.085 shall
17 not apply to the issuance of revenue bonds or the use of proceeds from
18 revenue bonds by a home rule or general law municipality.

19 ARTICLE 5. REFUNDING BONDS.

20 Sec. 29.51.300. AUTHORIZATION. If a municipality has outstanding
21 general obligation or revenue bonds and the assembly or council determines
22 that it would be financially advantageous to refund the bonds, the assembly
23 or council may provide by ordinance for the issuance of general obligation
24 or revenue refunding bonds.

25 Sec. 29.51.310. EFFECT OF BONDS. The refunding bonds may take up and
26 refund all or any part of outstanding bonds at or before their maturity or
27 redemption date. The assembly or council may include various series and
28 issues of bonds in a single issue of refunding bonds.
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1 Sec. 29.51.320. NO ELECTION REQUIRED. No election is required to
2 authorize the issuance and sale of refunding bonds. Their issuance may be
3 authorized and all proceedings with reference to them prescribed by ordinance
4 of the assembly or council. However, when it is desirable to use general
5 obligation bonds to refund a revenue bond issue, the governing body shall
6 call an election on the question.

7 Sec. 29.51.330. PAYMENT OF REFUNDING BONDS. General obligation
8 refunding bonds are payable according to Sec. 180 of this chapter. Revenue
9 refunding bonds are payable according to Sec. 220 of this chapter.

10 ****Sec. 29.51.340. SALE OF REFUNDING BONDS. General obligation or revenue
11 refunding bonds may, at the discretion of the governing body, be exchanged
12 for the bonds being refunded, or may be sold at public or private sale.
13 They may be issued and delivered at any time before the date of maturity or
14 redemption of the refunded bonds.

15 ****Sec. 29.51.350. OTHER MUNICIPAL FINANCING. (a) A municipality may
16 authorize by ordinance or resolution the issuance of revenue bonds to finance
17 any project which serves a public purpose, and the bonds shall be secured
18 and payable solely from the revenue and property of the project.

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

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

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

5 (3) enter into covenants and agreements concerning bonds
6 issued under this section which the municipality determines to be desirable;

7 (4) provide for any matter which effects the security of the
8 bonds.

9 (d) In this section

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

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

15 ARTICLE 6. MISCELLANEOUS PROVISIONS.

16 ****Sec. 29.51.370. SALE. Bonds and notes issued under this chapter may
17 be sold at either public or private sale by the municipality in the manner
18 and at the price it determines.

19 ****Sec. 29.51.375. FORMS AND TERMS. The governing body may by ordinance
20 or resolution fix the date, denominations, maturities, rate or rates of
21 interest, redemption terms, registration privileges, manner of execution,
22 signatures required, purchase price, manner of sale, and other requirements
23 for issuing bonds or notes. If an official whose signature appears on the
24 bonds or coupons ceases to be an official before delivery of the bonds, his
25 signature is valid as if he had remained in office until delivery.

26 ****Sec. 29.51.380. INTEREST RATE. The interest rate payable on a bond or
27 note shall be determined by the governing body and is not subject to the
28 usury rate limitations of AS 45.45.010.
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1 ****Sec. 29.51.390. Repeal.

2 Sec. 29.51.400. REDEMPTION BEFORE MATURITY. A bond or note may be
3 made subject to redemption before maturity as stated in the authorization or
4 in the bond or note.

5 ****Sec. 29.51.410. BOROUGH INDEBTEDNESS. (a) A borough may incur indebted-
6 ness

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

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

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

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

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

25 (d) The indebtedness of a municipality reclassified under
26 AS 29.08.040 is not affected by reclassification. Not less than all property
27 within a municipality which is reclassified remains subject to taxation to
28 amortize bonded or other indebtedness affecting the municipality and auth-
29 orized on the effective date of reclassification.

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1 ****Sec. 29.51.420. Repeal.

2 ****Sec. 29.51.430. Repeal.

3 ****Sec. 29.51.440. SERVICE AREA DEBT. The indebtedness of a service area
4 acquired under AS 29.51.410 shall remain the indebtedness of the area which
5 incurred the debt notwithstanding a subsequent court determination that the
6 service area was not validly formed under law or by virtue of a defect in
7 the proceedings creating the service area. All the property within the
8 service area remains subject to taxation to pay the bonded indebtedness.

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1 CHAPTER 62. STATE PROGRAMS

2 No change.

3
4 CHAPTER 65. GENERAL GRANT LAND5
6 No change.7
8 CHAPTER 68. MUNICIPAL PROGRAMS9
10 ARTICLE 1. INVOLVEMENT OF YOUNG PEOPLE IN LOCAL GOVERNMENT

11 Repeal.

12
13 ARTICLE 2. HISTORICAL DISTRICTS.14
15 No change.16
17 CHAPTER 71. GENERAL PROVISIONS18
19 No change.

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Sec. 29.09.180. ORGANIZATION GRANTS. (a) For the purpose of defraying the cost of transition to a municipal form of government and in order to provide for initial government operations, each municipality incorporated after January 1, 1981, or, for a second class city, reclassified after January 1, 1981 is entitled to an organization grant of \$150,000, except that a municipality which is merged, consolidated, or unified under AS 29.12. is not entitled to an organization grant.

EXPLANATION: Since no new municipality formed is likely to contain a great enough population to qualify for a grant over the minimum, the provision tying population to the amount of the grant has been eliminated in favor of a flat amount. The amount of the grant has been raised from \$25,000 to \$150,000 in recognition of the fact that setting up a government has become an expensive proposition and to encourage the formation of local governments despite this expense. In addition, a second class city will qualify to receive that grant as well as a city within an organized borough, whereas the existing law ties the amount of a grant to a second class city and to a first class city in an organized borough to its population. This change encourages the formation of local governments in rural areas where the population may be small. The formation of a city is expensive regardless of the size of the population. It is felt that the grant should be used to cover any initial government operation, so the terms "development and interim" were eliminated as unduly restrictive. The increased grant will be available only to a municipality formed after January 1, 1981.

DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 10 OCTOBER 1980

Sec. 29.30.040. VOTER QUALIFICATION. (a) A person may vote if he meets the requirements of AS 15.05.010 - 15.05.040, has been a resident of the municipality for 30 days immediately preceding the election, is registered to vote in state elections and is not disqualified under article V of the state constitution.

(b) Voter registration by the municipality may not be required, and a municipality may not alter voter qualification requirements except that a municipality may by ordinance require a person to be a resident of the precinct, district, or service area in which he votes.

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

EXPLANATION: A reference has been provided to the voter qualification requirements for state elections. A municipality has been granted the flexibility of imposing a requirement that a person be a resident of the area in which he votes to avoid the possibility of people voting on nonarea-wide matters who will not have to live with the outcome of the vote.

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DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 10 OCTOBER 1980

Sec. 29.30.210. RECALL. An application for a petition for the recall of a mayor or a member of the assembly, council, or school board may be filed with the municipal clerk after the official has served six months of the term for which elected or appointed.

EXPLANATION. This section lists the municipal officials which may be recalled rather than providing for the recall of an elected official in order to avoid the possibility of recalling service area board members who may be elected officials. It clarifies the dates to be used in determining when the six month period has run and includes the possibility of recalling officials who are appointed to elected positions.

Sec. 29.30.330. SUCCESSORS. (a) If one or more officials is recalled from an assembly or council, the assembly or council, by the affirmative vote of a majority of the remaining members, may appoint a qualified person to fill a vacancy created by the recall.

(b) If all members of the assembly or council are recalled, the governor shall appoint at least three qualified persons to the assembly or council. The appointees shall, by an affirmative vote of the majority, appoint additional members to fill remaining vacancies.

(c) If one or more officials are recalled from a school board the assembly or council may appoint a qualified person to fill a vacancy created by the recall.

(d) A person appointed under (a) - (c) of this section shall serve until a successor is elected and takes office.

(e) If an official is recalled the clerk shall conduct an election for a successor to fill the unexpired portion of the term. The election shall be held at least ten but not more than 60 days from the date of certification of the recall election, except that if a regular or special election occurs within 75 days of the certification of the recall election and the certification occurs at least 20 days prior to the latest date upon which first notice of the election must be published, the successor to the recalled official shall be chosen at that regular or special election. The procedures and requirements for the regular election for the office from which the incumbent is recalled apply to the election conducted under this section; provided, nominations may be filed until the later of seven days before the latest date upon which first notice of the election must be published or the deadline for the filing of nominations for regular elections. Nominations may not be filed before the certification of the recall election.

EXPLANATION: This section has been expanded to prevent a local government from having to attempt to operate without a quorum of elected officials. Section (e) was changed to take into account times required for election notice and nominations.

19 November 1980

TO: TECHNICAL GROUP

FROM: Melissa Fouse
Secretary, Title 29 Commission

John Messenger has once again kindly consented to let us use his conference room for our meeting. The dates of the meeting are the 4th, 5th and tentatively the 6th of December, 1980. The address of John's office is 420 "L" Street, Suite 404, Anchorage.

STATE OF ALASKA THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

19 November 1980

TO: Title 29 Technical Committee

FROM: Tamara Brandt Cook
Legislative Counsel *TBC*

SUBJECT: Changes to Drafts Suggested by the Policy Group

Here are revisions to the drafts proposed by the Technical Committee incorporating changes suggested by the Policy Group during their meeting held on November 10th and 11th. In addition to these revisions, two sections are being held by the Policy Group for further review: AS 29.09.180 (Organization Grants), and AS 29.30.040 (Voter Qualifications).

I would appreciate any comments which you may have regarding these revisions. I am planning on sending copies of the revisions to the Policy Group early in December.

TBC:maf

Enclosures

Sec. 29.12.260. COMPOSITION OF CHARTER COMMISSION. (a) The charter commission shall consist of 11 voters, three of whom shall be residents elected at large from the area of the borough and eight of whom, proportionate to the population as determined by the Department of Community and Regional Affairs, shall be

(1) residents of and elected from the area outside a home rule or first class city in the borough, or;

(2) residents of and elected from a home rule or first class city in the borough.

(b) If at least one nomination of a qualified charter commission candidate for each available seat is not filed in accordance with AS 29.12.240 the resolution or petition for unification is void and no election on the question shall be held.

EXPLANATION: Subsection (a) has been altered so that second class cities are included within the area outside cities for purposes of selecting representatives on the charter commission. This was done so that first class and home rule cities, with their greater concentrations of population, have less chance of overwhelming the rest of the borough. Subsection (b) has been added to avoid the expense and inconvenience of an election in the question of unification if not enough nominations of commission members are received. It is felt that failure to nominate a sufficient number of commission candidates indicates a general lack of interest in the question of unification.

Sec. 29.30.010. ADMINISTRATION. The borough assembly or city council shall prescribe the rules for conducting a municipal election and shall appoint an election board composed of at least three judges for each precinct. Unless no qualified voter is willing to serve, a judge shall be a voter of the precinct for which he is appointed.

EXPLANATION: Adds the provision that judges be appointed from among precinct voters in order to conform to the 1980 revision of AS 15.10.120. The following language was deleted as a duplication of AS 29.30.040: "The municipality may not alter voter qualification requirements of this title." Subsection (b), making this applicable to home rule municipalities, was deleted.

Sec. 29.30.050. MAJORITY ELECTIONS. (a) Unless otherwise provided by ordinance, there shall be a runoff election if no candidate receives over 40 percent of the votes cast for the office of mayor or member of the assembly, council or school board.

(b) A municipality may by ordinance require a majority vote for the election of a municipal official.

(c) Unless otherwise provided by ordinance, a runoff election shall be held within three weeks after the date of certification of the election for which a runoff is required and notice of the runoff election shall be published at least five days prior to the election date.

EXPLANATION: Under existing law a runoff election is required if no candidate receives over 40 percent of the votes cast for his office. This requirement has been altered to apply to certain offices only and liberalized to allow a municipality to provide otherwise by ordinance. The provisions specifying when a runoff must be held and notice requirements are no longer mandatory. In addition, the procedure set out in (c), for the benefit of a municipality which desires specific procedural guidance, has been changed to provide three weeks before the runoff is held rather than two. The additional time would enable cities within boroughs to coordinate their runoff elections.

Sec. 29.30.095. APPLICATION FOR PETITION. (a) An initiative or referendum is proposed by filing an application with the municipal clerk containing the bill to be initiated or the act to be referred and the address to which all correspondence relating to the application may be sent. An application shall be signed by at least ten municipal voters who will sponsor the petition. Other sponsors may be added at any time prior to filing the petition by submitting their names to the clerk. Within two weeks the clerk shall certify the application if he finds that it is in proper form and, for an initiative petition, that the matter

- (1) is not restricted by AS 29.30.090;
- (2) includes only a single subject;
- (3) relates to a legislative rather than to an administrative matter; and
- (4) would be enforceable as a matter of law.

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

EXPLANATION: This is a new section. The first part is modeled after section two of the initiative article in the state constitution. Sponsors of a petition would be required to register with the clerk. The clerk would review an initiative for substantive legality, with his decision subject to immediate appeal. This allows for a judicial determination of the legality of an initiative prior to incurring the expense of an election on it.

Sec. 29.30.110. PETITION. (a) Within two weeks after certification of an application for petition, a petition shall be prepared by the municipal clerk. Each copy of the petition shall

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

(2) set out fully the ordinance or resolution sought to be initiated or referred;

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

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

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

(6) contain a statement that the sponsor personally circulated the petition, that all signatures were affixed in his presence, that he believes the signatures to be those of the persons whose names they purport to be, space for indicating the number of signatures on the petition, and space for the sponsor's sworn signature.

(b) If a petition is composed of more than one page, each page shall contain the summary of the bill to be initiated or the act to be referred.

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

EXPLANATION: This section would require the clerk to provide the petition forms to the petitioners to insure that they are complete and legible. This is similar to the requirement imposed upon the Lieutenant Governor in state initiative proceedings. The petition contents are essentially the same as those provided in present law, with a shortening of the petition circulation time from 90 to 60 days, some expansion of the information the signers must provide, and the addition of the circulator's affidavit.

DRAFTED CHANGES ALTERED BY THE POLICY GROUP - 10 & 11 November 1980

Sec. 29.30.120. REQUIRED SIGNATURES. (a) The necessary signatures on a petition shall be secured within 60 days after the clerk issues the petition. The statement provided under AS 29.30.110(a)(6) shall be completed and signed by the sponsor. Signatures shall be ink or indelible pencil.

(b) A petition shall be signed by a number of voters residing within the municipality based on the number of votes cast at the last regular election held on or prior to the date the petition was issued equal to

(1) 25 percent, when a municipality has fewer than 7,500 persons; or

(2) 15 percent, when a municipality has 7,500 persons or more.

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

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

EXPLANATION : The 60 day signature gathering period is carried forward. While the possibility of an initiative or referendum on a matter which affects only a service area is not eliminated, such petitions contain the same number of signatures as a petition on an areawide matter. Permitting a service area to initiate a matter on a service area basis is contrary to the concept of the service area being under the control of the entire legislative body. Additional changes require rejection of a signature not accompanied by a legible residence address and allow a signer to withdraw his name up until the time the petition is certified, whereas now he must withdraw within seven days after the petition is filed.

Sec. 29.30.130. SUFFICIENCY OF PETITION. (a) All copies of a petition shall be assembled and filed as a single instrument. Within 10 days after the date the petition is filed, the municipal clerk shall certify on the petition whether it is sufficient.

(b) If a petition is insufficient, it may be supplemented with additional signatures obtained within 10 days after the date on which the petition is rejected.

(c) Within 10 days after a supplementary filing the clerk shall recertify the petition. If it is still insufficient, the petition is rejected and filed as a public record.

EXPLANATION: The only significant change makes it clear that in providing supplementary signatures the sponsors have only 10 days to gather the signatures. They may not use signatures which were gathered prior to the first filing but not submitted, and they may not use signatures gathered during the period in which the clerk is checking the petition.

DRAFTED CHANGES ALTERED BY THE POLICY GROUP - 10 & 11 November 1980

Sec. 29.30.160. PRESENTATION OF INITIATIVE. (a) Unless substantially the same measure is adopted, when a petition seeks an initiative vote the clerk shall submit the matter to all of the municipal voters at the next regular or special election occurring no sooner than 45 days after certification of the petition. If no regular or special election occurs within 75 days after the certification of a petition, the assembly or council shall hold a special election within 75 days, but not sooner than 45 days after certification.

(b) If the assembly or council adopts substantially the same measure, the petition is void and the matter initiated shall not be placed before the voters.

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

(d) If a majority vote favors the ordinance or resolution it becomes effective upon certification of the election unless a different effective date is provided in the ordinance or resolution approved by the voters.

EXPLANATION: The changes allow for the submission of an initiative measure to the voters within 75 days after certification of a petition rather than requiring that the vote be delayed until the next regular election. The 45 day requirement was added to insure that a petition certified after the legal notices of a regular election were published does not complicate the election. Since the clerk determines whether the subject is within the restrictions and since this determination is subject to judicial review, the assembly or council no longer may reject a petition. An areawide vote is required whether the matter initiated is areawide or nonareawide because a service area should not be allowed to become autonomous.

Sec. 29.30.170. PRESENTATION OF REFERENDUM. (a) Unless the ordinance or resolution is repealed, when a petition seeks a referendum vote the clerk shall submit the matter to all of the municipal voters at the next regular or special election occurring no sooner than 45 days after certification of the petition. If no regular or special election occurs within 75 days of certification of a petition, the assembly or council shall hold a special election within 75 days, but not sooner than 45 days after certification.

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

(c) If the assembly or council repeals the ordinance or resolution before the referendum election, the petition is void and the matter referred shall not be placed before the voters.

(d) If a majority vote favors the repeal of the matter referred, it is repealed. Otherwise, the matter referred remains in effect or, if it has been suspended, becomes effective upon certification of the election.

EXPLANATION: The ability to suspend an ordinance or resolution which has taken effect when a petition is filed within 30 days of the passage of the ordinance or resolution has been deleted to avoid the apparent ability of a part of the voters to exercise a temporary repeal. The reference to amending a charter by initiative or referendum was deleted as that is covered under AS 29.13.080. All questions are submitted to an areawide vote.

DRAFTED CHANGES ALTERED BY THE POLICY GROUP - 10 & 11 November 1980

Sec. 29.30.180. EFFECT. (a) An ordinance or resolution may not be repealed within one year of its effective date if adopted in an initiative election or adopted after a petition which contains substantially the same measure has been filed. The ordinance or resolution may be amended at any time.

(b) If an ordinance or resolution is repealed in a referendum election or by the assembly or council after a petition which contains substantially the same measure has been filed, substantially similar legislation may not be enacted by the assembly or council for a period of one year.

(c) An unsuccessful initiative or referendum precludes the filing of a new petition application for substantially the same measure sooner than six months after the election results are certified.

EXPLANATION: Technical revisions and a change in (c) to accommodate the petition process.

DRAFTED CHANGES ALTERED BY THE POLICY GROUP - 10 & 11 November 1980

Sec. 29.30.210. RECALL. (a) An official who is elected or appointed to an elective municipal office may be recalled by the voters after he has served six months of the term for which elected or appointed.

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

EXPLANATION: The possibility of recalling an official who has been appointed to an elective position has been added. The date to be used in determining when the six month period has run has been clarified.

(b) The grounds for recall shall be limited to
lack of fitness - incompetency ^{in respect to} ^{value} and execution.

change (b) to 2

Sec. 29.30.225. APPLICATION FOR RECALL PETITION. (a) An application for a recall petition shall be filed with the municipal clerk and shall contain

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

(2) the address to which all correspondence relating to the application may be sent;

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

(b) Additional sponsors may be added at any time prior to filing the petition by submitting their names to the clerk.

EXPLANATION: This is a new section which describes the requirements for an application for recall petition.

Sec. 29.30.230. PETITION. (a) If the municipal clerk determines that an application for a recall petition meets the requirements of AS 29.30.225, he shall prepare a recall petition. All copies of the petition shall contain

- (1) the name of the official sought to be recalled;
- (2) the statement of the grounds for recall as set forth in the application for petition;
- (3) the date the petition is issued by the clerk;
- (4) notice that signatures must be secured within 60 days after the date the petition is issued;
- (5) spaces for each signature, the printed name of each signer, the date of each signature, and the residence and mailing addresses of each signer;
- (6) a statement that the sponsor personally circulated the petition, that all signatures were affixed in his presence, that he believes the signatures to be those of the persons whose names they purport to be, space for indicating the number of signatures on the petition, and space for the sponsor's sworn signature.

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

EXPLANATION: This section sets out requirements similar to those relating to the content of initiative and referendum petitions. Requiring the clerk to prepare the petition and supply copies insures that each copy is complete and legible. A petition must be filed within 60 days after the petition is issued rather than 60 days after the date of the earliest signature on the petition.

Sec. 29.30.240. REQUIRED SIGNATURES. (a) The necessary signatures on a recall petition shall be secured within 60 days after the date the clerk issues the petition. The statement provided under AS 29.30.230(a)(6) shall be completed and signed by the sponsor. Signatures shall be in ink or indelible pencil.

(b) If a petition seeks to recall an official who represents the municipality at large, the petition shall be signed by 35 percent of the voters residing within the municipality based on the number of votes cast at the last regular election for that office held prior to issuance of the petition. If a petition seeks to recall an official who represents a district, the petition shall be signed by 35 percent of the voters residing within the district based on the number of votes cast at the last regular election for that office held prior to issuance of the petition. The clerk shall determine the number of signatures required on a petition and shall inform each sponsor.

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

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

EXPLANATION: Which election to be used as a standard for determining the number of signatures required is clarified. The number of signatures required has been increased as compared to the number required for initiative and referendum because it is felt that recall is an especially disruptive process which should be more difficult to initiate. However, the signature requirement is based on the number who voted in a municipal rather than a state election. It is expected that this number will reflect a relatively low turnout, and therefore that it is not as difficult a requirement as may appear.

Sec. 29.30.250. SUFFICIENCY OF PETITION. (a) The copies of a petition shall be assembled and filed as a single instrument. Within ten days after the date the petition is filed, the municipal clerk shall certify on the petition whether it is sufficient.

(b) If a petition is insufficient, it may be supplemented with additional signatures obtained within ten days after the date on which the petition is rejected, except that a petition, which does not contain an adequate number of signatures, both valid and invalid, may not be supplemented and shall be rejected and filed as a public record.

(c) Within ten days after the supplementary filing the clerk shall recertify the petition. If it is still insufficient, the petition is rejected and filed as a public record.

EXPLANATION: Unlike the situation in initiative and recall, this section does not allow additional time for obtaining signatures when a petition is filed which does not have enough signatures even before any are disqualified. This keeps a petitioner from filing an insufficient petition to gain additional time to gather signatures. Once again, it is felt that in the case of a recall effort, the process ought not to be prolonged.

DRAFTED CHANGES ALTERED BY THE POLICY GROUP - 10 & 11 November 1980

Sec. 29.30.260. NEW RECALL PETITION. The rejection of a recall petition for any reason does not preclude the filing of a new petition. However, a new application for a petition to recall the same official may not be filed sooner than six months after a petition is rejected.

EXPLANATION: Filing a new petition prior to the six month waiting period is prohibited even though the petition is rejected for a reason other than failure to obtain sufficient signatures. Under existing law, failure to obtain sufficient signatures alone triggers the waiting period.

DRAFTED CHANGES ALTERED BY THE POLICY GROUP - 10 & 11 November 1980

Sec. 29.30.280. ELECTION. (a) If a regular election occurs within 75 days but not sooner than 45 days after submission of the petition to the assembly or council, the assembly or council shall submit the recall at that election.

(b) If no regular election occurs within 75 days the assembly or council shall hold a special election on the recall question within 75 days but not sooner than 45 days after a petition is submitted to the assembly or council.

(c) If a vacancy occurs in the office after a sufficient recall petition is filed with the clerk, the recall question shall not be submitted to the voters. The assembly or council may not appoint to the same office an official who resigns after a sufficient recall petition is filed naming him.

EXPLANATION: The 45 day requirement was added to insure that a petition submitted after the legal notices of a regular election were published would not complicate the election. Added in section (c) is the prohibition against the appointment of an official who resigns after a sufficient recall petition is filed.

DRAFTED CHANGES ALTERED BY THE POLICY GROUP - 10 & 11 November 1980

Sec. 29.30.290. FORM OF RECALL BALLOT. A recall ballot shall contain

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

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

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

EXPLANATION: This section makes reference to the fact that each statement is limited to 200 words or less and provides that the statement of the official if published before the election will appear on the ballot.

DRAFTED CHANGES ALTERED BY THE POLICY GROUP - 10 & 11 November 1980

Sec. 29.30.300. ELECTION PROCEDURE. Procedures for conducting a recall election are those of a regular municipal election if the question is submitted at a regular election. Procedures for conducting a recall election are those of a special election if the question is submitted at a special election, except that at least 20 days notice shall be given notwithstanding an ordinance or charter provisions to the contrary.

EXPLANATION: This section was changed to provide for cases in which a recall election is held as a special election.

Sec. 29.30.330. SUCCESSORS. (a) If an official is recalled from the assembly or council, the assembly or council, by affirmative vote of a majority of the remaining members, may appoint a qualified person to fill a vacancy created by the recall.

(b) If all members of the assembly or council are recalled, the governor shall appoint at least three qualified persons to the assembly or council. The appointees shall, by an affirmative vote of the majority, appoint additional members to fill remaining vacancies.

(c) If all but two members of the assembly or council are recalled, each remaining member shall appoint a qualified person to fill a vacancy created by the recall. Additional persons may be appointed to fill vacancies by the affirmative vote of a majority of the remaining members and their appointees.

(d) If all officials are recalled from a school board the assembly or council may appoint a qualified person to fill a vacancy created by the recall.

(e) A person appointed under (a) - (d) of this section shall serve until a successor is elected and takes office.

(f) If an official is recalled the clerk, without further action by the assembly or council, shall conduct an election for a successor to fill the unexpired portion of the term. The election shall be held at least ten but not more than 60 days from the date the recall election is certified, except that if a regular or special election occurs within 75 days after certification and the certification occurs at least 20 days prior to the last date upon which a first notice of the election must be published, the successor shall be chosen at that election.

(g) Nominations for a successor may be filed until seven days prior to the last date upon which a first notice of the election must be published. Nominations may not be filed before the certification of the recall election.

EXPLANATION: This section has been expanded to prevent a local government from having to attempt to operate without a quorum of elected officials. Subsections (f) and (g) were changed to take into account time periods required for election notice and nominations.

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1 CHAPTER 03. THE UNORGANIZED BOROUGH

2 Sec. 29.03.010. ESTABLISHMENT. Areas of the state which are not
3 within the boundaries of an organized borough constitute a single unorganized
4 borough.

5 Sec. 29.03.020. SERVICE AREAS. Allowing for maximum local participa-
6 tion, the legislature may establish, alter, or abolish service areas within
7 the unorganized borough to provide special services, which may include but
8 are not limited to schools, utilities, land use regulations and fire protec-
9 tion. A new service area may not be established if the new service can be
10 provided by an existing service area, by incorporation as a city, or by
11 annexation to a city.

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CHAPTER 06. CLASSIFICATION OF MUNICIPALITIES

****Sec. 29.06.010. HOME RULE. A home rule municipality is a municipal corporation and political subdivision. It is a city ^{delete} [of the first class] or an organized borough which has adopted a home rule charter, or it is a municipality unified in accordance with AS 29.12.190 - 29.12.350. A home rule municipality has all legislative powers not prohibited by law or charter.

Sec. 29.06.020 GENERAL LAW. A general law municipality is a municipal corporation and political subdivision and is an unchartered borough or city. It has legislative powers conferred by law.

Sec 29.06.030. CLASSES OF GENERAL LAW. General law municipalities are of five classes:

- (1) first class boroughs;
- (2) second class boroughs;
- ^{delete} [(3) third class boroughs;]
- (3) first class cities;
- (4) second class cities.

Sec. 29.06.040. RECLASSIFICATION. (a) A second class city may be reclassified as a first class city by holding an election on the question as provided in this subsection, if the Department of Community and Regional Affairs determines from the best figures available that the population of the city has reached 400 permanent residents.

(b) An election on the question of reclassification may be initiated in two ways:

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

(2) the council may propose reclassification.

(c) The council shall hold at least one public hearing within the

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city on the question. The council shall then evaluate the ability of the city to assume first class status and make its findings public.

(d) The council shall, within 30 days after its findings have been made public, order an election to be held on the question. The election shall be held at least 30 days after the order and not later than the next regular election occurring after the 30-day period.

(e) If more than one question is to be voted on at the election, each appears separately on the ballot.

(f) The council shall certify the election results to the Department of Community and Regional Affairs. If the majority of votes cast on the question is favorable, the city shall be considered reclassified to first class status 30 days after certification of the election results.

(g) A second class borough may reclassify as a first class or third class borough, and a third class borough may reclassify as a first class or second class borough, in the manner provided by AS 29.36.110 -29.36.130 for the addition of powers by boroughs, except the petition or proposal requests reclassification instead of requesting addition of powers.

(h) At the time of voting on reclassification of a second class borough to third class status, borough voters in conformity with AS 29.36. shall elect an assembly to serve as the combined assembly and school board of the third class borough if reclassification is approved.

10 years. (i) At the time of voting on reclassification of a third class borough to second class or first class status, borough voters shall vote also on the question whether the borough shall upon reclassification retain a combined assembly and school board or a separate assembly and board as otherwise provided for first and second class boroughs. If the majority of votes cast on the question favors retention of the combined assembly and board, the assembly serving at the time of the reclassification election

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1 continues to serve as the assembly and board upon voter approval of reclas-
2 sification and until terms of assemblymen expire as provided before reclas-
3 sification. If a separate board and assembly are approved at the reclas-
4 sification election, a school board shall be elected in conformity with AS
5 14.12 at the next regular municipal election, if it occurs within 90 days of
6 the date of the reclassification election, or otherwise at a special
7 election within that time called by the assembly with expiration dates of
8 terms of members elected at the special election to coincide with the date
9 of the regular municipal election. Until a board is elected and qualified,
10 the assembly continues to serve as the board.

11 (j) The effective date of reclassification of a borough for which
12 reclassification is approved under (h) of this section is the first day of
13 the borough's fiscal year which begins at least six months after the date on
14 which the reclassification proposition has been approved by the voters.

15 ****Sec. 29.06.050. TRANSITION. Repeal.
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CHAPTER 06. CLASSIFICATION OF MUNICIPALITIES

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- (1) first class boroughs;
- (2) second class boroughs;
- (3) third class boroughs;
- (4) first class cities;
- (5) second class cities.

Sec. 29.06.040. RECLASSIFICATION. (a) A second class city may be reclassified as a first class city by holding an election on the question as provided in this subsection, if the Department of Community and Regional Affairs determines from the best figures available that the population of the city has reached 400 permanent residents.

(b) An election on the question of reclassification may be initiated in two ways:

- (1) a number of voters equal to 15 percent of the number of votes cast in the city at the preceding regular election may file a petition with the council; or
- (2) the council may propose reclassification.

(c) The council shall hold at least one public hearing within the

1 city on the question. The council shall then evaluate the ability of the
2 city to assume first class status and make its findings public.

3 (d) The council shall, within 30 days after its findings have
4 been made public, order an election to be held on the question. The election
5 shall be held at least 30 days after the order and not later than the next
6 regular election occurring after the 30-day period.

7 (e) If more than one question is to be voted on at the election,
8 each appears separately on the ballot.

9 (f) The council shall certify the election results to the Depart-
10 ment of Community and Regional Affairs. If the majority of votes cast on
11 the question is favorable, the city shall be considered reclassified to
12 first class status 30 days after certification of the election results.

13 (g) A second class borough may reclassify as a first class or
14 third class borough, and a third class borough may reclassify as a first
15 class or second class borough, in the manner provided by AS 29.36.110
16 -29.36.130 ~~(AS 29.33.270-29.33.290)~~ for the addition of powers by boroughs,
17 except the petition or proposal requests reclassification instead of
18 requesting addition of powers.

19 (h) At the time of voting on reclassification of a second class
20 borough to third class status, borough voters in conformity with AS 29.36.
21 ~~(AS 29.41)~~ shall elect an assembly to serve as the combined assembly and
22 school board of the third class borough if reclassification is approved.

23 (i) At the time of voting on reclassification of a third class
24 borough to second class or first class status, borough voters shall vote
25 also on the question whether the borough shall upon reclassification retain
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10 the assembly continues to serve as the board.

11 (j) The effective date of reclassification of a borough for which
12 reclassification is approved under (h) of this section is the first day of
13 the borough's fiscal year which begins at least six months after the date on
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DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 10 OCTOBER 1980

Sec. 29.06.010. HOME RULE. A home rule municipality is a municipal corporation and a political subdivision. It is a city of the first class or an organized borough which has adopted a home rule charter, or it is a municipality unified in accordance with AS 29.12.190 - 29.12.350. A home rule municipality has all legislative powers not prohibited by law or charter.

EXPLANATION: A reference to unified municipalities along with a cross-reference to provisions dealing with the organization of unified municipalities has been included so that this section will provide a complete definition of home rule. No substantive change.

OK

Branson
Moves to accept ^{ALL} changes
seconded



Sec. 29.06.050. Repeal

EXPLANATION: This section deals with the transition period following the 1972 revision of the Municipal Code and is of no effect. The reclassification of municipalities to conform to provisions of the 1972 Code were to have been essentially completed within two years of September 10, 1972.

Discussion

sugg. by TECH new transition
section be written after
all else drafted.

OK

1 CHAPTER 06. CLASSIFICATION OF MUNICIPALITIES

2 (CHAPTER 08. CLASSIFICATION OF MUNICIPALITIES)

3 Sec. 29.06.010. (Sec. 29.08.010.) HOME RULE. A home rule munici-
4 pality is a municipal corporation and political subdivision and is a city of
5 the first class or an organized borough which has adopted a home rule
6 charter. It has all legislative powers not prohibited by law or charter.

7 Sec. 29.06.020. (Sec. 29.08.020.) GENERAL LAW. A general law mun-
8 icipality is a municipal corporation and political subdivision and is an
9 unchartered borough or city. It has legislative powers conferred by law.

10 Sec 29.06.030. (Sec. 29.08.030.) CLASSES OF GENERAL LAW. General
11 law municipalities are of five classes:

- 12 (1) first class boroughs;
13 (2) second class boroughs;
14 (3) third class boroughs;
15 (4) first class cities;
16 (5) second class cities.

17 Sec. 29.06.040. (Sec. 29.08.040.) RECLASSIFICATION. (a) A second
18 class city may be reclassified as a first class city by holding an election
19 on the question as provided in this subsection, if the Department of Com-
20 munity and Regional Affairs determines from the best figures available that
21 the population of the city has reached 400 permanent residents.

22 (b) An election on the question of reclassification may be
23 initiated in two ways:

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

27 (2) the council may propose reclassification.

28 (c) The council shall hold at least one public hearing within the
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1 city on the question. The council shall then evaluate the ability of the
2 city to assume first class status and make its findings public.

3 (d) The council shall, within 30 days after its findings have
4 been made public, order an election to be held on the question. The election
5 shall be held at least 30 days after the order and not later than the next
6 regular election occurring after the 30-day period.

7 (e) If more than one question is to be voted on at the election,
8 each appears separately on the ballot.

9 (f) The council shall certify the election results to the Depart-
10 ment of Community and Regional Affairs. If the majority of votes cast on
11 the question is favorable, the city shall be considered reclassified to
12 first class status 30 days after certification of the election results.

13 (g) A second class borough may reclassify as a first class or
14 third class borough, and a third class borough may reclassify as a first
15 class or second class borough, in the manner provided by AS 29.36.110
16 -29.36.130 (AS 29.33.270-29.33.290) for the addition of powers by boroughs,
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22 school board of the third class borough if reclassification is approved.

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3 sification. If a separate board and assembly are approved at the reclas-
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5 14.12 at the next regular municipal election, if it occurs within 90 days of
6 the date of the reclassification election, or otherwise at a special election
7 within that time called by the assembly with expiration dates of terms of
8 members elected at the special election to coincide with the date of the
9 regular municipal election. Until a board is elected and qualified, the
10 assembly continues to serve as the board.

11 (j) The effective date of reclassification of a borough for which
12 reclassification is approved under (h) of this section is the first day of
13 the borough's fiscal year which begins at least six months after the date on
14 which the reclassification proposition has been approved by the voters.

15 Sec. 29.06.050. (Sec.29.08.050.) TRANSITION. (a) On September 10,
16 1972, the current classification of existing home rule cities and of first
17 class cities having 400 or more permanent residents is not affected by this
18 Act. Second and third class cities incorporated before September 10, 1972
19 and having 400 or more permanent residents are reclassified as first class
20 cities. The city council shall certify by resolution the number of permanent
21 residents within the city. Upon the failure to certify, the Local Boundary
22 Commission shall hold a public hearing and make a determination as to clas-
23 sification as provided in (c) of this section.

24 (b) On September 10, 1972, fourth class cities incorporated
25 before that date are reclassified as second class cities subject to reclas-
26 sification under Sec. 40 of this chapter

27 (c) The Local Boundary Commission shall, within two years of
28 September 10, 1972, hold a public hearing in each city which was first,
29 second, or third class before that date and whose population is under 400

1 permanent residents. The commission shall determine in each case whether
2 the city should be classified as first or second class under the new clas-
3 sification. The commission's decision must be published at least once.
4 Unless objections are filed with the Local Boundary Commission by at least
5 five percent of the permanent residents of the city within 60 days, the
6 classification recommended by the commission becomes effective on the 61st
7 day. If objections are filed by at least five percent of the permanent
8 residents of the city, the commission shall submit its recommendation to the
9 legislature in the manner provided for submission of boundary changes in
10 Sec. 12, art. X of the state constitution.

Scomm

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CHAPTER 09. INCORPORATION

Article 1. REQUIREMENTS

Sec. 29.09.010. INCORPORATION OF CITIES. (a) A community which meets the following standards may incorporate as a first class city:

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

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

(3) the economy of the community includes the human and financial resources necessary to provide local services; in considering the economy of the community, the Local Boundary Commission shall consider property valuations, economic base, personal income, resource and commercial development, anticipated functions, and the expenses and income of the proposed city, including the ability of the community to generate local revenue;

(4) the population of the community is stable enough to support local government;

(5) there is a demonstrated need for local government.

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

Sec. 29.09.020. LIMITATIONS ON INCORPORATION OF CITIES. (a) A community within the unorganized borough may not incorporate as a city if the services may be provided by annexation to an existing city.

(b) A community within an organized borough may not incorporate as a city if the services could be provided on an areawide or nonareawide basis by the borough in which it is located or by annexation to an existing city.

Sec. 29.09.030. ORGANIZED BOROUGHES. An area may incorporate as an organized borough if it conforms to the following standards:

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

(2) the boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of local services;

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

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

Article 2. PROCEDURES

Sec. 29.09.060. PETITION. Municipal incorporation is proposed by filing a petition with the Department of Community and Regional Affairs. The petition shall include the following information about the proposed municipality:

(1) class;

(2) name;

(3) boundaries;

(4) ~~[Effective until January 1, 1981] composition and apportionment of the assembly or council;~~ ~~[Effective January 1, 1981] composition and apportionment of the assembly or council;~~

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

(6) for a second class borough, a designation of areawide and nonareawide powers to be exercised.

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1 (7) maps, documents, and other information required by
2 the Department of Community and Regional Affairs;

3 (8) for first class city incorporation, the signatures
4 and resident address of 50 permanent resident voters or of 15 percent of the
5 permanent resident voters within the proposed municipality, whichever is
6 greater, based on the number who voted in the area in the last general elec-
7 tion;

8 (9) for second class city incorporation, the signature
9 and resident address of 25 permanent resident voters or of 15 percent of the
10 permanent resident voters within the proposed municipality, whichever is
11 greater, based on the number who voted in the area in the last general elec-
12 tion;

13 (10) for borough incorporation, the signature and resi-
14 dent address of 15 percent of the permanent resident voters in each first
15 class city and 15 percent of voters in the area outside first class cities
16 based on the number who voted in the respective areas in the last general
17 election;

18 (11) for a city, a designation of the powers proposed by
19 the petitioners to be exercised;

20 (12) a proposed operating budget for the municipality
21 projecting sources of income and items of expenditure through the first full
22 fiscal year of operation.

23 Sec. 29.09.070. REVIEW. The Department of Community and Regional
24 Affairs shall review petitions for content and signatures and shall return
25 deficient petitions for correction and completion.

26 Sec. 29.09.080. INVESTIGATION. (a) If the petition contains the
27 required information and signatures, the Department of Community and Regional
28 Affairs shall investigate the proposal.
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1 (b) The department may combine petitions for incorporation from
2 the same general area.

3 (c) The department shall hold at least one public hearing in the
4 area proposed for incorporation.

5 Sec. 29.09.090. REPORT AND HEARING. (a) The Department of Community
6 and Regional Affairs shall report its findings to the Local Boundary Commission
7 with its recommendations regarding the incorporation.

8 (b) The Local Boundary Commission shall hold at least one public
9 hearing in the area proposed to be incorporated for the purpose of receiving
10 testimony and evidence on the proposal.

11 Sec. 29.09.100. DECISION ON BOROUGH INCORPORATION. (a) If the Local
12 Boundary Commission determines that a proposed municipality fails to meet
13 the standards for incorporation, it shall reject the petition. If the
14 commission determines that the proposed municipality meets the standards, it
15 shall accept the petition. If the commission determines that the proposed
16 boundaries can be altered to meet the standards, it may alter the boundaries
17 and accept the petition.

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

20 Sec. 29.09.110. INCORPORATION ELECTION. (a) The Local Boundary Com-
21 mission shall immediately notify the lieutenant governor of its acceptance
22 of an incorporation petition. Within 30 days after notification, the
23 lieutenant governor shall order an election in the proposed municipality to
24 determine whether the voters desire incorporation and, if so, to elect the
25 initial officers in the same election. If incorporation is rejected, no
26 officers are elected. The election is held not less than 30 nor more than
27 90 days after the date of the election order. The election order must
28 specify the dates during which nomination petitions for election of initial
29 officers may be filed.

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1 (b) An Alaska voter who has been a resident of the area within
2 the proposed municipality for 30 days before the date of the election order
3 may vote.

4 (c) Areawide borough powers included in the incorporation petition
5 are considered to be part of the incorporation question. In an election for
6 the incorporation of a second class borough, each power to be exercised
7 outside cities only is placed separately on the ballot. Adoption of a
8 nonareawide power requires a majority of the votes cast on the question, and
9 the vote is limited to the voters residing outside cities.

10 (d) The lieutenant governor shall supervise the election in the
11 general manner prescribed by the Alaska Election Code (AS 15.05 - 15.60). The
12 state shall pay all election costs under this section.

13 Sec.29.09.120. ELECTION OF INITIAL OFFICERS (a) Repealed by Sec. 4 ch.
14 23 SLA 1976.

15 (b) Nominations for initial officers are made by petition. The
16 petition is in the form prescribed by the lieutenant governor and includes
17 the name and address of the nominee and a statement of the nominee that he
18 is qualified under the provisions of this title for the office that he
19 seeks. A person may file for and occupy more than one office, but he may not
20 serve simultaneously as borough mayor and as a member of the borough assembly
21 or as mayor and as a member of the council of a home rule or first class
22 city. Petitions to nominate officers of a second class city must include the
23 signature and resident address of 10 voters in the area of the proposed
24 city. Petitions to nominate elected municipal officers must include the
25 signature and resident address of 50 voters in the area of the proposed
26 municipality, or that area of the proposed municipality from which the
27 officers are to be elected under the composition and apportionment set out
28 in the accepted incorporation petition.
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1 (c) The lieutenant governor shall supervise the election in the
2 general manner prescribed by the Alaska Election Code (AS 15.05 - 15.60).
3 The state shall pay all election costs under (a) - (c) of this section.

4 (d) The initial elected municipal officials take office on the
5 first Monday following certification of their election.

6 (e) The initial elected borough assembly and city council members
7 shall determine by lot the length of their terms of office so that a pro-
8 portionate number of terms expire each year, resulting in staggered terms of
9 office for members subsequently elected.

10 Sec. 29.09.130. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE AREAS.

11 Service areas in a newly incorporated borough or city shall be integrated
12 into the borough or city within two years after the date of incorporation.
13 On integration the borough or city succeeds to all the rights, powers,
14 duties, assets and liabilities of the service areas. After integration, the
15 borough assembly or city council may exercise within a former service area
16 all of the rights and powers exercised by the service area at the time of
17 integration, and may levy and collect special charges, taxes, or assessments
18 to amortize bonded indebtedness incurred by the service area or by a borough
19 or city as successor to the service area. Upon integration no less than all
20 property in the service area at the time of integration remains subject to
21 taxation to pay the principal of and interest on the bonds. The provisions
22 of this section apply to all organized boroughs whether incorporated or
23 organized before or after September 10, 1972.

24 Sec. 29.09.140. TRANSITION. (a) The powers and functions exercised by
25 home rule or general law cities and service areas which are succeeded to by
26 a newly incorporated borough or city are exercised by them until the new
27 borough or city assumes the powers and functions, which may not exceed two
28 years after the date of incorporation. Ordinances, rules, resolutions,
29 procedures, and orders in effect before the transfer remain in effect until
superseded by the action of the new borough or city.

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1 (b) The borough or city shall give written notice of its assump-
2 tion of the powers, duties and other items enumerated in Secs. 130-140 of
3 this chapter, to the city, and service area concerned before the assumption.
4 Borough or city officials shall consult with the officials of the city and
5 service area concerned, and arrange an orderly transfer.

6 (c) After the incorporation of a new borough or city, no service
7 area within it may assume new bonded indebtedness, make any contract, or
8 transfer any assets without the consent of the assembly or council.

9 Sec. 29.09.150. CHALLENGE OF LEGALITY. No person may challenge the
10 formation of a municipality except within six months of the date of its
11 incorporation.

12 Article 03. TRANSITIONAL ASSISTANCE

13 Sec. 29.09.180. ORGANIZATION GRANTS. (a) For the purpose of defraying
14 the cost of transition to borough or city government and in order to provide
15 for development and interim governmental operations, each borough and city
16 incorporated after January 1, 1968, or, in the case of a second class city,
17 incorporated or reclassified after January 1, 1968, other than a unified
18 municipality incorporated under the provisions of (AS 29.85), or a munici-
19 pality otherwise incorporated by consolidation, is entitled to an organization
20 grant equal to \$10 for every voter who voted in the borough or city incor-
21 poration election. However, each incorporated borough and each first class
22 city incorporated or established by reclassification outside an organized
23 borough is entitled to at least \$25,000.

24 (b) Within 30 days after the date of incorporation of a borough
25 or city after September 10, 1972, the Department of Community and Regional
26 Affairs shall determine the number of voters in the borough or city who
27 voted in the incorporation election.
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(c) Within 30 days after the completion of its findings, or as soon thereafter as money is appropriated to it for the purpose, the Department of Community and Regional Affairs shall transmit to the borough or city the total amount of money to which the borough or city is entitled.

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*Proofed 12-20*CHAPTER 09. INCORPORATION

Article 1. REQUIREMENTS

Sec. 29.09.010. INCORPORATION OF CITIES. (a) A community which meets the following standards may incorporate as a first class city:

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

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

(3) the economy of the community includes the human and financial resources necessary to provide local services; in considering the economy of the community, the Local Boundary Commission shall consider property valuations, economic base, personal income, resource and commercial development, anticipated functions, and the expenses and income of the proposed city, including the ability of the community to generate local revenue;

(4) the population of the community is stable enough to support local government;

(5) there is a demonstrated need for local government.

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

Sec. 29.09.020. LIMITATIONS ON INCORPORATION OF CITIES. (a) A community within the unorganized borough may not incorporate as a city if the services may be provided by annexation to an existing city.

(b) A community within an organized borough may not incorporate as a city if the services could be provided on an areawide or nonareawide basis by the borough in which it is located or by annexation to an existing city.

Sec. 29.09.030. ORGANIZED BOROUGHES. An area may incorporate as an organized borough if it conforms to the following standards:

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

(2) the boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of local services;

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

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

Article 2. PROCEDURES

Sec. 29.09.050. PETITION. Municipal incorporation is proposed by filing a petition with the Department of Community and Regional Affairs. The petition shall include the following information about the proposed municipality:

(1) class;

(2) name;

(3) boundaries;

(4) [Effective until January 1, 1981] composition and apportionment of the assembly or council; [Effective January 1, 1981] composition and apportionment of the assembly or council;

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

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

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1 (7) maps, documents, and other information required by
2 the Department of Community and Regional Affairs;

3 (8) for first class city incorporation, the signatures
4 and resident address of 50 permanent resident voters or of 15 percent of the
5 permanent resident voters within the proposed municipality, whichever is
6 greater, based on the number who voted in the area in the last general elec-
7 tion;

8 (9) for second class city incorporation, the signature
9 and resident address of 25 permanent resident voters or of 15 percent of the
10 permanent resident voters within the proposed municipality, whichever is
11 greater, based on the number who voted in the area in the last general elec-
12 tion;

13 (10) for borough incorporation, the signature and resi-
14 dent address of 15 percent of the permanent resident voters in each first
15 class city and 15 percent of voters in the area outside first class cities
16 based on the number who voted in the respective areas in the last general
17 election;

18 (11) for a city, a designation of the powers proposed by
19 the petitioners to be exercised;

20 (12) a proposed operating budget for the municipality
21 projecting sources of income and items of expenditure through the first full
22 fiscal year of operation.

23 Sec. 29.09.070. REVIEW. The Department of Community and Regional
24 Affairs shall review petitions for content and signatures and shall return
25 deficient petitions for correction and completion.

26 Sec. 29.09.080. INVESTIGATION. (a) If the petition contains the
27 required information and signatures, the Department of Community and Regional
28 Affairs shall investigate the proposal.
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1 (b) The department may combine petitions for incorporation from
2 the same general area.

3 (c) The department shall hold at least one public hearing in the
4 area proposed for incorporation.

5 Sec. 29.09.090. REPORT AND HEARING. (a) The Department of Community
6 and Regional Affairs shall report its findings to the Local Boundary Commission
7 with its recommendations regarding the incorporation.

8 (b) The Local Boundary Commission shall hold at least one public
9 hearing in the area proposed to be incorporated for the purpose of receiving
10 testimony and evidence on the proposal.

11 Sec. 29.09.100. DECISION ON BOROUGH INCORPORATION. (a) If the Local
12 Boundary Commission determines that a proposed municipality fails to meet
13 the standards for incorporation, it shall reject the petition. If the
14 commission determines that the proposed municipality meets the standards, it
15 shall accept the petition. If the commission determines that the proposed
16 boundaries can be altered to meet the standards, it may alter the boundaries
17 and accept the petition.

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

20 Sec. 29.09.110. INCORPORATION ELECTION. (a) The Local boundary Com-
21 mission shall immediately notify the lieutenant governor of its acceptance
22 of an incorporation petition. Within 30 days after notification, the
23 lieutenant governor shall order an election in the proposed municipality to
24 determine whether the voters desire incorporation and, if so, to elect the
25 initial officers in the same election. If incorporation is rejected, no
26 officers are elected. The election is held not less than 30 nor more than
27 90 days after the date of the election order. The election order must
28 specify the dates during which nomination petitions for election of initial
29 officers may be filed.

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1 (b) An Alaska voter who has been a resident of the area within
2 the proposed municipality for 30 days before the date of the election order
3 may vote.

4 (c) Areawide borough powers included in the incorporation petition
5 are considered to be part of the incorporation question. In an election for
6 the incorporation of a second class borough, each power to be exercised
7 outside cities only is placed separately on the ballot. Adoption of a
8 nonareawide power requires a majority of the votes cast on the question, and
9 the vote is limited to the voters residing outside cities.

10 (d) The lieutenant governor shall supervise the election in the
11 general manner prescribed by the Alaska Election Code (AS 15.05-15.60). The
12 state shall pay all election costs under this section.

13 Sec.29.09.120. ELECTION OF INITIAL OFFICERS. (a) Repealed by Sec. 4 ch.
14 23 SLA 1976.

15 (b) Nominations for initial officers are made by petition. The
16 petition is in the form prescribed by the lieutenant governor and includes
17 the name and address of the nominee and a statement of the nominee that he
18 is qualified under the provisions of this title for the office that he
19 seeks. A person may file for and occupy more than one office, but he may not
20 serve simultaneously as borough mayor and as a member of the borough assembly
21 or as mayor and as a member of the council of a home rule or first class
22 city. Petitions to nominate officers of a second class city must include the
23 signature and resident address of 10 voters in the area of the proposed
24 city. Petitions to nominate elected municipal officers must include the
25 signature and resident address of 50 voters in the area of the proposed
26 municipality, or that area of the proposed municipality from which the
27 officers are to be elected under the composition and apportionment set out
28 in the accepted incorporation petition.
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(c) The lieutenant governor shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15.05 - 15.60). The state shall pay all election costs under (a) - (c) of this section.

(d) The initial elected municipal officials take office on the first Monday following certification of their election.

(e) The initial elected borough assembly and city council members shall determine by lot the length of their terms of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.

Sec. 29.09.130. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE AREAS.

Service areas in a newly incorporated borough or city shall be integrated into the borough or city within two years after the date of incorporation. On integration the borough or city succeeds to all the rights, powers, duties, assets and liabilities of the service areas. After integration, the borough assembly or city council may exercise within a former service area all of the rights and powers exercised by the service area at the time of integration, and may levy and collect special charges, taxes, or assessments to amortize bonded indebtedness incurred by the service area or by a borough or city as successor to the service area. Upon integration no less than all property in the service area at the time of integration remains subject to taxation to pay the principal of and interest on the bonds. The provisions of this section apply to all organized boroughs whether incorporated or organized before or after September 10, 1972.

Sec. 29.09.140. TRANSITION. (a) The powers and functions exercised by home rule or general law cities and service areas which are succeeded to by a newly incorporated borough or city are exercised by them until the new borough or city assumes the powers and functions, which may not exceed two years after the date of incorporation. Ordinances, rules, resolutions, procedures, and orders in effect before the transfer remain in effect until superseded by the action of the new borough or city.

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1 (b) The borough or city shall give written notice of its assump-
2 tion of the powers, duties and other items enumerated in Secs. 130-140 of
3 this chapter, to the city, and service area concerned before the assumption.
4 Borough or city officials shall consult with the officials of the city and
5 service area concerned, and arrange an orderly transfer.

6 (c) After the incorporation of a new borough or city, no service
7 area within it may assume new bonded indebtedness, make any contract, or
8 transfer any assets without the consent of the assembly or council.

9 Sec. 29.09.150. CHALLENGE OF LEGALITY. No person may challenge the
10 formation of a municipality except within six months of the date of its
11 incorporation.

12 Article 03. TRANSITIONAL ASSISTANCE

13 Sec. 29.09.180. ORGANIZATION GRANTS. (a) For the purpose of defraying
14 the cost of transition to borough or city government and in order to provide
15 for development and interim governmental operations, each borough and city
16 incorporated after January 1, 1968, or, in the case of a second class city,
17 incorporated or reclassified after January 1, 1968, other than a unified
18 municipality incorporated under the provisions of (AS 29.85), or a munici-
19 pality otherwise incorporated by consolidation, is entitled to an organization
20 grant equal to \$10 for every voter who voted in the borough or city incor-
21 poration election. However, each incorporated borough and each first class
22 city incorporated or established by reclassification outside an organized
23 borough is entitled to at least \$25,000.

24 (b) Within 30 days after the date of incorporation of a borough
25 or city after September 10, 1972, the Department of Community and Regional
26 Affairs shall determine the number of voters in the borough or city who
27 voted in the incorporation election.
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1 (c) Within 30 days after the completion of its findings, or as
2 soon thereafter as money is appropriated to it for the purpose, the Depart-
3 ment of Community and Regional Affairs shall transmit to the borough or city
4 the total amount of money to which the borough or city is entitled.
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DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 10 OCTOBER 1980

Sec. 29.09.180. ORGANIZATION GRANTS. (a) For the purpose of defraying the cost of transition to a municipal form of government and in order to provide for initial government operations, each municipality incorporated after January 1, 1981, or, for a second class city, reclassified after January 1, 1981 is entitled to an organization grant of \$150,000, except that a municipality which is merged, consolidated, or unified under AS 29.12. is not entitled to an organization grant.

Late 1981

McCAETER: Discussion of dual majority.

EXPLANATION: Since no new municipality formed is likely to contain a great enough population to qualify for a grant over the minimum, the provision tying population to the amount of the grant has been eliminated in favor of a flat amount. The amount of the grant has been raised from \$25,000 to \$150,000 in recognition of the fact that setting up a government has become an expensive proposition and to encourage the formation of local governments despite this expense. In addition, a second class city will qualify to receive that grant as well as a city within an organized borough, whereas the existing law ties the amount of a grant to a second class city and to a first class city in an organized borough to its population. This change encourages the formation of local governments in rural areas where the population may be small. The formation of a city is expensive regardless of the size of the population. It is felt that the grant should be used to cover any initial government operation, so the terms "development and interim" were eliminated as unduly restrictive. The increased grant will be available only to a municipality formed after January 1, 1981.

CERA has own proposal for transitional assistance

Discussion

Policy question - "seed money" for pre-incorporation?

*Motion - small group by Dimmick
Parr, Larson, Branson*

ON HOLD
WAF
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1 CHAPTER 09. INCORPORATION

2 (CHAPTER 18. INCORPORATION)

3 Article 1. REQUIREMENTS

4 (Article 1. REQUIREMENTS)

5 Sec. 29.09.010. (Sec. 29.18.011.) INCORPORATION OF CITIES. (a) A

6 community which meets the following standards may incorporate as a first
7 class city:

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

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

11 (3) the economy of the community includes the human and
12 financial resources necessary to provide local services; in considering the
13 economy of the community, the Local Boundary Commission shall consider
14 property valuations, economic base, personal income, resource and commercial
15 development, anticipated functions, and the expenses and income of the
16 proposed city, including the ability of the community to generate local
17 revenue;

18 (4) the population of the community is stable enough to
19 support local government;

20 (5) there is a demonstrated need for local government.

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

23 Sec. 29.09.020. (Sec. 29.18.021.) LIMITATIONS ON INCORPORATION OF
24 CITIES. (a) A community within the unorganized borough may not incorporate
25 as a city if the services may be provided by annexation to an existing city.

26 (b) A community within an organized borough may not incorporate
27 as a city if the services could be provided on an areawide or nonareawide
28 basis by the borough in which it is located or by annexation to an existing
29 city.

1 Sec. 29.09.030. (Sec. 29.18.030.) ORGANIZED BOROUGHES. An area may
2 incorporate as an organized borough if it conforms to the following stan-
3 dards:

4 (1) the population of the area is interrelated and integrated
5 as to its social, cultural, and economic activities, and is large and stable
6 enough to support organized borough government;

7 (2) the boundaries of the proposed borough conform generally
8 to natural geography and include all areas necessary for full development of
9 local services;

10 (3) the economy of the area includes the human and financial
11 resources capable of providing local services; evaluation of an area's
12 economy includes land use, property valuations, total economic base, total
13 personal income, resource and commercial development, anticipated functions,
14 expenses, and income of the proposed borough;

15 (4) land, water, and air transportation facilities allow the
16 communication and exchange necessary for the development of integrated local
17 government.

18 Article 2. PROCEDURES

19 (Article 2. PROCEDURES)

20 Sec. 29.09.060. (Sec. 29.18.050.) PETITION. Municipal incorporation
21 is proposed by filing a petition with the Department of Community and Regional
22 Affairs. The petition shall include the following information about the
23 proposed municipality:

24 (1) class;

25 (2) name;

26 (3) boundaries;

27 (4) [Effective until January 1, 1981] composition and
28 apportionment of the assembly or council; [Effective January 1, 1981] com-
29 position and apportionment of the assembly or council;

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

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

5 (7) maps, documents, and other information required by
6 the Department of Community and Regional Affairs;

7 (8) for first class city incorporation, the signatures
8 and resident address of 50 permanent resident voters or of 15 percent of the
9 permanent resident voters within the proposed municipality, whichever is
10 greater, based on the number who voted in the area in the last general elec-
11 tion;

12 (9) for second class city incorporation, the signature
13 and resident address of 25 permanent resident voters or of 15 percent of the
14 permanent resident voters within the proposed municipality, whichever is
15 greater, based on the number who voted in the area in the last general elec-
16 tion;

17 (10) for borough incorporation, the signature and resi-
18 dent address of 15 percent of the permanent resident voters in each first
19 class city and 15 percent of voters in the area outside first class cities
20 based on the number who voted in the respective areas in the last general
21 election;

22 (11) for a city, a designation of the powers proposed by
23 the petitioners to be exercised;

24 (12) a proposed operating budget for the municipality
25 projecting sources of income and items of expenditure through the first full
26 fiscal year of operation.

27 Sec. 29.09.070. (Sec. 29.18.060.) REVIEW. The Department of Com-
28 munity and Regional Affairs shall review petitions for content and sig-
29 natures and shall return deficient petitions for correction and completion.

1 Sec. 29.09.080. (Sec. 29.18.070.) INVESTIGATION. (a) If the petition
2 contains the required information and signatures, the Department of Community
3 and Regional Affairs shall investigate the proposal.

4 (b) The department may combine petitions for incorporation from
5 the same general area.

6 (c) The department shall hold at least one public hearing in the
7 area proposed for incorporation.

8 Sec. 29.09.090. (Sec. 29.18.080.) REPORT AND HEARING. (a) The Depart-
9 ment of Community and Regional Affairs shall report its findings to the
10 Local Boundary Commission with its recommendations regarding the incor-
11 poration.

12 (b) The Local Boundary Commission shall hold at least one public
13 hearing in the area proposed to be incorporated for the purpose of receiving
14 testimony and evidence on the proposal.

15 Sec. 29.09.100. (Sec. 29.18.090.) DECISION ON BOROUGH INCORPORATION.
16 (a) If the Local Boundary Commission determines that a proposed municipality
17 fails to meet the standards for incorporation, it shall reject the petition.
18 If the commission determines that the proposed municipality meets the stan-
19 dards, it shall accept the petition. If the commission determines that the
20 proposed boundaries can be altered to meet the standards, it may alter the
21 boundaries and accept the petition.

22 (b) A commission decision under this section may be appealed
23 under the Administrative Procedure Act (AS 44.62).

24 Sec. 29.09.110. (Sec. 29.18.110.) INCORPORATION ELECTION. (a) The
25 Local Boundary Commission shall immediately notify the lieutenant governor
26 of its acceptance of an incorporation petition. Within 30 days after notifi-
27 cation, the lieutenant governor shall order an election in the proposed
28 municipality to determine whether the voters desire incorporation and, if
29 so, to elect the initial officers in the same election. If

incorporation is rejected, no officers are elected. The election is held not less than 30 nor more than 90 days after the date of the election order. The election order must specify the dates during which nomination petitions for election of initial officers may be filed.

(b) An Alaska voter who has been a resident of the area within the proposed municipality for 30 days before the date of the election order may vote.

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

(d) The lieutenant governor shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15.05-15.60). The state shall pay all election costs under this section.

Sec.29.09.120. (Sec. 29.18.120.) ELECTION OF INITIAL OFFICERS (a)
Repealed by Sec. 4 ch 23 SLA 1976.

(b) Nominations for initial officers are made by petition. The petition is in the form prescribed by the lieutenant governor and includes the name and address of the nominee and a statement of the nominee that he is qualified under the provisions of this title for the office that he seeks. A person may file for and occupy more than one office, but he may not serve simultaneously as borough mayor and as a member of the borough assembly or as mayor and as a member of the council of a home rule or first class city. Petitions to nominate officers of a second class city must include the signature and resident address of 10 voters in the area of the proposed city. Petitions to nominate elected municipal officers must include the signature and resident address of 50 voters in the area of the

1 proposed municipality, or that area of the proposed municipality from which
2 the officers are to be elected under the composition and apportionment set
3 out in the accepted incorporation petition.

4 (c) The lieutenant governor shall supervise the election in the
5 general manner prescribed by the Alaska Election Code (AS 15.05 - 15.60).
6 The state shall pay all election costs under (a) - (c) of this section.

7 (d) The initial elected municipal officials take office on the
8 first Monday following certification of their election.

9 (e) The initial elected borough assembly and city council members
10 shall determine by lot the length of their terms of office so that a pro-
11 portionate number of terms expire each year, resulting in staggered terms of
12 office for members subsequently elected.

13 Sec. 29.09.130. (Sec. 29.18.130.) INTEGRATION OF SPECIAL DISTRICTS
14 AND SERVICE AREAS. Service areas in a newly incorporated borough or city
15 shall be integrated into the borough or city within two years after the date
16 of incorporation. On integration the borough or city succeeds to all the
17 rights, powers, duties, assets and liabilities of the service areas. After
18 integration, the borough assembly or city council may exercise within a
19 former service area all of the rights and powers exercised by the service
20 area at the time of integration, and may levy and collect special charges,
21 taxes, or assessments to amortize bonded indebtedness incurred by the
22 service area or by a borough or city as successor to the service area. Upon
23 integration no less than all property in the service area at the time of
24 integration remains subject to taxation to pay the principal of and interest
25 on the bonds. The provisions of this section apply to all organized
26 boroughs whether incorporated or organized before or after September 10,
27 1972.

28 Sec. 29.09.140. (Sec. 29.18.140.) TRANSITION. (a) The powers and
29 functions exercised by home rule or general law cities and service areas

1 which are succeeded to by a newly incorporated borough or city are exercised
2 by them until the new borough or city assumes the powers and functions,
3 which may not exceed two years after the date of incorporation. Ordinances,
4 rules, resolutions, procedures, and orders in effect before the transfer
5 remain in effect until superseded by the action of the new borough or city.

6 (b) The borough or city shall give written notice of its assump-
7 tion of the powers, duties and other items enumerated in Secs. 130-140 of
8 this chapter, to the city, and service area concerned before the assumption.
9 Borough or city officials shall consult with the officials of the city and
10 service area concerned, and arrange an orderly transfer.

11 (c) After the incorporation of a new borough or city, no service
12 area within it may assume new bonded indebtedness, make any contract, or
13 transfer any assets without the consent of the assembly or council.

14 Sec. 29.09.150. (Sec. 29.18.150.) CHALLENGE OF LEGALITY. No person
15 may challenge the formation of a municipality except within six months of
16 the date of its incorporation.

17 Article 03. TRANSITIONAL ASSISTANCE

18 (Article 03. TRANSITIONAL ASSISTANCE)

19 Sec. 29.09.180. (Sec. 29.18.180.) ORGANIZATION GRANTS. (a) For the
20 purpose of defraying the cost of transition to borough or city government
21 and in order to provide for development and interim governmental operations,
22 each borough and city incorporated after January 1, 1968, or, in the case of
23 a second class city, incorporated or reclassified after January 1, 1968,
24 other than a unified municipality incorporated under the provisions of (AS
25 29.85), or a municipality otherwise incorporated by consolidation, is
26 entitled to an organization grant equal to \$10 for every voter who voted in
27 the borough or city incorporation election. However, each incorporated
28 borough and each first class city incorporated or established by
29 reclassification outside an organized borough is entitled to at least
\$25,000.

1 (b) Within 30 days after the date of incorporation of a borough
2 or city after September 10, 1972, the Department of Community and Regional
3 Affairs shall determine the number of voters in the borough or city who
4 voted in the incorporation election.

5 (c) Within 30 days after the completion of its findings, or as
6 soon thereafter as money is appropriated to it for the purpose, the Depart-
7 ment of Community and Regional Affairs shall transmit to the borough or city
8 the total amount of money to which the borough or city is entitled.

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CHAPTER 12. ALTERATION OF MUNICIPALITIES.

Article ^{uc} 1. CHANGE OF NAME.

Sec. 29.12.010. CHANGE OF MUNICIPAL NAME. (a) The governing body of a home rule or general law municipality may change the official municipal name by adopting an ordinance for the purpose and filing the ordinance with the office of the lieutenant governor. Upon receipt of a legally adopted ordinance ratified by the qualified voters voting on the question at a regular or special election, the lieutenant governor shall issue an appropriate order to the municipality changing its existing name. The name change shall become effective on a date fixed in the order and occurring within 45 days of receipt of the ordinance. A copy of the order shall be transmitted to the Department of Community and Regional Affairs.

(b) If an ordinance adopted under (a) of this section which results in an order changing the municipal name is subsequently repealed, the lieutenant governor shall issue a further order reinstating the former municipal name within 45 days of the date of the order, unless a different municipal name is adopted by ordinance transmitted to the lieutenant governor for implementation as provided in (a) of this section.

(c) When a municipal name change takes effect by means of an order issued under (a) or (b) of this section, civil or criminal suits, applications, petitions, hearings and other proceedings to which the municipality is a party and pending at or brought after the date the name change takes effect shall proceed in the name of the municipality as changed by the order.

Article ^{uc} 2. ANNEXATION AND EXCLUSION.

Sec. 29.12.040. LOCAL BOUNDARY COMMISSION. (a) The Local Boundary Commission may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first 10 days of any regular session. The change shall become effective 45 days after presen-

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1 tation or at the end of the session, whichever is earlier, unless disap-
2 proved by a resolution concurred in by a majority of the members of each
3 house.

4 (b) In addition to the regulations governing annexation by local
5 action adopted under AS 44.19.260, the Local Boundary Commission shall,
6 within 90 days of September 10, 1972, establish procedures for annexation
7 and exclusion of territory by cities and boroughs by local action. The pro-
8 cedures established under this subsection shall include

9 (1) a provision requiring that a proposed annexation and
10 exclusion must be approved by a majority of the voters voting on the question
11 residing within the area proposed to be annexed or excluded;

12 (2) provisions that municipally-owned property adjoining the
13 municipality may be annexed by ordinance without voter approval; and

14 (3) provisions that an area adjoining the municipality may
15 be annexed by ordinance without an election if all property owners and
16 voters within the area petition the assembly or council.

17 (c) A boundary change effected under (a) of this section prevails
18 over a boundary change initiated by local action, without regard to priority
19 in time.

20 Sec. 29.12.050. ANNEXATION OF MILITARY RESERVATIONS. A military
21 reservation may be annexed to a city or borough in the same manner as pre-
22 scribed for any other territory under Sec. 040 of this chapter. If
23 a city within an organized borough annexes a military reservation under this
24 section, the territory encompassing the military reservation automatically
25 is annexed to the borough of which the city is a part.

26 ^{uc.} Article 03. MERGER AND CONSOLIDATION.

27 Sec. 29.12.080. METHODS OF MERGER AND CONSOLIDATION. Two methods may
28 be used to initiate merger or consolidation of home rule and general law
29 municipalities:

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1 (1) petition to the Local Boundary Commission under regulations
2 adopted by the commission, or

3 (2) the local option method specified in Secs. 090-160 of this
4 chapter.

5 Sec. 29.12.090. PETITION. (a) Residents of two or more municipalities
6 may file a merger or consolidation petition with the Department of Community
7 and Regional Affairs. The petition must be signed by a number of municipal
8 voters of each municipality equal to at least 25 percent of the number of
9 votes cast in its last regular election.

10 (b) The petition includes

11 (1) the name and class of each municipality;

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

13 (3) the proposed composition and apportionment of the assem-
14 bly or council;

15 (4) maps, documents, and other information which show that
16 the proposed municipality meets the standards for municipal incorporation .

17 Sec. 29.12.100. REVIEW. The Department of Community and Regional
18 Affairs shall review a petition for content and signatures and shall return
19 a deficient petition for correction or completion.

20 Sec. 29.12.110. INVESTIGATION. If the petition contains the required
21 information and signatures, the Department of Community and Regional Affairs
22 shall investigate the proposal.

23 Sec. 29.12.120. REPORT AND HEARING. (a) The Department of Community
24 and Regional Affairs shall report its findings to the Local Boundary Commission
25 with its recommendations regarding the merger or consolidation.

26 (b) The Local Boundary Commission shall hold at least one public
27 hearing in each of the municipalities included in the merger or consolida-
28 tion petition, unless officials of the municipalities agree to a single
29 hearing.

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1 Sec. 29.12.130. DECISION. If the Local Boundary Commission determines
2 that the proposed municipality fails to meet the standards for incorporation,
3 it shall reject the petition. If the commission determines that the proposed
4 municipality meets these standards, it shall accept the petition. If the
5 commission determines that the proposed boundaries or the composition and
6 apportionment of the assembly or council can be altered to meet the standards,
7 it may change the proposal and accept the petition. The decision may be
8 appealed under the Administrative Procedure Act (AS 44.62).

9 Sec. 29.12.140. ELECTION. (a) The Local Boundary Commission shall
10 immediately notify the lieutenant governor of its acceptance of a merger or
11 consolidation petition. Within 30 days after notification, the lieutenant
12 governor shall order an election within the area to be included in the new
13 municipality to determine whether the voters desire merger or consolidation.
14 The election is held not less than 30 nor more than 90 days after the election
15 order.

16 (b) A voter who is a resident of the area to be included within
17 the proposed municipality may vote.

18 (c) The lieutenant governor shall supervise the election in the
19 general manner prescribed by the Alaska Election Code (AS 15.05 -15.60).
20 The state shall pay all election costs.

21 (d) The lieutenant governor shall certify the election results.
22 If merger or consolidation is approved, he shall, within 10 days, set a date
23 for election of officers of the new municipality under AS 29.09.120. The
24 election date is not less than 60 nor more than 90 days after the election
25 order. This date is the effective date for the merger or consolidation.

26 Sec. 29.12.150. ASSETS AND LIABILITIES. (a) When two or more munici-
27 palities merge, one municipality succeeds to the rights, powers, duties,
28 assets and liabilities of the others.
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(b) When two or more municipalities consolidate, the newly incorporated municipality succeeds to the rights, powers, duties, assets and liabilities of the consolidated municipalities.

Sec. 29.12.160. ORDINANCES. The ordinances, resolutions, rules, regulations, procedures and orders of the former municipalities remain in force within their respective territories until superseded by the action of the successor municipality.

^{uc.}
Article 04. UNIFICATION OF LOCAL GOVERNMENTS.

Sec. 29.12.190. UNIFICATION OF LOCAL GOVERNMENTS AUTHORIZED. An organized borough and all cities within the borough may unite to form a single unit of home rule local government by complying with this chapter.

Sec. 29.12.200. UNIFICATION TO BE PROPOSED BY PETITION. (a) Formation of a charter commission to propose a unification charter shall be proposed by resolution of the assembly or by petition. An assembly resolution for the purpose may be adopted not more often than once every 12 months.

(b) The borough assembly, a city council, or a person living within the area of proposed unification may initiate the petition.

Sec. 29.12.210. PETITION REQUIREMENTS. (a) The petition shall read:
"PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICATION CHARTER
We, the undersigned, qualified voters of the Borough do hereby petition that the following proposition be placed before the voters as provided by law:
'Shall a charter commission be formed (and charter commission members be elected as elsewhere provided on this ballot) to prepare, adopt and submit to the voters for their approval or rejection a proposed charter uniting the Borough and all cities within it as a single unit of home rule government having the powers, duties and functions of a unified government as authorized by law? Yes ☐ No ☐

Inside First Class	Outside First Class
or	or

Signature

Address

Home Rule City

Home Rule City"