

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

783 SCOMM23: TITLE 29 POLICY REVISION ADVISORY COMM. 1980

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#23:46

CHAPTER 68. MUNICIPAL PROGRAMS

ARTICLE 1. INVOLVEMENT OF YOUNG PEOPLE IN LOCAL GOVERNMENT

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3     Sec. 29.68.010. (Sec. 29.23.395.) INTENT OF SECS. 397-401. It is the  
4 intent of Secs. 397-401 of this chapter to provide an opportunity for the  
5 young people of Alaska to become involved in the institutions and processes  
6 of local government comparable to that embodied in legislation under  
7 consideration at the First Session of the Seventh Legislature providing for  
8 participation in the executive branch of state government.

9     Sec. 29.68.020. (Sec. 29.23.397.) COMMISSION. (a) The governing body  
10 of a municipality may by ordinance establish a commission on the involvement  
11 of young people in local government.

12         (b) The commission may consist of not more than nine members,  
13 drawn from fields of public affairs, education, the sciences, the  
14 professions, other fields of private endeavor, from the state or local  
15 service, and three additional members from the 17-22 age group, and shall  
16 include women and representatives of minority groups. The members shall be  
17 appointed by the governing body in the manner prescribed by ordinance  
18 without regard to political affiliation and shall serve at the pleasure of  
19 that body. One member shall be designated by the governing body as chairman  
20 of the commission.

21         (c) Members of the commission serve without compensation but are  
22 entitled to per diem and travel expenses as may be authorized by ordinance.

23         (d) The commission shall establish procedures to enable it to  
24 recommend annually to the governing body a group of promising young men and  
25 women from whom the governing body may select interns and youth voting  
26 members of municipal boards and commissions. The commission, in  
27 establishing these procedures, shall enlist the aid of municipal residents  
28 who are actively interested in working with young people. Following  
29 adoption of the procedures, the commission shall accept applications from

1 persons and nominations for consideration, and shall interview all  
2 applicants or nominees.

3 (e) Recommendations of the commission shall be limited to young  
4 people who

5 (1) have a capacity, desire, interest, ability and potential  
6 for leadership and service to the community and to the state;

7 (2) will have attained the age of 17 but not the age of 22  
8 before the beginning of their service.

9 (f) Annually, the commission shall evaluate the program and shall  
10 submit a written report to the governing body.

11 Sec. 29.68.030. (Sec. 29.23.399.) INTERNS. An intern may be  
12 appointed to serve on the staff of the governing body or the municipal  
13 administration for a period of time prescribed by the governing body, with a  
14 maximum of one year. He may be assigned responsibilities in any office,  
15 department or agency of the municipality. Service will begin at a time  
16 prescribed by the governing body. Interns shall be appointed without regard  
17 to political affiliation. Salaries shall be individually established by the  
18 governing body on the basis of prior experience and the responsibilities of  
19 the position to which the intern is assigned.

## 20 ARTICLE 2. HISTORICAL DISTRICTS

21 Sec. 29.68.060. (Sec. 29.48.108.) CREATION OF HISTORICAL DISTRICT  
22 COMMISSIONS. The governing body of a general law or home rule municipality  
23 may establish a historical district commission or designate the planning and  
24 zoning commission or itself to serve as the historical district commission.

25 Sec. 29.68.070. (Sec. 29.48.110.) ESTABLISHMENT OF HISTORICAL  
26 DISTRICTS. (a) In addition to existing municipal authority providing for  
27 the preservation, protection, and maintenance of historic sites, the local  
28 historical district commission established under Sec. 108 of this chapter,  
29 in consultation with the Historic Sites Advisory Committee within the

1 Department of Natural Resources, may establish a historical district within  
2 the boundaries of the municipality.

3 (b) A historical district shall be a reasonably compact area of  
4 historical significance in which two or more structures important in state  
5 or national history, and related by physical proximity or historical  
6 association, are located. For purposes of this section, "structures  
7 important in state or national history" means properties recommended by  
8 historical district commissions, which are listed in the National Register  
9 of Historic Places or are characteristic of the Russian-American period  
10 before October 18, 1867, the early territorial period before 1930, or early  
11 Native heritage, reflecting the indigenous characteristics of Native culture  
12 in Alaska. Upon recommendation of the governing body of a general law or  
13 home rule municipality and the Historic Sites Advisory Committee, the  
14 Department of Natural Resources may by regulation formulate additional  
15 criteria for the establishment of historical districts not inconsistent with  
16 this subsection.

17 (c) The establishment of a historical district under this section  
18 shall be consistent with any applicable comprehensive plan for the  
19 municipality.  
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CHAPTER 71. GENERAL PROVISIONS

1           Sec. 29.71.010. (Sec. 29.73.030.) ADVERSE POSSESSION. A home rule or  
2 general law municipality may not be divested of title to real property by  
3 adverse possession.

4           Sec. 29.71.020. (Sec. 29.73.040.) TAXATION OF MUNICIPALITIES. No  
5 state law or regulation may assess or tax, or be construed to assess or tax,  
6 home rule or general law cities or boroughs of the state, unless the law or  
7 regulation expressly provides that the cities or boroughs are to be assessed  
8 or taxed by the particular law or regulation.

9           Sec. 29.71.030. (Sec. 29.78.010.) DEFINITIONS. In this title, unless  
10 otherwise provided, or the context otherwise requires,

11                   (1) "borough" means a general law first, second or third  
12 class organized borough;

13                   (2) "city" means a general law first or second class city;

14                   (3) "conditional use" means exception, special exception,  
15 special use, or special permit designated in the zoning ordinance;

16                   (4) "consolidation" means dissolution of two or more  
17 municipalities and their incorporation as a new municipality;

18                   (5) "majority" means a simple majority;

19                   (6) "merger" means dissolution of a municipality and its  
20 absorption by another municipality;

21                   (7) "municipal election" includes but is not limited to  
22 elections to choose city councilmen, borough assemblymen, school board  
23 members and utility board members;

24                   (8) "municipality" means a general law municipal corporation  
25 and political subdivision, which is a first or second class borough or city,  
26 or a third class borough, incorporated under the laws of the state;

27                   (9) "owner", "record owner", or "owner of record" means  
28 owner of record or purchaser of record;  
29

1 (10) "personal property" means tangible property other than  
2 real property, such as merchandise and stock in trade, machinery and  
3 equipment, furniture and fixtures, motor vehicles and vehicles, boats and  
4 vessels and aircraft;

5 (11) "property" means real and personal property;

6 (12) "published" means appearing at least once in a  
7 newspaper of general circulation distributed within the municipality or, if  
8 there is no newspaper of general circulation distributed within the  
9 municipality, posting in three public places for at least five days;

10 (13) "real property" means land and improvements and all  
11 possessory rights and privileges appurtenant to the property, and includes  
12 personal property affixed to the land or improvements;

13 (14) "regular election" means the municipal election held on  
14 the first Tuesday of October annually, or on an election date or at an  
15 interval of years provided by ordinance;

16 (15) "street" includes streets, avenues, boulevards, roads,  
17 lanes, alleys, and other ways;

18 (16) "subdivision" means the division of a tract or parcel  
19 of land into two or more lots, sites, or other divisions for the purpose,  
20 whether immediate or future, of sale or building development, includes  
21 resubdivision, and, when appropriate to the context, relates to the process  
22 of subdividing or to the land or area subdivided;

23 (17) "voter" means a United States citizen who is qualified  
24 to vote in state elections and has been a resident of the municipality for  
25 30 days immediately preceding the election and who is registered to vote in  
26 state elections and is not disqualified under art. V of the state  
27 constitution.

28 (18) "areawide power" means a power of an organized borough  
29 exercised throughout the borough;



1 (19) "nonareawide power" means a power of an organized  
2 borough exercised by the borough only in the area outside of cities.  
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Sec. 37.30.100. PROHIBITED BIDDING ON BONDS. Repeal.

EXPLANATION: It is felt that this section should be repealed because it unduly restricts the selling of bonds. It creates a hardship on the smaller communities who may have only one financial advisor available. The municipality is protected by SEC disclosure requirements and by the fact that a "person" can't buy bonds without permission of the municipality. Also (b) created a cloud on bonds, since there is always a possibility that they are void if the wrong person provided marketing assistance.

FOR  
NOTES

ALTERNATE 1.

AS 37.30.100 is repealed.

SEC. 29.58.317. PROHIBITED BIDDING ON BONDS. (a) No person who provides financial programming or marketing assistance to a political subdivision of the state, whether home rule or otherwise, in connection with the issuance or sale of general obligation bonds, revenue bonds or bond anticipation notes of the political subdivision may bid on the bonds or notes if offered at public sale, or negotiate for their purpose if sold at private sale.

(b) The sale of general obligation, revenue bonds or bond anticipation notes of a political subdivision to a person prohibited from bidding on, or negotiating for the sale of bonds or notes under (a) of this section is against public policy and the sale is void.

(c) In this section "person" means an individual, firm, agent, factor, intermediary, partnership, corporation, association, bond house, stockbroker or bond broker.

ALTERNATE 2.

AS 37.30.100 is repealed.

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**DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE**  
**06 December 1980**

**Sec. 29.36.170. SECOND CLASS BOROUGH POWERS OUTSIDE CITIES.**

(8) tax, spend, and regulate for the purpose of promoting industrial development.

The rest of the section is the same.

**EXPLANATION:** This is added as a specific power which need not be assumed under AS 29.36.180. A first class borough may exercise this power under AS 29.36.160, the general grant of power to first class boroughs.

**DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE**  
**06 December 1980**

Sec. 29.36.270. SERVICE AREAS. (a) (First two sentences the same). Except as provided in (f) of this section, a second class borough may exercise the powers granted a first class city by general law but the exercise of the powers must be approved by a majority of the voters residing within the service area and voting on the question at a regular or special election, unless all owners of real property within the service area consent in writing to the exercise of the power.

No other changes to this section.

EXPLANATION: Change in (a) to avoid the necessity of an election if there is no opposition by property owners who will be affected by the service area.

**DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE**  
**06 December 1960**

Sec. 29.39.060. PLANNING AND LAND USE REGULATION. (a)  
Home rule and first class cities outside first and second class boroughs shall, and second class cities outside first and second class boroughs may in whole or part, provide for planning, platting and land use regulation within their boundaries, as provided by AS 29.42.010-29.42.245 for boroughs.

(b) Home rule and first class cities within third class boroughs shall, and second class cities within third class boroughs may in whole or part provide for planning, platting and land use regulation, as provided by AS 29.42.010-29.42.150 for boroughs.

EXPLANATION; Clarifies that a city may only plan for the area within its boundary. Adds the provision that second class cities may plan "in whole or part" as provided for boroughs, so that it is clear that they are not forced into an all or nothing situation.



**DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE**  
**06 December 1980**

Sec. 29.39.060. EXTENSION OF CURFEWS OUTSIDE CITIES.

Repeal.

Sec. 29.39.070. ENFORCEMENT OF CURFEWS. Repeal.

Sec. 29.39.080. PENALTY FOR VIOLATION OF CURFEW. Repeal.

**EXPLANATION:** It is felt that these provisions are unnecessary and would be properly placed in the criminal code. (NOTE: These were in the criminal code as AS 11.60.250, 11.60.260, and 11.60.270 and moved to Title 29 effective January 1, 1980.)

**DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE**  
**06 December 1980**

**Sec. 29.45.030. REQUIRED EXEMPTIONS. (a) ADD:**

(7) property held by an Indian, Eskimo or Aleut or by a community of Indians, Eskimos or Aleuts for which title is subject to a restriction against alienation; or property held by the United States in trust for the benefit of an Indian, Eskimo or Aleut or a community of Indians, Eskimos or Aleuts; or other property defined in section 4 of the Alaska Statehood Act (72 Stat 339) or Article 12 section 12 of the Alaska Constitution.

The rest of this section is the same.

**Sec. 29.48.090. EXEMPTION.**

(d) An exemption from a special assessment shall be granted to property held by an Indian, Eskimo or Aleut or by a community of Indians, Eskimos or Aleuts for which title is subject to a restriction against alienation; or property held by the United States in trust for the benefit of an Indian, Eskimo or Aleut or a community of Indians, Eskimos or Aleuts; or other property defined in section 4 of the Alaska Statehood Act, (72 Stat 339) or Article 12 section 12 of the Alaska Constitution.

The rest of this section is the same.

**EXPLANATION:** Change proposed by Mike Walleri of Tanana Chiefs Corporation to avoid taxation of land which is not taxable under state and federal law.

**DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE**  
**06 December 1980**

Sec. 29.27.080. PENALTIES. (a) For the violation of an ordinance, the assembly or council may prescribe punishment not to exceed a fine of \$1,000 or imprisonment for 90 days, or both. By ordinance mandatory nonsuspendable imprisonment not to exceed five days may be imposed for violation of an ordinance. However, the punishment authorized under this section may be imposed only if copies of the ordinance are made available for distribution to the public at cost.

(b) The municipality or an aggrieved person may institute a civil action against a person who violates an ordinance. In addition to injunctive and compensatory relief, a civil penalty not to exceed \$1,000 may be imposed for each violation. An action to enjoin a violation may be brought notwithstanding the availability of any other remedy. Every day upon which a violation of an ordinance continues shall constitute a separate violation.

EXPLANATION: In (a) the fine and the term of imprisonment have been increased to match the penalty imposed under the criminal code for a class B misdemeanor. (d) and (c) have been added to provide municipalities with additional remedies for the violation of ordinances, matching recommended remedies for enforcement of land use regulations.

**DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE**  
**06 December 1980**

Sec. 37.30.100. PROHIBITED BIDDING ON BONDS. Repeal.

**EXPLANATION:** It is felt that this section should be repealed because it unduly restricts the selling of bonds. It creates a hardship on the smaller communities who may have only one financial advisor available. The municipality is protected by SEC disclosure requirements and by the fact that a "person" can't buy bonds without permission of the municipality. Also (b) created a cloud on bonds, since there is always a possibility that they are void if the wrong person provided marketing assistance.

Sec. 29.45.030. REQUIRED EXEMPTIONS. (a)

(7) property held by an Indian, Eskimo or Aleut or by a community of Indians, Eskimos or Aleuts for which title is subject to a restriction against alienation; or property held by the United States in trust for the benefit of an Indian, Eskim or Aleut or a community of Indians, Eskimos or Aleuts; or other property defined in section 4 of the Alaska Statehood Act, (72 Stat 339) or Article 12 Section 12 of the Alaska Constitution.

(The rest of this section is the same.)

Sec. 29.48.090. EXEMPTION.

(d) An exemption from a special assessment shall be granted to  
(M, type all of (7) above)

(The rest of this section is the same.)

EXPLANATION: Change proposed by Mike Walleri to avoid taxation of land which is not taxable under state and federal law.

Sec. 29.39.060. EXTENSION OF CURFEWS OUTSIDE CITIES. Repeal

Sec. 29.39.070. ENFORCEMENT OF CURFEWS. Repeal.

Sec. 29.39.080. PENALTY FOR VIOLATION OF CURFEW. Repeal.

EXPLANATION: It is felt that these provisions are unnecessary and would be more properly placed in the criminal code. (Note: These were in the criminal code as AS 11.60.250, .260, .270 and moved to Title 29 effective January 1, 1980.)

Sec. 29.39.060. PLANNING AND LAND USE REGULATION. (a) Home rule and first class cities outside first and second class boroughs shall, and second class cities outside first and second class boroughs may in whole or part, provide for planning, platting and land use regulation within their boundaries, as provided by AS 29.42.010-29.42.245 for boroughs.

(b) Home rule and first class cities within third class boroughs shall, and second class cities within third class boroughs may in whole or part, provide for planning, platting and land use regulation, as provided by AS 29.42.010-29.42.150 for boroughs.

EXPLANATION: Clarifies that a city may only plan for the area within its boundary. Adds the provision that third class cities may plan "in whole or part" as provided for boroughs, so that it is clear that they are not forced into an all or nothing situation.

Sec. 29.36.270 SERVICE AREAS. (a) (First two sentences the same.)  
EXCEPT AS PROVIDED IN (f) of this section, a second class borough may exercise the powers granted a first class city by general law but the exercise of the powers must be approved by a majority of the voters residing within the service area and voting on the question at a regular or special election, unless all owners of real property within the service area consent/<sup>in writing</sup>to the exercise of the power.

(No other changes in this section.)

EXPLANATION: Change in (a) to avoid the necessity of an election if there is no opposition by property owners who will be affected by the service area.



Sec. 29.36.170. SECOND CLASS BOROUGH POWERS OUTSIDE CITIES.

(8) tax, spend, and regulate for the purpose of promoting industrial development.

(The rest of the section is the same.)

EXPLANATION: This is added as a specific power which need not be assumed under AS 29.36.180. A first class borough may exercise this power under AS 29.36.160, the general grant of power to first class boroughs.

Sec. 29.27.080. PENALTIES. (a) For the violation of an ordinance, the assembly or council may prescribe punishment not to exceed a fine of and mandatory imprisonment not to exceed five days \$1,000 or imprisonment for 90 days, or both, / However, the punishment authorized under this section may be imposed only if copies of the ordinance are made available for distribution to the public at cost.

(b)

Sec. 29.27.080. PENALTIES. (a) For the violation of an ordinance, the assembly or council may prescribe punishment not to exceed a fine of \$1,000 or imprisonment for 90 days, or both. <sup>By ordinance non-suspendable</sup> Mandatory imprisonment not to exceed five days may be imposed ~~by ordinance~~ for violation of an ordinance. However, the punishment authorized under this section may be imposed only if copies of the ordinance are made available for distribution to the public at cost.

(b) The municipality or an aggrieved person may institute a civil action against a person who violates an ordinance. In addition to injunctive and compensatory relief, a civil penalty not to exceed \$1,000 may be imposed for each violation. An action to enjoin a violation may be brought notwithstanding the availability of any other remedy.

Every day upon which a violation of an ordinance continues shall constitute a separate violation.

EXPLANATION: In (a) the fine ~~has been increased~~ and the term of imprisonment <sup>have been</sup> increased to match the penalty imposed under the criminal code for a class B misdemeanor. (d) and (c) have been added to provide municipalities with additional remedies for the violation of ordinances, <sup>matching recommended remedies for enforcement of land use regulations.</sup>

**DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE**  
**06 December 1980**

Sec. 29.39.060. PLANNING AND LAND USE REGULATION. (a)  
Home rule and first class cities outside first and second class boroughs shall, and second class cities outside first and second class boroughs may in whole or part, provide for planning, platting and land use regulation within their boundaries, as provided by AS 29.42.010-29.42.245 for boroughs.

(b) Home rule and first class cities within third class boroughs shall, and second class cities within third class boroughs may in whole or part provide for planning, platting and land use regulation, as provided by AS 29.42.010-29.42.150 for boroughs.

EXPLANATION; Clarifies that a city may only plan for the area within its boundary. Adds the provision that ~~third~~ *second* class cities may plan "in whole or part" as provided for boroughs, so that it is clear that they are not forced into an all or nothing situation.

**PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.**

Frank John Mawzyer

1. <sup>51.250</sup> Sec. 29.58.205 should be left in without change.

2. <sup>51.300</sup> Sec. 29.58.110 should be amended to read:

OK

<sup>51.370</sup>  
Sec. 29.58.310. **INTEREST RATE.** The interest rate payable on a bond or note shall be determined by the governing body assembly or council and is not subject to the usury rate limitations of A.S. 45.45.010. [NO MUNICIPAL BOND OR NOTE MAY BEAR AN INTEREST RATE EXCEEDING THE CONTRACT USURY RATE OR INTEREST PROVIDED BY LAW.]

3. <sup>51.370</sup> Sec. 29.58.300 should be amended to read:

OK →

Sec. 29.58.300. **[PUBSIC] SALE.** Bonds and notes issued under this chapter may be sold by the municipality in the manner and at the price it determines at either public or private sale. [THE MUNICIPALITY SHALL SELL ALL BONDS AT A PUBLIC OR PRIVATE SALE AS PROVIDED BY ORDINANCE, NO BONDS MAY BE SOLD AT LESS THAN PAR VALUE.]

OK → Also repeal <sup>29.51.050, 29.51.150</sup> A.S. 29.58.060, 29.58.140 and 29.58.200. <sup>use</sup>

4. A new Section A.S. 29.58.305 to read as follows:

<sup>51.375</sup>  
Sec. 29.58.305. **FORMS AND TERMS.** <sup>governing body</sup> The ~~assembly or~~ council may by ordinance or resolution fix the date,

TO: Melissa Fouse

From: John Messenger

1. <sup>51.250</sup> Sec. 29.58.205 should be left in without change.

29.51.050  
29.51.150

Also repeal A.S. 29.58.060, 29.58.140 and ~~29.58.200~~ *use*

.050 .150

29.51.200  
29.51.270  
170.

Repeal the following provisions--A.S. 29.58.220, 29.58.

29.51.270, 29.51.200

5. A.S. 29.58.200 is amended to read:

Sec. 29.58.200. REVENUE BONDS. (a) A municipality of the State may issue revenue bonds for a public enterprise or public corporation of the municipality where the only security is the revenues of the public enterprise or corporation. [A MUNICIPALITY MAY ACQUIRE, CONSTRUCT, IMPROVE AND EQUIP CAPITAL IMPROVEMENTS TO BE OPERATED UPON A REVENUE-PRODUCING BASIS, AND BONDS FOR THESE PURPOSES ARE PAYABLE SOLELY FROM UNPLEDGED REVENUE OF THE PUBLIC FACILITIES FOR WHICH THE BONDS ARE ISSUED.]

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

[(c) A MUNICIPALITY MAY ALSO ISSUE REVENUE BONDS FOR ANY LAWFUL PURPOSE. THE BONDS ARE PAYABLE FROM ANY AMOUNTS PLEDGED BY THE MUNICIPALITY EXCEPT TAXES AND DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE MUNICIPALITY.]

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OK

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

EXPLANATION: The following provision is made inapplicable to the use of proceeds from revenue bonds:

Sec. 37.10.085. FINANCIAL AID TO CORPORATIONS BY STATE OR POLITICAL SUBDIVISION. Neither the state nor a political subdivision of the state may

(1) make a subscription to the capital stock of a corporation;

(2) lend its credit for the use of a corporation;

or

(3) borrow money for the use of a corporation.

It is felt by bond counsels that this section currently forbids a municipality to use proceeds of revenue bond sales for loans and other expenditures designed to encourage industrial development.



denominations, maturities, rate or rates of interest, redemption terms, registration privileges, manner of execution, signatures required, purchase price, manner of sale, and ~~all other details of the bonds or notes.~~ If an officer whose signature appears on the bonds or coupons ceases to be an officer before delivery of the bonds, his signature is valid as if he had remained in office until delivery.

Repeal the following provisions--A.S. ~~29.58.220~~, 29.58.

170.

51,240  
✓ 5. A.S. ~~29.58.200~~ is amended to read:

OK  
Sec. 29.58.200. REVENUE BONDS. (a) A municipality of the State may issue revenue bonds for a public enterprise or public corporation of the municipality where the only security is the revenues of the public enterprise or corporation. [A MUNICIPALITY MAY ACQUIRE, CONSTRUCT, IMPROVE AND EQUIP CAPITAL IMPROVEMENTS TO BE OPERATED UPON A REVENUE-PRODUCING BASIS, AND BONDS FOR THESE PURPOSES ARE PAYABLE SOLELY FROM UNPLEDGED REVENUE OF THE PUBLIC FACILITIES FOR WHICH THE BONDS ARE ISSUED.]

DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 06 DECEMBER 1980

~~Sec. 29.51.370. PUBLIC SALE. Repeal.~~

*use  
John's  
latest  
version*

EXPLANATION: This section is repealed as redundant since other provisions deal with the sale of bonds.

*OK*

Sec. 29.45.240.

(e) In this section "disaster" means a major disaster declared by the President of the United States under the provisions of the Federal Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g or other federal law, or a disaster declared by the governor under AS 26.23.010-110.

EXPLANATION: Makes provision for special treatment of property affected by a disaster applicable if the governor, as well as the president, declares a disaster.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE  
06 December 1980

OK

Sec. 29.45.250. TAX LEVY AND RATE. (a) The power granted to the assembly to assess, levy and collect a general property tax shall be exercised by means of a general ordinance. The rate of levy, the date of equalization and the date when taxes become delinquent shall be fixed by ordinance or resolution.

(b) No change.

EXPLANATION: Allows rate of levy, date of equalization, date of delinquency to be fixed by ordinance as well as resolution.

*OK*

Sec. 29.45.260. RATES OF PENALTY AND INTEREST. (a) If the taxpayer is required to pay the entire tax on the due date set by the assembly, a penalty not to exceed 20 percent may be added to all delinquent taxes, and interest at the rate of 15 percent a year shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full. If the taxpayer is given the right to pay the tax in two installments penalty and interest on an unpaid installment accrues from the date the installment becomes due.

- (b) No change.
- (c) Repeal.

EXPLANATION: The penalty and interest rates are raised, so that people will not deliberately avoid paying taxes due to the high cost of borrowing from other sources. Penalty and interest on an unpaid installment accrues only from the date the installment is due. (c) is repealed as redundant. Since (a) provides for interest and penalty on all types of taxes, there is no need for special treatment of property taxes.

OK

Sec. 29.45.300. TAX LIABILITY. (a) No change.

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


EXPLANATION: The change makes it clear that a lien exists on personal as well as real property.

OK

Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY DISTRAINT AND SALE. The lien of personal property taxes may be enforced by distraint and sale of the property. The assembly shall provide the procedure for distraint and sale by ordinance. No seizure, levy or distraint is legal unless demand is first made of the person assessed for the amount of the tax, penalty and interest, and no sale is valid unless made at public auction after 15 days notice given by posting or publication. The seizure is made by virtue of a warrant issued by the borough clerk to a peace officer. If the property sold is not sufficient to satisfy the tax, penalty, interest, and costs of sale, the warrant may authorize the seizure of other personal property sufficient to satisfy the tax, penalty, interest and costs of sale. If the property is sold for more money than is needed to satisfy the tax, upon presentation of a proper claim, the municipality shall remit the excess to the former record owner. A claim for the excess filed after six months of the date of sale is forever barred.

EXPLANATION: Allows the return of excess money received over the amount needed for the tax when property is sold to satisfy a tax lien.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE  
06 December 1980

Sec. 29.45.320. REAL PROPERTY TAX COLLECTION. (a) No   
change.

(b) If the tax on property described in AS 29.45.080 or on a taxable interest in tax exempt property is not paid when due, a borough may enforce the tax by a personal action against the delinquent taxpayer brought in the district or superior court, in addition to other remedies available to the borough to enforce the lien.

EXPLANTION: The word "taxable" is substituted for "leasehold" so that any interest in tax exempt property which can be taxed can be enforced.



DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE  
06 December 1980

OK

Sec. 29.45.400. REDEMPTION PERIOD. (a) No change.  
(b) Repeal.

EXPLANATION: (b) is eliminated so that a person holding a lien on only part of a lot or parcel may no longer redeem just that part. This avoids the problem of splitting lots or parcels into what might be illegal subdivisions.

**DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE**  
**06 December 1980**

Sec. 29.45.410. EFFECT. Receipt of redemption money by the borough releases the judgment obtained under AS 29.45.380. The clerk or his designee shall record the redemption and issue a certificate containing a property description, the redemption amount, and the dates of judgment and decree of foreclosure. The clerk or his designee shall collect the recording fee at the time of redemption and shall file the certificate with the record as part of the judgment roll.

EXPLANATION: Changed so that all claims of the borough are not released, i.e., improvement assessments. Redemption releases only the judgement obtained for delinquent taxes.

Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the expiration of the redemption period the clerk or his designee shall publish a redemption period expiration notice. The notice shall contain the date of judgment, the date of expiration or the period of redemption and a warning to the effect that all properties ordered sold under the judgment, unless redeemed, shall be deeded to the borough or city immediately in expiration of the period of redemption and that every right or interest of any person in the properties will be forfeited forever to the borough or city. The notice is published once a week for four consecutive weeks in a newspaper of general circulation distributed within the borough. If there is no newspaper of general circulation distributed within the borough, the notice is posted in three public places for at least four consecutive weeks. The clerk shall send a copy of the published notice by certified mail to each record owner of property against which a judgement of foreclosure has been taken and, if the assessed value of the property is more than \$100,000, to all holders of mortgages or other liens of record on the property. The notice shall be mailed within five days of the first publication. The mailing shall be sufficient if mailed to the property owner and to the holder of a mortgage or recorded lien at the last address of record. The right of redemption shall expire 30 days after the date of the first publication notice.

(b) No change.

EXPLANATION: Based on recommendation of AAAO; raises assessed value of property which triggers duty of clerk to advise holders of security of judgement of foreclosure. Burden placed on lienholder to protect his interest.

**DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE**  
06 December 1980

Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) No change.

(b) Conveyance gives the borough or the city clear title except for prior recorded tax liens of the United States and the state.

(c) No change.

(d) No deed is invalid for irregularities, omissions or defects in the proceedings under this chapter unless the former owner has been misled to his injury. After two years from the date of the deed, its validity is conclusively presumed and any claim of the former owner or other person having an interest in the property is forever barred.

EXPLANATION: (b) changes to clear title except for tax liens. (d) changed to include the interests in property of persons other than the owner within the limitation period. This clears the title.

**DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE**  
**06 December 1980**

**Sec. 29.45.460. DISPOSITION AND SALE OF FORECLOSED PROPERTIES.**

(a) No change.

(b) No change.

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

(d) No change.

**EXPLANATION.** Language of (a) inserted into last line of (c) for consistency. No substantive change.

OK

Sec. 29.45.570. SALES AND USE TAX. (a) A borough may levy and collect a sales tax not exceeding six percent on sales, rents, and on services made within the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

(b) No change.

(c) No change.

(d) If the assembly of a home rule or general law borough charges interest on sales taxes not paid when due, the rate of interest may not exceed 15 percent a year upon the delinquent taxes and shall be charged from the due date until paid in full.

(e) A borough may provide for the creation, recording, and notice of a lien on real or personal property to secure the payment of a sales or use tax, and for interest, penalties and administration costs in the event of delinquencies. A lien established under this section has the force, priority and duration of a judgment lien.

EXPLANATION: (a) changed to make it clear that tax can be levied on sales and rents, not just one or the other. (d) interest rate raised from eight to 15 percent. (e) added to allow liens for the collection of sales and use taxes.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE  
06 December 1980

Sec. 29.45.590. REFERENDUM, ADOPTION AND MODIFICATION (a) A  
new sales tax or an increase in the rate of levy of a sales tax  
approved by the assembly by ordinance shall not take effect until  
ratified by a majority of the voters voting on the question at a  
regular or special election.

(b) no change.

EXPLANATION: Simplifies the section and eliminates the  
provision that propositions may be brought only once a year.

OK

Sec. 29.48.010. ASSESSMENT AND PROPOSAL. The assembly or council may assess against the property of a governmental unit and private real property benefited all or a portion of the cost of acquiring, installing, or constructing [OR IMPROVING] capital improvements. The state shall pay an assessment levied, except as otherwise provided by law and subject to its right of protest under AS 29.48.020(a)(8). If a governmental unit other than the state benefited by an improvement [ASSESSMENT] refuses to pay the assessment, it shall be denied the benefit of the improvement. An improvement proposal may be initiated by

- (1) petition to the assembly or council of the owners of one-half in value of the property to be benefited or
- (2) the assembly or council.

EXPLANATION: This is primarily a technical revision although the language is broadened to make it clear that all costs of capital improvements may be paid for by assessments.



ok

Sec. 29.48.020. PROCEDURE. (a) The assembly or council may prescribe by ordinance the procedures relating to creating special assessment districts, making local improvements, levying and collecting assessments and financing of the improvements [SPECIAL ASSESSMENT PROCEDURE FOR LOCAL IMPROVEMENTS], including and subject to the following:

- (1) a [THE] procedure for filing petitions;
- (2) no change;
- (3) no change;
- (4) a resolution or ordinance of the assembly or council determining to proceed or not to proceed with the proposed local improvement;
- (5) no change;
- (6) published notice of each public hearing required by this section and mailing notice to each [LEGAL OWNER OF] record owner of real property within the special assessment district;
- (7) a resolution or ordinance confirming the special assessment roll for the local improvement;
- (8) no change;

(b) To the extent that [IF] the assembly or council does not prescribe a procedure for special assessments as permitted by this section, the assembly or council shall comply with the special assessment procedures set out in AS 29.48.030-100.

EXPLANATION: This is primarily a technical revision except that those items required to be done by resolution under existing law may be done by ordinance.

OK

Sec. 29.48.030. Creation of District. [DECISION AND NOTICE].

(a) When an improvement proposal has been filed with the municipal clerk and presented to the assembly or council, the assembly or council shall find by resolution or ordinance whether (1) the improvement requested [REQUEST] is necessary and should be made, and (2) if by petition, the request has sufficient and proper petitioners. The findings of the assembly or council are conclusive.

(b) If the assembly or council approves with the necessary findings [PASSES A RESOLUTION APPROVING] an improvement proposal, it shall develop a proposed improvement plan including the estimate of total cost and amount of the improvement cost to be assessed against each property benefited. This plan is to be filed with the municipal clerk.

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

EXPLANATION: (b) changed to require an estimate of the amount to be assessed to each property rather than an estimate of the percentage of the total cost. (c) requires a period for filing of objections and notice of the period.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE  
06 December 1980

X

Sec. 29 <sup>48</sup>68.040. RECORD OWNER. The person in whose name property is listed on the municipal property tax roll as owner is conclusively presumed to be the legal owner of record. If the owner is unknown, the assessment roll may designate [BE MADE AGAINST] "unknown owner".

EXPLANATION: Technical clean-up. No substantive change.

JK

Sec. 29.48.050. OBJECTIONS AND REVISION. (a) Objections to the improvement plan may be filed during a period of 60 days [NOT LESS THAN 30 NOR MORE THAN 60 DAYS] after publication of notice [ON A DATE SPECIFIED BY THE ASSEMBLY OR COUNCIL]. The assembly or council may by resolution or ordinance approve the plan and order [PROCEED WITH] the improvement subject to the limitation of (b) of this section [IF THE OWNERS OF ONE-HALF IN VALUE OF THE PROPERTY TO BE BENEFITED DO NOT OBJECT IN WRITING].

(b) If objections are made in writing during the period set for objections by the owners of property bearing one-half or more of the estimated cost of the improvement, the assembly or council may not proceed with the improvement unless it revises the plan to meet the objections and the objections are reduced to less than 50 percent. A revised plan shall be approved and adopted as an original plan in accordance with AS 29.48.030.

EXPLANATION: Eliminates option of allowing objections for only 30 days in favor of a 60 day period. Requires objections by property owners under (b) to be in writing.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE  
06 December 1980

OK

Sec. 29.48.060. ASSESSMENT ROLL. (a) At any time after project approval, the assembly or council shall assess the authorized percentage of the cost against property within the district [TRACTS] in proportion to benefit received. [ASSESSMENTS MAY NOT EXCEED ACTUAL COSTS.]

(b) The special assessment roll shall contain [CONTAINS] property descriptions, names of record owners [OF RECORD] and assessment amounts.

(c) No change.

EXPLANATION: Technical clean-up only. The last line of (a) is deleted as redundant.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE  
06 December 1980

OK

Sec. 29.48.070. HEARING AND SETTLEMENT. After the public hearing, the assembly or council shall correct errors and any inequalities in the roll. If an assessment is increased, a new hearing shall be set and notice mailed, except that a new hearing and notice is not required if all record owners of property subject to the increased assessment consent in writing to the increase. Objections to the increased assessment shall be limited to record owners of property on which the assessment was increased. When the roll is corrected, it shall be confirmed by resolution or ordinance of the assembly or council. [THE CLERK SHALL SO CERTIFY].

EXPLANATION: Provides an opportunity for a new hearing if assessments are increased. Requires the governing body to confirm a new assessment roll.

OK

Sec. 29.48.080. PAYMENT. (a) The assembly or council shall fix times of payment, penalty on delinquent payments and the rate of interest on the unpaid balance of the assessment [INSTALLMENTS AND DELINQUENCY OF ASSESSMENTS. PAYMENT MAY NOT BE REQUIRED SOONER THAN 60 DAYS AFTER ASSESSMENT]. Payment may be in one sum or by installments. [BUT A SUM OR INSTALLMENT MAY NOT EXCEED 25 PERCENT OF THE ASSESSED VALUE OF THE PROPERTY AFFECTED.] If payment is to be in one sum, payment may not be required sooner than 60 days after mailing of the assessment statement. The entire assessment may be prepaid without interest or penalty within 30 days after mailing of the assessment statement; and thereafter the assessment may be prepaid in whole or in part with interest to the payment date. [PENALTY AND INTEREST ARE THE SAME AS FOR REAL PROPERTY TAXES.]

(b) Within 30 days after fixing the time of payment, the municipal clerk shall mail a statement to the owner of record of each property assessed. The statement designates the property, the assessment amount, method of payment, rate of interest on the unpaid balance of the assessment, the time of delinquency, and penalties on delinquent payments.

(c) No change.

(d) No change.

EXPLANATION: Removed the limitation that a payment not exceed 25 percent of the value of property. Allows a period of 30 days for payment without interest.

DRAFTED CHANGES RECOMMENDED BY THE TECHNICAL COMMITTEE  
06 December 1980

OK

Sec. 29.48.090. EXEMPTION. (a) No change.

(b) No exemption may be granted under this section except upon written application for the exemption on a form prescribed by the state assessor for use by local assessors and in accordance with the following requirements:

(1) the claimant must file the initial application during the period of time between the date the assessment roll is confirmed [CERTIFIED] and the time of payment fixed by the assembly or council. Within one year of the date the assessment roll is confirmed [CERTIFIED] the assembly or council for good cause shown may waive the claimant's failure to make timely initial application for the exemption and authorize the assessor to accept the application as if timely filed.

The rest of the section is unchanged.

EXPLANATION: Change in (b)(1) to conform to the change in AS 29.48.070 providing that the assessment roll be confirmed by the governing body.



JK

Sec. 29.48.105. ALLOWABLE COSTS. (a) Whenever a special assessment district is created, there may be included in the assessments

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

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

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

(4) interest on interim financing;

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

(6) The cost of completing the improvement and financing the improvement, including the issuance of any bonds.

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

EXPLANATION: This s a new section clarifying which costs may be paid for through assessments.

OK-

Sec. 29.48.115. INTERIM FINANCING. (a) The assembly or council may provide by resolution or ordinance for the issuance of notes in payment of the costs of any local improvement project, payable out of special assessments for the improvement. The notes shall bear interest at a rate or rates authorized by the resolution or ordinance and shall be redeemed either in cash or bonds for the improvement project.

(b) All notes issued against assessments shall be claims against the assessments which are prior and superior to a right, lien or claim of a surety upon the bond given to the municipality to secure the performance of its contract for a local improvement project or to secure the payment of persons who have performed work or furnished materials under the contract.

(c) The municipal treasurer may accept notes against special assessments upon conditions prescribed by the assembly or council in payment of

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

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

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

EXPLANATION: This new section has been added at the suggestion of bond counsel because no authorization now exists for interim financing.

*of*

Sec. 29.48.120. SPECIAL ASSESSMENT BONDS. (a) No change.

(b) No change.

(c) Before the assembly or council may issue special assessment bonds, it shall establish a guarantee fund and appropriate to the fund annually a sum adequate to cover any deficiency in meeting payments of principal and interest of bonds issued by reason of nonpayment of assessments when due. Money received from actions taken against property for nonpayment of assessments shall be credited to the guarantee fund. [INTEREST ON THE GUARANTEE FUNDS SHALL BE A COST OF THE IMPROVEMENT DISTRICT.]

EXPLANATION: It is felt that the last line of (c) makes no sense. Interest ought to be a credit to the district, if anything.

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

EXPLANATION: The following provision is made inapplicable to the use of proceeds from revenue bonds:

Sec. 37.10.085. FINANCIAL AID TO CORPORATIONS BY STATE OR POLITICAL SUBDIVISION. Neither the state nor a political subdivision of the state may

- (1) make a subscription to the capital stock of a corporation;
  - (2) lend its credit for the use of a corporation;
- or
- (3) borrow money for the use of a corporation.

It is felt by bond counsels that this section currently forbids a municipality to use proceeds of revenue bond sales for loans and other expenditures designed to encourage industrial development.

DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 06 DECEMBER 1980

Sec. 29.51.340. SALE OF REFUNDING BONDS. General obligation refunding bonds or revenue refunding bonds may, at the discretion of the assembly or council, be exchanged for the bonds being refunded, or may be sold at public or private sale. They may be issued and delivered at any time before the date of maturity or redemption of the refunded bonds.

EXPLANATION: It is felt by bond counsels that the flexibility of allowing a refunding bond to be exchanged or sold at other than par value ought to be provided. It is felt that the policy of notifying the public of the value of bonds should not become an hinderance to obtaining the best deals through discounting bonds. It has become difficult to market revenue bonds at par value according to bond counsels.

Keep

DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 06 DECEMBER 1980

Sec. 29.51.370. PUBLIC SALE. Repeal.

EXPLANATION: This section is repealed as redundant since other provisions deal with the sale of bonds.

**DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 06 DECEMBER 1980**

**Sec. 29.51.390. BOND ATTORNEYS, BOND AND FINANCIAL CONSULTANTS.** *OK*

**Repeal.**

**EXPLANATION:** This section is repealed as unnecessary since the governing body has control through approving or disapproving the issuance of bonds. Arguably, contracting is an executive function.

DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 06 DECEMBER 1980

Sec. 29.51.420. BONDED INDEBTEDNESS FOR SCHOOL CONSTRUCTION.

Repeal.

*JK*

Sec. 29.51.430. BOND GUARANTEE FUND. Repeal

EXPLANATION: These sections have never been used and appear to serve no useful purpose. They are repealed at the request of the State Assessor.



**DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 06 DECEMBER 1980**

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

EXPLANATION: This is a new section. The Alaska Constitution prohibits the establishment of service areas when the function can be performed by a city or another service area. No guidelines have been established, leaving the legality of some service areas in doubt. This provides for the continuation of a debt should a service area subsequently be declared invalid, creating a de facto service area for purposes of the debt.

From: John Mawzyer

1. <sup>51.250</sup> Sec. 29.58.295 should be left in without change.

2. Sec. 29.58.310 should be amended to read:

<sup>51.380</sup>  
Sec. ~~29.58.310~~ INTEREST RATE. The interest rate payable on a bond or note shall be determined by the assembly or council and is not subject to the usury rate limitations of A.S. 45.45.010. [NO MUNICIPAL BOND OR NOTE MAY BEAR AN INTEREST RATE EXCEEDING THE CONTRACT USURY RATE OR INTEREST PROVIDED BY LAW.]

3. Sec. 29.58.300 should be amended to read:

<sup>51.370</sup>  
Sec. ~~29.58.300~~ [PUBLIC] SALE. Bonds and notes issued under this chapter may be sold by the municipality in the manner and at the price it determines at either public or private sale. [THE MUNICIPALITY SHALL SELL ALL BONDS AT A PUBLIC OR PRIVATE SALE AS PROVIDED BY ORDINANCE, NO BONDS MAY BE SOLD AT LESS THAN PAR VALUE.]

Also repeal A.S. <sup>51.050</sup> 29.58.060, <sup>51.150</sup> 29.58.140 and <sup>51.310</sup> 29.58.280.

ALL DRAFTED CHGS

4. A new Section A.S. 29.58.305 to read as follows:

↓ <sup>51.</sup>  
Sec. 29.58.305. FORMS AND TERMS. The assembly or council may by ordinance or resolution fix the date,

denominations, maturities, rate or rates of interest, redemption terms, registration privileges, manner of execution, signatures required, purchase price, manner of sale, and all other details of the bonds or notes. If an officer whose signature appears on the bonds or coupons ceases to be an officer before delivery of the bonds, his signature is valid as if he had remained in office until delivery.

Repeal the following provisions--A.S. 29.58.220, 29.58.

170.

5. A.S. ~~29.58.200~~<sup>51.240</sup> is amended to read: OK

Sec. 29.58.200. REVENUE BONDS. (a) A municipality of the State may issue revenue bonds for a public enterprise or public corporation of the municipality where the only security is the revenues of the public enterprise or corporation. [A MUNICIPALITY MAY ACQUIRE, CONSTRUCT, IMPROVE AND EQUIP CAPITAL IMPROVEMENTS TO BE OPERATED UPON A REVENUE-PRODUCING BASIS, AND BONDS FOR THESE PURPOSES ARE PAYABLE SOLELY FROM UNPLEDGED REVENUE OF THE PUBLIC FACILITIES FOR WHICH THE BONDS ARE ISSUED.]

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

[ (c) A MUNICIPALITY MAY ALSO ISSUE REVENUE BONDS FOR ANY LAWFUL PURPOSE. THE BONDS ARE PAYABLE FROM ANY AMOUNTS PLEDGED BY THE MUNICIPALITY EXCEPT TAXES AND DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE MUNICIPALITY. ]

6. A new section <sup>51.350</sup> ~~29.58.290~~ as follows: *ok*

Sec. 29.58.290. OTHER MUNICIPAL FINANCING. (a) A municipality may authorize by ordinance or resolution the issuance of revenue bonds to finance any public purpose project or program, which bonds shall be secured and payable solely from the revenue and property of such project or program.

(b) Bonds issued under this section are not a debt or liability of the municipality and do not create or

constitute an indebtedness, liability or obligation of the municipality nor do they constitute a pledge of faith, credit or taxing power of the municipality. Each bond must contain on its face a statement to the effect that the principal and interest on the bond are payable solely from the revenues and property of the project or program being financed and that the municipality is not obligated to pay the principal of or the interest on the bonds except for those sources of the project or program and that neither the faith and credit nor the taxing power of the municipality is pledged to the payment of such principal of or interest on the bond.

(d) A municipality may in connection with the issuance of bonds under this section

- (1) loan the proceeds of the bonds;
- (2) pledge, mortgage or assign money, leases, agreements, property or other assets of the project or program being financed;
- (3) make and enter into any and all covenants and agreements which the municipality may determine to be necessary or desirable;

(4) provide for any other matter which in any way effect the security or protection of the bonds.

(e) In this section the word "bonds" includes bonds, notes or other evidence of indebtedness. In this section, the words "project" or "program" shall include without limitation commercial, manufacturing, agricultural, industrial, residential housing, recreation, tourism and medical projects and programs.

(5)

ARTICLE 2. MUNICIPAL LEGISLATIVE BODIES

Sec. 29.24.050. GENERAL LEGISLATIVE POWER. The legislative power of a borough is vested in the assembly. The legislative power of a city is vested in the council.

EXPLANATION: The second sentence is added. Rather than dealing with assemblies in one article and councils in another, this article will deal with both legislative bodies. No substantive change.

**DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 10 OCTOBER 1980**

Sec. 29.24.125. CITY COUNCIL COMPOSITION. Each first class city has a council of six members elected by the voters at large. Each second class city has a council of seven members elected by the voters at large. The council of a first or second class city may by ordinance provide for election of members other than on an at-large basis for all members.

**EXPLANATION:** This section contains material now found in AS 29.23.200(a). The material currently in (b) has been moved to the section on qualifications. No substantive change.



Sec. 29.24.160. DEPARTMENTS. Repeal

*ok*

EXPLANATION: The material contained in this section is placed in an article dealing with municipal departments and employees.

Sec. 29.24.206. QUALIFICATIONS FOR THE OFFICE OF MAYOR. (a)  
A voter of a borough or first class city is eligible to hold the office of mayor. A member of a city council for a second class city is eligible to hold the office of mayor in that city.

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

OK

EXPLANATION: This section contains material now appearing in AS 29.23.130(b) and 29.23.250. No substantive change.

**DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 10 OCTOBER 1980**

Sec. 29.24.210. **POWERS AND DUTIES OF MAYOR.** (a) If a municipality has not adopted the manager form of government, the administrative power is vested in the mayor and the mayor has the same powers and duties as those of the manager.

(b) The mayor may take part in the discussion of all matters before the assembly or council.

(c) The mayor may not vote on any matter before the assembly or council, except that the mayor of a first class city may vote in the case of a tie and the mayor of a second class city may vote on all matters as a council member.

**EXPLANATION:** This section contains material currently found in AS 29.23.130(a), AS 29.23.260, and AS 29.23.160. No substantive change.

OK

DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 10 OCTOBER 1980

Sec. 29.24.240. VETO. (a) Except as provided in subsections (c) and (d), the mayor may veto any ordinance, resolution, motion, or other action of the legislative body and may strike or reduce appropriation items.

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

(c) The veto does not extend to

- (1) appropriation items in a school budget ordinance;
- (2) actions of the Board of Equalization or the Board of Adjustment;
- (3) adoption or repeal of the manager form of government.

(d) The mayor of a ~~first~~<sup>SECOND</sup> class city has no veto power.

EXPLANATION: Contains material currently found in AS 29.23.170, 29.23.260, and 29.23.270. Adds a time period within which a veto must be overridden.

Sec. 29.24.140. QUALIFICATIONS. (a) A borough voter is eligible to be a member of the assembly and a city voter is eligible to be a member of the council. A member of the assembly who ceases to be a qualified borough voter ~~forfeits his~~ *immediately* office. A member of the council who ceases to be a qualified city voter ~~forfeits his~~ *immediately* office.

*When?*  
*LARSON* (b) A legislative body may by ordinance establish a durational residency requirement for its members not to exceed three years.

(c) An assembly or council member who represents an area less than that of the total borough or city and who becomes a resident of another area within the municipality may continue to serve until the next regular election unless provided otherwise by ordinance.

(d) A municipality may by ordinance establish district residency requirements for members of its legislative body.

*Pam  
Mowles*

EXPLANATION: The qualification for members of the council or assembly are combined since they are identical. Subsection (c) has been altered to allow a municipality the flexibility of providing otherwise by ordinance. Subsection (d) has been added to allow a municipality to impose additional district residency requirements.

*See  
vacancies  
section*

DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 10 OCTOBER 1980

Sec. 29.24.145. TERM OF OFFICE. (a) Assembly and council members are elected for three year terms and until their successors have qualified\* unless different terms are prescribed by charter or ordinance.

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

(c) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by charter or ordinance.

EXPLANATION: The term of both assembly and council members is combined into one section. Under existing law different terms not exceeding four years may be prescribed. The four year maximum has been eliminated for greater flexibility. The section is no longer mandatory for home rule municipalities.

*Pass: Add "council" to existing*

*\* add - wording "not to exceed 4 yrs"*

*motion seconded & carried*

DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 10 OCTOBER 1980

Sec. 29.24.150. PROCEDURES OF LEGISLATIVE BODIES. (a) The assembly shall elect from among its members a presiding officer and a deputy presiding officer to serve at the pleasure of the members, except that in a borough which has adopted the manager form of government under AS 29.24.550, the mayor serves as presiding officer. In a city the mayor serves as presiding officer. If the presiding officer is not present or disqualifies himself, the deputy presiding officer shall preside. OK

*Discussion*  
(b) A municipal legislative body shall hold at least one regular meeting every month, unless otherwise provided by ordinance. [A special meeting may be held at the call of the presiding officer or at least one-third of the members provided a majority of the members are given at least 24 hours oral or written notice and reasonable efforts are made to notify all members. A special meeting may be conducted with less than 24 hours notice if all members are present or if absent members have waived in writing the required notice.] Waiver of notice can be made before or after the special meeting is held. A waiver shall be made a part of the journal for the meeting.

(c) A majority of the total membership of a legislative body authorized by law shall constitute a quorum. A member disqualified by law from voting on a question may be considered present for purposes of constituting a quorum. In the absence of a quorum, any number of members may recess or adjourn the meeting to a later date.

*Par motion: second carries*  
(d) Actions of a legislative body are adopted by a majority of ~~members authorized to vote on the question.~~ <sup>*total of the body*</sup> All members present shall vote on every question unless they are required to abstain from voting on a question by law. The final vote on every ordinance, resolution or substantive motion shall be recorded "yes" or "no", except that if the vote is unanimous it is necessary only to so state. *no*

(e) A legislative body shall maintain a journal of its official proceedings which shall be a public record.

(f) A legislative body may, consistent with law or charter, determine by ordinance its own rules of procedure and order of business.

Sec. 29.24.150.

EXPLANATION: Combines the procedures to be followed by both assemblies and councils. Allows a special meeting to be held if a majority of members receive actual notice whereas existing law allows for a meeting only if all members receive notice and if an emergency exists. Reference to the fact that meetings are public is deleted because that requirement is contained in AS 29.24.020. A requirement that the journal maintained by the legislative body be public was added in (e). The material concerned with the expulsion of members for committing a corrupt practice was moved to AS 29.23.070.



DRAFTED CHANGES RECOMMENDED BY TECHNICAL COMMITTEE - 10 OCTOBER 1980

Sec. 29.24.175. FILLING A VACANCY. If a vacancy occurs in a legislative body, the remaining members shall within 30 days, <sup>WOPBO,</sup> appoint a qualified person to fill the vacancy. The person shall serve until the next regular election, at which time a successor shall be elected to serve the balance of the term. If less than 30 days remain in a term, a vacancy shall not be filled.

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

EXPLANATION: Contains material currently found in AS 29.23.080<sup>24.170</sup> and 29.23.220. Provides that no appointment shall be made where less than 30 days remain in a term. Subsection (b) was added to insure that a legislative body will be able to continue to function if the number of vacancies which occur destroys the possibility of achieving a quorum.

\* ~~KOHLER MOTION - to 60 days - WD.~~  
~~LARSON 2ND~~

Larson motion: WOPBO added  
carries.

ARTICLE 3. MUNICIPAL EXECUTIVE

OK

Sec. 29.24.200. EXECUTIVE POWER. (a) The executive power within a municipality is vested in a mayor elected by the voters or by the legislative body as provided in this article.

(b) The mayor shall act as ceremonial head of government, execute official documents upon authorization of the legislative body and is responsible for additional duties and powers prescribed by ordinance.

45

Larson motion\*

OK

*Administrative*  
*Walker amendment.*  
*chapter.*  
*which is adopted*  
*In a municipality the head of gov't*  
*shall be the president of the*  
*Beens see pg 41*

EXPLANATION: Under current law the executive and administrator are dealt with in one article. It is proposed that one article deal with executive functions and a separate article deal with administrative functions. Therefore, this section eliminates the material dealing with administrative functions.

Sec. 29.24.250. VACANCY IN THE OFFICE OF MAYOR. (a) ~~THE~~

*Beers  
HOT  
Dimmick  
QAD*  
assembly or council shall provide by ordinance the manner in which a vacancy occurs in the office of mayor. ~~Unless otherwise provided by ordinance the legislative body may~~ *shall* upon two-thirds concurring vote, declare the office of mayor vacant when the person elected

- physically ✓*
- (1) fails to qualify or take office within 30 days after his election or appointment;
  - (2) unless excused by the assembly or council, is absent for 90 days;
  - (3) resigns and his resignation is accepted;
  - (4) is physically or mentally unable to perform the duties of his office;
  - he* ✓ (5) ~~if a member of the assembly or council,~~ <sup>AS</sup> misses three consecutive regular meetings unless excused;
  - (6) is convicted of a felony or of an offense involving a violation of his oath of office; or
  - (7) is convicted of a felony or misdemeanor described in AS 15.56 as a corrupt practice.

(b) Except as provided in subsection (c), a vacancy in the office of mayor occurring six months before a regular election shall be filled by the legislative body. The person appointed shall serve until the next regular election and until a successor is elected and has qualified. If a member of the legislative body is chosen, he shall resign his seat on the assembly or council. If a vacancy occurs more than six months before a regular election, the legislative body shall call a special election to fill the unexpired term.

(c) In a second class city, the office of mayor is filled by and from the council.

*✓ (8) physically reside*

EXPLANATION: This section is enlarged to deal with a vacancy occurring in the office of city as well as borough mayor. Allows the legislative body to establish the manner in which a vacancy occurs in the office of mayor and supplies situations which may result in vacancy if the body does not provide an alternative.

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Sec. 29.24.170. VACANCIES. The legislative body ~~shall~~ <sup>MAY CARRIES</sup> provide by ordinance the manner in which a vacancy occurs in any elected office except the office of mayor. Unless otherwise provided by ordinance the legislative body ~~may~~ <sup>shall</sup> declare an elective office vacant when the person elected

- (1) fails to qualify or take office within 30 <sup>CARRIES</sup> days after his election or appointment;
- (2) <sup>absent for 90 days;</sup> ~~is~~ <sup>CARRIES</sup> unless excused by the assembly or council, is absent for 90 days;
- (3) resigns and his resignation is accepted;
- (4) is physically or mentally unable to perform the duties of his office; <sup>LARSON moves: 2/3 vote determination/carries</sup>
- (5) if a member of the assembly or council, misses three consecutive regular meetings unless excused;
- (6) is convicted of a felony or of an offense involving a violation of his oath of office; or
- (7) is convicted <sup>Beers sugg</sup> ~~of a felony or~~ misdemeanor described in AS 15.56 as a corrupt practice and two-thirds of the members concur in expelling him.

OTHER THAN THE OFFICE OF MAYOR

Walker: phy motion

90 days

consecutive

LARSON moves:

Beers sugg

2 to 14 who decides when 90 days starts?

Brannon uniform motion: "governing body" & defined as referring to both carries

governing body refers to both (always) ASSY = Assy Council = Council

EXPLANATION: Allows the legislative body to provide the manner in which a vacancy occurs for all elected offices except for the office of mayor. If the body does not provide by ordinance situations which result in the vacancy of an office, the seven listed situations will result in a vacancy.

Add: (8) Pan motion - Solomon 2nd Larson ~~motion~~ to add language re: moving from district w limit to time gone. <sup>not physically</sup> residing in municipality 2/3 vote no intent to return declares seat vacant.

Beers Walker Pan - subcommittee "shall & may" felonies categories

Walker motion: \*

CARRIES

Sec. 29.24.205. ELECTION AND TERM OF MAYOR. (a) The mayor of a borough or first class city is elected at large. The mayor of a second class city is elected by and from the council.

*1 yr  
wdg  
OK*

(b) A mayor shall serve a term of three years unless by ordinance a different term not to exceed four years is provided, except that the current term of an incumbent mayor may not be altered. The regular term of a mayor commences on the first Monday following certification of his election. The council of a second class city shall meet on the first Monday after certification of the regular election and elect a mayor who takes office immediately.

*Pare  
MOTION* (c) Leg. body may not ~~by ord~~ limit the numbr of mayor terms of the office

EXPLANATION: This new section contains material currently found in AS 29.23.130(c) and 29.23.250. No substantive changes.

*only*  
May be limited by ord <sup>ratified</sup> by majority <sup>of</sup> votes. Subcommittee

LARSON-RECONSIDER  
Kohler - 2

Larson: MOTION - CARRIED.

(c) Leg body may not ~~by ord~~ limit # of terms a mayor may serve.

*add to  
ord (b)*

*Term* of mayor of a 2nd class city shall be 1 yr unless a diff term not to exceed the unexpired term of the member's current term.

(d) The mayor of 2nd cc shall serve until exp. of current term unless a shorter period of not less

than one year is provided  
by ordinance

Upon the expiration of  
the mayor's term, the council

LARSON Amendment - carries  
d. A person elected for mayor  
will serve a 1yr term starting  
1st reg mtg, at 1st reg mtg  
following certification, unless  
mov 1gr term by ord.