

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 86/2

1286 SCRA SB 180 (#11)

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1 of his office as determined by two-thirds vote of the governing body;

2 (5) is convicted of a felony or of an offense involving a
3 violation of his oath of office;

4 (6) is convicted of a felony or misdemeanor described in
5 AS 15.56 and two-thirds of the members of the governing body concur in
6 expelling him;

7 (7) no longer physically resides in the municipality and the
8 governing body by two-thirds vote declares the seat vacant; or

9 (8) if a member of the governing body, misses three consecu-
10 tive regular meetings and is not excused.

11 Sec. 29.20.180. FILLING A VACANCY. (a) If a vacancy occurs in a
12 governing body, the remaining members shall, within 30 days unless a
13 different period is provided by ordinance, appoint a qualified person to
14 fill the vacancy. If less than 30 days remain in a term, a vacancy may
15 not be filled.

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

20 (c) A person appointed under this section serves until the next
21 regular election, when a successor shall be elected to serve the balance
22 of the term.

23 ARTICLE 2. MUNICIPAL EXECUTIVE AND ADMINISTRATOR.

24 Sec. 29.20.220. EXECUTIVE POWER. (a) The executive power within
25 a municipality is vested in a mayor. The mayor of a home rule or unified
26 municipality is elected by the voters, and the mayor of other municipali-
27 ties is elected in accordance with AS 29.20.230.

28 (b) The mayor acts as ceremonial head of government, executes
29 official documents on authorization of the governing body, and is

1 responsible for additional duties and powers prescribed by this chapter
2 or by a home rule charter.

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

5 Sec. 29.20.230. ELECTION AND TERM OF MAYOR. (a) The mayor of a
6 borough or first class city is elected at large. The mayor of a borough
7 or first class city serves a term of three years, unless by ordinance a
8 different term not to exceed four years is provided. The current term
9 of an incumbent mayor may not be altered. The regular term of a mayor
10 of a borough or first class city begins on the first Monday following
11 certification of h.s election.

12 (b) The mayor of a second class city is elected by and from the
13 council, and serves until a successor is elected and qualifies. The
14 council of a second class city shall meet on the first Monday after
15 certification of the regular election and elect a mayor who takes office
16 immediately. The mayor of a second class city serves a one-year term,
17 unless a longer term is provided by ordinance. The mayor of a second
18 class city may serve only while he is a member of the council regardless
19 of the term established for the office of mayor.

20 (c) Except by ordinance ratified by the voters, no limit may be
21 placed on the total number of terms or number of consecutive terms a
22 mayor may serve.

23 Sec. 29.20.240. QUALIFICATIONS FOR THE OFFICE OF MAYOR. (a) A
24 voter is eligible to hold the office of mayor in a borough or first
25 class city. A member of the city council is eligible to hold the office
26 of mayor in a second class city.

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

29 Sec. 29.20.250. POWERS AND DUTIES OF MAYOR. (a) If a municipality

1 has not adopted the manager form of government under AS 29.20.450 -
2 29.20.520, the administrative power is vested in the mayor and the mayor
3 has the same powers and duties as those of the manager.

4 (b) The mayor may take part in the discussion of a matter before
5 the governing body. The mayor may not vote, except that the mayor of a
6 first class city may vote in the case of a tie and the mayor of a second
7 class city, as a council member, may vote on all matters.

8 Sec. 29.20.260. EXECUTIVE ABSENCE. The borough mayor, subject to
9 assembly approval, shall designate a person to act as mayor during the
10 borough mayor's temporary absence or disability. If a manager plan has
11 been adopted, the assembly shall designate by resolution a borough
12 administrative official to act as manager during the manager's absence
13 or disability.

14 Sec. 29.20 270. VETO. (a) Except as provided in (c) and (d) of
15 this section, the mayor may veto an ordinance, resolution, motion, or
16 other action of the governing body and may strike or reduce appropria-
17 tion items.

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

24 (c) The veto does not extend to

- 25 (1) appropriation items in a school budget ordinance;
26 (2) actions of the governing body sitting as board of equali-
27 zation or the board of adjustment;
28 (3) adoption or repeal of the manager form of government.

29 (d) The mayor of a second class city has no veto power.

1 Sec. 29.20.280. VACANCY IN THE OFFICE OF MAYOR. (a) The govern-
2 ing body shall, by two-thirds concurring vote, declare the office of
3 mayor vacant only when the person elected

4 (1) fails to qualify or take office within 30 days after his
5 election or appointment;

6 (2) unless excused by the governing body, is physically
7 absent for 90 consecutive days;

8 (3) resigns and his resignation is accepted;

9 (4) is physically or mentally unable to perform the duties of
10 his office;

11 (5) is convicted of a felony or of an offense involving a
12 violation of his oath of office;

13 (6) is convicted of a felony or misdemeanor described in
14 AS 15.56; or

15 (7) no longer physically resides in the city or borough; or

16 (8) if, as a member of the governing body, he misses three
17 consecutive regular meetings and is not excused.

18 (b) A vacancy in the office of mayor occurring six months before a
19 regular election shall be filled by the governing body. The person
20 appointed serves until the next regular election when a successor is
21 elected to serve the balance of the term. If a member of the governing
22 body is appointed mayor, he shall resign his seat on the governing body.
23 If a vacancy occurs more than six months before a regular election, the
24 governing body shall call a special election to fill the unexpired term.

25 (c) Notwithstanding (b) of this section, a vacancy in the office
26 of mayor of a second class city shall be filled by and from the council.
27 A mayor appointed under this section serves the balance of the term to
28 which appointed, except he may serve only while he is a member of the
29 council.

1 ARTICLE 4. BOARDS AND COMMISSIONS.

2 Sec. 29.20.300. SCHOOL BOARDS. Each municipal school district has
3 a school board. Members are elected at the regular election for three-
4 year terms and until their successors take office. School board members
5 are elected at large unless a different method of election has been
6 approved by the voters in a regular election.

7 Sec. 29.20.310. UTILITY BOARDS. (a) The governing body of a
8 municipality operating a public utility may provide by ordinance for a
9 managing board of five members and define the board's powers and duties.

10 (b) As determined by ordinance, members of a utility board are
11 appointed by the municipal executive and confirmed by the governing body
12 or are elected at a regular election. The term of a utility board
13 member is two years and until a successor is selected and qualifies.
14 However, the governing body may by ordinance provide for a different
15 term not to exceed four years. The current term of an elected incumbent
16 may not be altered.

17 (c) Vacancies on a utility board are filled by the municipal
18 executive. Executive appointments shall be confirmed by the governing
19 body. A person appointed to fill a vacancy on a utility board serves
20 until the expiration of the term for which appointed and until
21 successor is elected and qualifies.

22 (d) Unless otherwise provided by ordinance, a utility board shall
23 (1) choose its chairman and secretary;
24 (2) appoint the manager of the public utility for a term not
25 longer than five years and set his salary;
26 (3) formulate and enforce the general rules and policies of
27 the utility.

28 Sec. 29.20.320. OTHER BOARDS AND COMMISSIONS. (a) The governing
29 body may by ordinance establish advisory, administrative, technical, or

1 quasi-judicial boards and commissions.

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

5 ARTICLE 5. OTHER OFFICIALS AND EMPLOYEES.

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

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

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

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

20 (2) attend meetings of the governing body and keep the
21 Journal;

22 (3) arrange publication of notices, ordinances, and resolu-
23 tions;

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

27 (5) attest deeds and other documents;

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

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

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

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

11 Sec. 29.20.400. DEPARTMENTS. (a) The governing body may estab-
12 lish municip. departments and distribute functions among them.

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

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

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

26 ARTICLE 6. MANAGER PLAN.

27 Sec. 29.20.450. APPLICATION. A municipality may adopt a manager
28 plan of government.

29 Sec. 29.20.460. PETITION. Adoption of a manager plan may be

1 initiated either by petition or upon motion of the governing body. A
2 petition for the adoption of a manager plan is submitted to the govern-
3 ing body. The petition must be signed by a number of voters equal to
4 the following percentage of the votes cast at the preceding regular
5 election:

6 (1) 25 percent when the municipality has fewer than 7,500
7 persons;

8 (2) 15 percent when the municipality has 7,500 persons or
9 more.

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

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

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

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

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

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

29 (1) appoint, suspend, or remove municipal employees and

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

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

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

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

12 (5) exercise custody over all real and personal property of
13 the municipality, except as provided otherwise in AS 29.35.160;

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

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

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

29 Sec. 29.20.520. REPEAL. A municipality may repeal the manager

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

4 ARTICLE 7. MISCELLANEOUS PROVISIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 CHAPTER 25. MUNICIPAL ENACTMENTS.

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

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

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

27 (3) provide for the levying of taxes;

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

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

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

5 (7) approve the transfer of a power to a borough from a city;

6 (8) designate the borough seat;

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

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

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

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

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

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

22 (2) an ordinance shall be set for hearing by the affirmative
23 vote of a majority of the votes authorized on the question;

24 (3) a summary of the ordinance shall be published together
25 with a notice of the time and place for a public hearing;

26 (4) the hearing follows publication by at least five days;

27 (5) copies of the ordinance must be available to all persons
28 present at the hearing, or the ordinance must be read in full;

29 (6) during the hearing the governing body shall hear all

1 interested persons wishing to be heard;

2 (7) after the hearing the governing body shall consider the
3 ordinance, and may adopt it with or without amendment;

4 (8) the governing body shall print and make available copies
5 of an ordinance that is adopted.

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

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

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

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

22 Sec. 29.25.040. CODES OF REGULATION. The governing body may in a
23 single ordinance adopt or amend by reference provisions of a standard
24 published code of regulations. The regular ordinance procedure applies,
25 except that neither the ordinance nor its amendments need be distributed
26 to the public nor read in full at the public hearing. For a period of
27 15 days before adoption, at least five copies of the code must be made
28 available for public inspection at a time and place set out in the
29 hearing notice. Only the adopting ordinance need be printed after it is

1 adopted. The governing body shall provide for the adopted code to be
2 made available to the public at no more money than cost.

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

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

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

12 (1) the ordinance has been given a serial number or other
13 permanent identifying number, and, bearing a notation of the date of
14 adoption and the designation of the adopting authority, it has been
15 entered by the municipal clerk in a properly indexed book maintained for
16 the purposes of organizing and recording the ordinances; or

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

21 (d) This section applies to home rule and general law munic-
22 palities.

23 Sec. 29.25.060. RESOLUTIONS. (a) The governing body shall provide
24 for the maintenance of a permanent file of resolutions that have been
25 adopted.

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

28 Sec. 29.25.070. PENALTIES. (a) For the violation of an ordinance,
29 a municipality may prescribe penalties not to exceed those imposed for a

1 class B misdemeanor and may require mandatory, nonsuspendable imprison-
2 ment not to exceed five days.

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

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

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

16 CHAPTER 26. ELECTIONS.

17 ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

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

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

28 (b) A person may be nominated for and occupy more than one office,
29 but he may not serve simultaneously as borough mayor and as a member of

1 the assembly or as mayor and as a member of the council of a first class
2 city.

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

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

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

11 Sec. 29.26.050. VOTER QUALIFICATION. (a) A person may vote only
12 if he

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

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

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

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

20 (b) Voter registration by the municipality may not be required.
21 However, a municipality may by ordinance require that a person be
22 registered to vote in state elections in the precinct in which he seeks
23 to vote in local elections.

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

26 Sec. 29.26.060. MAJORITY ELECTIONS. (a) Unless otherwise pro-
27 vided by ordinance, a runoff election shall be held if no candidate
28 receives over 40 percent of the votes cast for the office of mayor or
29 member of the governing body or school board.

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

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

8 (b) Unless otherwise provided by ordinance, an election may be
9 contested only by a voter by filing his written affidavit with the
10 municipal clerk specifying with particularity the grounds for the
11 contest. An election may be contested before or during the first canvass
12 of ballots by the governing body.

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

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

22 (e) A person may not appeal or seek judicial review of an election
23 for any cause unless the person is a municipal voter, has exhausted his
24 administrative remedies before the governing body, and has commenced,
25 within 10 days after the governing body has declared the election
26 results, an action in the superior court in the judicial district in
27 which the municipality is located. If court action is not commenced
28 within the 10-day period, the election and election results are con-
29 clusive and valid.

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ARTICLE 2. INITIATIVE AND REFERENDUM.

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

Sec. 29.26.110. 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 10 voters who will sponsor the petition. An additional sponsor may be added at any time before the petition is filed by submitting his name 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 29.26.100;

(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.

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

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

(2) the complete ordinance or resolution sought to be ini-

1 riated or referred as submitted by the sponsors;

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

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

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

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

13 (7) space for indicating the total number of signatures on
14 the petition.

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

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

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

25 (b) The clerk shall determine the number of signatures required on
26 a petition and inform each sponsor. A petition shall be signed by a
27 number of voters based on the number of votes cast at the last regular
28 election held before the date the petition was issued equal to

29 (1) 25 percent of the votes cast, when a municipality has

1 fewer than 7,500 persons; or

2 (2) 15 percent of the votes cast, when a municipality has
3 7,500 persons or more.

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

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

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

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

14 (2) if the petition is insufficient, identify the insuffi-
15 ciency and notify the sponsors by certified mail.

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

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

24 Sec. 29.26.150. PROTEST. If the municipal clerk certifies an
25 initiative or referendum petition is insufficient, a signer of the
26 petition may file a protest with the mayor within seven days after the
27 certification. The mayor shall present the protest at the next regular
28 meeting of the governing body which shall hear and decide the protest.

29 Sec. 29.25.160. NEW PETITION. Failure to secure sufficient signa-

1 tures does not preclude the filing of a new initiative or referendum
2 petition. However, a new petition on substantially the same matter may
3 not be filed sooner than six months after a petition is rejected as
4 insufficient.

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

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

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

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

21 Sec. 29.26.180. REFERENDUM ELECTION. (a) Unless the ordinance or
22 resolution is repealed, when a petition seeks a referendum vote the
23 clerk shall submit the matter to the voters at the next election occur-
24 ring no sooner than 45 days after certification of the petition. If no
25 election occurs within 75 days of certification of a petition, the
26 governing body shall hold a special election within 75 days, but not
27 sooner than 45 days after certification.

28 (b) If a petition is certified before the effective date of the
29 matter referred, the ordinance or resolution against which the petition

1 is filed shall be suspended pending the referendum vote. During the
2 period of suspension, the governing body may not enact an ordinance or
3 resolution substantially similar to the suspended measure.

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

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

11 Sec. 29.25.190. EFFECT. (a) An ordinance or resolution may not
12 be repealed or amended within one year after its effective date if
13 adopted in an initiative election or if adopted after a petition that
14 contains substantially the same measure has been filed.

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

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

23 ARTICLE 3. RECALL.

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

27 Sec. 29.26. 5. GROUNDS. Grounds for recall are misconduct in
28 office, incompetence, or failure to perform prescribed duties.

29 Sec. 29.26.260. APPLICATION FOR RECALL PETITION. (a) An appli-

1 cation for a recall petition shall be filed with the municipal clerk and
2 shall contain

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

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

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

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

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

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

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

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

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

21 (5) spaces for each signature, the printed name of each
22 signer, the date of each signature, and the residence and mailing
23 addresses of each signer;

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

29 (7) space for indicating the number of signatures on the

1 petition.

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

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

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

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

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

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

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

1 (2) if the petition is insufficient, identify the insuffi-
2 ciency and notify the sponsors by certified mail.

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

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

8 (2) the supplementary petition is filed before 180 days of
9 the end of the term of office of the official sought to be recalled.

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

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

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

21 Sec. 29.26.320. ELECTION. (a) If a regular election occurs
22 within 75 days but not sooner than 45 days after submission of the
23 petition to the governing body, the governing body shall submit the
24 recall at that election.

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

29 (c) If a vacancy occurs in the office after a sufficient recall

1 petition is filed with the clerk, the recall question may not be sub-
2 mitted to the voters. The governing body may not appoint to the same
3 office an official who resigns after a sufficient recall petition is
4 filed naming him.

5 Sec. 29.26.330. FORM OF RECALL BALLOT. A recall ballot shall
6 contain

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

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

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

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

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

19 Sec. 29.26.350. SUCCESSORS. (a) If an official is recalled from
20 the governing body, his office is filled in accordance with AS 29.20 -
21 180. If all members of the governing body are recalled, the governor
22 shall appoint three qualified persons to the governing body. The
23 appointees shall appoint additional members to fill remaining vacancies
24 in accordance with AS 29.20.180.

25 (b) If a member of the school board is recalled, his office is
26 filled in accordance with AS 14.12.070. If all members are recalled
27 from a school board, the governor shall appoint three qualified persons
28 to the school board. The appointees shall appoint additional members to
29 fill remaining vacancies in accordance with AS 14.12.070.

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

3 (d) If an official other than a member of the governing body or
4 school board is recalled, a successor shall be elected to fill the
5 unexpired portion of the term. The election shall be held not more
6 than 60 days from the date the recall election is certified, except
7 that if a regular election occurs within 75 days after certification
8 the successor shall be chosen at that election.

9 (e) Nominations for a successor may be filed until seven days
10 before the last date upon which a first notice of the election must be
11 given. Nominations may not be filed before the certification of the
12 recall election.

13 Sec. 29.26.360. APPLICATION. AS 29.26.240 - 29.26.360 apply to
14 home rule and general law municipalities.

15 * Sec. 10. AS 29.26.360 amended by adding a new chapter to read:

16 CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

17 ARTICLE 1. GENERAL POWERS.

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

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

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

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

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

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

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

3 (7) to enforce an ordinance and to prescribe a penalty for
4 violation of an ordinance;

5 (8) to acquire, manage, control, use, and dispose of real
6 and personal property, irrespective of whether or not the property is
7 situated inside or outside the municipal boundaries; this power includes
8 the power of a borough to expend, for any purpose authorized by law,
9 money received from the disposal of land in a service area established
10 under AS 29.35.450;

11 (9) to expend money for a community purpose, facility, or
12 service for the good of the municipality to the extent the municipality
13 is otherwise authorized by law to exercise the power necessary to
14 accomplish the purpose or provide the facility or service;

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

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

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

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

23 (14) to sue and be sued.

24 Sec. 29.35.020. EXTRATERRITORIAL JURISDICTION. (a) To the
25 extent a municipality is otherwise authorized by law to exercise the
26 power necessary to provide a facility or service, the municipality may
27 provide parks, playgrounds, cemeteries, emergency medical services,
28 solid and septic waste disposal, utility services, airports, streets
29 (including ice roads), trails, transportation facilities, wharves,

1 harbors and other marine facilities outside its boundaries and may
2 regulate their use and operation to the extent that the jurisdiction in
3 which they are located does not regulate them. A regulation adopted
4 under this section must state that it applies outside the municipality.

5 (b) A municipality may adopt an ordinance to protect its water
6 supply and watershed, and may enforce the ordinance outside its bound-
7 aries. Before this power may be exercised inside the boundaries of
8 another municipality, the approval of the other municipality must be
9 given by ordinance.

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

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

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

18 Sec. 29.35.040. EMERGENCY DISASTER POWERS. (a) A municipality
19 that is wholly or partially in an area that is declared by the President
20 or governor to be a disaster area may participate in and provide for
21 housing, urban renewal, and redevelopment in the same manner as a home
22 rule city. The exercise of these powers by a borough shall be on a
23 nonareawide basis, except a borough may exercise the powers transferred
24 to it by a city as provided by AS 29.35.310.

25 (b) Powers granted by this section must be initiated within a
26 period of not more than five years from the date of declaration of a
27 natural disaster by the President or governor, but these powers may be
28 extended for an additional period of not more than three years.

29 Sec. 29.35.050. GARBAGE AND SOLID WASTE SERVICES. (a) A munici-

1 pality may by ordinance

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

5 (2) require all persons within the municipality or district
6 to use the system and to dispose of their garbage and solid wastes as
7 provided in the ordinance;

8 (3) award contracts for collection and disposal, or provide
9 for the collection and disposal of garbage and solid waste by municipal
10 officials and employees;

11 (4) pay for garbage and solid waste collection and disposal
12 from available money;

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

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

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

19 (b) The governing body of a municipality may not prohibit a
20 person holding a valid certificate from the Alaska Public Utilities
21 Commission from continuing to collect and dispose of garbage, refuse,
22 trash, waste material, or provide other related services in an area in
23 the municipality if the certificate authorizes the collection and
24 disposal of garbage, refuse, trash, or other waste material and provid-
25 ing of other services in the area, and the certificate was originally
26 issued before the municipality provided similar services. A municipal-
27 ity may not provide for a garbage, refuse, trash, or other waste
28 material collection and disposal service in an area to the extent it
29 lies in an area granted to a garbage, refuse, trash, or other waste

1 material carrier by a certificate issued by the Alaska Public Utilities
2 Commission to the carrier until it has purchased the certificate,
3 equipment and facilities of the carrier, or that portion of the certi-
4 ficate which would be affected, at fair market value. A municipality
5 may exercise the right of eminent domain to determine fair market
6 value.

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

9 Sec. 29.35.060. FRANCHISES AND PERMITS. (a) The assembly acting
10 for the area outside all cities in the borough and the council acting
11 for the area in a city may grant franchises, including exclusive fran-
12 chise privileges, and may permit the use of streets and other public
13 places by the franchise holder under regulations prescribed by ordi-
14 nance.

15 (b) Unless the grant is made on a competitive basis, the grant of
16 an exclusive right to use a public street or right-of-way for more than
17 five years to a utility or a transportation system not certificated by
18 the Alaska Public Utilities Commission or by the Alaska Transportat
19 Commission shall be valid only if approved by a majority of the votes
20 at an election.

21 Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for
22 the area outside all cities in the borough and the council acting for
23 the area in a city may regulate, fix, establish, and change the rates
24 and charges imposed for a utility service provided to the municipality
25 or its inhabitants by a utility to the extent that it is not regulated
26 under AS 42.05, and may provide a reasonable deposit for meters and
27 service to be given if interest is paid on the deposit. All rates,
28 charges, and regulations shall be reasonable and shall permit a fair
29 return on invested capital.

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

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

6 Sec. 29.35.090. BUDGET AND CAPITAL PROGRAM. (a) The governing
7 body shall establish the manner for the preparation and submission of
8 the budget and capital program. After a public hearing, the governing
9 body may approve the budget with or without amendments, and shall
10 appropriate the money required for the approved budget.

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

14 Sec. 29.35.100. EXPENDITURE OF BOROUGH REVENUES. Borough revenues
15 received through taxes collected on an areawid basis by the borough
16 may be expended on general administrative costs and on areawide func-
17 tions only. Borough revenues received through taxes collected on a
18 nonareawide basis may be expended on general administrative costs and
19 functions that render service only to the area outside all cities in
20 the borough.

21 Sec. 29.35.110. POST AUDIT. (a) The governing body shall provide
22 for an annual independent audit of the accounts and financial trans-
23 actions of the municipality or, in the case of a second class city, an
24 audit or statement of annual income and expenditures. To make the
25 audit the governing body shall designate a public accountant who has no
26 personal interest, direct or indirect, in the fiscal affairs of the
27 municipality. Copies of the audit shall be available to the public
28 upon request.

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

1 ties.

2 ARTICLE 2. MANDATORY AREAWIDE POWERS.

3 Sec. 29.35.150. SCOPE OF AREAWIDE POWERS. (a) A borough shall
4 exercise the powers as specified and in the manner specified in AS 29.-
5 35.150 - 29.35.190 on an areawide basis.

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

9 Sec. 29.35.160. EDUCATION. (a) Each borough constitutes a
10 borough school district and establishes, maintains, and operates a
11 system of public schools on an areawide basis as provided in AS 14.14.-
12 060. A military reservation in a borough is not part of the borough
13 school district until the military mission is terminated or until
14 inclusion in the borough school district is approved by the Department
15 of Education. However, operation of the military reservation schools
16 by the borough school district may be required by the Department of
17 Education under AS 14.14.10. If the military mission of a military
18 reservation terminates or continued management and control by a regional
19 educational attendance area is disapproved by the Department of Educa-
20 tion, operation, management, and control of schools on the military
21 reservation transfers to the borough school district in which the
22 military reservation is located.

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

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

28 (b) Taxes levied by a city shall be collected by a borough and
29 returned in full to the levying city. This subsection applies to home

1 rule and general law municipalities.

2 Sec. 29.35.180. LAND USE REGULATION. (a) A general law borough
3 shall provide for planning, platting, and land use regulation in accor-
4 dance with AS 29.40.

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

7 ARTICLE 3. ADDITIONAL POWERS.

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

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

- 13 (1) provide transportation systems;
- 14 (2) provide water pollution control;
- 15 (3) provide air pollution control in accordance with AS 46.
16 03.140 - 46.03.240;
- 17 (4) license day care facilities;
- 18 (5) license, impound, and dispose of animals.

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

23 Sec. 29.35.210. SECOND CLASS BOROUGH POWERS. (a) A second class
24 borough may by ordinance exercise the following powers on a nonareawide
25 basis:

- 26 (1) provide transportation systems;
- 27 (2) regulate the offering for sale, exposure for sale, sale,
28 use or explosion of fireworks;
- 29 (3) license, impound, and dispose of animals;

1 (4) provide garbage, solid waste, and septic waste collec-
2 tion and disposal;

3 (5) provide air pollution control in accordance with AS 46.-
4 03.140 - 46.03.240;

5 (6) provide water pollution control;

6 (7) participate in federal or state loan programs for housing
7 rehabilitation and improvement for energy conservation;

8 (8) provide for economic development;

9 (9) provide for the acquisition and construction of local
10 service roads and trails under AS 19.30.111 - 19.30.251;

11 (10) establish an emergency communications center.

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

14 (1) provide transportation systems;

15 (2) license, impound, and dispose of animals;

16 (3) provide air pollution control in accordance with AS 46.-
17 03.140 - 46.03.240;

18 (4) provide water pollution control;

19 (5) license day care facilities.

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

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

29 ARTICLE 4. CITY POWERS.

1 Sec. 29.35.250. CITIES INSIDE BOROUGHES. (a) A city inside a
2 borough may exercise any power not otherwise prohibited by law. On
3 adoption of a borough ordinance to provide for areawide exercise of a
4 power, no city may exercise the power unless the borough ordinance
5 provides otherwise or the borough by ordinance ceases to exercise the
6 power.

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

8 Sec. 29.35.260. CITIES OUTSIDE BOROUGHES. (a) A city outside a
9 borough may exercise a power not otherwise prohibited by law. Powers
10 that are incorporated by reference to laws governing boroughs apply to
11 home rule cities outside boroughs only in those cases in which they are
12 made applicable to home rule boroughs in the provisions incorporated.

13 (b) A home rule or first class city outside a borough is a city
14 school district and shall establish, operate, and maintain a system of
15 public schools as provided by AS 29.35.160 for boroughs. A second
16 class city is not a school district and may not establish a system of
17 public schools.

18 (c) A home rule or first class city outside a borough shall, and
19 a second class city outside a borough may, provide for land use regula-
20 tion as provided by AS 29.35.180 for boroughs.

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

22 ARTICLE 5. ACQUISITION OF ADDITIONAL POWERS.

23 Sec. 29.35.300. ADDITIONAL POWERS. A borough acquires an addi-
24 tional power by transfer from a city in accordance with AS 29.35.310,
25 or by holding an election on the question. For acquisition of an
26 areawide power, the election shall be held areawide. For acquisition
27 of a nonareawide power, the election shall be held nonareawide.

28 Sec. 29.35.310. TRANSFER BY CITY. (a) A city may transfer to
29 the borough in which it is located any of its powers or functions,

1 subject to the approval of the assembly.

2 (b) A borough shall exercise all powers transferred to it by a
3 city.

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

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

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

12 (b) The borough clerk shall certify whether a petition filed
13 under (a) of this section contains the required number of signatures.

14 (c) Within 30 days after a petition is certified as containing
15 the required number of signatures or the assembly proposes the acquisi-
16 tion of a power, at least one public hearing shall be held n the
17 borough on the question. The assembly shall then evaluate the ability
18 of the borough to exercise the power and make its findings public.
19 Within 60 days after its findings have been made public, the assembly
20 shall order an election on the question.

21 Sec. 29.35.330. ELECTION. (a) If more than one power is proposed
22 for acquisition, each shall appear separately on the ballot.

23 (b) The borough mayor shall certify the election results to the
24 department. A vote on the question of adding an areawide power shall
25 be tabulated in two separate classifications. One shall consist of all
26 votes cast in all cities located in the borough. The other shall
27 consist of all votes cast in the borough area outside all cities. If
28 the majority of the votes cast in each classification is favorable, the
29 borough shall assume the added power within 30 days of certification of

1 the election results.

2 Sec. 29.35.340. EFFECT. (a) On acquisition of an areawide power
3 the borough succeeds to all of the rights, powers, and duties of any
4 city or service area with respect to that power. The borough succeeds
5 to claims, franchises, and other contractual obligations, liability for
6 bonded and all other indebtedness, and to all of the right, title, and
7 interest in the real and personal property held by a city or service
8 area for the exercise of the power.

9 (b) The assembly may levy and collect special charges, taxes, or
10 assessments including interest for the purpose of amortizing bonded in-
11 debtedness previously incurred by a city or service area for exercising
12 a power acquired by the borough. When a city or service area had
13 previously incurred bonded indebtedness, all property that was in the
14 city or service area at the time the bonds were issued remains subject
15 to taxation to pay the principal of and interest on the bonds.

16 (c) On acquisition of an additional areawide power the borough,
17 in consultation with the city or service area personnel, shall arrange
18 for an orderly and equitable transfer of rights, assets, liabilities,
19 powers, duties, and other matters related to acquisition of the areawide
20 powers.

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

22 ARTICLE 6. CONSTRUCTION OF POWERS.

23 Sec. 29.35.400. GENERAL CONSTRUCTION. A liberal construction
24 shall be given to all powers and functions of a municipality conferred
25 in this title.

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

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

5 ARTICLE 7. SERVICE AREAS.

6 Sec. 29.35.450. SERVICE AREAS. (a) A service area to provide
7 special services in a borough may be established, operated, altered, or
8 abolished by ordinance. Special services include services not provided
9 on an areawide or nonareawide basis in the borough, or a higher or
10 different level of service than that provided on an areawide or nonarea-
11 wide basis. The borough may include a city in a service area if

12 (1) the city agrees by ordinance; or

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

16 (b) A new service area may not be established if, consistent with
17 the purposes of art. X of the state constitution, the new service can
18 be provided by an existing service area, by annexation to a city, or by
19 incorporation as a city.

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

23 Sec. 29.35.470. FINANCING. The assembly may levy or authorize
24 the levying of taxes, charges, or assessments in a service area to
25 finance the special services. If the assembly authorizes the levying
26 of taxes, charges, or assessments, the rate of taxation and the issuance
27 of bonds are subject to assembly approval.

28 Sec. 29.35.480. SERVICE AREAS IN FIRST CLASS BOROUGHES. In a
29 first class borough, the assembly may exercise in a service area any

1 power granted a first class city by law. The assembly may exercise in
2 a service area any nonareawide power that may be exercised by a first
3 class borough.

4 Sec. 29.35.490. SERVICE AREAS IN SECOND CLASS BOROUGHES. (a)
5 Except as provided in (b) of this section, a second class borough may
6 exercise in a service area any power granted a first class city by law
7 or a nonareawide power that may be exercised by a first class borough
8 if

9 (1) the exercise of the power is approved by a majority vote
10 at an election held in the service area; or

11 (2) if no voters reside in the service area, all owners of
12 real property in the service area consent in writing to the exercise of
13 the power.

14 (b) A second class borough may establish a service area that
15 includes only vacant, unappropriated, and unreserved land owned by the
16 borough. A second class borough may establish a service area, with the
17 concurrence of the commissioner of natural resources, that includes
18 only vacant, unappropriated, and unreserved land owned by the state and
19 classified for disposal to individuals. By ordinance a second class
20 borough may provide the services in a service area established under
21 this subsection necessary to develop state or municipal land as required
22 by the planning and platting ordinances of the borough.

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

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

25 Sec. 29.40.010. PLANNING, PLATTING, AND LAND USE REGULATION. (a)
26 Boroughs shall provide for planning, platting, and land use regulation
27 on an areawide basis.

28 (b) If a city in a borough consents by ordinance, the assembly
29 may by ordinance delegate any of its powers and duties under this

1 chapter to the city. The assembly may by ordinance, without first ob-
2 taining the consent of the city, revoke any power or duty delegated
3 under this section.

4 Sec. 29.40.020. PLANNING COMMISSION. (a) The borough planning
5 commission consists of five residents unless a greater number is re-
6 quired by ordinance. Commission membership shall be apportioned so
7 that the number of members from home rule and first class cities
8 reflects the proportion of borough population residing in home rule and
9 first class cities located in the borough. A member shall be appointed
10 by the borough mayor for a term of three years subject to confirmation
11 by the assembly, except that a member from a home rule or first class
12 city shall be selected from a list of recommendations submitted by the
13 council. Members first appointed shall draw lots for one, two, and
14 three year terms. Appointments to fill vacancies are for the unexpired
15 term. The compensation and expenses of the planning commission and its
16 staff are paid as directed by the assembly.

17 (b) In addition to the duties prescribed by ordinance, the
18 planning commission shall

19 (1) prepare and submit to the assembly a proposed comprehen-
20 sive plan in accordance with AS 29.40.030 for the systematic and
21 organized development of the borough;

22 (2) review, recommend, and administer measures necessary to
23 implement the comprehensive plan, including measures provided under
24 AS 29.40.040.

25 Sec. 29.40.030. COMPREHENSIVE PLAN. (a) The comprehensive plan
26 is a compilation of policy statements, goals, standards, and maps for
27 guiding the physical, social, and economic development, both private
28 and public, of the borough, and may include, but is not limited to, the
29 following:

- 1 (1) statements of policies, goals, and standards;
- 2 (2) a land use plan;
- 3 (3) a community facilities plan;
- 4 (4) a transportation plan; and
- 5 (5) recommendations for implementation of the plan.

6 (b) With the recommendations of the planning commission, the
7 assembly shall adopt by ordinance a comprehensive plan. The assembly
8 shall, after receiving the recommendations of the planning commission,
9 periodically undertake an overall review of the plan and update the
10 plan as necessary.

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

- 16 (1) zoning regulations restricting the use of land and
17 improvements by geographic districts;
- 18 (2) land use permit requirements designed to encourage or
19 discourage specified uses and construction of specified structures, or
20 to minimize unfavorable effects of uses and the construction of struc-
21 tures;
- 22 (3) measures to further the goals and objectives of the
23 comprehensive plan.

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

- 26 (1) special conditions that require the variance are caused
27 by the person seeking the variance;
- 28 (2) the variance will permit a land use in a district in
29 which that use is prohibited; or

1 (3) the variance is sought solely to relieve pecuniary
2 hardship or inconvenience.

3 Sec. 29.40.050. APPEALS FROM ADMINISTRATIVE DECISIONS. (a) By
4 ordinance the assembly shall provide for an appeal from an administra-
5 tive decision of a municipal employee, board, or commission made in the
6 enforcement, administration, or application of a land use regulation
7 adopted under this chapter. The assembly may provide for an appeal to
8 a court, hearing officer, board of adjustment, or other body. The
9 assembly shall provide for an appeal from a decision on a request for a
10 variance from the terms of a land use regulation when literal enforce-
11 ment would deprive a property owner of rights commonly enjoyed by other
12 properties in the district.

13 (b) By ordinance the assembly may provide for appointment of a
14 hearing officer, or for the composition, appointment, and terms of
15 office of a board of adjustment or other body established to hear
16 appeals from administrative actions. The assembly may define proper
17 parties and prescribe evidentiary rules, standards of review, and
18 remedies available to the hearing officer, board of adjustment, or
19 other body.

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

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

29 Sec. 29.40.070. PLATTING REGULATION. By ordinance the assembly

1 shall adopt platting requirements that may include, but are not limited
2 to, the control of

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

5 (2) dimensions and design of lots;

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

10 (4) dedication of streets, rights-of-way, public utility
11 easements and areas considered necessary by the platting authority for
12 other public uses.

13 Sec. 29.40.080. PLATTING AUTHORITY. (a) The assembly by ordi-
14 nance shall establish a platting authority to administer subdivision
15 regulations and to perform other duties as required by the assembly.
16 The platting authority may consist of members of the planning commission
17 or of other municipal residents.

18 (b) The assembly may by ordinance provide for an administrative
19 official to act as the platting authority with regard to short plats.

20 Sec. 29.40.090. PLAT PROCEDURE. (a) The platting authority
21 shall approve or disapprove a plat within 60 days after it is filed, or
22 shall return it to the applicant for modification or correction.
23 Unless the applicant for plat approval consents to an extension of
24 time, the plat is considered approved and a certificate of approval
25 shall be issued by the platting authority on demand if the platting
26 authority fails to act within 60 days.

27 (b) The platting authority shall state in writing its reasons for
28 disapproval of a plat. If the platting authority approves a plat, the
29 plat shall be acknowledged and filed in accordance with AS 40.15.010 -

1 40.15.020.

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

3 (1) initial point of survey;

4 (2) original or reestablished corners and their descrip-
5 tions;

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

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

10 Sec. 29.40.110. SHORT PLAT PROCEDURE. (a) Notwithstanding
11 other provisions of this chapter, the assembly may by ordinance estab-
12 lish a short or abbreviated plat filing procedure for a plat that will
13 only relocate or vacate lot lines, or subdivide a single lot into not
14 more than four lots, and that will not

15 (1) deny legal and physical public access to a lot created
16 or adjacent to the subdivision, or require construction or improvements
17 necessary for access;

18 (2) alter a dedicated street or right-of-way, or require any
19 dedication other than a dedication needed for an existing right-of-way;

20 (3) allow a change in the permitted use to which the land
21 may be devoted; or

22 (4) require the granting of a vacation or a variance from a
23 subdivision regulation.

24 (b) The assembly may establish notice, hearing, and other pro-
25 cedural requirements for the review, consideration, approval, alteration
26 and replatting of short plats.

27 Sec. 29.40.120. ALTERATION OR REPLAT PETITION. A recorded plat
28 may not be altered or replatted except by the platting authority on
29 petition of the state, the borough, a public utility, or the owners of

1 a majority of the land affected by the alteration or replat. A platted
2 street may not be vacated, except on petition of the state, the borough,
3 a public utility, or owners of a majority of the land fronting the part
4 of the street sought to be vacated. The petition shall be filed with
5 the platting authority and shall be accompanied by a copy of the exist-
6 ing plat showing the proposed alteration or replat.

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

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

18 (b) Vacation of a city street may not be made without the consent
19 of the council. Vacation of a street in the borough area outside all
20 cities may not be made without the consent of the assembly. The govern-
21 ing body shall have 30 days from the decision of the platting authority
22 in which to veto a vacation of a street. If no veto is received by the
23 platting authority within the 30-day period, consent is considered to
24 have been given to the vacation.

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

28 Sec. 29.40.160. TITLE TO VACATED AREA. (a) The title to the
29 street or other public area vacated on a plat attaches to the lot or

1 lands bordering the area in equal proportions, except that if the area
2 was originally dedicated by different persons, original boundary lines
3 shall be adhered to so that the street area that lies on one side of
4 the boundary line shall attach to the abutting property on that side,
5 and the street area that lies on the other side of the boundary line
6 shall attach to the property on that side. The portion of a vacated
7 street that lies inside the limits of a platted addition attaches to
8 the lots of the platted addition bordering on the area. If a public
9 square is vacated, the title to it vests in a city if it lies inside
10 the city, and in the borough if it lies inside the borough but outside
11 all cities. If the property vacated is a lot, title vests in the
12 rightful owner.

13 (b) If the municipality acquired the street or other public area
14 vacated for legal consideration or by express dedication to the muni-
15 cipality other than as a subdivision platting requirement, before the
16 final act of vacation the fair market value of the street or public
17 area shall be deposited with the platting authority to be paid over to
18 the municipality on final vacation.

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

21 (d) The council of a second class city located outside a borough
22 may vacate streets, alleys, crossings, sidewalks, or other public ways
23 that may have been previously dedicated or established when the council
24 finds that the streets, alleys, crossings, sidewalks, or other public
25 ways are no longer necessary for the public welfare, or when the public
26 welfare will be enhanced by the vacation. If the council determines
27 that all or a portion of the area vacated under this subsection should
28 be devoted to another public purpose, title to the area vacated and
29 held for another public purpose does not vest as provided in (a) of

1 this section but remains in the city.

2 Sec. 29.40.170. DELEGATIONS. The planning commission and the
3 platting authority may, as authorized by ordinance, delegate powers to
4 hear and decide cases under this chapter, including, but not limited
5 to, delegations to

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

8 (2) other boards or commissions;

9 (3) a hearing officer designated by the planning commission
10 or platting authority.

11 Sec. 29.40.180. VIOLATIONS. It is unlawful for the owner of land
12 located in a subdivision to transfer, sell, offer to sell, or enter
13 into a contract to sell land in a subdivision before a plat of the sub-
14 division has been prepared, approved, and filed in accordance with this
15 chapter. It is unlawful for a person to file a plat or other document
16 depicting subdivided land in a public recorder's office unless the plat
17 or document has been approved by the platting authority. A person con-
18 victed of violating a provision of this chapter, a subdivision regula-
19 tion adopted under this chapter, or a term, condition, or limitation
20 imposed by a platting authority in the exercise of its powers under
21 this chapter is guilty of a class B misdemeanor.

22 Sec. 29.40.190. REMEDIES. (a) The municipality or an aggrieved
23 person may institute a civil action against a person who violates a
24 provision of this chapter, a subdivision regulation adopted under this
25 chapter, or a term, condition, or limitation imposed by a platting
26 authority. In addition to other relief, a civil penalty not to exceed
27 \$1,000 may be imposed for each violation. An action to enjoin a viola-
28 tion may be brought notwithstanding the availability of any other
29 remedy. Upon application for injunctive relief and a finding of a

1 violation or threatened violation, the superior court shall grant the
2 injunction.

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

5 Sec. 29.40.200. SUBDIVISIONS OF STATE LAND. (a) The subdivision
6 requirements adopted under this chapter apply to a subdivision plat of
7 undeveloped state land for disposal under AS 38.05 or AS 38.08 filed
8 with the platting authority. The platting authority may not disapprove
9 the subdivision plat on the basis of requirements for capital improve-
10 ments on or to state land included in the subdivision plat. Subdivision
11 ordinances and regulations adopted after the platting authority is
12 notified by the commissioner of natural resources of a proposed sale of
13 subdivided state land under AS 38.05 or AS 38.08 do not apply to the
14 state land in the proposed sale.

15 (b) The platting authority must approve and sign a subdivision
16 plat of state land within 60 days after its receipt from the commis-
17 sioner of natural resources unless the platting authority

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

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

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

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

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

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

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

7 CHAPTER 45. MUNICIPAL TAXATION.

8 ARTICLE 1. MUNICIPAL PROPERTY TAX.

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

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

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

14 (3) a property tax in a service area for functions limited
15 to the service area.

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

19 (c) A tax if levied on real property, personal property, or both
20 must be assessed, levied, and collected as provided in this chapter.

21 Sec. 29.45.020. TAXPAYER NOTICE. (a) If a municipality levies
22 and collects real or personal property taxes, or both, the governing
23 body shall provide the following notice:

24 "NOTICE TO TAXPAYER

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

28 PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE

29 (AS 14.17)

§

1	STATE AID FOR RETIREMENT OF SCHOOL CONSTRUC-	
2	TION DEBT (AS 43.18.100)	\$
3	MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE	
4	(AS 29.60.010 - 29.60.080)	\$
5	STATE AID FOR MISCELLANEOUS MUNICIPAL	
6	SERVICES (AS 29.60.100 - 29.60.180)	\$
7	TOTAL AID	\$

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

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
11		
12		
13	PUBLIC SCHOOL FOUNDATION PROGRAM	
14	ASSISTANCEMILLS
15	STATE AID FOR RETIREMENT OF	
16	SCHOOL CONSTRUCTION DEBTMILLS
17	MUNICIPAL TAX RESOURCE EQUALI-	
18	ZATION ASSISTANCEMILLS
19	STATE AID FOR MISCELLANEOUS	
20	MUNICIPAL SERVICESMILLS
21	TOTAL MILLAGE EQUIVALENTMILLS"

22 Notice shall be provided

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

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

29 (b) Compliance with the provisions of this section is a prerequi-

1 site to receipt of municipal tax resource equalization assistance under
2 AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal
3 services under AS 29.60.100 - 29.60.180. The department shall withhold
4 annual allocations under those sections until municipal officials
5 demonstrate that the requirements of this section have been met.

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

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

11 (2) household furniture of the head of a family or house-
12 hold;

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

15 (4) property of a nonbusiness organization or its auxiliary
16 composed entirely of persons with 90 days or more of active service in
17 the armed forces of the United States whose conditions of service and
18 separation were other than dishonorable;

19 (5) money on deposit;

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

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

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

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

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

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

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

11 (e) The real property owned and occupied as a permanent place of
12 abode by a resident 65 years of age or over is exempt from taxation of
13 the assessed value of the real property. Real property may not be
14 exempted under this subsection that the assessor determines, after
15 notice and hearing to the parties concerned, has been conveyed to the
16 applicant primarily for the purpose of obtaining the exemption. The
17 determination of the assessor is appealable under AS 44.62.560 and
18 44.62.570.

19 (f) An exemption may not be granted under (e) of this section
20 except upon written application for the exemption on a form prescribed
21 by the state assessor for use by local assessors. The claimant must
22 file the application no later than January 15, or a date provided by
23 ordinance that is not later than March 31, of the assessment year for
24 which the exemption is sought. The governing body of the municipality
25 for good cause shown may waive during a year the claimant's failure to
26 make timely application for exemption for that year and authorize the
27 assessor to accept the application as if timely filed. The claimant
28 must file a separate application for each assessment year in which the
29 exemption is sought. If an application is filed within the required

1 time and is approved by the assessor, he shall allow an exemption in
2 accordance with the provisions of this section. If a failure to file
3 by January 15, or a date provided by ordinance that is not later than
4 March 31, of the assessment year has been waived as provided in this
5 subsection and the application for exemption is approved, the amount of
6 tax that the claimant may have already paid for the assessment year
7 with respect to the property exempted shall be refunded to him. The
8 assessor may at any time require proof in the form he considers neces-
9 sary of the right and amount of an exemption claimed under (e) of this
10 section.

11 (g) The state shall reimburse a borough or city, as appropriate,
12 for the real property tax revenues lost to it by the operation of (e)
13 of this section. However, reimbursement will be made to a municipality
14 for revenue lost to it only to the extent that the loss exceeds an
15 exemption that was granted by the municipality, or that on proper
16 application by an individual would have been granted under AS 29.45.-
17 050(a).

18 (h) Except as provided in (g) of this section, nothing in (e) -
19 (i) of this section affects similar exemptions from property taxes
20 granted by a municipality on September 10, 1972, or prevents a munici-
21 pality from granting similar exemptions by ordinance as provided in
22 AS 29.45.050.

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

26 (j) Two percent of the assessed value of a structure is exempt
27 from taxation if the structure contains a fire protection system ap-
28 proved under AS 19.70.081, in operating condition, and incorporated as
29 a fixture or part of the structure. The exemption granted by this

1 subsection is limited to

2 (1) an amount equal to two percent of the value of the
3 structure based on the assessment for 1981, if the fire protection
4 system is a fixture of the structure on January 1, 1981; or

5 (2) an amount equal to two percent of the value of the
6 structure based on the assessment as of January 1 of the year immedi-
7 ately following the installation of the fire protection system if the
8 fire protection system becomes a fixture of the structure after
9 January 1, 1981.

10 Sec. 29.45.040. PROPERTY TAX EQUIVALENCY PAYMENTS. (a) A
11 resident of the state 65 years of age or older who rents a permanent
12 place of abode is eligible for tax equivalency payments from the state
13 through the department.

14 (b) For purposes of determining payments to eligible persons, the
15 department shall calculate a property tax equivalent percentage for
16 each municipality that levies a property tax at the rate of one percent
17 per mill. The property tax equivalent percentage applied to the annual
18 rent charged to the applicant equals the property tax equivalency
19 payment payable under this section.

20 (c) To obtain tax equivalency payments the eligible resident must
21 apply to the department for payment for the preceding year by January 15
22 of each year on forms and in the manner prescribed by the department.
23 Each applicant shall submit with the application rental receipts or, if
24 rental receipts are not available, other evidence satisfactory to the
25 department for determination of the fact of payment of rent and the
26 amount paid.

27 (d) If two or more persons occupy a residence as tenants, not all
28 of whom are eligible for tax equivalency payments under this section,
29 the assessor shall determine equitable partial payments to be made to

1 the eligible tenants. However, tax equivalency payments to an eligible
2 applicant may not be reduced because the spouse is less than 65 years
3 of age. If all occupants in a residence are eligible for tax equiva-
4 lency payments under this section, the occupants shall decide between
5 and among themselves which shall receive payment.

6 Sec. 29.45.050. OPTIONAL EXEMPTIONS AND EXCLUSIONS. (a) A
7 municipality may exclude or exempt or partially exempt residential
8 property from taxation by ordinance ratified by the voters at an elec-
9 tion. An exclusion or exemption authorized by this section may not
10 exceed the assessed value of \$10,000 for any one residence.

11 (b) A municipality may by ordinance

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

15 (2) classify and exempt from taxation

16 (A) the property of an organization not organized for
17 business or profit-making purposes and used exclusively for commun-
18 ity purposes if the income derived from rental of that property
19 does not exceed the actual cost to the owner of the use by the
20 renter;

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

22 (C) land of a nonprofit organization used for agricul-
23 tural purposes if rights to subdivide the land are conveyed to the
24 state and the conveyance includes a covenant restricting use of
25 the land to agricultural purposes only; rights conveyed to the
26 state under this subpa. graph may be conveyed by the state only in
27 accordance with AS 38.05.069(c).

28 (c) The provisions of (a) of this section notwithstanding.

29 (1) a borough may, by ordinance, adjust its property tax

1 structure in whole or in part to the property tax structure of a city
2 in the borough, including but not limited to, excluding personal prop-
3 erty from taxation, establishing exemptions, and extending the redemp-
4 tion period;

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

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

10 (B) the city appropriates to the borough sufficient
11 money to equal revenues lost by the borough because of the exemp-
12 tions or exclusions, the amount to be determined annually by the
13 assembly;

14 (3) a city in a borough may, by ordinance, adjust its prop-
15 erty tax structure in whole or in part to the property tax structure of
16 the borough, including but not limited to exempting or partially exempt-
17 ing property from taxation.

18 (d) Exemptions or exclusions from property tax that have been
19 granted by a home rule municipality in addition to exemptions autho-
20 rized or required by law, and that are in effect on September 10, 1972,
21 and not later withdrawn, are not affected by this chapter.

22 (e) A municipality may by ordinance classify and exempt or par-
23 tially exempt from taxation privately owned land, wet land and water
24 areas for which a scenic, conservation, or public recreation use ease-
25 ment is granted to a governmental body. To be eligible for a tax
26 exemption, or partial exemption, the easement must be in perpetuity.
27 However, the easement is automatically terminated before an eminent
28 domain taking of fee simple title or less than fee simple title to the
29 property, so that the property owner is compensated at a rate that does

1 not reflect the easement grant.

2 (f) A municipality may by ordinance exempt from taxation all or
3 part of the increase in assessed value of improvements to real property
4 if an increase in assessed value is directly attributable to alteration
5 of the natural features of the land, or new maintenance, repair, or
6 renovation of an existing structure, and if the alteration, maintenance,
7 repair, or renovation, when completed, enhances the exterior appearance
8 or aesthetic quality of the land or structure. An exemption may not be
9 allowed under this subsection for the construction of an improvement to
10 a structure if the principal purpose of the improvement is to increase
11 the amount of space for occupancy or nonresidential use in the structure
12 or for the alteration of land as a consequence of construction activity.
13 An exemption provided in this subsection may continue for up to four
14 years from the date the improvement is completed, or from the date of
15 approval for the exemption by the local assessor, whichever is later.

16 (g) A municipality may by ordinance exempt from taxation all or
17 part of the increase in assessed value of improvements to a single-
18 family dwelling if the principal purpose of the improvement is to
19 increase the amount of space for occupancy. An exemption provided in
20 this subsection may continue for up to two years from the date the
21 improvement is completed, or from the date of approval of an application
22 for the exemption by the local assessor, whichever is later.

23 Sec. 29.45.060. FARM OR AGRICULTURAL LAND. (a) Farm use land
24 included in a farm unit and not dedicated or being used for nonfarm
25 purposes shall be assessed on the basis of full and true value for farm
26 use, and may not be assessed as if subdivided or used for some other
27 nonfarm purpose. The assessor shall maintain records valuing the farm
28 use land for both full and true value and farm use value. If the farm
29 use land is sold, leased, or otherwise disposed of for uses incompatible

1 with farm use or converted to a use incompatible with farm use by the
 2 owner, the owner is liable to pay an amount equal to the additional tax
 3 at the current mill levy together with eight percent interest for the
 4 preceding seven years, as though the land had not been assessed for
 5 farm use purposes. Payment by the owner shall be made to the state to
 6 the extent of its reimbursement for revenue loss under (e) of this
 7 section for the preceding seven years. The balance of the payment
 8 shall be made to the municipality.

9 (b) An owner of farm use land must, to secure the assessment,
 10 apply to the assessor before May 15 of each year in which the assess-
 11 ment is desired. The application shall be made upon forms prescribed
 12 by the state assessor for the use of the local assessor, and shall
 13 include information that may reasonably be required to determine the
 14 entitlement of the applicant. If the farm use land is leased for farm
 15 use purposes, the applicant shall furnish to the assessor a copy of the
 16 lease bearing the signatures of both lessee and lessor along with the
 17 completed application. The applicant shall furnish the assessor a copy
 18 of the lease covering the period for which the exemption is requested.

19 (c) In this section "farm use" means the use of land for profit
 20 for raising and harvesting crops, for the feeding, breeding, and manage-
 21 ment of livestock, for dairying, or another agricultural use, or any
 22 combination of these. To be farm use land, the owner or the lessee
 23 must be actively engaged in farming the land, and derive at least 10
 24 percent of his yearly gross income from the farm use land. This section
 25 does not apply to land respecting which the owner has granted, and has
 26 out-standing, a lease or option to buy the surface rights. A property
 27 owner wishing to file for farm use classification having no history of
 28 farm-related income may submit a declaration of intent at the time of
 29 filing the application with the assessor setting out the intended use

1 of the land and the anticipated percentage of income. An applicant
2 using this procedure shall file with the assessor before February 1 of
3 the following year a notarized statement of the percentage of gross
4 income attributable to the farm use land. Failure to make the filing
5 required in this subsection forfeits the exemption.

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

9 (e) Subject to legislative appropriations for the purpose, the
10 state shall reimburse a borough or city, as appropriate, for the real
11 property tax revenues lost to it by the operation of this section.

12 Sec. 29.45.070. MOBILE HOMES. Mobile homes, trailers, house
13 trailers, trailer coaches and similar property used or intended to be
14 used for residential, office, or commercial purposes and attached to
15 the land or connected to water, gas, electric, or sewage facilities are
16 classed as real property for tax purposes unless expressly classified
17 as personal property by ordinance. This section does not apply to
18 house trailers and mobile homes that are unoccupied and held for sale
19 by persons engaged in the business of selling mobile homes.

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

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

29 (c) A municipality may levy and collect a tax on the full and

1 true value of that portion of property taxable under this chapter and
 2 under AS 43.56 as assessed by the Department of Revenue which value,
 3 when combined with the value of property otherwise taxable by the
 4 municipality, does not exceed the product of 225 percent of the average
 5 per capita assessed full and true value of property in the state multi-
 6 plied by the number of residents of the taxing municipality. For
 7 purposes of this subsection, the average per capita assessed full and
 8 true value of property in the state shall be calculated without regard
 9 to the assessed value of taxable property under AS 43.58.

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

13 (e) For purposes of this section, population shall be determined
 14 by the commissioner of community and regional affairs based on the
 15 latest statistics of the United States Bureau of the Census or on other
 16 reliable population data, and the commissioner shall advise each muni-
 17 cipality of its population by January 15 of each year.

18 Sec. 29.45.090. TAX LIMITATION. (a) A municipality may not,
 19 during a year, levy and tax for any purpose in excess of three percent
 20 of the assessed valuation of property in the municipality. All property
 21 upon which a tax is levied shall be taxed at the same rate during the
 22 year.

23 (b) A municipality, or combination of municipalities occupying
 24 the same geographical area, in whole or in part, may not levy taxes (1)
 25 that will result in tax revenues from all sources exceeding \$1,500 a
 26 year for each person residing within their boundaries; or (2) upon
 27 value that, when combined with the value of property otherwise taxable
 28 by the municipality, exceeds the product of 225 percent of the average
 29 per capita assessed full and true value of property in the state mul-

1 multiplied by the number of residents of the taxing municipality. If two
2 or more municipalities occupying the same geographical area, in whole
3 or in part, attempt to levy a tax (1) the combined levy of which would
4 result in tax revenues from all sources exceeding \$1,500 a year for
5 each person residing within their boundaries; or (2) upon value that,
6 when combined with the value of property otherwise taxable by the
7 municipality, exceeds the product of 225 percent of the average per
8 capita assessed full and true value of property in the state multiplied
9 by the number of residents of the taxing municipality, the commissioner
10 shall apportion the lawful levy and equitably divide these revenues on
11 the basis of need, services performed, and other considerations in the
12 public interest. For the purpose of this subsection, population shall
13 be determined by the commissioner based on the latest statistics of the
14 United States Bureau of the Census or on other reliable population
15 data. For purposes of this subsection, the average per capita assessed
16 full and true value of property in the state shall be calculated without
17 regard to the assessed value of taxable property under 'S 43.58.

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

24 Sec. 29.45.110. FULL AND TRUE VALUE. (a) The assessor shall
25 assess property at its full and true value as of January 1 of the
26 assessment year, except as provided in this section, AS 29.45.060, and
27 29.45.230. The full and true value is the estimated price that the
28 property would bring in an open market and under the then prevailing
29 market conditions in a sale between a willing seller and a willing

1 buyer both conversant with the property and with prevailing general
2 price levels.

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

7 (c) In the case of cessation of business during the tax year, the
8 municipality may provide for reassessment of business inventories using
9 the average monthly method of assessment for the tax year rather than
10 the value existing on January 1 of the tax year, and for reduction and
11 refund of taxes. In enacting an ordinance authorized by this section,
12 the municipality may prescribe procedures, restrictions, and conditions
13 of assessing or reassessing business inventories and of remitting or
14 refunding taxes.

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

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

22 Sec. 29.45.130. INDEPENDENT INVESTIGATION. (a) The assessor is
23 not bound to accept a return as correct. He may make an independent
24 investigation of property returned or of taxable property upon which no
25 return has been filed. In either case, the assessor may make his own
26 valuation of the taxable property, which is prima facie evidence.

27 (b) For investigation, the assessor or his agent may enter a
28 premise during reasonable hour and may examine property on the pre-
29 mise. He may examine all property records involved. A person shall,

1 upon request, furnish to the assessor or his agent every facility and
2 assistance for the investigation. The assessor may seek a court order
3 to compel entry and production of records needed for assessment pur-
4 poses.

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

7 Sec. 29.45.140. VIOLATIONS. A person who knowingly fails to file
8 a statement required by ordinance or who knowingly makes a false affi-
9 davit to a statement required by a tax ordinance relative to the amount,
10 location, kind or value of property subject to taxation with intent to
11 evade the taxation, is guilty of a class B misdemeanor.

12 Sec. 29.45.150. REEVALUATION. A systematic reevaluation of
13 taxable real and personal property undertaken by the assessor, whether
14 of specific areas in which real property is located or of specific
15 classes of real or personal property to be assessed, shall be made only
16 in accordance with a resolution or other act of the municipality direct-
17 ing a systematic reevaluation of all taxable property in the municipal-
18 ity over the shortest period of time practicable, as fixed in the
19 resolution or act.

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

22 (1) a description of all taxable property;

23 (2) the assessed value of all taxable property;

24 (3) the names and addresses of persons with property subject
25 to assessment and taxation.

26 (b) The assessor may list real property by any description that
27 may be made certain. Real property is assessed to the record owner.
28 The district recorder shall at least monthly provide the assessor a
29 copy of each recorded change of ownership showing the name and mailing

1 address of the owner and the name and mailing address of the person
2 recording the change of ownership. Other persons having an interest in
3 the property may be listed on the assessment records with the owner.
4 The person in whose name property is listed as owner is conclusively
5 presumed to be the legal record owner. If the property owner is un-
6 known, the property may be assessed to "unknown owner". An assessment
7 is not invalidated by a mistake, omission, or error in the name of the
8 owner, if the property is correctly described.

9 Sec. 29.45.170. ASSESSMENT NOTICE. (a) The assessor shall give
10 each person named in the assessment roll a notice of assessment, showing
11 the assessed value of his property. On each notice is printed a brief
12 summary of the dates when taxes are payable, delinquent, and subject to
13 penalty and interest, and the dates when the board of equalization will
14 sit.

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

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

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

27 Sec. 29.45.190. APPEAL. (a) A person whose name appears on the
28 assessment roll or his agent or assigns may appeal to the board of
29 equalization for relief from an alleged error in valuation not adjusted

1 by the assessor to the taxpayer's satisfaction.

2 (b) The appellant shall, within 30 days from the date of mailing
3 of notice of assessment, submit to the assessor a written appeal speci-
4 fying grounds in the form that the board of equalization may require.
5 Otherwise, the right of appeal ceases unless the board of equalization
6 finds that the taxpayer was unable to comply.

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

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

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

16 Sec. 29.45.200 BOARD OF EQUALIZATION. (a) The governing body
17 sits as a board of equalization for the purpose of hearing an appeal
18 from a determination of the assessor, or it may delegate this authority
19 to one or more boards appointed by it. An appointed board may be
20 composed of not less than three persons, who may be members of the
21 governing body, municipal residents, or a combination of members of the
22 governing body and residents. The governing body shall by ordinance
23 establish the qualifications for membership.

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

28 (c) Notwithstanding other provisions in this section, a deter-
29 mination of the assessor as to whether property is taxable under law

1 may be appealed directly to the superior court.

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

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

9 (c) The board of equalization shall certify its actions to the
10 assessor within seven days. Except as to supplementary assessments,
11 the assessor shall enter the changes and certify the final assessment
12 roll by June 1.

13 (d) An appellant or the assessor may appeal a determination of
14 the board of equalization to the superior court as provided by rules of
15 court applicable to appeals from the decisions of administrative
16 agencies. Appeals are heard on the record established at the hearing
17 before the board of equalization.

18 Sec. 29.45.220. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor
19 shall include property omitted from the assessment roll on a supplemen-
20 tary roll, using the procedures set out in this chapter for the original
21 roll.

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

26 (b) An assessment or reassessment under this section may be made
27 by the assessor only upon the receipt of a sworn statement of the
28 taxpayer that his losses exceed \$1,000. A reduction of taxes may be
29 made only on losses in excess of \$1,000 for the remainder of the year

1 following the disaster. On reassessment, the municipality shall re-
2 compute this tax and refund taxes that have already been paid.

3 (c) The municipality shall give notice of assessment or reassess-
4 ment under this section and shall hold an equalization hearing as
5 provided in this chapter, except that a notice of appeal must be filed
6 with the board of equalization within 10 days after notice of assessment
7 or reassessment is given to the person appealing. Otherwise, the right
8 of appeal ceases unless the board finds that the taxpayer is unable to
9 comply.

10 (d) In enacting an ordinance or resolution authorized by this
11 section, the municipality may, consistent with this section, prescribe
12 procedures, restrictions, and conditions of assessing or reassessing
13 property and of remitting, refunding, or forgiving taxes.

14 (e) In this section "disaster" means a major disaster declared by
15 the President of the United States under the provisions of the Federal
16 Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g, or
17 other federal law, or a disaster declared by the governor under AS 26.-
18 23.010 - 26.23.110.

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

24 (b) The municipality shall annually determine the rate of levy
25 before June 15. By July 1 the tax collector shall mail tax statements
26 setting out the levy, dates when taxes are payable and delinquent, and
27 penalties and interest.

28 Sec. 29.45.250. RATES OF PENALTY AND INTEREST. (a) A penalty
29 not to exceed 20 percent of the tax due may be added to all delinquent

1 taxes, and interest not to exceed 15 percent a year shall accrue upon
2 all unpaid taxes, not including penalty, from the due date until paid
3 in full. The municipality may impose a penalty not to exceed 20 percent
4 of the tax due upon the late return of personal property assessment
5 forms. A penalty under this section may be imposed according to a
6 formula that increases the amount of the penalty as the length of time
7 increases during which payment is delinquent or assessment forms are
8 not returned.

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

12 ARTICLE 2. ENFORCEMENT OF TAX LIENS.

13 Sec. 29.45.290. VALIDITY. Certified assessment and tax rolls are
14 valid and binding on all persons, notwithstanding a defect, error,
15 omission, or invalidity in the assessment rolls or proceedings pertain-
16 ing to the assessment roll.

17 Sec. 29.45.300. TAX LIABILITY. (a) The owner of assessed per-
18 sonal property is personally liable for the amount of taxes assessed
19 against his property. The tax, together with penalty and interest, may
20 be collected in a personal action brought in the name of the municipal-
21 ity.

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

25 Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY
26 DISTRAINT AND SALE. (a) The lien of personal property taxes may be
27 enforced by distraint and sale of the property. The municipality shall
28 provide the procedure for distraint and sale by ordinance. A seizure,
29 levy, or distraint is not legal unless demand is first made of the

1 person assessed for the amount of the tax, penalty, and interest, and a
2 sale is not valid unless made at public auction no sooner than 15 days
3 after notice is published. The seizure is made by virtue of a warrant
4 issued by the municipal clerk to a peace officer.

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

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

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

21 Sec. 29.45.330. FORECLOSURE LIST. (a) A municipality shall
22 (1) annually present a petition for judgment and a certified
23 copy of the foreclosure list for the previous year's delinquent taxes
24 in the superior court for judgment;

25 (2) publish the foreclosure list for four consecutive weeks
26 in a newspaper of general circulation distributed within the municipal-
27 ity or, if there is no newspaper of general circulation distributed
28 within the municipality, post the list at three public places for at
29 least 30 days;

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

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

8 (1) the last known owner;

9 (2) the property description as stated on the assessment
10 roll;

11 (3) years and amounts of delinquency;

12 (4) penalty and interest due;

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

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

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

21 Sec. 29.45.340. CLEARING DELINQUENCIES. During the publication
22 or posting of the foreclosure list and up to the time of transfer to
23 the municipality a person may pay the taxes, together with the penalty,
24 interest, and costs. The collector shall note payment on the foreclo-
25 sure list.

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

29 Sec. 29.45.360. GENERAL FORECLOSURE. A municipality shall bring

1 one general foreclosure proceeding in rem against the properties in-
2 cluded in the foreclosure list. If the owner is unknown, the property
3 is proceeded against as belonging to "unknown owner". Tax foreclosure
4 proceedings have priority over all other civil proceedings except
5 appeals under AS 29.40.060.

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

12 Sec. 29.45.380. JUDGMENT. The court shall in a proper case give
13 judgment and decree that the tax liens be foreclosed. It is a several
14 judgment against each lot and a lien on each lot.

15 Sec. 29.45.390. TRANSFER AND APPEAL. (a) Foreclosed properties
16 are transferred to the municipality for the lien amount. When answers
17 are filed the court may enter judgment against and order the transfer
18 to the municipality of all other properties on the list pending deter-
19 mination of the matters in controversy. The court shall hear and
20 determine the issues raised by the complaint and answers in the same
21 manner and under the same rules as it hears and determines other
22 actions.

23 (b) The court clerk shall deliver a certified copy of the judgment
24 and decree to the municipal clerk. The certified judgment and decree
25 constitutes a transfer to the municipality.

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

1 Sec. 29.45.400. REDEMPTION PERIOD. Properties transferred to the
2 municipality are held by the municipality for at least one year.
3 During the redemption period a party having an interest in the property
4 may redeem it by paying the lien amount plus penalties, interest, and
5 costs, including all costs incurred under AS 29.45.440(a). Property
6 redeemed is subject to all accrued taxes, assessments, liens, and
7 claims as though it had continued in private ownership. Only the
8 amount applicable under the judgment and decree must be paid in order
9 to redeem the property.

10 Sec. 29.45.410. EFFECT. Receipt of redemption money by the
11 municipality releases the judgment obtained under AS 29.45.380. The
12 clerk or his designee shall record the redemption and issue a certifi-
13 cate containing a property description, the redemption amount, and the
14 dates of judgment and decree of foreclosure. The clerk or his designee
15 shall collect the recording fee at the time of redemption and shall
16 file the certificate with the record as part of the judgment roll.

17 Sec. 29.45.420. ADDITIONAL LIENS. If a property included in a
18 foreclosure list is removed after payment of delinquencies or redemption
19 by another lienholder, the payment represented by receipt for payment
20 constitutes an additional lien on the property, collectible by the
21 lienholder in the same manner as the original lien.

22 Sec. 29.45.430. POSSESSION DURING REDEMPTION PERIOD. Foreclosure
23 does not affect the former owner's right to possession during the
24 redemption period. In the event that waste is committed by the former
25 owner, or by anyone acting under his permission or control, the munici-
26 pality may declare an immediate forfeiture of the right to possession.

27 Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the
28 expiration of the redemption period the clerk or his designee shall
29 publish a redemption period expiration notice. The notice shall contain

1 the date of judgment, the date of expiration of the period of redemp-
2 tion, and a warning to the effect that all properties ordered sold
3 under the judgment, unless redeemed, shall be deeded to the municipality
4 immediately on expiration of the period of redemption and that every
5 right or interest of any person in the properties will be forfeited
6 forever to the municipality. The notice appears once a week for four
7 consecutive weeks in a newspaper of general circulation distributed in
8 the municipality. If there is no newspaper of general circulation
9 distributed in the municipality, the notice is posted in three public
10 places for at least four consecutive weeks. The clerk shall send a
11 copy of the notice by certified mail to each record owner of property
12 against which a judgment of foreclosure has been taken and, if the
13 assessed value of the property is more than \$100,000, to all holders of
14 mortgages or other liens of record on the property. The notice shall
15 be mailed within five days of the first publication. The mailing shall
16 be sufficient if mailed to the property owner and to the holder of a
17 mortgage or recorded lien at the last address of record.

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

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

24 Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) Unredeemed property
25 in the area of the borough outside all cities is deeded to the borough
26 by the clerk of the court. Unredeemed property in a city is deeded to
27 the city subject to the payment by the city of unpaid borough taxes and
28 costs of foreclosure levied against the property before foreclosure.
29 The deed shall be recorded in the recording district in which the

1 property is located.

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

4 (c) If unredeemed property lies in a city and if the city has no
5 immediate public use for the property but the borough does have an
6 immediate public use, the city shall deed the property to the borough.
7 If unredeemed property lies in the borough outside all cities and if
8 the borough does not have an immediate public use for the property but
9 a city does have an immediate public use, the borough shall deed the
10 property to the city.

11 (d) No deed is invalid for irregularities, omissions, or defects
12 in the proceedings under this chapter unless the former owner has been
13 misled to his injury. Two years after the date of the deed, its valid-
14 ity is conclusively presumed and any claim of the former owner or other
15 person having an interest in the property is forever barred.

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

23 (b) Tax-foreclosed property conveyed to a municipality by tax
24 foreclosure and not required for a public purpose may be sold. Before
25 the sale of tax-foreclosed property held for a public purpose, the
26 municipality, by ordinance, shall determine that a public need does not
27 exist. The ordinance shall contain the information required in (a) of
28 this section.

29 (c) The clerk or his designee shall send a copy of the published

1 notice of hearing of an ordinance to consider a determination required
2 by (a) or (b) of this section by certified mail to the former record
3 owner of the property that is the subject of the ordinance. The notice
4 shall be mailed within five days of its first publication and shall be
5 sufficient if mailed to the last record owner of the property as his
6 name appears on the assessment rolls of the municipality.

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

10 Sec. 29.45.470. REPURCHASE BY RECORD OWNER. (a) The record
11 owner at the time of tax foreclosure of property acquired by a munici-
12 pality, or his assigns, may, within 10 years and before the sale or
13 contract of sale of the tax-foreclosed property by the municipality,
14 repurchase the property. The municipality shall sell the property for
15 the full amount applicable to the property under the judgment and
16 decree, with interest not to exceed 15 percent a year from the date of
17 entry of the judgment of foreclosure to the date of repurchase, delin-
18 quent taxes assessed and levied as though it had continued in private
19 ownership, and costs of foreclosure and sale.

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

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

29 (b) The former record owner of tax-foreclosed real property that

1 has been held by a municipality for less than 10 years after the close
2 of the redemption period and never designated for a public purpose that
3 is sold at a tax-foreclosure sale is entitled to the portion of the
4 proceeds of the sale that exceeds the amount sufficient to satisfy
5 unpaid taxes, delinquent taxes assessed and levied as if the property
6 had continued in private ownership, penalty, interest, and costs of
7 property sold, including costs incurred under AS 29.45.440(a). If the
8 proceeds of the sale of tax-foreclosed property exceed the total of
9 unpaid and delinquent taxes, penalty, interest, and costs, the muni-
10 cipality shall provide the former owner of the property written notice
11 advising of the amount of the excess and the manner in which a claim
12 for the balance of the proceeds may be submitted. Notice is sufficient
13 under this subsection if mailed to the former owner at his last address
14 of record. On presentation of a proper claim, the municipality shall
15 remit the excess to the former record owner. A claim for the excess
16 filed after six months of the date of sale is forever barred.

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

27 Sec. 29.45.500. REFUND OF TAXES. (a) If a taxpayer pays taxes
28 under protest, he may bring suit in the superior court against the
29 municipality for recovery of the taxes. If judgment for recovery is

1 given against the municipality, or, if in the absence of suit, it
2 becomes obvious to the governing body that judgment for recovery of the
3 taxes would be obtained if legal proceedings were brought, the munici-
4 pality shall refund the amount of the taxes to the taxpayer with inter-
5 est at eight percent from the date of payment plus costs.

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

13 (c) The governing body may correct manifest clerical errors at
14 anytime.

15 ARTICLE 3. CITY PROPERTY TAX.

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

20 Sec. 29.45.560. CITIES INSIDE BOROUGHES. Home rule and first
21 class cities inside boroughs may levy a property tax. A property tax,
22 if levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.-
23 100, 29.45.250, 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The
24 council shall by June 15 of each year present to the assembly a state-
25 ment of the city's rate of levy, unless a different date is agreed upon
26 by the borough and city.

27 Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to
28 home rule and general law municipalities.

29 Sec. 29.45.580. DIFFERENTIAL TAX ZONES. A city may by ordinance

1 establish, alter, and abolish differential tax zones to provide and
2 levy property taxes for services not provided generally in the city or
3 a different level of service than that provided generally in the city.

4 Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS
5 CITIES. A second class city may by referendum levy real and personal
6 property taxes as provided for first class cities. However, levy by a
7 second class city may not exceed one-half of one percent of the
8 assessed value of the property taxed, except that the limit does not
9 apply to a levy necessary to avoid a default upon payment of principal
10 and interest of bonded or other indebtedness that is secured by a pledge
11 to levy ad valorem or other taxes without limit to meet debt payments.

12 Sec. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A
13 SECOND CLASS CITY. A petition for second class city incorporation may
14 request that a property tax proposal be placed on the same ballot. The
15 petition must state the proposed tax rate. The petition may request
16 that incorporation be dependent on the passage of the property tax
17 proposition. If so, the incorporation proposition fails if the prop-
18 erty tax fails.

19 ARTICLE 4. BOROUGH SALES AND USE TAX.

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

24 (b) A borough levying a sales tax may also by ordinance levy a
25 use tax on the storage, use, or consumption of tangible personal prop-
26 erty in the borough. The use tax rate must equal the sales tax rate
27 and the use tax shall be levied only on buyers.

28 (c) A person who furnishes proof, in the form required by the
29 borough tax collector, that he has paid a sales tax on the source on

1 which a use tax is levied by the borough is required to pay the use tax
2 only to the extent of the difference between the amount of the sales
3 tax paid and the amount of the use tax levied by the borough. This
4 subsection applies to a sales tax levied in any taxing jurisdiction
5 whether inside or outside the state.

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

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

17 Sec. 29.45.660. NOTICE OF SALES AND USE TAX. (a) If the borough
18 levies and collects only a sales tax and use tax, the assembly shall
19 provide a notice substantially in the form set out in AS 29.45.020. In
20 providing notice under this subsection, the assembly shall substitute
21 for the millage equivalency its estimate of the equivalent sales tax
22 rate for each of the categories of financial assistance set out in
23 AS 29.45.020. Notice shall be provided

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

28 (2) if there is no newspaper of general circulation in the
29 borough, by posting a copy of the notice for at least 20 days in at

1 least two public places in the borough, with posting to occur not later
2 than 45 days after the final adoption of the borough's budget.

3 (b) Compliance with the provisions of this section is a prerequi-
4 site to receipt of municipal tax resource equalization assistance under
5 AS 29.60.010 - 29.60.030 and state aid for miscellaneous municipal
6 services under AS 29.60.100 - 29.60.180. The department shall withhold
7 annual allocations under those sections until municipal officials
8 demonstrate that the requirements of this section have been met.

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

13 ARTICLE 5. CITY SALES AND USE TAXES.

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

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

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

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

1 tax fails.

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

3 CHAPTER 46. SPECIAL ASSESSMENTS.

4 Sec. 29.46.010. ASSESSMENT AND PROPOSAL. The municipality may
5 assess against the property of a state or federal governmental unit and
6 private real property to be benefited by an improvement all or a portion
7 of the cost of acquiring, installing, or constructing capital improve-
8 ments. The state shall pay an assessment levied, except as otherwise
9 provided by law and subject to its right of protest under AS 29.46.020-
10 (a)(8). If a governmental unit other than the state benefited by an
11 improvement refuses to pay the assessment, it shall be denied the
12 benefit of the improvement. An improvement proposal may be initiated
13 by

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

16 (2) the governing body.

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

21 (1) a procedure for filing petitions;

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

25 (3) a public hearing on the necessity for the local improve-
26 ment;

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

29 (5) a public hearing by the governing body on the special

1 assessment roll for the local improvement;

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

5 (7) a resolution or ordinance confirming the special assess-
6 ment roll for the local improvement;

7 (8) if protests as to the necessity of a local improvement
8 are made by owners of property that will bear 50 percent or more of the
9 estimated cost of the improvement, the governing body may not proceed
10 with the improvement until the objections have been reduced to less
11 than 50 percent, except upon approval of not fewer than three-fourths
12 of the governing body.

13 (b) To the extent that the municipality does not prescribe a
14 procedure for special assessments as permitted by this section, the
15 municipality shall comply with the special assessment procedures set
16 out in AS 29.46.030 - 29.46.100.

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

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

28 (c) The governing body shall set a time for public hearing on the
29 improvement plan and the period for filing objections to the plan. The

1 governing body shall publish a notice of the hearing and of the period
2 during which objections may be filed at least once a week for four
3 consecutive weeks in a newspaper of general circulation if distributed
4 in the municipality and shall send notice by mail to every record owner
5 of property in the special assessment district.

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

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

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

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

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

28 (c) The governing body shall fix a time to hear objections to the
29 roll. The municipal clerk shall send an assessment and hearing notice

1 by mail to each record owner of an assessed property not less than 15
2 days before the hearing.

3 Sec. 29.46.070. HEARING AND SETTLEMENT. After the public hearing,
4 the governing body shall correct errors and inequalities in the roll.
5 If an assessment is increased, a new hearing shall be set and notice
6 published, except that a new hearing and notice is not required if all
7 record owners of property subject to the increased assessment consent
8 in writing to the increase. Objections to the increased assessment
9 shall be limited to record owners of property on which the assessment
10 was increased. When the roll is corrected, it shall be confirmed by
11 resolution or ordinance.

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

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

28 (c) Assessments are liens on the property assessed and are prior
29 and paramount to all liens except municipal tax liens. They may be