

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

1288 SCRA SB 180 (#12, #13) 128

#2 Cook ✓

A M E N D M E N T

TO: CSSB 180(C&RA)  
CSHB 170(C&RA)

By Ferguson

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Page 104, line 28, after "residing" insert:  
"or working at an isolated job site"

Page 105, line 6:

Delete "residents of" and insert "persons residing or working at a remote job site in"

Page 105, line 13:

Delete "population" and insert "number of persons residing in a municipality"

Page 105, line 16:

Delete "the" and insert "shall include permanent residents and military personnel or employees of a military reservation located in the municipality. For purposes of this section, the number of persons working at an isolated job site in a municipality shall be determined by the commissioner of community and regional affairs based on information supplied by employers of persons at isolated job sites. The"

Page 105, line 17:

Delete "its population" and insert "the number of persons residing or working at a remote job site in the municipality"

Page 145, line 24:

Delete "(a)"

1 Page 145, line 25, after "shall" insert:

2 "include permanent residents, military personnel or employees of a  
3 military reservation located in the taxing unit, and persons working at  
4 an isolated job site in the taxing unit. Population shall"

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6 Page 145, line 28, after "reliable" insert:

7 "and by information supplied by employers of persons at isolated job  
8 sites"

9  
10 Page 145, line 29:

11 Delete all material

12  
13 Page 146, line 1:

14 Delete all material

15  
16 Page 152, line 26, after "shall" insert:

17 "include permanent residents, military personnel or employees of a  
18 military reservation, and persons working at an isolated job site.  
19 Population shall"

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21 Page 152, line 29:

22 Delete "or"

F

Page 153, line 1, after "payrolls" insert:

",and information supplied by employers of persons at isolated job sites"

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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 tiplied 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 AS 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 (A) the actual revenue derived from the levy and collec-  
2 tion of local taxes in the taxing unit for municipal services  
3 during the preceding fiscal year of the taxing unit;

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

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

12 (D) special assessments received during the preceding  
13 fiscal year; and

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

17 (2) excludes

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

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

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

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

29 (b) The population of the taxing unit includes the population of

1 any military reservation that is a part of the taxing unit.

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

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

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

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

26 (d) The full and true assessed property value shall be determined  
27 by the department in the manner provided for the computation of state  
28 aid to education under AS 14.17.140. When the determination of locally  
29 generated revenue includes revenue of a utility received under AS 29.-

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

3 Sec. 29.60.130. STATE AID TO VOLUNTEER FIRE DEPARTMENTS NOT IN  
4 ORGANIZED MUNICIPALITY. (a) The department shall pay to a volunteer  
5 fire department registered with the state fire marshal and serving an  
6 area not in an organized municipality a sum for protection purposes  
7 equal to \$10 per capita for the population served by the fire department,  
8 as determined by the state fire marshal.

9 (b) A grant shall be made under (a) of this section to facilitate  
10 the organization of a volunteer fire department in an area not in an  
11 organized municipality, upon application of the proposed fire protection  
12 group to the state fire marshal and upon approval of applications accord-  
13 ing to standards of organization and service prescribed by regulations  
14 adopted by the state fire marshal.

15 Sec. 29.60.140. STATE AID TO NATIVE VILLAGE GOVERNMENTS. The  
16 state shall pay \$25,000 to a Native village government for a village  
17 that is not incorporated as a city under this title. In this section,  
18 "Native village government" means

19 (1) a local governing body organized by authority of the Act  
20 of Congress of June 18, 1934 (25 U.S.C. sec. 476); or

21 (2) a traditional village council or, if there is no tradi-  
22 tional village council, the paramount chief or other local governing  
23 body of a Native village that meets the requirements of the Alaska  
24 Native Claims Settlement Act (43 U.S.C. sec 1601 - 1628).

25 Sec. 29.60.150. POPULATION DETERMINATION. For purposes of AS 29.-  
26 60.100 - 29.60.180, population shall be determined by the latest figures  
27 of the United States Bureau of the Census or other reliable population  
28 data, including but not limited to public school enrollment figures,  
29 public utility connection, registered voters, or certified employment

1 payrolls.

2           Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments  
3 to a municipality or other eligible recipient under AS 29.60.110 -  
4 29.60.120 shall reflect area cost-of-living differentials. Payments  
5 shall be based on the sum of per capita, per mile and per bed or facil-  
6 ity grants due each municipality or other recipient multiplied by the  
7 appropriate area cost-of-living differential. The area cost-of-living  
8 differential for each recipient shall be determined annually by election  
9 district under the provisions of AS 39.27.030. Application of the area  
10 cost-of-living differential may not result in distribution of an amount  
11 less than the amount of the payment determined without reference to  
12 application of this section.

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

18           Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscellaneous  
19 services account is established. Money to carry out the provisions of  
20 AS 29.60.100 - 29.60.180 shall be allocated by the department to the  
21 account in accordance with AS 29.60.280. If amounts in the account are  
22 insufficient to pay each municipality's or other recipient's share  
23 authorized under AS 29.60.100 - 29.60.180, the amounts that are avail-  
24 able shall be distributed pro rata among eligible municipalities and  
25 other recipients.

26           Sec. 29.60.180. REGULATIONS. The department shall adopt regula-  
27 tions necessary to carry out the purposes of AS 29.60.100 - 29.60.180.  
28 The regulations shall include minimum standards required to qualify a  
29 municipality or other recipient for payments for each service. The

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KEEP -

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ADD

SB

180

Title

29

Rewrite

p. 10-12 ORGANIZATIONAL GRANTS  
 p. 27 DIRECT HOME RULE CITY FORMATION  
 p. 88 AS 24-40.090 ABBREVIATED PLATS AND WAIVERS  
 p. 99-100 ANCSA language - defining "developed" "exploration" and "lease"  
 p. 101 - Boat taxation - line 12

p. 73-74. Sec. 29.35.060

p. 96, line 13 - Subsection 7 - Renumber

p. 146, lines 24-29 Subsection (b)  
 p. 147, lines 1-2, remainder of Subsection (c)

p. 153, line 28 - Delete "contract"

p. 154, line 14 - ... data [5,7] Delete remainder of lines 14, 15 & 16



p. 55 - line 9, "the governing body of"

p. 73-74 Existing T29 language - re-numbered

p. 153, line 18 - After "community" insert "to be used for a public purpose."

- add ~~to~~ current interest rates -

Base:

House CS for  
 CS for Senate  
 Bill No. 180 (Finance)

Offered: 5/8/82

p. 189 FEASIBILITY STUDIES OF PROPOSED BOROUGHs

THINGS TO LOOK AT: *Editorial*

Municipal Powers Section

p. 61 line 6 - "bill" and "act"

p. 60 line 16 - "bill" and "act"

p. 114 - penalty and interest - check *interest rates*

THE PRECEDING DOCUMENT(S) MAY NOT FILM  
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ORIGINAL.

Original sponsor: Rules/Legislative Council.

Offered: 5/8/82  
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 180 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal government; and providing  
7 for an effective date."

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

9 \* Section 1. AS 29.03 is amended by adding a new section to read:

10 Sec. 29.03.030. PLATTING AUTHORITY. Subject to AS 40.15.075, the  
11 Department of Natural Resources is the platting authority in the un-  
12 organized borough in the area outside all cities.

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

14 CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

15 Sec. 29.04.010. HOME RULE. A home rule municipality is a municipi-  
16 pal corporation and political subdivision. It is a city or a borough  
17 that has adopted a home rule charter, or it is a unified municipality.  
18 A home rule municipality has all legislative powers not prohibited by  
19 law or charter.

20 Sec. 29.04.020. GENERAL LAW. A general law municipality is a  
21 municipal corporation and political subdivision and is an unchartered  
22 borough or city. It has legislative powers conferred by law.

23 Sec. 29.04.030. CLASSES OF GENERAL LAW. General law municipali-  
24 ties are of five classes:

- 25 (1) first class boroughs;  
26 (2) second class boroughs;  
27 (3) third class boroughs;  
28 (4) first class cities;  
29 (5) second class cities.

1           Sec. 29.04.040. RECLASSIFICATION. (a) A second class city may be  
2 reclassified as a first class city by holding an election on the ques-  
3 tion, if the department determines from the best figures available that  
4 the population of the city has reached 600 permanent residents.

5           (b) An election on the question of reclassification may be ini-  
6 tiated in two ways:

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

10           (2) the council may propose reclassification.

11           (c) The council shall hold at least one public hearing in the city  
12 on the question of reclassification. The council shall then evaluate  
13 the ability of the city to assume first class status and make its find-  
14 ings public.

15           (d) The council shall, within 30 days after its findings have been  
16 made public, order an election on the question of reclassification. The  
17 election shall be held at least 30 days after the order and not later  
18 than the next regular election occurring after the 30-day period. If  
19 more than one question is to be voted on at the election, each appears  
20 separately on the ballot.

21           (e) The council shall certify the election results to the depart-  
22 ment. If the majority of votes cast is favorable, the city shall be  
23 considered reclassified to first class status 30 days after certification  
24 of the election results.

25           (f) A second class borough may reclassify as a first class borough  
26 in the manner provided by AS 29.35.320 - 29.35.330 for the addition of  
27 an areawide power by a first or second class borough, except the petition  
28 or proposal requests reclassification instead of requesting addition of  
29 a power.

1 (g) A third class borough may reclassify as a first or second  
2 class borough in the manner provided by AS 29.35.320 - 29.35.330 for the  
3 addition of an areawide power by a first or second class borough, except  
4 the petition or proposal requests reclassification instead of requesting  
5 addition of a power.

6 (h) At the time of voting on reclassification of a third class  
7 borough to first or second class status, voters shall vote also on  
8 whether the borough shall on reclassification retain a combined assembly  
9 and school board or elect a separate assembly and board as otherwise  
10 provided for first and second class boroughs. If the majority of votes  
11 cast on the question favors retention of the combined assembly and  
12 board, the assembly serving at the time of the reclassification election  
13 continues to serve as the assembly and board on voter approval of re-  
14 classification and until terms of assemblymen expire as provided before  
15 reclassification. If a separate board and assembly are approved at the  
16 reclassification election, a school board shall be elected in conformity  
17 with AS 14.12.030 - 14.12.100 at the next regular election, if it occurs  
18 within 90 days of the date of the reclassification election, or other-  
19 wise at a special election within 90 days of the date of the reclassi-  
20 fication election. Expiration dates of terms of school board members  
21 elected at a special election must coincide with the date of the regular  
22 election. Until a board is elected and qualified, the assembly continues  
23 to serve as the board.

24 \* Sec. 3. AS 29 is amended by adding a new chapter to read:

25 CHAPTER 05. INCORPORATION.

26 ARTICLE 1. REQUIREMENTS.

27 Sec. 29.05.010. INCORPORATION OF A CITY. (a) A community that  
28 meets the following standards may incorporate as a home rule or first  
29 class city:

- 1 (1) the community has 600 or more permanent residents;  
2 (2) the boundaries of the proposed city include all areas  
3 necessary to provide municipal services on an efficient scale;  
4 (3) the economy of the community includes the human and  
5 financial resources necessary to provide municipal services; in con-  
6 sidering the economy of the community, the Local Boundary Commission  
7 shall consider property values, economic base, personal income, resource  
8 and commercial development, anticipated functions, and the expenses and  
9 income of the proposed city, including the ability of the community to  
10 generate local revenue;  
11 (4) the population of the community is stable enough to  
12 support city government;  
13 (5) there is a demonstrated need for city government.

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

16 Sec. 29.05.020. LIMITATIONS ON INCORPORATION OF A CITY. (a) A  
17 community in the unorganized borough may not incorporate as a city if  
18 the services to be provided by the proposed city can be provided by  
19 annexation to an existing city.

20 (b) A community within a borough may not incorporate as a city if  
21 the services to be provided by the proposed city can be provided on an  
22 statewide or nonstatewide basis by the borough in which the proposed city  
23 is located, or by annexation to an existing city.

24 Sec. 29.05.030. INCORPORATION OF A BOROUGH. (a) An area that  
25 meets the following standards may incorporate as a home rule, first  
26 class, or second class borough:

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

1 (2) the boundaries of the proposed borough conform generally  
2 to natural geography and include all areas necessary for full develop-  
3 ment of municipal services;

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

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

12 (b) An area may not incorporate as a third class borough.

13 ARTICLE 7. PROCEDURE.

14 Sec. 29.05.060. PETITION. Municipal incorporation is proposed by  
15 filing a petition with the department. The petition shall include the  
16 following information about the proposed municipality:

17 (1) class;

18 (2) name;

19 (3) boundaries;

20 (4) maps, documents, and other information required by the  
21 department;

22 (5) composition and apportionment of the governing body;

23 (6) a proposed operating budget for the municipality project-  
24 ing sources of income and items of expenditure through the first full  
25 fiscal year of operation;

26 (7) for a borough, based on the number who voted in the  
27 respective areas in the last general election, the signature and resident  
28 address of 15 percent of the voters in

29 (A) home rule and first class cities in the area of the

1 proposed borough; and

2 (B) the area of the proposed borough outside home rule  
3 and first class cities;

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

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

8 (10) for a first or second class city, a designation of the  
9 powers to be exercised;

10 (11) for a home rule or first class city, based on the number  
11 who voted in the area in the last general election, the signatures and  
12 resident address of 50 voters in the proposed city or of 15 percent of  
13 the voters in the proposed city, whichever is greater;

14 (12) for a second class city, based on the number who voted in  
15 the area in the last general election, the signature and resident address  
16 of 25 voters in the proposed city or of 15 percent of the voters in the  
17 proposed city, whichever is greater;

18 (13) for a home rule municipality, a proposed home rule  
19 charter.

20 Sec. 29.05.070. REVIEW. The department shall review an incorpora-  
21 tion petition for content and signatures and shall return a deficient  
22 petition for correction and completion.

23 Sec. 29.05.080. INVESTIGATION. (a) If an incorporation petition  
24 contains the required information and signatures, the department shall  
25 investigate the proposal and shall hold at least one public informational  
26 meeting in the area proposed for incorporation. The department shall  
27 publish notice of the meeting.

28 (b) The department may combine incorporation petitions from the  
29 same general area.

1 (c) The department shall report its findings to the Local Boundary  
2 Commission with its recommendations regarding the incorporation.

3 Sec. 29.05.090. HEARING. The Local Boundary Commission shall hold  
4 at least one public hearing in the area proposed to be incorporated for  
5 the purpose of receiving testimony and evidence on the proposal.

6 Sec. 29.05.100. DECISION. (a) If the Local Boundary Commission  
7 determines that a proposed municipality fails to meet the standards for  
8 incorporation, it shall reject the petition. If the commission deter-  
9 mines that the proposed municipality meets the standards, it shall  
10 accept the petition. If the commission determines that the proposed  
11 boundaries can be altered to meet the standards, it may alter the bound-  
12 aries and accept the petition.

13 (b) A Local Boundary Commission decision under this section may be  
14 appealed under the Administrative Procedure Act (AS 44.62).

15 Sec. 29.05.110. INCORPORATION ELECTION. (a) The Local Boundary  
16 Commission shall immediately notify the director of elections of its  
17 acceptance of an incorporation petition. Within 30 days after notifi-  
18 cation, the director of elections shall order an election in the pro-  
19 posed municipality to determine whether the voters desire incorporation  
20 and, if so, to elect the initial municipal officials. If incorporation  
21 is rejected, no officials are elected. The election must be held not  
22 less than 30 or more than 90 days after the date of the election order.  
23 The election order must specify the dates during which nomination peti-  
24 tions for election of initial officials may be filed.

25 (b) A voter who has been a resident of the area within the pro-  
26 posed municipality for 30 days before the date of the election order may  
27 vote.

28 (c) Areawide borough powers included in an incorporation petition  
29 are considered to be part of the incorporation question. In an election

1 for the incorporation of a second class borough, each nonareawide power  
2 to be exercised is placed separately on the ballot. Adoption of a  
3 nonareawide power requires a majority of the votes cast on the question,  
4 and the vote is limited to the voters residing in the proposed borough  
5 but outside all cities in the borough.

6 (d) A home rule charter included in an incorporation petition  
7 under AS 29.05.060(13) is considered to be part of the incorporation  
8 question. The home rule charter is adopted if the voters approve in-  
9 corporation of the municipality.

10 (e) The director of elections shall supervise the election in the  
11 general manner prescribed by the Alaska Election Code (AS 15). The  
12 state shall pay all election costs under this section.

13 Sec. 29.05.120. ELECTION OF INITIAL OFFICIALS. (a) Nominations  
14 for initial municipal officials are made by petition. The petition  
15 shall be in the form prescribed by the director of elections and include  
16 the name and address of the nominee and a statement of the nominee that  
17 he is qualified under the provisions of this title for the office that  
18 he seeks. A person may file for and occupy more than one office, but he  
19 may not serve simultaneously as borough mayor and as a member of the  
20 assembly or as city mayor and as a member of the council.

21 (b) Except for a proposed second class city, petitions to nominate  
22 initial officials must include the signature and resident address of 50  
23 voters in the area of the proposed municipality, or that area of the  
24 proposed municipality from which the officials are to be elected under  
25 the composition and apportionment set out in the accepted incorporation  
26 petition.

27 (c) Petitions to nominate initial officials of a second class city  
28 must include the signature and resident address of 10 voters in the area  
29 of the proposed city.

1 (d) The director of elections shall supervise the election in the  
2 general manner prescribed by the Alaska Election Code (AS 15). The  
3 state shall pay all election costs.

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

6 (f) The initial elected members of the governing body shall deter-  
7 mine by lot the length of their terms of office so that a proportionate  
8 number of terms expire each year, resulting in staggered terms of office  
9 for members subsequently elected.

10 Sec. 29.05.130. INTEGRATION OF SPECIAL DISTRICTS AND SERVICE  
11 AREAS. A service area in a newly incorporated municipality shall be  
12 integrated into the municipality within two years after the date of  
13 incorporation. On integration the municipality succeeds to all the  
14 rights, powers, duties, assets and liabilities of the service area.  
15 After integration, the municipality may exercise in a former service  
16 area all of the rights and powers exercised by the service area at the  
17 time of integration, and, as successor to the service area, may levy and  
18 collect special charges, taxes, or assessments to amortize bonded in-  
19 debtedness incurred by the service area or by a municipality in which  
20 the service area was formerly located. On integration all property in  
21 the service area subject to taxation to pay the principal and interest  
22 on bonds at the time of integration remains subject to taxation for that  
23 purpose.

24 Sec. 29.05.140. TRANSITION. (a) The powers and duties exercised  
25 by cities and service areas that are succeeded to by a newly incorporated  
26 municipality continue to be exercised by the cities and service areas  
27 until the new municipality assumes the powers and functions, which may  
28 not exceed two years after the date of incorporation. Ordinances,  
29 rules, resolutions, procedures, and orders in effect before the transfer

1 remain in effect until superseded by the action of the new municipality.

2 (b) Before the assumption, the new municipality shall give written  
3 notice of its assumption of the rights, powers, duties, assets, and  
4 liabilities under this section and AS 29.05.130 to the city or service  
5 area concerned. Municipal officials shall consult with the officials of  
6 the city or service area concerned and arrange an orderly transfer.

7 (c) After the incorporation of a new municipality, no service area  
8 in it may assume new bonded indebtedness, make a contract, or transfer  
9 an asset without the consent of the governing body.

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

12 Sec. 29.05.150. CHALLENGE OF LEGALITY. A person may not challenge  
13 the formation of a municipality except within six months after the date  
14 of its incorporation.

### 15 ARTICLE 3. TRANSITIONAL ASSISTANCE.

16 Sec. 29.05.180. ORGANIZATION GRANTS TO CITIES. (a) To defray the  
17 cost of transition to city government and to provide for interim govern-  
18 ment operations, each city incorporated after July 1, 1982, or, in the  
19 case of a second class city, incorporated or reclassified as a first  
20 class city after July 1, 1982, is entitled to an organization grant of  
21 \$50,000 for the first full or partial fiscal year. The department shall  
22 disburse the organization grant within 30 days after certification of  
23 the incorporation election or the reclassification election, as soon  
24 after that as money is appropriated for the purpose.

25 (b) A city entitled to an organization grant under (a) of this  
26 section is entitled to a second organization grant of \$25,000. The  
27 department shall disburse the second organization grant within 30 days  
28 after the beginning of the city's second fiscal year, or as soon after  
29 that time as money is appropriated for the purpose.

1           Sec. 29.05.190. ORGANIZATION GRANTS TO BOROUGHES. (a) To defray  
2 the cost of transition to borough government and to provide for interim  
3 government operations, each borough incorporated after July 1, 1982 is  
4 entitled to organization grants for the first three fiscal years after  
5 incorporation as follows:

- 6           (1) \$300,000 for the first full or partial year;  
7           (2) \$200,000 for the second year; and  
8           (3) \$100,000 for the third year.

9           (b) The department shall disburse the first organization grant to  
10 a borough within 30 days after certification of the incorporation  
11 election favoring incorporation of a borough, or as soon after that as  
12 money is appropriated for the purpose. The second grant shall be  
13 disbursed within 30 days after the beginning of the borough's second  
14 fiscal year, or as soon after that as money is appropriated for the  
15 purpose. The third grant shall be disbursed within 30 days after the  
16 beginning of the borough's third fiscal year, or as soon after that as  
17 money is appropriated for the purpose.

18           (c) This section does not apply to a borough incorporated by  
19 consolidation or to a unified municipality.

20           Sec. 29.05.200. ORGANIZATION GRANT FUND. (a) The organization  
21 grant fund is established in the department. An appropriation made to  
22 the fund shall be used for organization grants to municipalities that  
23 qualify under AS 29.05.180 or 29.05.190 during the fiscal year.

24           (b) Before August 31 of each fiscal year the department shall  
25 submit a report to the Department of Administration indicating

- 26           (1) each municipality that qualifies to receive an organiza-  
27 tion grant during the next fiscal year;  
28           (2) the amount of money needed to cover all organization  
29 grants during the next fiscal year.

1           Sec. 29.05.210. TRANSITIONAL ASSISTANCE TO BOROUGHES. (a) Within  
2 30 days after the date of incorporation of a borough incorporated after  
3 July 1, 1982, the department shall determine the population of the  
4 borough.

5           (b) The department shall provide assistance to each borough in-  
6 corporated after July 1, 1982, in

7           (1) establishing the initial sales and use tax assessment and  
8 collection department for a borough that has adopted a sales or use tax;

9           (2) determining the initial property tax assessment roll for  
10 a borough that has adopted a property tax, including contracting for  
11 appraisals of property needed to complete the initial assessment.

12           (c) This section does not apply to a borough incorporated by  
13 consolidation or to a unified municipality.

14 \* Sec. 4. AS 29 is amended by adding a new chapter to read:

15           CHAPTER 06. ALTERATION OF MUNICIPALITIES.

16           ARTICLE 1. CHANGE OF NAME.

17           Sec. 29.06.010. CHANGE OF MUNICIPAL NAME. (a) The governing body  
18 of a municipality may change the official municipal name by adopting an  
19 ordinance for the purpose and filing the ordinance with the office of  
20 the lieutenant governor. Upon receipt of an ordinance ratified by the  
21 voters, the lieutenant governor shall issue an order to the municipality  
22 changing its existing name. The name change shall become effective on a  
23 date fixed in the order and occurring within 45 days after receipt of  
24 the ordinance. A copy of the order shall be transmitted to the depart-  
25 ment.

26           (b) If an ordinance adopted under (a) of this section that results  
27 in a change of the municipal name is subsequently repealed, the lieu-  
28 tenant governor shall issue an order reinstating the former name within  
29 45 days after the date of the order, unless a different name is adopted

1 as provided in (a) of this section.

2 (c) When a municipal name change takes effect by means of an order  
3 issued under (a) or (b) of this section, a civil or criminal suit,  
4 application, petition, hearing or other proceeding to which the municipi-  
5 pality is a party and that is pending at or brought after the date the  
6 name change takes effect shall proceed in the municipal name as changed  
7 by the order.

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

10 ARTICLE 2. ANNEXATION AND DETACHMENT.

11 Sec. 29.06.040. LOCAL BOUNDARY COMMISSION. (a) The Local Boundary  
12 Commission may consider any proposed municipal boundary change. It may  
13 reject the proposed change, accept the proposed change, or alter the  
14 boundaries and accept the proposal as altered. A Local Boundary Commis-  
15 sion decision under this subsection may be appealed under the Adminis-  
16 trative Procedure Act (AS 44.62).

17 (b) The Local Boundary Commission may present a proposed municipal  
18 boundary change to the legislature during the first 10 days of a regular  
19 session. The change becomes effective 45 days after presentation or at  
20 the end of the session, whichever is earlier, unless disapproved by a  
21 resolution concurred in by a majority of the members of each house.

22 (c) In addition to the regulations governing annexation by local  
23 action adopted under AS 4'.47.567, the Local Boundary Commission shall  
24 establish procedures for annexation and detachment of territory by  
25 municipalities by local action. The procedures established under this  
26 subsection include a provision that

27 (1) a proposed annexation and detachment must be approved by  
28 a majority of votes on the question cast by voters residing in the area  
29 proposed to be annexed or detached;

1 (2) municipally owned property adjoining the municipality may  
2 be annexed by ordinance without voter approval; and

3 (3) an area adjoining the municipality may be annexed by  
4 ordinance without an election if all property owners and voters in the  
5 area petition the governing body.

6 (d) A boundary change effected under (a) and (b) of this section  
7 prevails over a boundary change initiated by local action, without  
8 regard to priority in time.

9 Sec. 29.06.050. ANNEXATION OF MILITARY RESERVATIONS. A military  
10 reservation may be annexed to a municipality in the same manner as pre-  
11 scribed for other territory under AS 29.06.040. If a city in a borough  
12 annexes a military reservation under this section, the area encompassing  
13 the military reservation automatically is annexed to the borough in which  
14 the city is located.

15 Sec. 29.06.060. APPLICATION. AS 29.06.040 - 29.06.060 apply to  
16 home rule and general law municipalities.

17 ARTICLE 3. MERGER AND CONSOLIDATION.

18 Sec. 29.06.090. MERGER AND CONSOLIDATION. (a) Two or more muni-  
19 cipalities may merge or consolidate to form a single municipality,  
20 except a third class borough may not be formed through merger or consoli-  
21 dation.

22 (b) Two methods may be used to initiate merger or consolidation of  
23 municipalities:

24 (1) petition to the Local Boundary Commission under regula-  
25 tions adopted by the commission; or

26 (2) the local option method specified in AS 29.06.100 -  
27 29.06.160.

28 Sec. 29.06.100. PETITION. (a) Residents of two or more muni-  
29 cipalities may file a merger or consolidation petition with the depart-

1 ment. The petition must be signed by a number of voters of each exist-  
2 ing municipality equal to at least 25 percent of the number of votes  
3 cast in each municipality's last regular election.

4 (b) The petition includes

- 5 (1) the name and class of each existing municipality;  
6 (2) the name and class of the proposed municipality;  
7 (3) the proposed composition and apportionment of the govern-  
8 ing body;  
9 (4) maps, documents, and other information that shows that  
10 the proposed municipality meets the standards for municipal incorpora-  
11 tion.

12 Sec. 29.06.110. REVIEW. (a) The department shall review a merger  
13 or consolidation petition for content and signatures and shall return a  
14 deficient petition for correction or completion.

15 (b) If the petition contains the required information and signa-  
16 tures, the department shall investigate the proposal.

17 (c) The department shall report its findings to the Local Boundary  
18 Commission with its recommendation regarding the merger or consolida-  
19 tion.

20 Sec. 29.06.120. HEARING. After receipt of the report by the  
21 department on a merger or consolidation petition, the Local Boundary  
22 Commission shall hold at least one public hearing in each of the existing  
23 municipalities included in the petition, unless officials of the muni-  
24 cipalities agree to a single hearing.

25 Sec. 29.06.130. DECISION. (a) If the Local Boundary Commission  
26 determines that the proposed municipality fails to meet the standards  
27 for incorporation, it shall reject the merger or consolidation petition.  
28 If the commission determines that the proposed municipality meets these  
29 standards, it shall accept the petition. If the commission determines

1 that the proposed boundaries or the composition and apportionment of the  
2 governing body can be altered to meet the standards, it may change the  
3 proposal and accept the petition.

4 (b) A Local Boundary Commission decision under this section may be  
5 appealed under the Administrative Procedure Act (AS 44.62).

6 Sec. 29.06.140. ELECTION. (a) The Local Boundary Commission  
7 shall immediately notify the director of elections of its acceptance of  
8 a merger or consolidation petition. Within 30 days after notification,  
9 the director of elections shall order an election in the area to be  
10 included in the new municipality to determine whether the voters desire  
11 merger or consolidation. The election must be held not less than 30 or  
12 more than 90 days after the election order. A voter who is a resident  
13 of the area to be included in the proposed municipality may vote.

14 (b) The director of elections shall supervise the election in the  
15 general manner prescribed by the Alaska Election Code (AS 15). The  
16 state shall pay all election costs.

17 (c) The director of elections shall certify the election results.  
18 If merger or consolidation is approved, he shall, within 10 days, set a  
19 date for election of officials of the new municipality. The election  
20 date must be not less than 60 or more than 90 days after the election  
21 order and it is the effective date for the merger or consolidation.

22 Sec. 29.06.150. ASSETS AND LIABILITIES. (a) When two or more  
23 municipalities merge, one succeeds to the rights, powers, duties, assets,  
24 and liabilities of the others.

25 (b) When two or more municipalities consolidate, the newly incor-  
26 porated municipality succeeds to the rights, powers, duties, assets, and  
27 liabilities of the consolidated municipalities.

28 Sec. 29.06.160. TRANSITION. After merger or consolidation, the  
29 ordinances, resolutions, regulations, procedures, and orders of the

1 former municipalities remain in force in their respective territories  
2 until superseded by the action of the new municipality.

3 Sec. 29.06.170. APPLICATION. AS 29.06.090 - 29.06.170 apply to  
4 home rule and general law municipalities.

5 ARTICLE 4. UNIFICATION OF MUNICIPALITIES.

6 Sec. 29.06.190. UNIFICATION OF MUNICIPALITIES AUTHORIZED. A  
7 borough and all cities in the borough may unite to form a single unit of  
8 home rule government by complying with AS 29.06.190 - 29.06.400.

9 Sec. 29.06.200. UNIFICATION PROPOSED. (a) Formation of a charter  
10 commission to prepare a unification charter shall be proposed by resolu-  
11 tion of the assembly or by petition. A resolution to propose formation  
12 of a charter commission may be adopted not more often than once every 12  
13 months.

14 (b) An assembly, a council, or a person living in the area proposed  
15 for unification may initiate a unification petition.

16 Sec. 29.06.210. PETITION REQUIREMENTS. (a) A unification peti-  
17 tion shall read:

18 "PETITION FOR ELECTION OF CHARTER COMMISSION TO PROPOSE UNIFICATION  
19 CHARTER. We, the undersigned, qualified voters of the borough do hereby  
20 petition that the following proposition be placed before the voters as  
21 provided by law: 'Shall a charter commission be formed (and charter com-  
22 mission members be elected as elsewhere provided on this ballot) to  
23 prepare, adopt and submit to the voters for their approval or rejection  
24 a proposed charter uniting the borough and all cities within it as a  
25 single unit of home rule government having the powers, duties and func-  
26 tions of a united municipality as authorized by law? Yes [ ] No [ ]'

27 Inside First Class Outside First  
28 Class or or

29 Signature Address Home Rule City Home Rule City"

1 (b) The petition shall be signed by at least

2 (1) the number of voters residing outside all home rule and  
3 first class cities in the borough equal to 25 percent of the votes cast  
4 in that area in the last regular borough election; and

5 (2) the number of voters residing in home rule or first class  
6 cities in the borough equal to 25 percent of the votes cast in all home  
7 rule and first class cities in the borough in the last regular borough  
8 election.

9 Sec. 29.06.220. REVIEW OF PETITION. The assembly shall review a  
10 unification petition within 15 days to determine whether it complies  
11 with AS 29.06.210. If the petition does not meet the designated re-  
12 quirements, it shall be immediately returned to the person who initiated  
13 the petition with a statement indicating which requirements have not  
14 been satisfied.

15 Sec. 29.06.230. COMPOSITION OF CHARTER COMMISSION. The charter  
16 commission shall consist of 11 voters, three of whom are residents  
17 elected at large from the borough and eight of whom, proportionate to  
18 the population as determined by the department, are

19 (1) residents of and elected from the area outside all home  
20 rule and first class cities in the borough; or,

21 (2) residents of and elected from home rule or first class  
22 cities in the borough.

23 Sec. 29.06.240 CHARTER COMMISSION NOMINATIONS. (a) If the  
24 assembly determines that a unification petition meets the requirements  
25 of AS 29.06.210, or the assembly by its resolution proposes an election  
26 on formation of a charter commission, the assembly shall issue a call  
27 for the nomination of commission candidates, specifying the filing  
28 deadline and the procedure for making nominations.

29 (b) Charter commission candidates shall be nominated by petition

1 signed by at least 50 voters of the area from which the candidate seeks  
2 election, or by a number of voters from that area equal to at least 10  
3 percent of the number of votes cast from that area in the last regular  
4 borough election, whichever is less.

5 (c) Nomination petitions shall be filed with the borough clerk at  
6 least 30 days after notice of the call for nominations has been given on  
7 or before a date fixed by the assembly.

8 (d) If at least one nomination of a qualified charter commission  
9 candidate for each available seat is not filed, the unification petition  
10 or resolution to propose formation of a charter commission is void and  
11 no election on the question shall be held.

12 Sec. 29.06.250. QUALIFICATIONS OF CANDIDATES. A person is eli-  
13 gible to be nominated as a candidate for the charter commission if he  
14 has been a voter of the area from which he seeks election for at least  
15 one year immediately preceding the date his nomination petition is  
16 filed.

17 Sec. 29.06.260. ELECTION. (a) After receipt of a valid unifica-  
18 tion petition or adoption of an assembly resolution to propose formation  
19 of a charter commission, the assembly shall submit to the voters the  
20 question of whether a charter commission shall be formed to prepare a  
21 proposed unification charter. The vote shall be held at the next regular  
22 borough election scheduled at least 90 days after receipt of the petition  
23 or adoption of the resolution. The ballot shall be worded exactly as in  
24 AS 29.06.210(a).

25 (b) The election of charter commission members shall take place at  
26 the same time as the election on the question of formation of the commis-  
27 sion.

28 (c) All costs incurred in conducting an election under AS 29.06.-  
29 190 - 29.06.400 shall be paid by the borough.

1           Sec. 29.06.270. REQUIREMENTS FOR APPROVAL OF FORMATION AND ELECTION  
2 OF CHARTER COMMISSION. (a) The votes on the question of formation of a  
3 charter commission shall be tabulated in two separate classifications.  
4 One classification consists of all votes cast in first class and home  
5 rule cities in the borough. The other classification consists of all  
6 votes cast in the remaining area of the borough. In order for formation  
7 of a charter commission to be approved, a majority of the votes in each  
8 classification must favor formation of the commission.

9           (b) If formation of a charter commission is approved, candidates  
10 who received the highest number of votes from their respective areas  
11 shall serve as members of the commission.

12           Sec. 29.06.280. CHARTER COMMISSION ORGANIZATION AND PROCEDURE.

13           (a) The charter commission shall hold its first meeting within 30 days  
14 after certification of its election. The commission shall elect from  
15 among its members a chairman and a deputy chairman.

16           (b) A majority of the total membership of the charter commission  
17 constitutes a quorum. A decision of the commission is not valid or  
18 binding unless approved by the number of members necessary to constitute  
19 a quorum.

20           (c) The charter commission may elect other officials from among  
21 its membership, adopt rules governing its procedures that are consistent  
22 with AS 29.06.190 - 29.06.400 and hire and discharge employees.

23           (d) Meetings of the charter commission shall be open to the public  
24 at all times. A journal of commission proceedings shall be kept and  
25 made available for public inspection at the borough office.

26           Sec. 29.06.290. VACANCIES. (a) Vacancies on the charter commis-  
27 sion shall be filled by a majority vote of the commission, except the  
28 assembly shall appoint members to fill vacancies if, after a proposed  
29 charter is rejected by the voters, more than one-half of the members

1 resign.

2 (b) A person who fills a vacancy on the charter commission must be  
3 a voter of the same area as the person whom he succeeds and must have  
4 been a voter of that area for at least one year immediately preceding  
5 the date he fills the vacancy.

6 Sec. 29.06.300. PER DIEM. The assembly may grant a per diem  
7 allowance to members of the charter commission and may reimburse the  
8 members for travel expenses incurred in carrying out the duties pre-  
9 scribed by AS 29.06.190 - 29.06.400. Costs, fees, and other expenses  
10 incurred by the commission are a debt of the borough and shall be paid  
11 upon proper verification.

12 Sec. 29.06.310. CHARTER PREPARATION. The charter commission shall  
13 prepare, adopt, and submit a proposed home rule charter for the area to  
14 be unified to the voters for approval or rejection. The charter shall  
15 include

16 (1) provision for adjustment of existing bonded indebtedness  
17 and other obligations in a manner that will reserve a fair and equitable  
18 burden of taxation for debt service, subject to AS 29.06.370;

19 (2) provision for

20 (A) the establishment of service areas; and

21 (B) if election of members of the governing body is not  
22 areawide, the establishment of districts for the election of members  
23 of the governing body of the proposed unified municipality and  
24 procedures by which to reapportion the election districts;

25 (C) reapportionment of districts if they are established;

26 (3) provision for nonpartisan government, and the selection,  
27 organization, authority, and responsibilities of the governing body and  
28 its executive and administrator;

29 (4) the transfer or other disposition of property and other

1 rights, claims, assets, and franchises of the municipalities to be  
2 unified under the charter;

3 (5) provision for exercise of the rights of initiative and  
4 referendum;

5 (6) a method of amending the charter;

6 (7) the date on which the charter, if approved at the charter  
7 election, is effective;

8 (8) designation of the proposed unified municipality's offi-  
9 cial name;

10 (9) other charter provisions that may be included in a home  
11 rule charter.

12 Sec. 29.06.320. PUBLIC HEARINGS. Both before and after drafting  
13 the proposed home rule charter, the charter commission shall hold a  
14 public hearing in each area represented on the assembly. Other public  
15 hearings may be held by the commission as it considers necessary.

16 Sec. 29.06.330. FILING OF PROPOSED CHARTER. Upon the adoption of  
17 a proposed home rule charter by the charter commission, the charter  
18 shall be signed by at least a majority of the total membership of the  
19 commission and shall be filed with the borough clerk. A copy of the  
20 charter with signatures affixed shall also be filed with the clerk of  
21 each city in the borough.

22 Sec. 29.06.340. PUBLICATION AND POSTING OF PROPOSED CHARTER.  
23 Within 10 days after filing the proposed home rule charter, the borough  
24 clerk shall have it published. In addition, the clerk shall have a copy  
25 of the proposed charter posted in at least three public places in each  
26 city and each unincorporated community in the borough. Copies of the  
27 proposed charter shall be made available by the assembly to the public  
28 at both the office of the borough clerk and the office of the clerk of  
29 each city in the borough. The clerk shall have notice of the publica-

tion, posting, and availability of the proposed charter published.

1  
2       Sec. 29.06.350. ELECTION ON CHARTER. (a) The proposed home rule  
3 charter adopted by the charter commission shall be submitted to the  
4 voters at a borough election held within 60 days of the date of publi-  
5 cation and posting of the proposed charter. The borough clerk shall  
6 prepare the ballots for use in the election and shall give notice of the  
7 election by radio and television in a manner intended to apprise the  
8 entire borough population of the election. The election shall be con-  
9 ducted under procedures applicable to regular elections.

10       (b) A person who is a voter of the borough may vote in the elec-  
11 tion on the proposed charter.

12       (c) If a majority of the votes in the area of the borough outside  
13 all home rule or first class cities, and a majority of the votes in all  
14 home rule and first class cities in the borough are cast in favor of the  
15 proposed charter, the charter is ratified. If the charter is ratified,  
16 election results shall be certified to the commission and two copies of  
17 the charter shall be filed with

- 18           (1) the lieutenant governor;  
19           (2) the commissioner of the department;  
20           (3) the district recorder for the area of the borough;  
21           (4) the clerk of the borough;  
22           (5) the clerk of each city in the borough.

23       (d) If a proposed charter is rejected, the charter commission  
24 shall prepare, adopt, and submit another proposed charter to the voters  
25 at a borough election held within one year after the date of the first  
26 charter election. If the second proposed charter is also rejected, the  
27 charter commission shall be dissolved and the question of unification  
28 shall be treated as if it had never been proposed or approved.

29       Sec. 29.06.360. EFFECT OF THE CHARTER AFTER RATIFICATION. Upon

1 ratification, the home rule charter of a unified municipality operates  
2 to dissolve all municipalities in the area unified in accordance with  
3 the charter.

4 Sec. 29.06.370. ASSETS AND LIABILITIES. A unified municipality  
5 shall succeed to all the assets and liabilities of the municipalities it  
6 unified. A bonded indebtedness or other debt incurred before unifi-  
7 cation remains the tax obligation of the area that contracted the debt,  
8 except that by ordinance the tax obligation may be assumed by a larger  
9 area if the governing body determines that the asset for which the  
10 bonded indebtedness or other debt was incurred benefited the larger area  
11 before unification, or benefits the larger area after unification.  
12 However, bonded indebtedness or other debt for sewage collection sys-  
13 tems, water distribution systems, and streets, even if determined to be  
14 benefiting a larger area than that which incurred the debt, remains the  
15 tax obligation of the area that incurred the debt.

16 Sec. 29.06.380. TRANSITION. Within two years after ratification  
17 of the home rule charter, the unified municipality shall revise, repeal,  
18 or reaffirm all municipal ordinances, resolutions, and orders in effect  
19 in the area of the unified municipality on the date of unification.  
20 Each ordinance, resolution, regulation, or order in effect on the date  
21 of unification remains in effect until superseded by action of the  
22 unified municipality.

23 Sec. 29.06.390. RIGHT TO STATE AND FEDERAL AID. All provisions of  
24 law authorizing aid from the state or federal government to a former  
25 municipality that was in the area of a unified municipality remain in  
26 effect after unification.

27 Sec. 29.06.400. POWERS OF A UNIFIED MUNICIPALITY. A municipality  
28 unified under AS 29.06.190 - 29.06.400 has all powers

29 (1) not prohibited by law or charter; and

1 (2) granted to a home rule borough.

2 Sec. 29.06.410. APPLICATION. AS 29.06.190 - 29.06.410 apply to  
3 home rule and general law municipalities.

4 ARTICLE 5. DISSOLUTION.

5 Sec. 29.06.450. METHODS OF DISSOLUTION. (a) Two petition methods  
6 may be used to initiate dissolution of a municipality;

7 (1) petition to the Local Boundary Commission under regula-  
8 tions adopted by the commission; or

9 (2) the local option method specified in AS 29.06.460 -  
10 29.06.520.

11 (b) The department shall investigate a municipality that it con-  
12 siders to be inactive and shall report to the Local Boundary Commission  
13 on the status of the municipality. The commission may submit its  
14 recommendation to the legislature that the municipality be dissolved in  
15 the manner provided for submission of boundary changes in art. X, sec.  
16 12 of the state constitution.

17 (c) A borough is dissolved when its entire territory is included  
18 in a home rule or first class city or cities. A city is dissolved when  
19 all its powers become areawide borough powers.

20 Sec. 29.06.460. PETITION. (a) Residents of a municipality may  
21 file a dissolution petition with the department in the form prescribed  
22 by the department. The petition must be signed by a number of voters  
23 equal to at least 25 percent of the number of votes cast in the last  
24 regular election in that municipality.

25 (b) The petition must include

26 (1) the name of the municipality;

27 (2) maps, documents, and other information showing that the  
28 municipality meets the standards for dissolution.

29 Sec. 29.06.470. STANDARDS. (a) Except as provided in (b) of this

1 section, residents of a municipality may petition for dissolution when

2 (1) it is free of debt, or, if in debt, each of its creditors  
3 is satisfied with a method of repayment; and

4 (2) either it no longer meets the minimum standards pre-  
5 scribed for incorporation by AS 29.05, or former AS 29.18.030 if it is a  
6 third class borough, or it ceases to use each one of its mandatory  
7 powers.

8 (b) Residents of a city in a borough may petition for dissolution  
9 if the borough consents to assume the city's rights, powers, duties,  
10 assets, and liabilities. The consent must be ratified by a majority of  
11 borough voters voting on the question.

12 Sec. 29.06.480. REVIEW. (a) The department shall review a dis-  
13 solution petition for content and signatures, and shall return a defi-  
14 cient petition for correction or completion.

15 (b) If the petition contains the required information and signa-  
16 tures, the department shall investigate the proposal.

17 Sec. 29.06.490. REPORT AND HEARING. (a) The department shall  
18 report its findings to the Local Boundary Commission with its recommen-  
19 dation regarding the dissolution of a municipality .

20 (b) The Local Boundary Commission shall hold at least one public  
21 hearing in the municipality proposed to be dissolved.

22 Sec. 29.06.500. DECISION. (a) If the Local Boundary Commission  
23 determines that a municipality fails to meet the standards for dissolu-  
24 tion, it shall reject the petition. If the commission determines that  
25 the municipality meets the standards, it shall accept the petition.

26 (b) A Local Boundary Commission decision under this section may be  
27 appealed under the Administrative Procedure Act (AS 44.62).

28 Sec. 29.06.510. ELECTION. (a) The Local Boundary Commission  
29 shall immediately notify the director of elections of its acceptance of

1 a dissolution petition. Within 30 days after notification, the director  
2 of elections shall order an election in the municipality to determine  
3 whether the voters desire dissolution. The election must be held at  
4 least 30 and not more than 90 days after the election order. A person  
5 who is a voter of the municipality may vote in the dissolution election.

6 (b) The director of elections shall supervise the election in the  
7 general manner prescribed by the Alaska Election Code (AS 15). The  
8 state shall pay all election costs.

9 (c) The director of elections shall certify the election results.  
10 If dissolution is approved, he shall declare that the municipality is  
11 dissolved effective on the date of certification.

12 Sec. 29.06.520. SUCCESSION. The government succeeding to a dis-  
13 solved municipality succeeds to all its rights, powers, duties, assets,  
14 and liabilities.

15 Sec. 29.06.530. APPLICATION. AS 29.06.450 - 29.06.530 apply to  
16 home rule and general law municipalities.

17 \* Sec. 5. AS 29 is amended by adding a new chapter to read:

18 CHAPTER 10. HOME RULE MUNICIPALITIES.

19 ARTICLE 1. CHARTERS.

20 Sec. 29.10.010. MUNICIPAL CHARTER ADOPTION. (a) A general law  
21 borough or first class city may adopt a charter for its own government.  
22 A second class city may adopt a charter for its own government if the  
23 department determines from the best figures available that the popula-  
24 tion of the city is at least 600 permanent residents.

25 (b) At an election to incorporate as a city, an unincorporated  
26 community with at least 600 permanent residents may adopt a charter for  
27 its own government and incorporate as a home rule municipality.

28 (c) At an election for borough incorporation, an area in the  
29 unorganized borough may adopt a charter for its own government and in-

1 corporate as a home rule municipality.

2 (d) A home rule municipality may adopt a new charter.

3 (e) A proposed charter for an existing municipality is prepared by  
4 a charter commission of seven elected members. A candidate for the  
5 commission shall be a voter of the municipality for three years immedi-  
6 ately preceding the charter commission election.

7 (f) A charter commission election is called by filing a petition  
8 with the governing body or by resolution of the governing body. The  
9 petition shall be signed by a number of voters equal to 15 percent of  
10 the votes cast in the last regular election in the municipality.

11 (g) The proposed charter for an unincorporated community or an  
12 area of the unorganized borough shall be filed with the incorporation  
13 petition filed under AS 29.05.060.

14 Sec. 29.10.020. MODEL CHARTERS. The department shall prepare at  
15 least one model home rule charter for a borough and at least one model  
16 home rule charter for a city. The model charters shall be made avail-  
17 able to persons interested in filing a petition to incorporate a home  
18 rule municipality under AS 29.05.060.

19 Sec. 29.10.030. NOMINATION OF CHARTER COMMISSION. (a) A charter  
20 commission candidate is nominated by a petition signed by 50 voters or  
21 the number of voters equal to 10 percent of the number of votes cast in  
22 the municipality during the last regular election, whichever is less.

23 (b) A nomination petition shall be filed with the municipal clerk  
24 on or before a date fixed by the governing body. If at least seven  
25 nominations for qualified charter commission candidates are not filed,  
26 the petition or resolution calling for a charter commission is void and  
27 no election on the question may be held.

28 Sec. 29.10.040. CHARTER COMMISSION ELECTION. At a charter com-  
29 mission election the voters shall consider the question "Shall a charter

1 commission be elected to prepare a proposed charter?" and shall elect  
2 the members of the commission. If the question is approved, the seven  
3 candidates receiving the highest number of votes shall immediately  
4 organize as a charter commission.

5 Sec. 29.10.050. PREPARATION OF CHARTER BY CHARTER COMMISSION. The  
6 charter commission shall, within one year, prepare a proposed home rule  
7 charter. The proposed charter shall be signed by a majority of the  
8 members of the commission and filed in the office of the municipal  
9 clerk. Within 15 days, the clerk shall have the proposed charter pub-  
10 lished and make copies available. The commission shall give published  
11 notice of and hold at least one public hearing on the proposed charter  
12 before the signing and filing of the charter.

13 Sec. 29.10.060. INITIATIVE AND REFERENDUM. (a) A home rule  
14 charter shall provide procedures for initiative and referendum.

15 (b) A charter may not require an initiative or referendum petition  
16 to have a number of signatures greater than 25 percent of the total  
17 votes cast in the municipality at the last regular election.

18 (c) A charter may not permit the initiative and referendum to be  
19 used for a purpose prohibited by art. XI, sec. 7 of the state constitu-  
20 tion.

21 Sec. 29.10.070. CHARTER ELECTION. The proposed home rule charter  
22 for an existing municipality shall be submitted to the voters at an  
23 election held not less than 30 days or more than 90 days after the  
24 proposed charter is published. The proposed home rule charter for an  
25 unincorporated community or area in the unorganized borough shall be  
26 submitted to the voters at an incorporation election held under AS 29.-  
27 05.110(d).

28 Sec. 29.10.080. CHARTER ADOPTION. (a) If a majority of those  
29 voting on the question favor the proposed charter, it becomes the organic

1 law of the municipality effective on the date the election is certified.  
2 Thereafter, a court shall take judicial notice of the charter. The new  
3 home rule municipality shall file the indicated number of copies of the  
4 charter with

- 5 (1) the lieutenant governor -- two copies;
- 6 (2) the department -- two copies;
- 7 (3) the district recorder -- one copy;
- 8 (4) the municipal clerk -- one copy.

9 (b) At the time of voting on the proposed charter in a third class  
10 borough, voters shall vote also on whether the borough shall on adoption  
11 of the charter retain a combined assembly and school board or elect a  
12 separate assembly and board as otherwise provided for home rule boroughs.  
13 If the majority of votes cast on the question favors retention of the  
14 combined assembly and board, the assembly serving at the time of the  
15 charter election continues to serve as the assembly and board on voter  
16 approval of the charter and until terms of assemblymen expire as pro-  
17 vided before adoption of the charter. If a separate board and assembly  
18 are approved at the charter election, a school board shall be elected in  
19 conformity with AS 14.12.030 - 14.12.100 at the next regular election,  
20 if it occurs within 90 days of the date of the charter election, or  
21 otherwise at a special election within 90 days of the date of the charter  
22 election. Expiration dates of terms of school board members elected at  
23 a special election must coincide with the date of the regular election.  
24 Until a board is elected and qualified, the assembly continues to serve  
25 as the board.

26 (c) If a proposed charter for an existing municipality is rejected,  
27 the charter commission shall prepare another proposed charter to be  
28 submitted to the voters at an election to be held within one year after  
29 the date of the first charter election. If the second proposed charter

1 is also rejected, the charter commission shall be dissolved and the  
2 question of adoption of a charter shall be treated as if it had never  
3 been proposed or approved.

4 Sec. 29.10.090. CHARTER AMENDMENT. (a) A home rule charter may  
5 be amended as provided in the charter except that no amendment is effec-  
6 tive unless ratified by the voters.

7 (b) This section applies to home rule municipalities.

8 ARTICLE 2. HOME RULE LIMITATIONS.

9 Sec. 29.10.110. LIMITATION OF HOME RULE POWERS. Only the follow-  
10 ing provisions of this title apply to home rule municipalities as pro-  
11 hibitions on acting otherwise than as provided. These provisions super-  
12 sede existing and prohibit future home rule enactments that provide  
13 otherwise:

- 14 (1) AS 29.05.140 (transition)
- 15 (2) AS 29.06.010 (change of municipal name)
- 16 (3) AS 29.06.040 - 29.06.060 (annexation and detachment)
- 17 (4) AS 29.06.090 - 29.06.170 (merger and consolidation)
- 18 (5) AS 29.06.190 - 29.06.410 (unification of municipalities)
- 19 (6) AS 29.06.450 - 29.06.530 (dissolution)
- 20 (7) AS 29.10.080 (charter amendment)
- 21 (8) AS 29.20.010 (conflict of interest)
- 22 (9) AS 29.20.020 (meetings public)
- 23 (10) AS 29.20.050 (legislative power)
- 24 (11) AS 29.20.060 - 29.20.120 (assembly composition and  
25 apportionment)
- 26 (12) AS 29.20.140 (qualifications of members of governing  
27 bodies)
- 28 (13) AS 29.20.150 (term of office)
- 29 (14) AS 29.20.220 (executive power)

- 1 (15) AS 29.20.630 (prohibitions)  
2 (16) AS 29.20.640 (reports)  
3 (17) AS 29.25.010(a)(10) (municipal exemption on contractor  
4 bond requirements)  
5 (18) AS 29.25.050 (codification)  
6 (19) AS 29.25.060 (resolutions)  
7 (20) AS 29.26.030 (notice of elections)  
8 (21) AS 29.26.050 (voter qualification)  
9 (22) AS 29.26.240 - 29.26.360 (recall)  
10 (23) AS 29.35.020 (extraterritorial jurisdiction)  
11 (24) AS 29.35.030 (eminent domain)  
12 (25) AS 29.35.050 (garbage and solid waste services)  
13 (26) AS 29.35.070 (public utilities)  
14 (27) AS 29.35.110 (post audit)  
15 (28) AS 29.35.150(b) (effect of areawide exercise of borough  
16 powers)  
17 (29) AS 29.35.160 (education)  
18 (30) AS 29.35.170(b) (assessment and collection of taxes)  
19 (31) AS 29.35.180(b) (land use regulation)  
20 (32) AS 29.35.250 (cities inside boroughs)  
21 (33) AS 29.35.260 (cities outside boroughs)  
22 (34) AS 29.35.340 (acquisition of areawide power)  
23 (35) AS 29.40.160(a) - (c) (title to vacated areas)  
24 (36) AS 29.40.200 (subdivisions of state land)  
25 (37) AS 29.45.010 - 29.45.570 (property taxes)  
26 (38) AS 29.45.650(c) and (d) (sales and use tax)  
27 (39) AS 29.46.090 (exemption from special assessment)  
28 (40) AS 29.47.200(b) (security for bonds)  
29 (41) AS 29.47.260 (construction)

1 (42) AS 29.60.050(a) (limitation on computation and use of  
2 payment)

3 (43) AS 29.60.120(a) and (c) (state aid for health facilities  
4 and hospitals)

5 (44) AS 29.60.230 (state aid for hospital and health facility  
6 construction.)

7 (45) AS 29.65.010 - 29.65.140 (general grant land)

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

9 CHAPTER 20. MUNICIPAL OFFICERS AND EMPLOYEES.

10 ARTICLE 1. CONFLICT OF INTEREST, PUBLIC MEETINGS.

11 Sec. 29.20.010. CONFLICT OF INTEREST. (a) Each municipality  
12 shall adopt a conflict of interest ordinance that provides that

13 (1) a member of the governing body shall declare a substan-  
14 tial financial interest he has in an official action and ask to be  
15 excused from a vote on the matter;

16 (2) the presiding officer shall rule on a request to be  
17 excused from a vote; and

18 (3) the decision of the presiding officer on a request to be  
19 excused from a vote may be overridden by the majority vote of the govern-  
20 ing body.

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

23 Sec. 29.20.020. MEETINGS PUBLIC. (a) Meetings of all municipal  
24 bodies shall be public as provided in AS 44.62.310. The governing body  
25 shall provide reasonable opportunity for the public to be heard at  
26 regular and special meetings.

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

29 ARTICLE 2. GOVERNING BODIES.

1           Sec. 29.20.050. LEGISLATIVE POWER. (a) The legislative power of  
2 a borough is vested in the assembly. The legislative power of a city is  
3 vested in the council.

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

6           Sec. 29.20.060. ASSEMBLY COMPOSITION AND APPORTIONMENT. (a)  
7 Assembly composition and apportionment shall be consistent with  
8 the equal representation standards of the Constitution of the United  
9 States.

10           (b) The assembly of a newly incorporated borough is, after incor-  
11 poration and until the adoption of an ordinance providing for a change  
12 in composition or apportionment, composed of the number of members and  
13 apportioned as set out in the incorporation petition approved by the  
14 voters. If the borough is already incorporated, the assembly shall be  
15 composed and apportioned in a manner that is consistent with the re-  
16 quirements of this section and prescribed by charter or ordinance.

17           (c) An assembly may not provide for weighted voting.

18           (d) A member of the assembly may not be elected or appointed by  
19 and from the council of a city in the borough.

20           (e) This section applies to home rule and general law municipali-  
21 ties.

22           Sec. 29.20.070. COMPOSITION AND FORM OF REPRESENTATION. (a) The  
23 assembly shall provide for its composition and for the form of its  
24 representation.

25           (b) Not later than the first regular election that occurs after  
26 the report of a federal decennial census, the assembly shall propose and  
27 submit to the voters of the borough, at that regular election or at a  
28 special election called for the purpose, one or more forms of assembly  
29 representation. The forms of representation that the assembly may

1 submit to the voters are:

2 (1) election of members of the assembly at large by the  
3 voters throughout the borough;

4 (2) election of members of the assembly by district, includ-  
5 ing

6 (A) election at large by the voters throughout the  
7 borough, but with a requirement that a candidate live in an election  
8 district established by the borough for election of assembly  
9 members; or

10 (B) election from election districts established by the  
11 borough for the election of assembly members by the voters of a  
12 district;

13 (3) election of members of the assembly both at large and by  
14 district.

15 (c) A form of assembly representation that includes election of  
16 assembly members under (b)(2) or (b)(3) of this section shall be sub-  
17 mitted to the voters of the borough with a plan of apportionment as  
18 required by AS 29.20.080.

19 (d) The assembly shall, within 30 days after certification of the  
20 results of the election held under this section, adopt an ordinance  
21 providing for

22 (1) composition of the assembly;

23 (2) the form of assembly representation that received the  
24 most votes; and

25 (3) if applicable, the apportionment of assembly seats in  
26 accordance with the form of representation that received the most votes.

27 (e) This section does not apply to a

28 (1) unified municipality;

29 (2) home rule borough if the home rule charter contains

1 procedures for changing assembly composition and form of representation.

2 Sec. 29.20.080. ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT. (a)

3 Not later than two months after the official report of a federal de-  
4 cennial census, the assembly shall determine and declare by resolution  
5 whether the existing apportionment of the assembly meets the standards  
6 of AS 29.20.060. If the assembly submits to the voters a form of repre-  
7 sentation that includes election of assembly members under AS 29.-  
8 20.070(b)(2) or (b)(3) the assembly shall submit with the proposition a  
9 proposed plan of apportionment that corresponds to the form of represen-  
10 tation proposed. The assembly shall describe the plan of apportionment  
11 in the ballot proposition, and may present the plan in any manner that  
12 it believes accurately describes the apportionment that is proposed  
13 under the form of representation. If the assembly determines that its  
14 existing apportionment meets the standards of AS 29.20.060, the assembly  
15 may include the existing apportionment as a proposed plan of apportion-  
16 ment of assembly seats that corresponds to a form of representation that  
17 is proposed.

18 (b) The assembly shall provide, by ordinance, for a change in an  
19 existing apportionment of the assembly whenever it determines that the  
20 apportionment does not meet the standards of AS 29.20.060. At the same  
21 time, the assembly may, by ordinance, change the composition of the  
22 assembly.

23 (c) If a petition signed by not less than 50 voters requests  
24 the assembly to determine whether the existing apportionment meets  
25 the standards for apportionment in AS 29.20.060, and the petition con-  
26 tains evidence that the existing apportionment does not meet those  
27 standards, the assembly may make the determination requested. The  
28 assembly shall make a determination required by this subsection within  
29 two months of receipt of a petition that meets the requirements of this

1 subsection.

2 (d) An ordinance adopted by the assembly under (b) or (c) of this  
3 section shall be submitted to the voters for approval. In order for the  
4 ordinance to be approved it must receive the approval of a majority of  
5 the votes cast.

6 (e) Within six months after a determination by the assembly under  
7 (b) or (c) of this section that the current apportionment does not meet  
8 the standards of AS 29.20.060 the assembly shall adopt an ordinance  
9 providing for reapportionment and submit the ordinance to the voters.  
10 If, at the end of the six-month time period, an ordinance providing for  
11 reapportionment has not been approved by the voters, the commissioner  
12 shall provide for the reapportionment in accordance with the standards  
13 of AS 29.20.060 by preparing an order of reapportionment and delivering  
14 the order to the borough mayor.

15 Sec. 29.20.090. APPORTIONMENT APPEALS. (a) A reapportionment  
16 ordinance approved by the voters, or a decision of the assembly that the  
17 standards of AS 29.20.060 do not require a change in apportionment, may  
18 be appealed to the commissioner. Fifty voters may submit a petition to  
19 the commissioner requesting the commissioner to determine whether the  
20 proposed reapportionment ordinance approved by the voters meets the  
21 standards of AS 29.20.060 or whether a decision of the assembly that the  
22 standards of AS 29.20.060 do not require a change of apportionment is  
23 correct. If the petition asks the commissioner to review an ordinance  
24 approved by the voters under AS 29.20.080(e), the petition shall be  
25 delivered to the commissioner not later than 20 days after certification  
26 of the election. If the petition asks the commissioner to review a  
27 decision of the assembly under AS 29.20.060(c), the petition shall be  
28 delivered to the commissioner within 20 days of the decision of the  
29 assembly.

1 (b) The commissioner shall review the petition and may make the  
2 determination requested. The commissioner shall provide copies of his  
3 determination to the persons petitioning for appeal and to borough  
4 officials not later than 60 days after he receives the petition.

5 (c) If the commissioner determines that the proposed reapportionment  
6 ordinance approved by the voters does not meet the standards of  
7 AS 29.20.060, or if he determines that the decision of the assembly that  
8 the standards of AS 29.20.060 do not require a change of apportionment  
9 is not correct, the commissioner shall, by order, direct the assembly to  
10 prepare a reapportionment ordinance that meets the standards of AS 29.-  
11 20.060 and submit the ordinance to the voters.

12 (d) When the assembly has been directed by the commissioner to  
13 prepare a reapportionment ordinance under (c) of this section, the  
14 assembly shall, within two months after its receipt of the commissioner's  
15 order, adopt an ordinance providing for reapportionment. The assembly  
16 shall submit an ordinance adopted under this subsection to the voters at  
17 an election held within 90 days after the date of adoption of the re-  
18 apportionment ordinance.

19 (e) If at the end of the time period provided under (d) of this  
20 section an ordinance providing for reapportionment has not been approved  
21 by the voters, the commissioner shall provide for the reapportionment of  
22 the assembly in accordance with the standards of AS 29.20.060 by pre-  
23 paring an order of reapportionment and delivering the order to the  
24 borough mayor.

25 Sec. 29.20.100. JUDICIAL REVIEW AND RELIEF. (a) The commissioner  
26 may request the superior court to enforce a reapportionment order issued  
27 under AS 29.20.090(e).

28 (b) Each of the following is subject to judicial review:

29 (1) a plan of reapportionment approved by the voters under

1 AS 29.20.080(a);

2 (2) a determination by the assembly under AS 29.20.080 that  
3 the standards of AS 29.20.060 do not require a change in apportionment;

4 (3) a reapportionment ordinance approved by the voters under  
5 AS 29.20.080(d);

6 (4) a reapportionment order of the commissioner made under  
7 AS 29.20.090(c);

8 (5) a reapportionment ordinance approved by the voters under  
9 AS 29.20.090(d); and

10 (6) a reapportionment order of the commissioner made under  
11 AS 29.20.090(e).

12 Sec. 29.20.110. EFFECTIVE DATE OF APPO...TIONMENT. (a) A change in  
13 assembly apportionment or composition under AS 29.20.080 or 29.20.090 is  
14 effective beginning with the first regular election for members of the  
15 assembly that is held more than 60 days after the later of

16 (1) approval of a reapportionment ordinance by the voters  
17 under AS 29.20.080(a), 29.20.080(e), or 29.20.090(d); or

18 (2) the delivery to the mayor of a reapportionment order of  
19 the commissioner under AS 29.20.090(d).

20 (b) The provisions of (a) of this section do not apply to a borough  
21 in which a change in assembly composition or apportionment is subject to  
22 review and approval or determination of nonobjection by the Attorney  
23 General of the United States under the Voting Rights Act of 1965, as  
24 amended (42 U.S.C. 1971 - 1974). A change in assembly composition or  
25 apportionment subject to review under the Voting Rights Act of 1965, as  
26 amended, is effective beginning with the first regular election for  
27 members of the assembly that is held more than 60 days after

28 (1) receipt by the assembly of approval by the Attorney  
29 General of the United States of the proposed change in the composition

1 or apportionment of the assembly;

2 (2) the delivery to the mayor of a reapportionment order of  
3 the commissioner under AS 29.20.090(e); or

4 (3) the last day on which the Attorney General of the United  
5 Sta as may review a proposed change in the composition or apportionment  
6 of the assembly.

7 Sec. 29.20.120. APPLICABILITY OF APPORTIONMENT PROVISIONS. The  
8 provisions of AS 29.20.080 - 29.20.110 do not apply to a

9 (1) unified municipality;

10 (2) home rule borough if the borough, by home rule charter,  
11 provides for reapportionment of the assembly.

12 Sec. 29.20.130. CITY COUNCIL COMPOSITION. Each first class city  
13 has a council of six members elected by the voters at large. Each  
14 second class city has a council of seven members elected by the voters  
15 at large. The council of a first or second class city may by ordinance  
16 provide for election of members other than on an at-large basis for all  
17 members.

18 Sec. 29.20.140 QUALIFICATIONS. (a) A borough voter is eligible  
19 to be a member of the assembly and a city voter is eligible to be a  
20 member of the council. A member of the governing body who ceases to be  
21 a voter in the municipality immediately forfeits his office.

22 (b) A municipality may by ordinance establish a durational resi-  
23 dency requirement not to exceed three years for members of the governing  
24 body.

25 (c) A municipality may by ordinance establish district residency  
26 requirements for members of its governing body. A member of the govern-  
27 ing body who represents a district and who becomes a resident of another  
28 district in the municipality continues to serve until the next regular  
29 election unless provided otherwise by ordinance.

1 (d) Except by ordinance ratified by the voters, no limit may be  
2 placed on the total number of terms or number of consecutive terms a  
3 voter may serve on the governing body.

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

6 Sec. 29.20.150. TERM OF OFFICE. (a) A member of the governing  
7 body is elected for a three-year term and until his successor qualifies,  
8 unless a different term not exceeding four years is prescribed by home  
9 rule charter or ordinance.

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

14 (c) The regular term of office begins on the first Monday fol-  
15 lowing certification of the election, unless a different date is pre-  
16 scribed by charter or ordinance.

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

19 Sec. 29.20.160. PROCEDURES OF GOVERNING BODIES. (a) The assembly  
20 shall elect from among its members a presiding officer and a deputy  
21 presiding officer to serve at the pleasure of the members, except that  
22 in a borough that has adopted a manager form of government under AS 29.-  
23 20.450 - 29.20.520 the mayor serves as presiding officer. In a city the  
24 mayor serves as presiding officer. If the presiding officer is not  
25 present or disqualifies himself, the deputy presiding officer shall  
26 preside.

27 (b) A governing body shall hold at least one regular meeting each  
28 month unless otherwise provided by ordinance. If a majority of the  
29 members are given at least 24 hours oral or written notice and reasonable

1 efforts are made to notify all members, a special meeting of the govern-  
2 ing body may be held at the call of the presiding officer or at least  
3 one-third of the members. A special meeting may be conducted with less  
4 than 24 hours notice if all members are present or if absent members  
5 have waived in writing the required notice. Waiver of notice can be  
6 made before or after the special meeting is held. A waiver of notice  
7 shall be made a part of the journal for the meeting.

8 (c) A majority of the total membership of a governing body autho-  
9 rized by law constitutes a quorum. A member disqualified by law from  
10 voting on a question may be considered present for purposes of consti-  
11 tuting a quorum. In the absence of a quorum any number of members may  
12 recess or adjourn the meeting to a later date.

13 (d) Actions of a governing body are adopted by a majority of the  
14 total membership of the body. All members present shall vote on every  
15 question, unless they are required to abstain from voting on a question  
16 by law. The final vote of each member on each ordinance, resolution, or  
17 substantive motion shall be recorded "yes" or "no", except that if the  
18 vote is unanimous it may be recorded "unanimous".

19 (e) A governing body shall maintain a journal of its official  
20 proceedings that shall be a public record.

21 (f) To the extent otherwise permitted by law, a governing body may  
22 determine by ordinance its own rules of procedure and order of business.

23 Sec. 29.20.170. VACANCIES. The governing body may provide by  
24 ordinance the manner in which a vacancy occurs in any elected office  
25 except the office of mayor or school board member. Unless otherwise  
26 provided by ordinance, the governing body shall declare an elective  
27 office, other than the office of mayor or school board member, vacant  
28 when the person elected

29 (1) fails to qualify or take office within 30 days after his

1 election or appointment;

2 (2) unless excused by the governing body, is physically  
3 absent from the municipality for 90 consecutive days;

4 (3) resigns and his resignation is accepted;

5 (4) is physically or mentally unable to perform the duties  
6 of his office as determined by two-thirds vote of the governing body;

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

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

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

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

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

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

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

28 **ARTICLE 3. MUNICIPAL EXECUTIVE AND ADMINISTRATOR.**

29 **Sec. 29.20.220. EXECUTIVE POWER. (a) The executive power in a**

1 municipality is vested in a mayor. The mayor of a home rule or unified  
2 municipality is elected by the voters, and the mayor of other municipali-  
3 ties is elected in accordance with AS 29.20.230.

4 (b) The mayor acts as ceremonial head of government, executes  
5 official documents on authorization of the governing body, and is  
6 responsible for additional duties and powers prescribed by this chapter  
7 or by home rule charter.

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

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

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

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

28 Sec. 29.20.240. QUALIFICATIONS FOR THE OFFICE OF MAYOR. (a) A  
29 voter of the municipality is eligible to hold the office of mayor in a

1 borough or first class city. A member of the city council is eligible  
2 to hold the office of mayor in a second class city.

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

5 Sec. 29.20.250. POWERS AND DUTIES OF MAYOR. (a) If a municipality  
6 has not adopted a manager plan of government under AS 29.20.460 -  
7 29.20.520, the administrative power is vested in the mayor and the mayor  
8 has the same powers and duties as those of the manager.

9 (b) The mayor may take part in the discussion of a matter before  
10 the governing body. The mayor may not vote, except that the mayor of a  
11 first class city or the mayor of a borough with a manager form of gov-  
12 ernment may vote in the case of a tie. The mayor of a second class  
13 city, as a council member, may vote on all matters.

14 Sec. 29.20.260. EXECUTIVE ABSENCE. The borough mayor, subject to  
15 assembly approval, shall designate a person to act as mayor during the  
16 borough mayor's temporary absence or disability. If a manager plan has  
17 been adopted, the assembly shall designate by resolution a borough  
18 administrative official to act as manager during the manager's absence  
19 or disability.

20 Sec. 29.20.270. VETO. (a) Except as provided in (c) and (d) of  
21 this section, the mayor may veto an ordinance, resolution, motion, or  
22 other action of the governing body and may strike or reduce appropria-  
23 tion items.

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

29 (c) The veto does not extend to

- 1 (1) appropriation items in a school budget ordinance;
- 2 (2) actions of the governing body sitting as board of equali-
- 3 zation or the board of adjustment;
- 4 (3) adoption or repeal of a manager plan of government.
- 5 (d) The mayor of a second class city has no veto power.

6 Sec. 29.20.280. VACANCY IN THE OFFICE OF MAYOR. (a) The govern-

7 ing body shall, by two-thirds concurring vote, declare the office of

8 mayor vacant only when the person elected

- 9 (1) fails to qualify or take office within 30 days after his
- 10 election or appointment;
- 11 (2) unless excused by the governing body, is physically
- 12 absent for 90 consecutive days;
- 13 (3) resigns and his resignation is accepted;
- 14 (4) is physically or mentally unable to perform the duties of
- 15 his office;
- 16 (5) is convicted of a felony or of an offense involving a
- 17 violation of his oath of office;
- 18 (6) is convicted of a felony or misdemeanor described in
- 19 AS 15.56; or
- 20 (7) no longer physically resides in the municipality; or
- 21 (8) if, as a member of the governing body in a second class
- 22 city, he misses three consecutive regular meetings and is not excused.

23 (b) A vacancy in the office of mayor occurring six months before a

24 regular election shall be filled by the governing body. The person

25 appointed serves until the next regular election when a successor is

26 elected to serve the balance of the term. If a member of the governing

27 body is appointed mayor, he shall resign his seat on the governing body.

28 If a vacancy occurs more than six months before a regular election, the

29 governing body shall call a special election to fill the unexpired term.

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

6 ARTICLE 4. BOARDS AND COMMISSIONS.

7 Sec. 29.20.300. SCHOOL BOARDS. (a) Each municipal school district  
8 has a school board. Except as provided in (b) of this section members  
9 are elected at the regular election for three-year terms and until their  
10 successors take office. Members are elected at large unless a different  
11 method of election has been approved by the voters in a regular election.

12 (b) The assembly is the school board for a third class borough.  
13 The mayor is the presiding officer of the assembly and president of the  
14 school board; however, he may not veto an action of the school board.

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

18 (b) As determined by ordinance, members of a utility board are  
19 appointed by the municipal executive and confirmed by the governing body  
20 or are elected at a regular election. The term of a utility board  
21 member is two years and until a successor is selected and qualifies.  
22 However, the governing body may by ordinance provide for a different  
23 term not to exceed four years. The current term of an elected incumbent  
24 may not be altered.

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

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

7 Sec. 29.20.320. OTHER BOARDS AND COMMISSIONS. (a) The governing  
8 body may by ordinance establish advisory, administrative, technical, or  
9 quasi-judicial boards and commissions.

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

13 ARTICLE 5. OTHER OFFICIALS AND EMPLOYEES.

14 Sec. 29.20.360. APPOINTMENT OF OFFICIALS. Unless otherwise pro-  
15 vided by ordinance, the municipal clerk, attorney, treasurer, and police  
16 chief are appointed by the chief administrative official. Unless other-  
17 wise provided by ordinance, an official described in this section serves  
18 at the pleasure of the appointing authority and, if appointed by the  
19 chief administrative official, must be confirmed by the governing body.

20 Sec. 29.20.370. MUNICIPAL ATTORNEY. The municipal attorney is the  
21 legal advisor of the governing body, the school board, and the other  
22 officials of the municipality. He represents the municipality as  
23 attorney in civil and criminal proceedings. The school board may hire  
24 independent counsel when in its judgment independent counsel is needed.

25 Sec. 29.20.380. MUNICIPAL CLERK. (a) The municipal clerk shall  
26 (1) give notice of the time and place of meetings of the  
27 governing body to the governing body and to the public;  
28 (2) attend meetings of the governing body and keep the  
29 journal;

1 (3) arrange publication of notices, ordinances, and resolu-  
2 tions;

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

6 (5) attest deeds and other documents;

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

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

13 Sec. 29.20.390. MUNICIPAL TREASURER. (a) Except as provided in  
14 AS 14.14.060, the treasurer is the custodian of all municipal funds. He  
15 shall keep an itemized account of money received and disbursements. He  
16 shall pay money on vouchers drawn against appropriations.

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

19 Sec. 29.20.400. DEPARTMENTS. (a) The governing body may estab-  
20 lish municipal departments and distribute functions among them.

21 (b) Each municipal department is administered by a department  
22 head. With the consent of the governing body, the mayor may serve as  
23 head of one or more departments or a single administrator may serve as  
24 head of two or more departments.

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

29 (b) By ordinance the governing body may designate confidential or

1 managerial positions that are wholly or partially exempt from the classi-  
2 fied service. A wholly or partially exempt position is filled by a  
3 person who serves at the pleasure of the appointing authority and whose  
4 term of employment is determined by the appointing authority.

5 ARTICLE 6. MANAGER PLAN.

6 Sec. 29.20.460. MANAGER PLAN. A municipality may adopt a manager  
7 plan of government. Adoption of a manager plan may be initiated either  
8 by petition or by motion of the governing body. A petition for the  
9 adoption of a manager plan is submitted to the governing body. The  
10 petition must be signed by a number of voters equal to the following  
11 percentage of the votes cast at the preceding regular election:

12 (1) 25 percent if the municipality has fewer than 7,500  
13 persons;

14 (2) 15 percent if the municipality has 7,500 persons or more.

15 Sec. 29.20.470. ELECTION. On receipt of a petition to adopt a  
16 manager plan or on its own motion to adopt a manager plan, the governing  
17 body shall provide by ordinance or resolution for a vote on the question  
18 at the next election.

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

22 (b) The governing body shall notify the department of the adoption  
23 of a manager plan.

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

1 of the governing body.

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

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

6 (1) appoint, suspend, or remove municipal employees and  
7 administrative officials, except as provided otherwise in this title and  
8 AS 14.14.065; he may hire necessary administrative assistants and may  
9 authorize an administrative official to appoint, suspend, or remove  
10 subordinates;

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

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

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

18 (5) exercise custody over all real and personal property of  
19 the municipality, except property of the school district;

20 (6) perform other duties required by law or by the governing  
21 body; and

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

24 Sec. 29.20.510. INTERGOVERNMENT APPOINTMENTS. A borough adopting  
25 a manager plan may, on agreement with a city in the borough, provide  
26 that the manager of the city serve also as borough manager. A city  
27 adopting a manager plan may, on agreement with the borough in which it  
28 is located, provide that the manager of the borough serve also as city  
29 manager. Appointment and service of the manager shall be as provided in

1 AS 29.20.490 - 29.20.500. Nothing in this section affects the authority  
2 of the governing body to provide for other dual officeholding if the  
3 dual offices held are compatible, or otherwise to appoint officials and  
4 employees in accordance with law.

5 Sec. 29.20.520. REPEAL. A municipality may repeal a manager plan  
6 in the same manner used for its adoption. Within 60 days after repeal  
7 of a manager plan, the governing body shall enact provisions for the  
8 reorganization of the municipal executive and administrative functions.

9 ARTICLE 7. MISCELLANEOUS PROVISIONS.

10 Sec. 29.20.600. OATHS OF OFFICE. Before taking office a municipal  
11 official shall affirm in writing that he will honestly, faithfully, and  
12 impartially perform his duties. The oath is filed with the municipal  
13 clerk.

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

18 Sec. 29.20.620. COMPENSATION FOR ELECTED OFFICIALS. The governing  
19 body shall by ordinance provide a method of determining the salaries of  
20 elected officials. The salary of the mayor may not be reduced during  
21 his term of office, unless during his term a manager plan is adopted.  
22 An elected official may not receive compensation for service to the  
23 municipality in addition to his salary, unless otherwise provided by  
24 ordinance. Per diem payments or reimbursements for expenses are not  
25 compensation under this section.

26 Sec. 29.20.630. PROHIBITIONS. (a) Subject to AS 14.14.140, a  
27 state employee or school district employee may not be denied the right  
28 to serve as an elected municipal official because of his employment by  
29 the state or a school district. For purposes of this section a school

1 district employee is not a municipal employee.

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

4 Sec. 29.20.640. REPORTS. (a) A municipality shall file with the  
5 department

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

8 (2) a copy of the annual audit, or, for a second class city,  
9 an audit or statement of annual income and expenditures;

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

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

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

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

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

23 \* Sec. 7. AS 29 is amended by adding a new chapter to read:

24 CHAPTER 25. MUNICIPAL ENACTMENTS.

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

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

29 (2) provide for a fine or other penalty, or establish rules

1 or regulations for violation of which a fine or other penalty is im-  
2 posed;

3 (3) provide for the levying of taxes;

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

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

7 (6) adopt, modify, or repeal the comprehensive plan, land use  
8 and subdivision regulations, building and housing codes, and the official  
9 map;

10 (7) approve the transfer of a power to a first or second  
11 class borough from a city;

12 (8) designate the borough seat;

13 (9) provide for the retention or sale of tax-foreclosed  
14 property;

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

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

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

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

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

28 (2) an ordinance shall be set by the governing body for a  
29 public hearing by the affirmative vote of a majority of the votes autho-

1 rized on the question;

2 (3) at least five days before the public hearing a summary of  
3 the ordinance shall be published together with a notice of the time and  
4 place for the hearing;

5 (4) copies of the ordinance shall be available to all persons  
6 present at the hearing, or the ordinance shall be read in full;

7 (5) during the hearing the governing body shall hear all  
8 interested persons wishing to be heard;

9 (6) after the public hearing the governing body shall consider  
10 the ordinance, and may adopt it with or without amendment;

11 (7) the governing body shall print and make available copies  
12 of an ordinance that is adopted.

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

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

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

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

29 **Sec. 29.25.040. CODES OF REGULATION.** The governing body may in a

1 single ordinance adopt or amend by reference provisions of a published  
2 code of municipal regulations. The procedure under AS 29.25.050 applies  
3 to an ordinance adopted under this section, except that neither the  
4 ordinance or its amendments must be distributed to the public or read in  
5 full at the public hearing. For a period of 15 days before adoption of  
6 an ordinance under this section, at least five copies of the code of  
7 regulations shall be made available for public inspection at a time and  
8 place set out in the hearing notice. Only the ordinance must be printed  
9 after it is adopted under this section. The governing body shall provide  
10 for an adopted code of regulations to be made available to the public at  
11 no more money than cost.

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

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

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

21 (1) the ordinance has been given a serial number or other  
22 permanent identifying number, and, bearing a notation of the date of  
23 adoption and the adopting authority, it has been entered by the municipal  
24 clerk in a properly indexed book maintained for the purposes of organ-  
25 izing and recording the ordinances; or

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

the governing  
body of

1 (d) This section applies to home rule and general law municipi-  
2 palities.

3 Sec. 29.25.060. RESOLUTIONS. (a) The governing body shall provide  
4 for the maintenance of a permanent file of resolutions that have been  
5 adopted.

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

8 Sec. 29.25.070. PENALTIES. (a) For the violation of an ordinance,  
9 a municipality may prescribe penalties not to exceed those imposed for a  
10 class B misdemeanor.

11 (b) The municipality or an aggrieved person may institute a civil  
12 action against a person who violates an ordinance. In addition to  
13 injunctive and compensatory relief, a civil penalty not to exceed \$1,000  
14 may be imposed for each violation. An action to enjoin a violation may  
15 be brought notwithstanding the availability of any other remedy. On  
16 application for injunctive relief and a finding of a violation or a  
17 threatened violation, the superior court shall grant the injunction.  
18 Each day that a violation of an ordinance continues constitutes a separ-  
19 ate violation.

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

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

24 CHAPTER 26. ELECTIONS.

25 ARTICLE 1. REGULAR AND SPECIAL ELECTIONS.

26 Sec. 29.26.010. ADMINISTRATION. The governing body shall pre-  
27 scribe the rules for conducting an election and shall appoint an elec-  
28 tion board composed of at least three judges for each precinct. A judge  
29 shall be a voter of the precinct for which he is appointed unless no

1 voter is willing to serve.

2 Sec. 29.26.020. NOMINATIONS. (a) Subject to other provisions of  
3 this title, the governing body shall provide by ordinance for nomina-  
4 tions of elected officials by providing for declaration of candidacy or  
5 for petition requiring the signatures of not more than 10 voters, or for  
6 both.

7 (b) A person may be nominated for and occupy more than one office,  
8 but he may not serve simultaneously as borough mayor and as a member of  
9 the assembly or, in a first class city, as city mayor and as a member of  
10 the council.

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

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

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

19 Sec. 29.26.050. VOTER QUALIFICATION. (a) A person may vote in a  
20 municipal election only if he

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

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

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

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

28 (b) Voter registration by the municipality may not be required.  
29 However, a municipality may by ordinance require that a person be

1 registered to vote in state elections in the precinct in which he seeks  
2 to vote in municipal elections.

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

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

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

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

16 (b) Unless otherwise provided by ordinance, an election may be  
17 contested only by a voter by filing a written affidavit with the municipi-  
18 pal clerk specifying with particularity the grounds for the contest. An  
19 election may be contested before or during the first canvass of ballots  
20 by the governing body.

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

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

1 (e) A person may not appeal or seek judicial review of an election  
2 for any cause unless the person is a municipal voter, has exhausted his  
3 administrative remedies before the governing body, and has commenced,  
4 within 10 days after the governing body has declared the election  
5 results, an action in the superior court in the judicial district in  
6 which the municipality is located. If court action is not commenced  
7 within the 10-day period, the election and election results are con-  
8 clusive and valid.

9 ARTICLE 2. INITIATIVE AND REFERENDUM.

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

14 Sec. 29.26.110. APPLICATION FOR PETITION. (a) An initiative or  
15 referendum is proposed by filing an application with the municipal clerk  
16 containing the <sup>proposed ordinance</sup> bill to be initiated or the <sup>act</sup> set to be referred and the  
17 address to which all correspondence relating to the petition may be  
18 sent. An application shall be signed by at least 10 voters who will  
19 sponsor the petition. An additional sponsor may be added at any time  
20 before the petition is filed by submitting his name to the clerk.  
21 Within two weeks the clerk shall certify the application if he finds  
22 that it is in proper form and, for an initiative petition, that the  
23 matter

- 24 (1) is not restricted by AS 29.26.100;
- 25 (2) includes only a single subject;
- 26 (3) relates to a legislative rather than to an administrative  
27 matter; and
- 28 (4) would be enforceable as a matter of law.

29 (b) A decision by the clerk on an application for petition shall

1 be subject to judicial review.

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

6 (1) a summary of the <sup>proposed ordinance</sup> bill to be initiated or the <sup>ordinance</sup> act to be  
7 referred;

8 (2) the complete ordinance or resolution sought to be ini-  
9 tiated or referred as submitted by the sponsors;

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

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

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

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

21 (7) space for indicating the total number of signatures on  
22 the petition.

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

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

28 Sec. 29.26.130. SIGNATURE REQUIREMENTS. (a) The signatures on an  
29 initiative or referendum petition shall be secured within 60 days after

1 the clerk issues the petition. The statement provided under AS 29.26.-  
2 120(a)(6) shall be signed and dated by the sponsor. Signatures shall be  
3 in ink or indelible pencil.

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

8 (1) 25 percent of the votes cast if a municipality has fewer  
9 than 7,500 persons; or

10 (2) 15 percent of the votes cast if a municipality has 7,500  
11 persons or more.

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

15 (d) A petition signer may withdraw his signature on written appli-  
16 cation to the clerk before certification of the petition.

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

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

22 (2) if the petition is insufficient, identify the insuffi-  
23 ciency and notify the sponsors at the address provided under AS 29.26.-  
24 110(a) by certified mail.

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

28 (c) A petition that is insufficient shall be rejected and filed as  
29 a public record unless it is supplemented under (b) of this section.

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

4 Sec. 29.26.150. PROTEST. If the municipal clerk certifies an  
5 initiative or referendum petition is insufficient, a signer of the  
6 petition may file a protest with the mayor within seven days after the  
7 certification. The mayor shall present the protest at the next regular  
8 meeting of the governing body. The governing body shall hear and decide  
9 the protest.

10 Sec. 29.26.160. NEW PETITION. Failure to secure sufficient signa-  
11 tures does not preclude the filing of a new initiative or referendum  
12 petition. However, a new petition on substantially the same matter may  
13 not be filed sooner than six months after a petition is rejected as  
14 insufficient.

15 Sec. 29.26.170. INITIATIVE ELECTION. (a) Unless substantially  
16 the same measure is adopted, when a petition seeks an initiative vote  
17 the clerk shall submit the matter to the voters at the next regular  
18 election occurring no sooner than 45 days after certification of the  
19 petition. If no regular election occurs within 75 days after the certi-  
20 fication of a petition, the governing body shall hold a special election  
21 within 75 days, but not sooner than 45 days after certification.

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

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

28 (d) If a majority vote favors the ordinance or resolution, it  
29 becomes effective upon certification of the election, unless a different

1 effective date is provided in the ordinance or resolution.

2       Sec. 29.26.180. REFERENDUM ELECTION. (a) Unless the ordinance or  
3 resolution is repealed, when a petition seeks a referendum vote the  
4 clerk shall submit the matter to the voters at the next election occur-  
5 ring no sooner than 45 days after certification of the petition. If no  
6 election occurs within 75 days of certification of a petition, the  
7 governing body shall hold a special election within 75 days, but not  
8 sooner than 45 days after certification.

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

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

17       (d) If a majority vote favors the repeal of the matter referred,  
18 it is repealed. Otherwise, the matter referred remains in effect or, if  
19 it has been suspended, becomes effective on certification of the elec-  
20 tion.

21       Sec. 29.26.190. EFFECT. (a) An ordinance or resolution may not  
22 be repealed or amended within one year after its effective date if  
23 adopted in an initiative election or if adopted after a petition that  
24 contains substantially the same measure has been filed.

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

1 (c) If an initiative or referendum measure fails to receive voter  
2 approval, a new petition application for substantially the same measure  
3 may not be filed sooner than six months after the election results are  
4 certified.

5 ARTICLE 3. RECALL.

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

9 Sec. 29.26.250. GROUNDS. Grounds for recall are misconduct in  
10 office, incompetence, or failure to perform prescribed duties.

11 Sec. 29.26.260. APPLICATION FOR RECALL PETITION. (a) An appli-  
12 cation for a recall petition shall be filed with the municipal clerk and  
13 shall contain

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

16 (2) the address to which all correspondence relating to the  
17 petition may be sent;

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

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

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

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

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

29 (3) the date the petition is filed by the clerk;

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

3 (5) spaces for each signature, the printed name of each  
4 signer, the date of each signature, and the residence and mailing  
5 addresses of each signer;

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

11 (7) space for indicating the number of signatures on the  
12 petition.

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

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

20 (b) The clerk shall determine the number of signatures required on  
21 a petition and inform each sponsor. If a petition seeks to recall an  
22 official who represents the municipality at large, the petition shall be  
23 signed by a number of voters equal to 25 percent of the number of votes  
24 cast for that office at the last regular election held before the date  
25 the petition was issued. If a petition seeks to recall an official who  
26 represents a district, the petition shall be signed by a number of the  
27 voters residing in the district equal to 25 percent of the number of  
28 votes cast in the district for that office at the last regular election  
29 held before the date the petition was issued.

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

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

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

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

12 (2) if the petition is insufficient, identify the insuffi-  
13 ciency and notify the sponsors at the address provided under AS 29.26.-  
14 260(e)(2) by certified mail.

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

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

20 (2) the supplementary petition is filed more than 180 days  
21 before the end of the term of office of the official sought to be re-  
22 called.

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

28 Sec. 29.26.300. NEW RECALL PETITION APPLICATION. A new applica-  
29 tion for a petition to recall the same official may not be filed sooner

1 than six months after a petition is rejected as insufficient.

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

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

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

13 (c) If a vacancy occurs in the office after a sufficient recall  
14 petition is filed with the clerk, the recall question may not be sub-  
15 mitted to the voters. The governing body may not appoint to the same  
16 office an official who resigns after a sufficient recall petition is  
17 filed naming him.

18 Sec. 29.26.330. FORM OF RECALL BALLOT. A recall ballot shall  
19 contain

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

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

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

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

29 (b) If an official is not recalled at the election, an application

1 for a petition to recall the same official may not be filed sooner than  
2 six months after the election.

3 Sec. 29.26.350. SUCCESSORS. (a) If an official is recalled from  
4 the governing body, his office is filled in accordance with AS 29.20.-  
5 180. If all members of the governing body are recalled, the governor  
6 shall appoint three qualified persons to the governing body. The  
7 appointees shall appoint additional members to fill remaining vacancies  
8 in accordance with AS 29.20.180.

9 (b) If a member of the school board is recalled, his office is  
10 filled in accordance with AS 14.12.070. If all members are recalled  
11 from a school board, the governor shall appoint three qualified persons  
12 to the school board. The appointees shall appoint additional members to  
13 fill remaining vacancies in accordance with AS 14.12.070.

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

16 (d) If an official other than a member of the governing body or  
17 school board is recalled, a successor shall be elected to fill the  
18 unexpired portion of the term. The election shall be held not more than  
19 60 days after the date the recall election is certified, except that if  
20 a regular election occurs within 7<sup>2</sup> days after certification the  
21 successor shall be chosen at that election.

22 (e) Nominations for a successor may be filed until seven days  
23 before the last date on which a first notice of the election must be  
24 given. Nominations may not be filed before the certification of the  
25 recall election.

26 Sec. 29. 6.360. APPLICATION. AS 29.26.240 - 29.26.360 apply to  
27 home rule and general law municipalities.

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

29 CHAPTER 35. MUNICIPAL POWERS AND DUTIES.

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ARTICLE 1. GENERAL POWERS.

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

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

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

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

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

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

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

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

(8) to acquire, manage, control, use, and dispose of real and personal property, whether the property is situated inside or outside the municipal boundaries; this power includes the power of a borough to expend, for any purpose authorized by law, money received from the disposal of land in a service area established under AS 29.35.450;

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

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

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