

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

1289 SCRA SB 180 (#13) 1289

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

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

6 (14) to sue and be sued.

7 Sec. 29.35.020. EXTRATERRITORIAL JURISDICTION. (a) To the extent
8 a municipality is otherwise authorized by law to exercise the power
9 necessary to provide the facility or service, the municipality may
10 provide parks, playgrounds, cemeteries, emergency medical services,
11 solid and septic waste disposal, utility services, airports, streets
12 (including ice roads), trails, transportation facilities, wharves,
13 harbors and other marine facilities outside its boundaries and may
14 regulate their use and operation to the extent that the jurisdiction in
15 which they are located does not regulate them. A regulation adopted
16 under this section must state that it applies outside the municipality.

17 (b) A municipality may adopt an ordinance to protect its water
18 supply and watershed, and may enforce the ordinance outside its bound-
19 aries. Before this power may be exercised inside the boundaries of
20 another municipality, the approval of the other municipality must be
21 given by ordinance.

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

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

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

1 Sec. 29.35.040. EMERGENCY DISASTER POWERS. (a) A municipality
2 that is wholly or partially in an area that is declared by the President
3 or governor to be a disaster area may participate in and provide for
4 housing, urban renewal, and redevelopment in the same manner as a home
5 rule city. The exercise of these powers by a borough shall be on a
6 nonarea-wide basis, except a borough may exercise the powers transferred
7 to it by a city as provided by AS 29.35.310.

8 (b) Powers granted by this section must be initiated within a
9 period of not more than five years after the date of declaration of a
10 natural disaster by the President or governor, but these powers may be
11 extended for an additional period of not more than three years.

12 Sec. 29.35.050. GARBAGE AND SOLID WASTE SERVICES. (a) A munic-
13 pality may by ordinance

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

17 (2) require all persons in the municipality or district to
18 use the system and to dispose of their garbage and solid wastes as
19 provided in the ordinance;

20 (3) award contracts for collection and disposal, or provide
21 for the collection and disposal of garbage and solid waste by municipal
22 officials and employees;

23 (4) pay for garbage and solid waste collection and disposal
24 from available money;

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

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

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

2 (b) The governing body of a municipality may not prohibit a person
3 holding a valid certificate from the Alaska Public Utilities Commission
4 from continuing to collect and dispose of garbage, refuse, trash, waste
5 material, or provide other related services in an area in the munic-
6 pality if the certificate authorizes the collection and disposal of
7 garbage, refuse, trash, or other waste material and providing of other
8 services in the area, and the certificate was originally issued before
9 the municipality provided similar services. A municipality may not
10 provide for a garbage, refuse, trash, or other waste material collection
11 and disposal service in an area to the extent it lies in an area granted
12 to a garbage, refuse, trash, or other waste material carrier by a cer-
13 tificate issued by the Alaska Public Utilities Commission to the carrier
14 until it has purchased the certificate, equipment and facilities of the
15 carrier, or that portion of the certificate that would be affected, at
16 fair market value. A municipality may exercise the right of eminent
17 domain to determine fair market value.

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

20 2. Sec. 29.35.060. FRANCHISES AND PERMITS. (a) The assembly acting
21 for the area outside all cities in the borough and the council acting
22 for the area in a city may grant franchises, including exclusive fran-
23 chise privileges, to a person, corporation, organization, or utility not
24 certificated by the Alaska Public Utilities Commission and may permit
25 the use of streets and other public places by the franchise holder under
26 regulations prescribed by ordinance.

27 (b) Unless the grant is made on a competitive basis, the grant of
28 an exclusive right to use a public street or right-of-way for more than
29 five years to a utility or a transportation system not certificated by

1 the Alaska Public Utilities Commission or by the Alaska Transportation
2 Commission ~~shall~~ be ^{only} if approved by a majority of the voters
3 at an election.

4 Sec. 29.35.070. PUBLIC UTILITIES. (a) The assembly acting for
5 the area outside all cities in the borough and the council acting for
6 the area in a city may regulate, fix, establish, and change the rates
7 and charges imposed for a utility service provided to the municipality
8 or its inhabitants by a utility to the extent that it is not regulated
9 under AS 42.05, ^{and exempted by statute} and may provide a reasonable deposit for meters and
10 service to be given if interest is paid on the deposit. All rates,
11 charges, and regulations shall be reasonable and shall permit a fair
12 return on invested capital.

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

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

18 Sec. 29.35.090. BUDGET AND CAPITAL PROGRAM. (a) The governing
19 body shall establish the manner for the preparation and submission of
20 the budget and capital program. After a public hearing, the governing
21 body may approve the budget with or without amendments, and shall
22 appropriate the money required for the approved budget.

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

26 Sec. 29.35.100. EXPENDITURE OF BOROUGH REVENUES. Borough revenues
27 received through taxes collected on an areawide basis by the borough may
28 be expended on general administrative costs and on areawide functions
29 only. Borough revenues received through taxes collected on a nonareawide

1 basis may be expended on general administrative costs and functions that
2 render service only to the area outside all cities in the borough.

3 Sec. 29.35.110. POST AUDIT. (a) The governing body shall provide
4 for an annual independent audit of the accounts and financial trans-
5 actions of the municipality or, in the case of a second class city, an
6 audit or statement of annual income and expenditures. To make the audit
7 the governing body shall designate a public accountant who has no person-
8 al interest, direct or indirect, in the fiscal affairs of the municipal-
9 ity. Copies of the audit shall be available to the public upon request.

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

12 ARTICLE 2. MANDATORY AREAWIDE POWERS.

13 Sec. 29.35.150. SCOPE OF AREAWIDE POWERS. (a) A borough shall
14 exercise the powers as specified and in the manner specified in AS 29.-
15 35.150 - 29.35.190 on an areawide basis.

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

19 Sec. 29.35.160. EDUCATION. (a) Each borough constitutes a
20 borough school district and establishes, maintains, and operates a
21 system of public schools on an areawide basis as provided in AS 14.14.-
22 060. A military reservation in a borough is not part of the borough
23 school district until the military mission is terminated or until
24 inclusion in the borough school district is approved by the Department
25 of Education. However, operation of the military reservation schools by
26 the borough school district may be required by the Department of Educa-
27 tion under AS 14.14.110. If the military mission of a military reserva-
28 tion terminates or continued management and control by a regional educa-
29 tional attendance area is disapproved by the Department of Education,

1 operation, management, and control of schools on the military reservation
2 transfers to the borough school district in which the military reserva-
3 tion is located.

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

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

9 (b) Taxes levied by a city shall be collected by a borough and
10 returned in full to the levying city. This subsection applies to home
11 rule and general law municipalities.

12 Sec. 29.35.180. LAND USE REGULATION. (a) A first or second class
13 borough shall provide for planning, platting, and land use regulation in
14 accordance with AS 29.40.

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

17 ARTICLE 3. ADDITIONAL POWERS.

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

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

- 23 (1) provide transportation systems;
24 (2) provide water pollution control;
25 (3) provide air pollution control in accordance with AS 46.-
26 03.140 - 46.03.240;
27 (4) license day care facilities;
28 (5) license, impound, and dispose of animals.

29 (c) In addition to powers conferred by (b) of this section, a

1 first class borough may, on an areawide basis, exercise a power not
2 otherwise prohibited by law if the power has been acquired in accordance
3 with AS 29.35.300.

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

- 7 (1) provide transportation systems;
- 8 (2) regulate the offering for sale, exposure for sale, sale,
9 use or explosion of fireworks;
- 10 (3) license, impound, and dispose of animals;
- 11 (4) provide garbage, solid waste, and septic waste collection
12 and disposal;
- 13 (5) provide air pollution control in accordance with AS 46.-
14 03.140 - 46.03.240;
- 15 (6) provide water pollution control;
- 16 (7) participate in federal or state loan programs for housing
17 rehabilitation and improvement for energy conservation;
- 18 (8) provide for economic development;
- 19 (9) provide for the acquisition and construction of local
20 service roads and trails under AS 19.30.111 - 19.30.251;
- 21 (10) establish an emergency communications center.

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

- 24 (1) provide transportation systems;
- 25 (2) license, impound, and dispose of animals;
- 26 (3) provide air pollution control in accordance with AS 46.-
27 03.140 - 46.03.240;
- 28 (4) provide water pollution control;
- 29 (5) license day care facilities.

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

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

10 Sec. 29.35.220 THIRD CLASS BOROUGH POWERS. (a) A third class
11 borough may borrow money and issue negotiable or nonnegotiable bonds or
12 other evidences of indebtedness as provided by AS 29.47.

13 (b) Areawide exercise of a power by a third class borough other
14 than education and tax assessment and collection is not authorized.

15 (c) A third class borough may acquire under AS 29.35.300(b) the
16 power to provide for planning, platting, and land use regulation as
17 provided in AS 29.40 for first and second class boroughs, except the
18 power may only be exercised within a service area.

19 (d) A third class borough may acquire under AS 29.35.300(b) any
20 power not otherwise prohibited by law, except the power may only be
21 exercised within a service area.

22 ARTICLE 4. CITY POWERS.

23 Sec. 29.35.250. CITIES INSIDE BOROUGHES. (a) A city inside a
24 borough may exercise any power not otherwise prohibited by law. On
25 adoption of a borough ordinance to provide for areawide exercise of a
26 power, no city may exercise the power unless the borough ordinance
27 provides otherwise or the borough by ordinance ceases to exercise the
28 power.

29 (b) A home rule or first class city in a third class borough shall

1 provide for planning, platting, and land use regulation as provided by
2 AS 29.40 for first and second class boroughs. A second class city in a
3 third class borough may provide for planning, platting, and land use
4 regulation as provided by AS 29.40 for first and second class boroughs.

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

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

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

16 (c) A home rule or first class city outside a borough shall, and a
17 second class city outside a borough may, provide for planning, platting,
18 and land use regulation as provided by AS 29.40 for first and second
19 class boroughs.

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

21 ARTICLE 5. ACQUISITION OF ADDITIONAL POWERS.

22 Sec. 29.35.300. ADDITIONAL POWERS. (a) A first or second class
23 borough acquires an additional power by transfer from a city in accor-
24 dance with AS 29.35.310, or by holding an election on the question. For
25 acquisition of an areawide power, the election shall be held areawide.
26 For acquisition of a nonareawide power, the election shall be held
27 nonareawide.
28

29 (b) A third class borough acquires an additional power to exercise
in service areas by holding an election on the question in which each

500 redrafted
only apply
to 2nd
class bor.

1 person who is a voter of the borough may vote.

2 Sec. 29.35.310. TRANSFER BY CITY. (a) A city in a first or
3 second class borough may transfer to the borough in which it is located
4 any of its powers or functions, subject to the approval of the assembly.

5 (b) A first or second class borough shall exercise all powers
6 transferred to it by a city.

7 Sec. 29.35.320. INITIATION OF ACQUISITION OF POWER. (a) An
8 election on the question of adding an areawide or nonareawide power in a
9 first or second class borough may be initiated in two ways:

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

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

15 (b) An election on the question of adding a power in a third class
16 borough for exercise in service areas may be initiated in two ways:

17 (1) a number of voters equal to 15 percent of the number of
18 votes cast at the preceding regular election in a proposed service area
19 in which the power is sought to be exercised may file a petition with
20 the assembly; or

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

22 (c) The borough clerk shall certify whether a petition filed under
23 (a) or (b) of this section contains the required number of signatures.

24 (d) Within 30 days after a petition is certified as containing the
25 required number of signatures or the assembly proposes the acquisition
26 of a power, at least one public hearing shall be held in the borough on
27 the question. The assembly shall then evaluate the ability of the
28 borough to exercise the power and make its findings public. Within 60
29 days after its findings have been made public, the assembly shall order

1 an election on the question.

2 Sec. 29.35.330 ELECTION. (a) If more than one power is proposed
3 for acquisition under AS 29.35.220, each shall appear separately on the
4 ballot.

5 (b) A vote on the question of adding an areawide power in a first
6 or second class borough shall be tabulated in two separate classifica-
7 tions. One shall consist of all votes cast in all cities located in the
8 borough. The other shall consist of all votes cast in the borough area
9 outside all cities. If the majority of the votes cast in each classifi-
10 cation is favorable, the borough shall assume the added power within 30
11 days after certification of the election results.

12 (c) If a majority of the votes cast on the question of adding a
13 nonareawide power in a first or second class borough or a power to be
14 exercised in service areas in a third class borough is favorable, the
15 borough shall assume the added power within 30 days after certification
16 of the election results.

17 (d) The borough mayor shall certify the election results to the
18 department.

19 Sec. 29.35.340. EFFECT OF ACQUIRING AN AREAWIDE POWER. (a) On
20 acquisition of an areawide power the first or second class borough
21 succeeds to all of the rights, powers, and duties of any city or service
22 area with respect to that power. The borough succeeds to claims,
23 franchises, and other contractual obligations, liability for bonded and
24 all other indebtedness, and to all of the right, title, and interest in
25 the real and personal property held by a city or service area for the
26 exercise of the power.

27 (b) The assembly may levy and collect special charges, taxes, or
28 assessments including interest for the purpose of amortizing bonded in-
29 debtedness previously incurred by a city or service area for exercising

1 an areawide power acquired by the borough. When a city or service area
2 had previously incurred bonded indebtedness, all property that was in
3 the city or service area at the time the bonds were issued remains
4 subject to taxation to pay the principal of and interest on the bonds.

5 (c) On acquisition of an additional areawide power the first or
6 second class borough, in consultation with the city or service area
7 personnel, shall arrange for an orderly and equitable transfer of
8 rights, assets, liabilities, powers, duties, and other matters related
9 to acquisition of the areawide powers.

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

11 ARTICLE 6. CONSTRUCTION OF POWERS.

12 Sec. 29.35.400. GENERAL CONSTRUCTION. A liberal construction
13 shall be given to all powers and functions of a municipality conferred
14 in this title.

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

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

23 ARTICLE 7. SERVICE AREAS.

24 Sec. 29.35.450. SERVICE AREAS. (a) A service area to provide
25 special services in a borough may be established, operated, altered, or
26 abolished by ordinance. Special services include services not provided
27 on an areawide or nonareawide basis in the borough, or a higher or
28 different level of service than that provided on an areawide or non-
29 areawide basis. The borough may include a city in a service area if

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

(1) the city agrees by ordinance; or

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

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

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

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

Sec. 29.35.480. SERVICE AREAS IN FIRST CLASS BOROUGHES. In a first class borough, the assembly may exercise in a service area any power granted a first class city by law. The assembly may exercise in a service area any nonareawide power that may be exercised by a first class borough.

Sec. 29.35.490. SERVICE AREAS IN SECOND AND THIRD CLASS BOROUGHES.

(a) A second class borough may exercise in a service area any power granted a first class city by law or a nonareawide power that may be exercised by a first class borough if

(1) the exercise of the power is approved by a majority of the voters residing in the service area; or

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

1 service area.

2 (b) A third class borough may exercise in a service area any power
3 acquired under AS 29.35.300(b) if the exercise of the power is approved
4 by a majority of the voters residing in the service area.

5 (c) A second or third class borough may establish a service area
6 that includes only vacant, unappropriated, and unreserved land owned by
7 the borough. A second or third class borough may establish a service
8 area, with the concurrence of the commissioner of natural resources,
9 that includes only vacant, unappropriated, and unreserved land owned by
10 the state and classified for disposal to individuals. By ordinance a
11 second or third class borough may provide the services in a service area
12 established under this subsection necessary to develop state or municipal
13 land as required by the planning, platting, and land use regulations of
14 the borough.

15 ARTICLE 8. MISCELLANEOUS PROVISIONS

16 Sec. 29.35.700. DEFINITION. In AS 29.35.200 - 29.35.340 "power"
17 means the provision of a public facility or service, or the exercise of
18 a regulatory power.

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

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

21 Sec. 29.40.010. PLANNING PLATTING, AND LAND USE REGULATION. (a)
22 A first or second class borough shall provide for planning, platting,
23 and land use regulation on an areawide basis.

24 (b) If a city in a borough consents by ordinance, the assembly may
25 by ordinance delegate any of its powers and duties under this chapter to
26 the city. The assembly may by ordinance, without first obtaining the
27 consent of the city, revoke any power or duty delegated under this
28 section.

29 Sec. 29.40.020. PLANNING COMMISSION. (a) Each first and second

1 class borough shall establish a planning commission consisting of five
2 residents unless a greater number is required by ordinance. Commission
3 membership shall be apportioned so that the number of members from home
4 rule and first class cities reflects the proportion of borough popula-
5 tion residing in home rule and first class cities located in the borough.
6 A member shall be appointed by the borough mayor for a term of three
7 years subject to confirmation by the assembly, except that a member from
8 a home rule or first class city shall be selected from a list of recom-
9 mendations submitted by the council. Members first appointed shall draw
10 lots for one, two, and three year terms. Appointments to fill vacancies
11 are for the unexpired term. The compensation and expenses of the plan-
12 ning commission and its staff are paid as directed by the assembly.

13 (b) In addition to the duties prescribed by ordinance, the plan-
14 ning commission shall

15 (1) prepare and submit to the assembly a proposed comprehen-
16 sive plan in accordance with AS 29.40.030 for the systematic and organ-
17 ized development of the borough;

18 (2) review, recommend, and administer measures necessary to
19 implement the comprehensive plan, including measures provided under
20 AS 29.40.040.

21 Sec. 29.40.030. COMPREHENSIVE PLAN. (a) The comprehensive plan
22 is a compilation of policy statements, goals, standards, and maps for
23 guiding the physical, social, and economic development, both private and
24 public, of the first or second class borough, and may include, but is
25 not limited to, the following:

- 26 (1) statements of policies, goals, and standards;
27 (2) a land use plan;
28 (3) a community facilities plan;
29 (4) a transportation plan; and

1 (5) recommendations for implementation of the plan.

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

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

12 (1) zoning regulations restricting the use of land and
13 improvements by geographic districts;

14 (2) land use permit requirements designed to encourage or
15 discourage specified uses and construction of specified structures, or
16 to minimize unfavorable effects of uses and the construction of struc-
17 tures;

18 (3) measures to further the goals and objectives of the
19 comprehensive plan.

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

22 (1) special conditions that require the variance are caused
23 by the person seeking the variance;

24 (2) the variance will permit a land use in a district in
25 which that use is prohibited; or

26 (3) the variance is sought solely to relieve pecuniary hard-
27 ship or inconvenience.

28 Sec. 29.40.050. APPEALS FROM ADMINISTRATIVE DECISIONS. (1) By
29 ordinance the assembly shall provide for an appeal from an administra-

1 tive decision of a municipal employee, board, or commission made in the
2 enforcement, administration, or application of a land use regulation
3 adopted under this chapter. The assembly may provide for an appeal to a
4 court, hearing officer, board of adjustment, or other body. The assembly
5 shall provide for an appeal from a decision on a request for a variance
6 from the terms of a land use regulation when literal enforcement would
7 deprive a property owner of rights commonly enjoyed by other properties
8 in the district.

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

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

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

23 Sec. 29.40.070. PLATTING REGULATION. By ordinance the assembly
24 shall adopt platting requirements that may include, but are not limited
25 to, the control of

- 26 (1) form, size, and other aspects of subdivision, dedica-
27 tions, and vacations of land;
28 (2) dimensions and design of lots;
29 (3) street width, arrangement, and rights-of-way, including

1 requirements for public access to lots and installation of street paving,
2 curbs, gutters, sidewalks, sewers, water lines, drainage and other
3 public utility facilities and improvements;

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

7 Sec. 29.40.080. PLATTING AUTHORITY. (a) The assembly by ordi-
8 nance shall establish a platting authority to administer subdivision
9 regulations and to perform other duties as required by the assembly.
10 The platting authority may consist of members of the planning commission
11 or of other municipal residents.

12 (b) The assembly may by ordinance provide for an administrative
13 official to act as the platting authority with regard to abbreviated
14 plats.

15 Sec. 29.40.090. ABBREVIATED PLATS AND WAIVERS. (a) Notwith-
16 standing other provisions of this chapter, the assembly shall by
17 ordinance establish an abbreviated plat procedure for a plat that will

18 (1) subdivide a single lot into not more than four lots;

19 (2) provide legal and physical access to a public highway or
20 street for each lot created by the subdivision;

21 (3) not contain or require a dedication of a street, right-
22 of-way, or other area;

23 (4) not require a vacation of a public dedication of land or
24 a variance from a subdivision regulation.

25 (b) The platting authority shall waive the preparation, submission
26 for approval, and recording of a plat on satisfactory evidence that the
27 subdivision meets the requirements of (a) of this section and each lot
28 created by the subdivision is five acres or larger.

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

- 1 (1) initial point of survey;
- 2 (2) original or reestablished corners and their descriptions;
- 3 (3) actual traverse showing area of closure and all dis-
- 4 tances, angles, and calculations required to determine initial point,
- 5 corners, and distances of the plat; and
- 6 (4) other information that may be required by ordinance.

7 Sec. 29.40.110. PLAT PROCEDURE. (a) The platting authority shall
8 approve or disapprove a plat within 60 days after it is filed, or shall
9 return it to the applicant for modification or correction. Unless the
10 applicant for plat approval consents to an extension of time, the plat
11 is considered approved and a certificate of approval shall be issued by
12 the platting authority on demand if the platting authority fails to act
13 within 60 days.

14 (b) The platting authority shall state in writing its reasons for
15 disapproval of a plat. If the platting authority approves a plat, the
16 plat shall be acknowledged and filed in accordance with AS 40.15.010 -
17 40.15.020.

18 Sec. 29.40.120. ALTERATION OR REPLAT PETITION. A recorded plat
19 may not be altered or replatted except by the platting authority on
20 petition of the state, the borough, a public utility, or the owners of a
21 majority of the land affected by the alteration or replat. A platted
22 street may not be vacated, except on petition of the state, the borough,
23 a public utility, or owners of a majority of the land fronting the part
24 of the street sought to be vacated. The petition shall be filed with
25 the platting authority and shall be accompanied by a copy of the exist-
26 ing plat showing the proposed alteration or replat.

27 Sec. 29.40.130. NOTICE OF HEARING. The platting authority shall
28 fix a time for a hearing on an alteration or replat petition that may
29 not be more than 60 days after the petition is filed. Notice shall be

1 published by the platting authority stating when and by whom the peti-
2 tion was filed, its purpose, and the time and place of the hearing. The
3 notice shall generally describe the alteration or replat sought. The
4 platting authority shall also mail a copy of the notice to each affected
5 property owner who did not sign the petition.

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

9 (b) Vacation of a city street may not be made without the consent
10 of the council. Vacation of a street in the borough area outside all
11 cities may not be made without the consent of the assembly. The govern-
12 ing body shall have 30 days from the decision of the platting authority
13 in which to veto a vacation of a street. If no veto is received by the
14 platting authority within the 30-day period, consent is considered to
15 have been given to the vacation.

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

19 Sec. 29.40.160. TITLE TO VACATED AREA. (a) The title to the
20 street or other public area vacated on a plat attaches to the lot or
21 lands bordering the area in equal proportions, except that if the area
22 was originally dedicated by different persons, original boundary lines
23 shall be adhered to so that the street area that lies on one side of the
24 boundary line shall attach to the abutting property on that side, and
25 the street area that lies on the other side of the boundary line shall
26 attach to the property on that side. The portion of a vacated street
27 that lies inside the limits of a platted addition attaches to the lots
28 of the platted addition bordering on the area. If a public square is
29 vacated, the title to it vests in a city if it lies inside the city, and

1 in the borough if it lies inside the borough but outside all cities. If
2 the property vacated is a lot, title vests in the rightful owner.

3 (b) If the municipality acquired the street or other public area
4 vacated for legal consideration or by express dedication to the muni-
5 cipality other than as a subdivision platting requirement, before the
6 final act of vacation the fair market value of the street or public area
7 shall be deposited with the platting authority to be paid to the muni-
8 cipality on final vacation.

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

11 (d) The council of a second class city located outside a borough
12 may vacate streets, alleys, crossings, sidewalks, or other public ways
13 that may have been previously dedicated or established when the council
14 finds that the streets, alleys, crossings, sidewalks, or other public
15 ways are no longer necessary for the public welfare, or when the public
16 welfare will be enhanced by the vacation. If the council determines
17 that all or a portion of the area vacated under this subsection should
18 be devoted to another public purpose, title to the area vacated and held
19 for another public purpose does not vest as provided in (a) of this
20 section but remains in the city.

21 Sec. 29.40.170. DELEGATIONS. The planning commission and the
22 platting authority may, as authorized by ordinance, delegate powers to
23 hear and decide cases under this chapter, including, but not limited to,
24 delegations to

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

27 (2) other boards or commissions;

28 (3) a hearing officer designated by the planning commission
29 or platting authority.

1 Sec. 29.40.180. VIOLATIONS. It is unlawful for the owner of land
2 located in a subdivision to transfer, sell, offer to sell, or enter into
3 a contract to sell land in a subdivision before a plat of the subdivi-
4 sion has been prepared, approved, and filed in accordance with this
5 chapter. It is unlawful for a person to file a plat or other document
6 depicting subdivided land in a public recorder's office unless the plat
7 or document has been approved by the platting authority. A person con-
8 victed of violating a provision of this chapter, a subdivision regula-
9 tion adopted under this chapter, or a term, condition, or limitation
10 imposed by a platting authority in the exercise of its powers under this
11 chapter is guilty of a class B misdemeanor.

12 Sec. 29.40.190. REMEDIES. (a) The municipality or an aggrieved
13 person may institute a civil action against a person who violates a
14 provision of this chapter, a subdivision regulation adopted under this
15 chapter, or a term, condition, or limitation imposed by a platting
16 authority. In addition to other relief, a civil penalty not to exceed
17 \$1,000 may be imposed for each violation. An action to enjoin a viola-
18 tion may be brought notwithstanding the availability of any other remedy.
19 Upon application for injunctive relief and a finding of a violation or
20 threatened violation, the superior court shall grant the injunction.

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

23 Sec. 29.40.200. SUBDIVISIONS OF STATE LAND. (a) The subdivision
24 requirements adopted under this chapter apply to a subdivision plat of
25 undeveloped state land for disposal under AS 38.05 or AS 38.08 filed
26 with the platting authority. The platting authority may not disapprove
27 the subdivision plat on the basis of requirements for capital improve-
28 ments on or to state land included in the subdivision plat. Subdivision
29 ordinances and regulations adopted after the platting authority is

1 notified by the commissioner of natural resources of a proposed sale of
2 subdivided state land under AS 38.05 or AS 38.08 do not apply to the
3 state land in the proposed sale.

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

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

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

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

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

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

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

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

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

27 CHAPTER 45. MUNICIPAL TAXATION.

28 ARTICLE 1. MUNICIPAL PROPERTY TAX.

29 Sec. 29.45.010. PROPERTY TAX. (a) A unified municipality may

1 levy a property tax. A borough may levy

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

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

5 (3) a property tax in a service area for functions limited to
6 the service area.

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

10 (c) A tax if levied on real property and personal property must be
11 assessed, levied, and collected as provided in this chapter.

12 Sec. 29.45.020. TAXPAYER NOTICE. (a) If a municipality levies
13 and collects property taxes, the governing body shall provide the
14 following notice:

15 "NOTICE TO TAXPAYER

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

19 PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE

20 (AS 14.17) \$

21 STATE AID FOR RETIREMENT OF SCHOOL CONSTRUC-

22 TION DEBT (AS 43.18.100) \$

23 MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE

24 (AS 29.60.010 - 29.60.080) \$

25 STATE AID FOR MISCELLANEOUS MUNICIPAL

26 SERVICES (AS 29.60.100 - 29.60.180) \$

27 TOTAL AID \$

28 The millage equivalent of this state aid, based on the dollar value
29 of a mill in the municipality during the current assessment year

1 and for the preceding assessment year, is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
2 PUBLIC SCHOOL FOUNDATION PROGRAM		
3 ASSISTANCE	....MILLS	....MILLS
4 STATE AID FOR RETIREMENT OF		
5 SCHOOL CONSTRUCTION DEBT	....MILLS	....MILLS
6 MUNICIPAL TAX RESOURCE EQUALI-		
7 ZATION ASSISTANCE	....MILLS	....MILLS
8 STATE AID FOR MISC' LANEOUS		
9 MUNICIPAL SERVICES	....MILLS	....MILLS
10 TOTAL MILLAGE EQUIVALENT	....MILLS	....MILLS"

11 Notice shall be provided

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

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

18 (b) Compliance with the provisions of this section is a prerequi-
19 site to receipt of municipal tax resource equalization assistance under
20 AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal
21 services under AS 29.60.100 - 29.60.180. The department shall withhold
22 annual allocations under those sections until municipal officials
23 demonstrate that the requirements of this section have been met.

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

26 (1) municipal, state, or federally owned property, except
27 that a private leasehold, contract, or other interest in the property is
28

1 taxable to the extent of the interest;

2 (2) household furniture of head of a family or household;

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

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

9 (5) money on deposit;

10 (6) the real property of certain residents of the state to
11 the extent and subject to the conditions provided in (e) of this sec-
12 tion;

13 ~~(7) forest land as defined in AS 41.17.050(6);~~

14 (7) ~~(8)~~ real property or interests in real property that are
15 exempt from taxation under 43 U.S.C. 1620(d), as amended, as more fully
16 provided in (m) and (n) of this section.

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

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

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

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

26 (c) Property described in (a)(3) or (4) or (b) of this section
27 from which income is derived is exempt only if that income is solely
28 from use of the property by nonprofit religious, charitable, hospital,
29 or educational groups. If used by nonprofit educational groups, the

1 property is exempt only if used exclusively for classroom space.

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

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

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

1 property exempted shall be refunded to him. The assessor may at any
2 time require proof in the form he considers necessary of the right and
3 amount of an exemption claimed under (e) of this section.

4 (g) The state shall reimburse a borough or city, as appropriate,
5 for the real property tax revenues lost to it by the operation of (e) of
6 this section. However, reimbursement will be made to a municipality for
7 revenue lost to it only to the extent that the loss exceeds an exemption
8 that was granted by the municipality, or that on proper application by
9 an individual would have been granted under AS 29.45.050(a).

10 (h) Except as provided in (g) of this section, nothing in (e) -
11 (j) of this section affects similar exemptions from property taxes
12 granted by a municipality on September 10, 1972, or prevents a munici-
13 pality from granting similar exemptions by ordinance as provided in
14 AS 29.45.050.

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

18 (j) One motor vehicle per household owned by a resident 65 years
19 of age or older on January 1 of the assessment year is exempt either
20 from taxation on its assessed value or from the registration tax under
21 AS 28.10.431. An exemption may be granted under this subsection only
22 upon written application on a form prescribed by the Department of
23 Public Safety. The state shall reimburse a municipality for tax reve-
24 nues lost to it because of the exemption required by this subsection.
25 Reimbursement to a municipality equals the amount of registration tax
26 authorized under AS 28.10.431(b) for a motor vehicle exempted under this
27 subsection.

28 (k) The department shall adopt regulations to implement the pro-
29 visions of (g) and (j) of this section.

802

1 (1) Two percent of the assessed value of a structure is exempt
2 from taxation if the structure contains a fire protection system ap-
3 proved under AS 19.70.081, in operating condition, and incorporated as a
4 fixture or part of the structure. The exemption granted by this subsec-
5 tion is limited to

6 (1) an amount equal to two percent of the value of the struc-
7 ture based on the assessment for 1981, if the fire protection system is
8 a fixture of the structure on January 1, 1981; or

9 (2) an amount equal to two percent of the value of the struc-
10 ture based on the assessment as of January 1 of the year immediately
11 following the installation of the fire protection system if the fire
12 protection system becomes a fixture of the structure after January 1,
13 1981.

14 (m) The tax exemption required by 43 U.S.C. 1620(d), as amended,
15 shall be implemented according to the following conditions and inter-
16 pretations:

17 (1) "developed" means a purposeful modification of the prop-
18 erty from its original state that effectuates a condition of gainful or
19 productive present use without further substantial modification; survey-
20 ing, construction of roads, providing utilities or other similar actions
21 normally considered to be component parts of the development process,
22 but which do not create the above condition, do not constitute a
23 developed state within the meaning of this paragraph; developed prop-
24 erty, in order to remove the exemption, must be developed for purposes
25 other than exploration, and be limited to the smallest practicable tract
26 of the property actually used in the developed state;

27 (2) "exploration" means the examination and investigation of
28 undeveloped land to determine the existence of subsurface nonrenewable
29 resources;

1 (3) "lease" means a grant of primary possession entered into
2 for gainful purposes with a determinable fee remaining in the hands of
3 the grantor; with respect to a lease that conveys rights of exploration
4 and development, this exemption shall continue with respect to that
5 portion of the leased tract that is used solely for the purpose of
6 exploration.

7 (n) If the property or interest in the property reverts to an un-
8 developed state, or if the lease is terminated, the exemption shall be
9 reinstated, subject to the provisions of (m) of this section.

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

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

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

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

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

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

11 (b) A municipality may by ordinance

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

15 (2) classify and exempt from taxation

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

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

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

28 (3) exempt personal property from taxation.

29 (c) The provisions of (a) of this section notwithstanding,

1 (1) a borough may, by ordinance, adjust its property tax
2 structure in whole or in part to the property tax structure of a city in
3 the borough, including but not limited to, excluding personal property
4 from taxation, establishing exemptions, and extending the redemption
5 period;

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

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

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

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

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

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

1 that the property owner is compensated at a rate that does not reflect
2 the e sement grant.

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

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

24 Sec. 29.45.060. FARM OR AGRICULTURAL LAND AND GREENHOUSES. (a)
25 Farm use land included in a farm unit and not dedicated or being used
26 for nonfarm purposes shall be assessed on the basis of full and true
27 value for farm use and may not be assessed as if subdivided or used for
28 some other nonfarm purpose. A farm use greenhouse, whether classified
29 as real or personal property for municipal tax purposes, shall be

1 assessed on the basis of full and true value for farm use. The assessor
2 shall maintain records valuing the land or greenhouse for both full and
3 true value and farm use value. If the land or greenhouse is sold,
4 leased, or otherwise disposed of for uses incompatible with farm use or
5 converted to a use incompatible with farm use by the owner, the owner is
6 liable to pay an amount equal to the additional tax at ~~the current mill~~
7 levy together with eight percent interest ^{per year} for the preceding seven years,
8 as though the land or greenhouse had not been assessed for farm use
9 purposes. Payment by the owner shall be made to the state to the extent
10 of its reimbursement for revenue loss under (e) of this section for the
11 preceding seven years. The balance of the payment shall be made to the
12 municipality.

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

24 (c) In this section "farm use" means the use of land or a green-
25 house for profit for raising and harvesting crops or ornamental plants,
26 for the feeding, breeding, and management of livestock, for dairying, or
27 another agricultural use, or any combination of these. To be farm use
28 land, the owner or lessee must be actively engaged in farming the land,
29 and derive at least 10 percent of his yearly gross income from the land.

1 To be a farm use greenhouse, the owner or lessee must derive at least 10
2 percent of his yearly gross income from the greenhouse or from the
3 greenhouse together with other commercial greenhouses or farm use land.
4 This section does not apply to land for which the owner has granted, and
5 has outstanding, a lease or option to buy the surface rights. A property
6 owner wishing to file for farm use classification having no history of
7 farm-related income may submit a declaration of intent at the time of
8 filing the application with the assessor setting out the intended use of
9 the land or greenhouse and the anticipated percentage of income. An
10 applicant using this procedure shall file with the assessor before
11 February 1 of the following year a notarized statement of the percentage
12 of gross income attributable to the land or greenhouse. Failure to make
13 the filing required in this subsection forfeits the exemption.

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

17 (e) Subject to legislative appropriations for the purpose, the
18 state shall reimburse a borough or city, as appropriate, for the prop-
19 erty tax revenues lost to it by the operation of this section.

20 Sec. 29.45.070. MOBILE HOMES. Mobile homes, trailers, house
21 trailers, trailer coaches and similar property used or intended to be
22 used for residential, office, or commercial purposes and attached to the
23 land or connected to water, gas, electric, or sewage facilities are
24 classified as real property for tax purposes unless expressly classified
25 as personal property by ordinance. This section does not apply to house
26 trailers and mobile homes that are unoccupied and held for sale by
27 persons engaged in the business of selling mobile homes.

28 Sec. 29.45.080. TAX ON OIL AND GAS PRODUCTION AND PIPELINE PROP-
29 erty. (a) A municipality may levy and collect taxes on property

1 taxable under AS 43.56 only by using one of the methods set out in (b)
2 or (c) of this section.

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

8 (c) A municipality may levy and collect a tax on the full and true
9 value of that portion of property taxable under this chapter and under
10 AS 43.56 as assessed by the Department of Revenue which value, when
11 combined with the value of property otherwise taxable by the munici-
12 pality, does not exceed the product of 225 percent of the average per
13 capita assessed full and true value of property in the state multiplied
14 by the number of residents of the taxing municipality. For purposes of
15 this subsection, the average per capita assessed full and true value of
16 property in the state shall be calculated without regard to the assessed
17 value of taxable property under AS 43.58.

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

21 (e) For purposes of this section, population shall be determined
22 by the commissioner based on the latest statistics of the United States
23 Bureau of the Census or on other reliable population data, and the
24 commissioner shall advise each municipality of its population by
25 January 15 of each year.

26 Sec. 29.45.090. TAX LIMITATION. (a) A municipality may not,
27 during a year, levy and tax for any purpose in excess of three percent
28 of the assessed value of property in the municipality. All property on
29 which a tax is levied shall be taxed at the same rate during the year.

1 (b) A municipality, or combination of municipalities occupying the
2 same geographical area, in whole or in part, may not levy taxes (1) that
3 will result in tax revenues from all sources exceeding \$1,500 a year for
4 each person residing within the municipal boundaries; or (2) upon value
5 that, when combined with the value of property otherwise taxable by the
6 municipality, exceeds the product of 225 percent of the average per
7 capita assessed full and true value of property in the state multiplied
8 by the number of residents of the taxing municipality. If two or more
9 municipalities occupying the same geographical area, in whole or in
10 part, attempt to levy a tax (1) the combined levy of which would result
11 in tax revenues from all sources exceeding \$1,500 a year for each person
12 residing within the municipal boundaries; or (2) upon value that, when
13 combined with the value of property otherwise taxable by the munici-
14 pality, exceeds the product of 225 percent of the average per capita
15 assessed full and true value of property in the state multiplied by the
16 number of residents of the taxing municipality, the commissioner shall
17 apportion the lawful levy and equitably divide these revenues on the
18 basis of need, services performed, and other considerations in the
19 public interest. For the purpose of this subsection, population shall
20 be determined by the commissioner based on the latest statistics of the
21 United States Bureau of the Census or on other reliable population data.
22 For purposes of this subsection, the average per capita assessed full
23 and true value of property in the state shall be calculated without
24 regard to the assessed value of taxable property under AS 43.58.

25 Sec. 29.45.100. NO LIMITATIONS ON TAXES TO PAY BONDS. The limita-
26 tions provided for in AS 29.45.080 - 29.45.090 do not apply to taxes
27 levied or pledged to pay or secure the payment of the principal and
28 interest on bonds. Taxes to pay or secure the payment of principal and
29 interest on bonds may be levied without limitation as to rate or amount.

1 regardless of whether the bonds are in default or in danger of default.

2 Sec. 29.45.110. FULL AND TRUE VALUE. (a) The assessor shall
3 assess property at its full and true value as of January 1 of the
4 assessment year, except as provided in this section, AS 29.45.060, and
5 29.45.230. The full and true value is the estimated price that the
6 property would bring in an open market and under the then prevailing
7 market conditions in a sale between a willing seller and a willing buyer
8 both conversant with the property and with prevailing general price
9 levels.

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

14 (c) In the case of cessation of business during the tax year, the
15 municipality may provide for reassessment of business inventories using
16 the average monthly method of assessment for the tax year rather than
17 the value existing on January 1 of the tax year, and for reduction and
18 refund of taxes. In enacting an ordinance authorized by this section,
19 the municipality may prescribe procedures, restrictions, and conditions
20 of assessing or reassessing business inventories and of remitting or
21 refunding taxes.

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

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

29 Sec. 29.45.130. INDEPENDENT INVESTIGATION. (a) The assessor is

1 not bound to accept a return as correct. He may make an independent
2 investigation of property returned or of taxable property on which no
3 return has been filed. In either case, the assessor may make his own
4 valuation of the taxable property and this valuation is prima facie
5 evidence.

6 (b) For investigation, the assessor or his agent may enter a
7 premise during reasonable hours and may examine property on the premise.
8 He may examine all property records involved. A person shall, on
9 request, furnish to the assessor or his agent every facility and assis-
10 tance for the investigation. The assessor may seek a court order to
11 compel entry and production of records needed for assessment purposes.

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

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

19 Sec. 29.45.150. REEVALUATION. A systematic reevaluation of taxable
20 real and personal property undertaken by the assessor, whether of
21 specific areas in which real property is located or of specific classes
22 of real or personal property to be assessed, shall be made only in
23 accordance with a resolution or other act of the municipality directing
24 a systematic reevaluation of all taxable property in the municipality
25 over the shortest period of time practicable, as fixed in the resolution
26 or act.

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

29 (1) a description of all taxable property;

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

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

4 (b) The assessor may list real property by any description that
5 may be made certain. Real property is assessed to the record owner.
6 The district recorder shall at least monthly provide the assessor a copy
7 of each recorded change of ownership showing the name and mailing
8 address of the owner and the name and mailing address of the person
9 recording the change of ownership. Other persons having an interest in
10 the property may be listed on the assessment records with the owner. The
11 person in whose name property is listed as owner is conclusively
12 presumed to be the legal record owner. If the property owner is un-
13 known, the property may be assessed to "unknown owner". An assessment
14 is not invalidated by a mistake, omission, or error in the name of the
15 owner, if the property is correctly described.

16 Sec. 29.45.170. ASSESSMENT NOTICE. (a) The assessor shall give
17 each person named in the assessment roll a notice of assessment, showing
18 the assessed value of his property. On each notice is printed a brief
19 summary of the dates when taxes are payable, delinquent, and subject to
20 penalty and interest, and the dates when the board of equalization will
21 sit

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

27 Sec. 29.45.180. CORRECTIONS. (a) A person receiving an assess-
28 ment notice shall advise the assessor of errors or omissions in the
29 assessment of his property. The assessor may correct errors or omis-

1 sions in the roll before the board of equalization hearing.

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

5 Sec. 29.45.190. APPEAL. (a) A person whose name appears on the
6 assessment roll or his agent or assigns may appeal to the board of
7 equalization for relief from an alleged error in valuation not adjusted
8 by the assessor to the taxpayer's satisfaction.

9 (b) The appellant shall, within 30 days after the date of mailing
10 of notice of assessment, submit to the assessor a written appeal speci-
11 fying grounds in the form that the board of equalization may require.
12 Otherwise, the right of appeal ceases unless the board of equalization
13 finds that the taxpayer was unable to comply.

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

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

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

23 Sec. 29.45.200. BOARD OF EQUALIZATION. (a) The governing body
24 sits as a board of equalization for the purpose of hearing an appeal
25 from a determination of the assessor, or it may delegate this authority
26 to one or more boards appointed by it. An appointed board may be
27 composed of not less than three persons, who may be members of the
28 governing body, municipal residents, or a combination of members of the
29 governing body and residents. The governing body shall by ordinance

1 establish the qualifications for membership.

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

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

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

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

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

20 (d) An appellant or the assessor may appeal a determination of the
21 board of equalization to the superior court as provided by rules of
22 court applicable to appeals from the decisions of administrative
23 agencies. Appeals are heard on the record established at the hearing
24 before the board of equalization.

25 Sec. 29.45.220. SUPPLEMENTARY ASSESSMENT ROLLS. The assessor
26 shall include property omitted from the assessment roll on a supplemen-
27 tary roll, using the procedures set out in this chapter for the original
28 roll.

29 Sec. 29.45.230. TAX ADJUSTMENTS ON PROPERTY AFFECTED BY A NATURAL

1 DISASTER. (a) The municipality may provide for assessment or reassess-
2 ment and reduction of taxes for property destroyed, damaged, or other-
3 wise reduced in value as a result of a natural disaster.

4 (b) An assessment or reassessment under this section may be made
5 by the assessor only upon the receipt of a sworn statement of the tax-
6 payer that his losses exceed \$1,000. A reduction of taxes may be made
7 only on losses in excess of \$1,000 for the remainder of the year follow-
8 ing the disaster. On reassessment, the municipality shall recompute
9 this tax and refund taxes that have already been paid.

10 (c) The municipality shall give notice of assessment or reassess-
11 ment under this section and shall hold an equalization hearing as pro-
12 vided in this chapter, except that a notice of appeal must be filed with
13 the board of equalization within 10 days after notice of assessment or
14 reassessment is given to the person appealing. Otherwise, the right of
15 appeal ceases unless the board finds that the taxpayer is unable to
16 comply.

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

21 (e) In this section "disaster" means a major disaster declared by
22 the President of the United States under the provisions of the Federal
23 Disaster Act of 1950, Title 42, United States Code, sec. 1855-1855g, or
24 other federal law, or a disaster declared by the governor under AS 26.-
25 23.010 - 26.23.110.

26 Sec. 29.45.240. TAX LEVY AND RATE. (a) The power granted to a
27 municipality to assess, levy, and collect a property tax shall be
28 exercised by means of an ordinance. The rate of levy, the date of
29 equalization, and the date when taxes become delinquent shall be fixed

1 by resolution.

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

6 Sec. 29.45.250. RATES OF PENALTY AND INTEREST. (a) A penalty not
7 to exceed 20 percent of the tax due may be added to all delinquent
8 taxes, and interest not to exceed 15 percent a year shall accrue upon
9 all unpaid taxes, not including penalty, from the due date until paid in
10 full. A municipality may impose a penalty not to exceed 20 percent of
11 the tax due upon the late return of personal property assessment forms.
12 A penalty under this section may be imposed according to a formula that
13 increases the amount of the penalty as the length of time increases
14 during which payment is delinquent or assessment forms are not returned.

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

18 ARTICLE 2. ENFORCEMENT OF TAX LIENS.

19 Sec. 29.45.290. VALIDITY. Certified assessment and tax rolls are
20 valid and binding on all persons, notwithstanding a defect, error,
21 omission, or invalidity in the assessment rolls or proceedings pertain-
22 ing to the assessment roll.

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

28 (b) Property taxes, together with penalty and interest, are a lien
29 upon the property assessed, and the lien is prior and paramount to all

1 other liens or encumbrances against the property.

2 Sec. 29.45.310. ENFORCEMENT OF PERSONAL PROPERTY TAX LIENS BY
3 DISTRAINT AND SALE. (a) A lien for personal property taxes may be
4 enforced by distraint and sale of the property. The municipality shall
5 provide the procedure for distraint and sale by ordinance. A seizure,
6 levy, or distraint is not legal unless demand is first made of the
7 person assessed for the amount of the tax, penalty, and interest, and a
8 sale is not valid unless made at public auction no sooner than 15 days
9 after notice is published. The seizure is made by virtue of a warrant
10 issued by the municipal clerk to a peace officer.

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

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

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

27 Sec. 29.45.330. FORECLOSURE LIST. (a) A municipality shall
28 (1) annually present a petition for judgment and a certified
29 copy of the foreclosure list for the previous year's delinquent taxes in

1 the superior court for judgment;

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

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

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

13 (1) the last known owner;

14 (2) the property description as stated on the assessment
15 roll;

16 (3) years and amounts of delinquency;

17 (4) penalty and interest due;

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

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

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

26 Sec. 29.45.340. CLEARING DELINQUENCIES. During the publication or
27 posting of the foreclosure list and up to the time of transfer to the
28 municipality a person may pay the taxes, together with the penalty,
29 interest, and costs. The collector shall note payment on the foreclo-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

sure list.

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

Sec. 29.45.360. GENERAL FORECLOSURE. A municipality shall bring one general foreclosure proceeding in rem against the properties included in the foreclosure list. If the owner is unknown, the property is proceeded against as belonging to "unknown owner". Tax foreclosure proceedings have priority over all other civil proceedings except appeals under AS 29.40.060.

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

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

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

(b) The court clerk shall deliver a certified copy of the judgment and decree to the municipal clerk. The certified judgment and decree

1 constitutes a transfer to the municipality.

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

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

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

22 Sec. 29.45.420. ADDITIONAL LIENS. If a property included in a
23 foreclosure list is removed after payment of delinquencies or redemption
24 by another lienholder, the payment represented by receipt for payment
25 constitutes an additional lien on the property, collectible by the
26 lienholder in the same manner as the original lien.

27 Sec. 29.45.430. POSSESSION DURING REDEMPTION PERIOD. Foreclosure
28 does not affect the former owner's right to possession during the
29 redemption period. If waste is committed by the former owner or by

1 anyone acting under his permission or control, the municipality may
2 declare an immediate forfeiture of the right to possession.

3 Sec. 29.45.440. EXPIRATION. (a) At least 30 days before the
4 expiration of the redemption period the clerk or his designee shall
5 publish a redemption period expiration notice. The notice shall contain
6 the date of judgment, the date of expiration of the period of redemp-
7 tion, and a warning that all properties ordered sold under the judgment,
8 unless redeemed, shall be deeded to the municipality immediately on
9 expiration of the period of redemption and that every right or interest
10 of a person in the properties will be forfeited forever to the muni-
11 cipality. The notice appears once a week for four consecutive weeks in
12 a newspaper of general circulation distributed in the municipality. If
13 there is no newspaper of general circulation distributed in the muni-
14 cipality, the notice is posted in three public places for at least four
15 consecutive weeks. The clerk shall send a copy of the notice by certi-
16 fied mail to each record owner of property against which a judgment of
17 foreclosure has been taken and, if the assessed value of the property is
18 more than \$100,000, to all holders of mortgages or other liens of record
19 on the property. The notice shall be mailed within five days after the
20 first publication. The mailing shall be sufficient if mailed to the
21 property owner and to the holder of a mortgage or recorded lien at the
22 last address of record.

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

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

29 Sec. 29.45.450. DEED TO BOROUGH OR CITY. (a) Unredeemed property

1 in the area of the borough outside all cities is deeded to the borough
2 by the clerk of the court. Unredeemed property in a city is deeded to
3 the city subject to the payment by the city of unpaid borough taxes and
4 costs of foreclosure levied against the property before foreclosure.
5 The deed shall be recorded in the recording district in which the
6 property is located.

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

9 (c) If unredeemed property lies in a city and if the city has no
10 immediate public use for the property but the borough does have an
11 immediate public use, the city shall deed the property to the borough.
12 If unredeemed property lies in the borough outside all cities and if the
13 borough does not have an immediate public use for the property but a
14 city does have an immediate public use, the borough shall deed the
15 property to the city.

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

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

28 (b) Tax-foreclosed property conveyed to a municipality by tax
29 foreclosure and not required for a public purpose may be sold. Before

1 the sale of tax-foreclosed property held for a public purpose, the
2 municipality, by ordinance, shall determine that a public need does not
3 exist. The ordinance shall contain the information required under (a)
4 of this section.

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

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

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

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

28 Sec. 29.45.480. PROCEEDS OF TAX SALE. (a) On sale of foreclosed
29 real or personal property the municipality shall divide the proceeds

1 less cost of collection, between the borough and the city having unpaid
2 taxes against the property. The division is in proportion to the
3 respective municipal taxes against the property at the time of fore-
4 closure.

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

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

1 respective taxes and assessments against the property at the time of
2 foreclosure.

3 Sec. 29.45.500. REFUND OF TAXES. (a) If a taxpayer pays taxes
4 under protest, he may bring suit in the superior court against the
5 municipality for recovery of the taxes. If judgment for recovery is
6 given against the municipality, or, if in the absence of suit, it
7 becomes obvious to the governing body that judgment for recovery of the
8 taxes would be obtained if legal proceedings were brought, the munici-
9 pality shall refund the amount of the taxes to the taxpayer with inter-
10 est at eight percent from the date of payment plus costs.

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

18 (c) The governing body may correct manifest clerical errors at
19 anytime.

20 ARTICLE 3. CITY PROPERTY TAX.

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

25 Sec. 29.45.560. CITIES INSIDE BOROUGHES. Home rule and first class
26 cities inside boroughs may levy a property tax. A property tax, if
27 levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.100,
28 29.45.250, 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The council
29 shall by June 15 of each year present to the assembly a statement of the

1 city's rate of levy unless a different date is agreed upon by the borough
2 and city.

3 Sec. 29.45.570. APPLICATION. AS 29.45.010 - 29.45.570 apply to
4 home rule and general law municipalities.

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

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

17 Sec. 29.45.600. COMBINING PROPERTY TAX WITH INCORPORATION OF A
18 SECOND CLASS CITY. A petition for second class city incorporation may
19 request that a property tax proposal be placed on the same ballot. The
20 petition must state the proposed tax rate. The petition may request that
21 incorporation be dependent on the passage of the property tax proposi-
22 tion. If so, the incorporation proposition fails if the property tax
23 fails.

24 ARTICLE 4. BOROUGH SALES AND USE TAX.

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

29 (b) A borough levying a sales tax may also by ordinance levy a use

1 tax on the storage, use, or consumption of tangible personal property in
2 the borough. The use tax rate must equal the sales tax rate and the use
3 tax shall be levied only on buyers.

4 (c) A person who furnishes proof, in the form required by the
5 borough tax collector, that he has paid a sales tax on the source on
6 which a use tax is levied by the borough is required to pay the use tax
7 only to the extent of the difference between the amount of the sales tax
8 paid and the amount of the use tax levied by the borough. This subsec-
9 tion applies to a sales tax levied in any taxing jurisdiction whether
10 inside or outside the state.

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

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

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

29 (1) by publishing in a newspaper of general circulation in

1 the borough a copy of the notice once each week for a period of three
2 successive weeks, with publication to occur not later than 45 days after
3 the final adoption of the borough's budget; or

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

8 (b) Compliance with the provisions of this section is a prerequi-
9 site to receipt of municipal tax resource equalization assistance under
10 AS 29.60.010 - 29.60.080 and state aid for miscellaneous municipal
11 services under AS 29.60.100 - 29.60.180. The department shall withhold
12 annual allocations under those sections until municipal officials demon-
13 strate that the requirements of this section have been met.

14 Sec. 29.45.67). REFERENDUM, ADOPTION, AND MODIFICATION. A new
15 sales and use tax or an increase in the rate of levy of a sales tax
16 approved by ordinance does not take effect until ratified by a majority
17 of the voters at an election.

18 ARTICLE 5. CITY SALES AND USE TAXES.

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

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

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

29 Sec. 29.45.710. COMBINING SALES AND USE TAX WITH INCORPORATION OF

1 A SECOND CLASS CITY. A petition for incorporation of a second class
2 city may request that a sales and use tax proposal be placed on the same
3 ballot. The petition must state the proposed tax rate. The petition
4 may request that incorporation be dependent on the passage of the tax
5 proposition. If so, the incorporation proposition fails if the tax
6 fails.

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

8 CHAPTER 46. SPECIAL ASSESSMENTS.

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

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

20 (2) the governing body.

21 Sec. 29.46.020. PROCEDURE. (a) The municipality may prescribe by
22 ordinance the procedures relating to creating special assessment dis-
23 tricts, making local improvements, levying and collecting assessments,
24 and financing improvements, including the following:

25 (1) a procedure for filing petitions;

26 (2) a survey and report by the mayor concerning the need for,
27 desirable extent of, and estimated cost of each proposed local improve-
28 ment;

29 (3) a public hearing on the necessity for the proposed local

1 improvement;

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

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

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

9 (7) a resolution or ordinance confirming the special assess-
10 ment roll for the proposed local improvement;

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

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

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

27 (b) If the municipality approves an improvement proposal, it shall
28 develop a proposed improvement plan including the total cost estimate
29 and the percentage of the cost to be assessed against the benefited

1 property. The improvement plan shall be filed with the municipal clerk.

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

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

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

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

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

29 (b) The special assessment roll shall contain property descrip-

1 tions, names of record owners, and assessment amounts.

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

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

15 Sec. 29.46.080. PAYMENT. (a) The governing body shall fix times
16 of payment, penalties on delinquent payments, and the rate of interest
17 on the unpaid balance of the assessment. Payment may be in one sum or
18 by installments. If payment is to be in one sum, payment may not be
19 required sooner than 60 days after mailing of the assessment statement.
20 The entire assessment may be prepaid without interest or penalty within
21 30 days after mailing of the assessment statement, and thereafter the
22 assessment may be prepaid in whole or in part with interest to the
23 payment date.

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

1 notice published that the statements have been mailed.

2 (c) Assessments are liens on the property assessed and are prior
3 and paramount to all liens except municipal tax liens. They may be
4 enforced as provided in AS 29.45.320 - 29.45.470 for enforcement of
5 property tax liens.

6 Sec. 29.46.090. EXEMPTION. (a) The real property owned and
7 occupied by a resident 65 years of age or over, or the spouse, widow,
8 widower, or minor heir of the original applicant, on which is located
9 only his permanent abode that is a single-family residence, is exempt
10 from (1) special sewer assessments levied by a municipality after
11 September 2, 1975, and (2) special water assessments levied by a muni-
12 cipality after September 2, 1975. Only one exemption may be granted
13 with respect to the same property, and, if two or more persons are
14 eligible for an exemption with respect to the same property, the parties
15 shall decide between or among themselves which shall receive the benefit
16 of the exemption. Real property may not be exempted under this sub-
17 section that the municipality determines, after notice and hearing to
18 the parties concerned, has been conveyed to the applicant primarily for
19 the purpose of obtaining the exemption. The determination of the muni-
20 cipality is appealable under AS 44.62.560 - 44.62.570.

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

25 (1) The claimant must file the initial application during the
26 period of time between the date the assessment roll is confirmed and the
27 time of payment fixed by the governing body. Within one year after the
28 date the assessment roll is confirmed the governing body for good cause
29 shown may waive the claimant's failure to make timely initial application

1 for the exemption and authorize the assessor to accept the application
2 as if timely filed.

3 (2) A claimant receiving the exemption must file with the
4 assessor by March 15 of each subsequent year a separate application
5 proving eligibility as of January 1 in order to retain the exemption.
6 Within the same year the assessor for good cause shown may waive the
7 claimant's failure to make timely application and approve the applica-
8 tion as if timely filed.

9 (3) If an application is filed within the required time under
10 this subsection and is approved by the governing body, the exemption
11 shall be allowed in accordance with the provisions of this section. If
12 a waiver under this subsection is granted and the application for exemp-
13 tion approved, the amount of any assessment, penalty, or interest that
14 the claimant has already paid on the assessment shall be refunded to
15 him. The municipality may at any time require proof in the form con-
16 sidered necessary of the right and amount of an exemption claimed under
17 this section.

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

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

1 (2) when property exempted under (a)(1) or (2) of this section
2 receives more than one sewer connection or more than one water connec-
3 tion; or

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

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

8 (e) In this section

9 (1) "minor heir" means a person who, at the time of transfer
10 of the property, has not attained the age of 19 years or who, if he has
11 not attained the age of 22 years, is a full-time student at an educa-
12 tional institution or a member of the armed forces of the United States;

13 (2) "real property" includes, but is not limited to, mobile
14 homes, whether classified as real or personal property for municipal tax
15 purposes;

16 ~~(3) "resident" means a person who for 12 consecutive months~~
17 ~~has maintained his permanent place of abode in the state.~~

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

22 (b) Payments on the initial assessment are credited to the prop-
23 erty upon reassessment. The reassessment becomes a charge upon the
24 property notwithstanding failure to comply with any provision of the
25 assessment procedure.

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

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

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

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

4 (4) interest on interim financing;

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

7 (6) the cost of completing the improvement and financing the
8 improvement, including the issuance of bonds.

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

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

16 (b) The decision of the governing body on an objection may be
17 appealed to the superior court within 30 days after the date of confir-
18 mation of the assessment roll. If no objection is filed or appeal taken
19 within that time, the assessment procedure is considered valid in all
20 respects.

21 Sec. 29.46.130. INTERIM FINANCING. (a) A municipality may provide
22 by resolution or ordinance for the issuance of notes in payment of the
23 costs of a local improvement project, payable out of special assessments
24 for the improvement. The notes shall bear interest at a rate or rates
25 authorized by the resolution or ordinance, and shall be redeemed either
26 in cash or bonds for the improvement project.

27 (b) Notes issued against assessments shall be claims against the
28 assessments that are prior and superior to a right, lien or claim of a
29 surety on the bond given to the municipality to secure the performance

1 of its contract for a local improvement project, or to secure the payment
2 of persons who have performed work or furnished materials under the
3 contract.

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

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

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

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

12 Sec. 29.46.140. SPECIAL ASSESSMENT BONDS. (a) The municipality
13 may by ordinance authorize the issuance and sale of special assessment
14 bonds to pay all or part of the cost of an improvement in a special
15 assessment district. The principal and interest of bonds issued shall
16 be payable solely from the levy of special assessments against the
17 property to be benefited. The assessments shall constitute a sinking
18 fund for the payment of principal and interest on the bonds. The bene-
19 fitted property may be pledged by the governing body to secure a payment.

20 (b) On default in a payment due on a special assessment bond, a
21 bondholder may enforce payment of principal, interest, and costs of
22 collection in a civil action in the same manner and with the same effect
23 as actions for the foreclosure of mortgages on real property. Fore-
24 closure shall be against all property on which assessments are in
25 default. The period for redemption is the same as for a mortgage
26 foreclosure on real property.

27 (c) Before the governing body may issue special assessment bonds,
28 it shall establish a guarantee fund and appropriate to the fund annually
29 a sum adequate to cover a deficiency in meeting payments of principal

1 and interest on bonds if the reason for the deficiency is nonpayment of
2 assessments when due. Money received from actions taken against prop-
3 erty for nonpayment of assessments shall be credited to the guarantee
4 fund.

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

6 CHAPTER 47. MUNICIPAL DEBT.

7 ARTICLE 1. REVENUE ANTICIPATION NOTES.

8 Sec. 29.47.010. BORROWING IN ANTICIPATION OF REVENUE. A muni-
9 cipality that is authorized to incur indebtedness may borrow money to
10 meet appropriations for any fiscal year in anticipation of the collec-
11 tion of the revenues for that year, but all debt so contracted shall be
12 paid before the end of the next fiscal year. Negotiable or nonnegotiable
13 revenue anticipation notes may be issued as evidence of the borrowing.

14 Sec. 29.47.020. ISSUANCE OF NOTES. A municipality may by ordi-
15 nance or resolution authorize the issuance of revenue anticipation
16 notes. The governing body may delegate to its chief fiscal officer the
17 power to issue the notes from time to time under the terms and condi-
18 tions of the ordinance or resolution that provides for the manner of
19 their sale.

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

28 (b) If the state or federal grants for capital improvement pro-
29 jects have not been paid to the municipality before maturity of the

1 notes issued in anticipation of the receipt of the revenue, the govern-
2 ing body may issue new notes in order to meet payment of the notes then
3 maturing or may renew the outstanding revenue anticipation notes. New
4 notes issued or renewals of outstanding revenue anticipation notes
5 mature not later than the end of the next fiscal year.

6 Sec. 29.47.040. PRIORITY OF REPAYMENT. The payment of the princi-
7 pal and interest on revenue anticipation notes is payable from revenues,
8 and their payment additionally shall be secured by a pledge of the full
9 faith and credit of the municipality issuing them.

10 ARTICLE 2. BOND ANTICIPATION NOTES.

11 Sec. 29.47.080. BOND ANTICIPATION BORROWING. A municipality may
12 borrow money in anticipation of the sale of general obligation and
13 revenue bonds if

14 (1) the general obligation bonds to be sold have been autho-
15 rized by ordinance and ratified by a majority vote at an election;

16 (2) the revenue bonds to be sold have been authorized by
17 ordinance.

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

25 Sec. 29.47.100. ISSUANCE OF NEW NOTES. If the sale of the bonds
26 has not occurred before the maturity of the notes issued in anticipation
27 of the sale, the governing body shall issue new notes in order to meet
28 payment of the notes then maturing, or shall renew the outstanding bond
29 anticipation notes. New notes issued or renewals of outstanding bond

1 anticipation notes bear a maturity date not to exceed one year from the
2 date of issue. Notes, new notes, and renewals of notes may not be
3 outstanding for a total elapsed time of more than three years.

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

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

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

15 Sec. 29.47.130. LIMITATION. The total amount of notes issued and
16 outstanding may at no time exceed the total amount of bonds authorized
17 to be issued.

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

22 ARTICLE 3. GENERAL OBLIGATION BONDS.

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

26 Sec. 29.47.190. VOTE AND NOTICE OF EXISTING INDEBTEDNESS REQUIRED.

27 (a) A municipality may incur general obligation bond debt only after a
28 bond authorization ordinance is approved by a majority vote at an elec-
29 tion. Any municipal voter may vote in the bond election, except as

1 otherwise provided by law.

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

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

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

10 (3) the total assessed value of property in the municipality.

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

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

23 ARTICLE 4. REVENUE BONDS.

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

28 (b) A municipality may issue its revenue bonds to finance the
29 purchase of residential mortgage loans. The revenue bonds issued under

1 this subsection are payable solely from the principal and interest of
2 the mortgage loans and from other amounts pledged by the municipality,
3 except the pledge of revenues derived from taxes. Revenue bonds issued
4 under this subsection do not constitute a general obligation of the
5 municipality.

6 Sec. 29.47.250. NO ELECTION REQUIRED. An election is not required
7 to authorize the issuance and sale of revenue bonds, unless otherwise
8 provided by ordinance.

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

12 ARTICLE 5. REFUNDING BONDS.

13 Sec. 29.47.300. AUTHORIZATION. If a municipality has outstanding
14 general obligation or revenue bonds and the governing body determines
15 that it would be financially advantageous to refund the bonds, the
16 municipality may provide by ordinance or resolution for the issuance of
17 negotiable or nonnegotiable

- 18 (1) general obligation refunding bonds; or
- 19 (2) revenue refunding bonds.

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

24 Sec. 29.47.320. NO ELECTION REQUIRED. An election is not required
25 to authorize the issuance and sale of refunding bonds. Their issuance
26 may be authorized and all proceedings with reference to them prescribed
27 by ordinance. However, when it is desirable to use general obligation
28 bonds to refund a revenue bond issue, the governing body shall call an
29 election on the question.

1 Sec. 29.47.330. PAYMENT OF REFUNDING BONDS. General obligation
2 refunding bonds are payable according to AS 29.47.200. Revenue refund-
3 ing bonds are payable according to AS 29.47.240.

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

9 ARTICLE 6. MISCELLANEOUS PROVISIONS.

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

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

24 (c) A municipality may

- 25 (1) loan the proceeds of the bonds issued under this section;
- 26 (2) pledge, mortgage or assign money, leases, agreements,
27 property, or other assets of the project being financed;
- 28 (3) enter into covenants and agreements concerning bonds
29 issued under this section that the municipality determines to be de-

1 sirable;

2 (4) provide for any matter that affects the security of the
3 bonds.

4 (d) In this section

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

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

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

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

21 Sec. 29.47.420. INTEREST RATE. The interest rate payable on a
22 bond or note issued under this chapter shall be determined by the muni-
23 cipality and is not subject to the usury rate limitations of AS 45.-
24 45.010.

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

28 Sec. 29.47.440. BOROUGH INDEBTEDNESS. (a) A borough may incur
29 indebtedness

- 1 (1) on an areawide basis for areawide functions; or
2 (2) on a nonareawide basis for functions performed only in
3 the borough area outside all cities; or
4 (3) on a service area basis for functions performed only in a
5 service area.

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

10 (c) If the bonded debt to be incurred by a borough is an areawide
11 debt, the vote is areawide. If the full faith and credit of the entire
12 borough is pledged for the payment of the debt of the borough area
13 outside all cities or of a service area, an areawide election is held
14 and the proposition must pass both areawide and in the area that will
15 benefit from the improvement. If the bonded indebtedness to be incurred
16 is limited to the borough area outside all cities, the vote is limited
17 to voters outside all cities. If the indebtedness to be incurred is
18 limited to a service area, the vote is limited to voters in the service
19 area. Only the full faith and credit of the area voting on the indebted-
20 ness is pledged for the payment of the debt.

21 (d) The indebtedness of a municipality reclassified under AS 29.-
22 04.040 is not affected by reclassification. All property in a muni-
23 cipality that is reclassified remains subject to taxation to amortize
24 bonded or other indebtedness affecting the municipality and authorized
25 on the effective date of reclassification.

26 Sec. 29.47.450. SERVICE AREA DEBT. The indebtedness of a service
27 area acquired under AS 29.47.440 remains the indebtedness of the area
28 that incurred the debt, notwithstanding a subsequent court determination
29 that the service area was not validly formed under law or by virtue of a

1 defect in the proceedings creating the service area. All property in
2 the service area remains subject to taxation to pay the bonded indebted-
3 ness.

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

5 CHAPTER 55. MUNICIPAL PROGRAMS.

6 Sec. 29.55.010. CREATION OF LOCAL HISTORICAL DISTRICT COMMISSIONS.
7 The governing body of a municipality may establish a local historical
8 district commission or designate the planning commission or itself to
9 serve as the historical district commission.

10 Sec. 29.55.020. ESTABLISHMENT OF HISTORICAL DISTRICTS. (a) In
11 addition to existing municipal authority providing for the preservation,
12 protection, and maintenance of historic sites, the local historical
13 district commission, in consultation with the Historic Sites Advisory
14 Committee in the Department of Natural Resources, may establish a his-
15 torical district in the boundaries of the municipality.

16 (b) A historical district shall be a reasonably compact area of
17 historical significance in which two or more structures important in
18 state or national history, and related by physical proximity or histori-
19 cal association, are located. For purposes of this section, "structures
20 important in state or national history" means properties recommended by
21 historical district commissions that are listed in the National Register
22 of Historic Places or are characteristic of the Russian-American period
23 before October 18, 1867, the early territorial period before 1930, or
24 early Native heritage, reflecting the indigenous characteristics of
25 Native culture in Alaska. On recommendation of the governing body of a
26 municipality and the Historic Sites Advisory Committee, the Department
27 of Natural Resources may by regulation formulate additional criteria for
28 the establishment of historical districts not inconsistent with this
29 subsection.

1 (c) The establishment of a historical district under this section
2 shall be consistent with any applicable comprehensive plan for the
3 municipality.

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

5 CHAPTER 60. STATE PROGRAMS.

6 ARTICLE 1. MUNICIPAL TAX RESOURCE EQUALIZATION.

7 Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICIPAL
8 SERVICES. (a) During each fiscal year the department shall compute an
9 equalization entitlement for municipal services provided by a taxing
10 unit.

11 (b) The equalization entitlement computed for a taxing unit is
12 based on the population, relative ability to generate revenue, and local
13 tax burden of the taxing unit and is determined by the application of
14 the formula

15 Entitlement = $P \times R$

16 where P = population, and

17 R = millage rate equivalent, determined by dividing the sum of
18 the locally generated revenue of the taxing unit by one-tenth of one
19 percent of the full and true value of assessed property of the taxing
20 unit determined under AS 29.60.030(d); however, the per capita property
21 value used under this subsection may not be less than 15 percent of the
22 statewide average per capita full and true assessed property value.

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

24 (1) includes

25 (A) the actual revenue derived from the levy and collec-
26 tion of local taxes in the taxing unit for municipal services
27 during the preceding fiscal year of the taxing unit;

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

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

7 (D) special assessments received during the preceding
8 fiscal year; and

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

12 (2) excludes

13 (A) revenue derived from the levy and collection of
14 municipal taxes and appropriated for the operating expenses and
15 debt service of utilities;

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

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

19 Sec. 29.60.020. DETERMINATION OF POPULATION. ~~(a)~~ For purposes of
20 AS 29.60.010 - 29.60.080, the population of a ~~taxing unit~~ shall be
21 determined annually by the latest figures of the United States Bureau of
22 the Census or other population data that in the judgment of the depart-
23 ment is reliable.

24 ~~(b) The population of the taxing unit includes the population of~~
25 ~~any military reservation that is a part of the taxing unit. The popula-~~
26 ~~tion of a taxing unit includes persons working in isolated job sites~~
27 ~~located within the taxing unit regardless of where the persons reside.~~
28 ~~For purposes of this subsection, the number of persons working in iso-~~
29 ~~lated job sites are those persons working in the sites on July 1 of each~~

1 ~~year as determined by the commissioner based on data that in the judgment~~
2 ~~of the commissioner is reliable, including data supplied by employers.~~

3 **Sec. 29.60.030. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a)**

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

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

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

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

1 generated revenue includes revenue of a utility received under AS 29.-
2 60.010(c)(1)(E), the full and true assessed property value shall include
3 the computed assessed value of the utility, determined by dividing the
4 amount of the payment in place of taxes made by the utility by the
5 millage rate that would apply to the utility if the utility were subject
6 to levy and collection of taxes under AS 29.45.

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

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

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

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

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

23 Sec. 29.60.040. REPORTS. A payment of an equalization entitlement
24 may not be made to a municipality under AS 29.60.010 - 29.60.080 until
25 the municipality has submitted its certificate of estimated revenue and
26 its financial report to the department for the fiscal year preceding the
27 year for which the equalization entitlement is sought, together with a
28 budget for the municipality's current fiscal year. The financial report
29 shall include a listing of general revenue collected from taxes levied

1 and assessed and any other revenue that, in the opinion of the municipal
2 officials, is eligible for inclusion in computations of the locally
3 generated revenue of the taxing unit.

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

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

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

16 Sec. 29.60.060. TAX EQUALIZATION ACCOUNT. The tax equalization
17 account is established. Money to carry out the provisions of AS 29.60.-
18 010 - 29.60.080 shall be allocated by the department to the account.
19 The amount allocated to the account shall be fully distributed by the
20 department as payments to municipalities to fulfill each share autho-
21 rized under AS 29.60.010. The amount allocated to the account shall be
22 distributed by the department pro rata among eligible municipalities.

23 Sec. 29.60.070. ADMINISTRATION. (a) The department may adopt
24 regulations necessary to implement AS 29.60.010 - 29.60.080. The regu-
25 lations shall include, among other provisions,

26 (1) procedures and filing dates for submitting certification
27 and financial reports;

28 (2) procedures for obtaining information required to compute
29 and determine the municipality's millage rate equivalent; and

1 (3) procedures by which the department shall notify a municipi-
2 pality in writing of the reasons for a proposed disallowance or adjust-
3 ment of any factor bearing upon the determination of the municipality's
4 entitlement and by which the municipality will be provided reasonable
5 time in which to respond or to challenge the department's determination.

6 (b) The department shall make reasonable efforts to advise and
7 assist municipalities in collecting information and completing reports
8 necessary for the determination of entitlements under AS 29.60.010 -
9 29.60.080.

10 (c) The department shall, by regulation, classify for inclusion or
11 exclusion as a component of a municipality's millage rate equivalent
12 under AS 29.60.010 any tax revenue appropriated for a utility not in-
13 cluded in the definition set out in AS 29.60.080(4).

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

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

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

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

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

21 ARTICLE 2. STATE AID FOR MISCELLANEOUS PURPOSES.

22 Sec. 29.60.100. REVENUE SHARING PAYABLE. In addition to the
23 equalisation entitlements paid under AS 29.60.010 - 29.60.080, during
24 each fiscal year the department shall pay aid

25 (1) to a municipality or other eligible recipient that has
26 the power to provide the services described in AS 29.60.030 - 29.60.070
27 and exercises the power in the manner required by AS 29.60.100 - 29.60.-
28 180;

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

1 Sec. 29.60.110. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The
2 department shall pay to a municipality that has power to provide for
3 road maintenance and exercises that power, \$2,500 a mile for each mile
4 of road, street, or highway maintained by the municipality, excluding
5 (1) the official state highway system, (2) roads, streets, or highways
6 not dedicated to public use, (3) roads, streets, or highways maintained
7 under the local service road program (AS 19.30.111 - 19.30.251), and (4)
8 alleyways, in accordance with regulations adopted by the Department of
9 Transportation and Public Facilities. A payment may not be made under
10 this subsection for maintenance of a road that is not used by automotive
11 equipment.

12 (b) A frozen waterway and a connection from an inhabited area to a
13 waterway that may be safely used for public transportation by automotive
14 equipment and is so used during a portion of a year is eligible for a
15 payment of \$1,500 per mile if the waterway and connection are maintained
16 during the period of use by a municipality or combination of municipali-
17 ties. The department, after consultation with the Department of Trans-
18 portation and Public Facilities, shall determine which waterways and
19 connections qualify and, where the waterways or connections lie outside
20 the corporate limits of a municipality, which municipalities shall
21 receive the payments under this subsection, unless the municipalities
22 involved have agreed in writing to a particular distribution.

23 Sec. 9.60.120. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE
24 RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The department
25 shall pay

26 (1) to a municipality that has the power to provide hospital
27 facilities and services and that exercises that power, \$1,000 per bed
28 for each bed actually used for patient care, limited to the number of
29 beds provided for in the construction design of the hospital, or

1 \$250,000 a hospital for those hospitals with 10 or more beds, or \$50,000
2 a hospital for those hospitals with less than 10 beds, as the municipal-
3 ity may elect; money received under this paragraph may be used only for
4 hospitals and shall be apportioned among qualifying hospitals as the
5 municipality determines;

6 (2) on the basis set out in (1) of this subsection to a
7 municipality for a nonprofit hospital not operated by a municipality if
8 the municipality first certifies to the department that the nonprofit
9 hospital is in compliance with all standards for hospitals that have
10 been adopted by the municipality; money may not be paid on behalf of a
11 nonprofit hospital without this certification; payments to the municipi-
12 pality shall be transferred to the nonprofit hospital in accordance with
13 the basis by which the payment was generated by the hospital, and shall
14 be applied to the annual cost of operation and maintenance of the hos-
15 pital or for the provision of health care service at the hospital as the
16 directors of the hospital determine;

17 (3) to a municipality in which a health facility is operated,
18 \$2,000 per bed for each bed actually used for patient care, limited to
19 the number of beds provided for in the construction design of the health
20 facility, or \$8,000 per health facility as the municipality determines.

21 (b) A hospital may not receive payment under both (a)(1) and
22 (a)(2) of this section.

23 (c) Money received by a municipality under (a)(3) of this section
24 shall be used for expenses of health services or operation and main-
25 tenance of health facilities as the municipality determines.

26 (d) Before money may be distributed under this section, the com-
27 missioner of health and social services shall certify to the commis-
28 sioner of community and regional affairs that any accumulation of assets
29 by nonprofit corporations or other recipients under this section is

1 dedicated irrevocably to a public purpose.

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

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

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

16 Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a) The
17 Department of Community and Regional Affairs shall pay an entitlement of
18 \$25,000 each fiscal year to each unincorporated community. ^{to be used for a public} The Depart-
19 ment of Community and Regional Affairs with advice from the Department
20 of Law shall determine whether there is in each unincorporated community
21 an incorporated nonprofit entity or a Native village council that will
22 agree to receive and spend the entitlement. If there is more than one
23 qualified entity in an unincorporated community, the Department of
24 Community and Regional Affairs shall pay the money under the entitlement
25 to the entity that the department finds most qualified to receive and
26 spend the money. The Department of Community and Regional Affairs may
27 not pay money under an entitlement to a Native village council unless
28 the council waives immunity from suit for ~~activities~~ claims arising out of
29 activities of the council related to the entitlement. A waiver of

1 immunity from suit under this subsection must be on a form provided by
2 the Department of Law. Neither this subsection nor any action taken
3 under it enlarges or diminishes the governmental authority or jurisdic-
4 tion of a Native village council. If there is no qualified incorporated
5 nonprofit entity or Native village council in an unincorporated community
6 that is willing to receive money under an entitlement, the entitlement
7 for that unincorporated community may not be paid.

8 (b) In this section "unincorporated community" means a place in
9 the unorganized borough that is not incorporated as a city and in which
10 25 or more persons reside as a social unit.

11 Sec. 29.60.150. POPULATION DETERMINATION. For purposes of AS 29.-
12 60.100 - 29.60.180, population shall be determined by the latest figures
13 of the United States Bureau of the Census or other reliable population
14 data, *that in the judgement of the department is reliable.*
15 ~~including but not limited to public school enrollment figures,~~
16 ~~public utility connection, registered voters, or certified employment~~
17 ~~payrolls.~~

18 Sec. 29.60.160. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments
19 to a municipality or other eligible recipient under AS 29.60.110 -
20 29.60.120 shall reflect area cost-of-living differentials. Payments
21 shall be based on the sum of per capita, per mile and per lot or facil-
22 ity grants due each municipality or other recipient multiplied by the
23 appropriate area cost-of-living differential. The area cost-of-living
24 differential for each recipient shall be determined annually by election
25 district under the provisions of AS 39.27.030. Application of the area
26 cost-of-living differential may not result in distribution of an amount
27 less than the amount of the payment determined without reference to
28 application of this section.

29 (b) The election districts used to establish area cost-of-living
differentials under (a) of this section are those designated by the

1 proclamation of reapportionment and redistricting of December 7, 1961,
2 and retained for the house of representatives by proclamation of the
3 governor September 3, 1965.

4
5 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscellaneous
6 services account is established. Money to carry out the provisions of
7 AS 29.60.100 - 29.60.180 shall be allocated by the department to the
8 account in accordance with AS 29.60.280. If amounts in the account are
9 insufficient to pay each municipality's or other recipient's share
10 authorized under AS 29.60.100 - 29.60.180, the amounts that are avail-
11 able shall be distributed pro rata among eligible municipalities and
12 other recipients.

13 Sec. 29.60.180. REGULATIONS. The department shall adopt regula-
14 tions necessary to carry out the purposes of AS 29.60.100 - 29.60.180.
15 The regulations shall include minimum standards required to qualify a
16 municipality or other recipient for payments for each service. The
17 department may require a municipality or other recipient to submit a
18 performance report adequate to demonstrate to the department that a
19 service for which payment is requested under AS 29.60.100 - 29.60.180
20 was performed by the municipality or other recipient and meets minimum
21 standards of service prescribed by regulation.

22 ARTICLE 3. STATE AID FOR HOSPITAL AND
23 HEALTH FACILITY CONSTRUCTION.

24 Sec. 29.60.230. STATE AID FOR HOSPITAL AND HEALTH FACILITY CON-
25 STRUCTION. (a) If construction of a hospital began after January 1,
26 1968, or if construction of a health facility began after January 1,
27 1980, and before July 1, 1980, and state matching aid for construction
28 approved for payment to a municipality or other hospital or health
29 facility sponsor constitutes less than 25 percent of the total project
cost, the department shall pay to the municipality or other hospital or