

(B) an elected or appointed official of a governmental unit, effective upon taking the oath of office;

(2) "governmental unit" means the state, a borough, municipal corporation, or other political subdivision of the state;

(3) "insurance," "insurance carrier" and "insurance policy" include health care services, health care service contractors and contracts.

Sec. 3. This Act takes effect July 1, 1965.

Approved May 1, 1965

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## CHAPTER 106

### AN ACT

**Relating to national forest income; and providing for an effective date.**

(H.B. 159)

**Be It Enacted by the Legislature of the State of Alaska:**

Section 1. AS 41.15.180 is repealed and re-enacted to read:

Sec. 41.15.180. **National Forest Income.** (a) When the commissioner of administration receives national forest income under 16 U.S.C. Section 500, he shall immediately pay to every organized borough, in which national forest land is located, a share of the income from that forest. A borough's share of income from a national forest shall be proportional to the area of the national forest located within its boundaries. These payments shall be made pursuant to an appropriation made for that purpose.

(b) The national forest income paid to an organized borough under this section shall be used for public schools and roads as follows:

(1) one hundred per cent for public

schools until July 1, 1970 or such time as the borough assumes responsibility for roads, whatever occurs first; then

(2) twenty-five per cent for public schools and 75 per cent for roads;

(3) if a borough has not assumed responsibility for roads by July 1, 1970, 75 per cent of the amount due that borough in a fiscal year shall be withheld and expended by the state for the benefit of roads within the borough; if a borough assumes responsibility for roads after July 1, 1970, the state will begin paying the 75 per cent directly to the borough.

(c) The commissioner shall deposit income from national forest lands outside of organized boroughs in the general fund of the state, 25 per cent to be used for public schools and 75 per cent for roads.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved May 1, 1965

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## CHAPTER 107

### AN ACT

**Relating to the financing of improvements in special assessment districts within first and second class cities and boroughs.**

(H.B. 246)

**Be It Enacted by the Legislature of the State of Alaska:**

Section 1. AS 29.10.300 is amended to read:

**Sec. 29.10.300 Special Assessments.**

The council may provide by ordinance for doing the work authorized by sec. 297 of this chapter, and for the payment of all or any part of the costs and expenses of it by the levy and collection of special assessments for it upon the property to be benefited. That is, the expense or cost of work or improvement upon the streets, sewers, avenues, or public ways of the city shall be assessed upon the lots and lands fronting on the work or improvement, and adjoining, contiguous, proximate and noncontiguous in the improvement district proximate or specially benefited thereby. Each lot shall be separately assessed for the cost in proportion to the benefits upon the property, sufficient in amount to cover the proportion of the expense of the work which is to be paid by special assessment. Any part of the costs and expenses of such work which is not authorized by ordinance to be paid from special assessments shall be paid by the city.

Sec. 2. AS 29.10 is amended by adding a new section to read:

**Sec. 29.10.301. Special Assessment Bonds Authorized.** (a) The council may include in an ordinance adopted under sec. 300 of this chapter provisions authorizing the issuance and sale of special assessment bonds to pay all or part of the cost of an improvement in the district. The principal and interest of bonds issued shall be payable solely from the levy of special assessments against the property to be benefited. The assessments shall constitute a sinking fund for the payment of principal and interest on the bonds. The property benefited may be pledged by the council to secure payment.

(b) Upon default in a payment due on a special assessment bond, a bondholder may enforce payment of principal and interest and costs of collection in a civil action in the same manner and with the same effect as actions for the foreclosure of mortgages on real property. Foreclosure shall be against all property on which assessments are in default. The period for redemption shall be the same

as in the case of a mortgage foreclosure on real property.

(c) Before the council may issue special assessment bonds, it shall establish a guarantee fund equal to a percentage of the value of the special assessment bonds outstanding. The percentage shall be established by ordinance, and shall not be less than 20 per cent of the special assessment bonds outstanding. Interest on the guarantee fund shall be a cost of the improvement district.

Sec. 3. AS 29.10.303(b) is amended to read:

(b) The notice shall state the nature, extent and approximate cost of the improvement, the percentage of the cost to be paid by special assessments, whether special assessment bonds will be issued and sold to provide funds to pay the expense or cost of the improvement, and describe the boundary of the district to which all or a part of the cost of the improvement will be assessed, and it shall contain a date not less than 60 days from the beginning of publication, on or before which the owners of the property affected may file objections to the work.

Sec. 4. AS 29.10.306 is amended to read:

**Sec. 29.10.306 Objections and Revision.** Five days or more after the termination of the 60-day period referred to in sec. 303 of this chapter, the council may proceed with the proposed improvement, unless objections are filed either severally or by petition by the owners of property bearing 50 per cent or more of the estimated cost of the improvement to be paid from special assessments. If objections are made by the owners of property bearing 50 per cent or more of the estimated cost of the improvement to be paid from special assessments, the council may not proceed with the improvement unless it revises the plan to meet the objections raised. After the council revises the plans, it shall, if it determines to proceed with the improvement under the revised plan, readvertise the proposed improvement and be subjected to the same limitation as required in the first instance, and so on until the objections have been reduced to less than 50 per cent referred to above.