Local Boundary Commission

Department of Commerce, Community, and Economic Development
Division of Community and Regional Affairs
550 W. 7th Avenue, Suite 1640



Anchorage, AK 99501

CITY AND BOROUGH DISSOLUTION IN ALASKA

INTRODUCTION

Thank you for your interest in city and borough dissolution. The process for changing boundaries, including dissolving a municipality, takes place at the state level in Alaska. Boundary changes are subject to a process first described in the Constitution of the State of Alaska. The intended audience for this information is cities, boroughs, and residents interested in pursuing dissolution, and this packet seeks to provide the necessary information to get started. This packet is primarily intended for those considering preparing a petition; however, opponents and proponents of current or planned petitions can find helpful information as well.

This packet is organized into several modules:

- About the Local Boundary Commission
- About Municipal Dissolution
- Planning for Dissolution
- Procedures for Petitions

These modules are intended to provide background information and orient interested persons and cities with the process for dissolution in Alaska and the relevant entities involved. This information packet provides background information on the Local Boundary Commission (LBC or commission) and its authority to consider boundary changes as well as the staff that supports the commission. It also describes steps to take, lists important considerations when deciding whether to pursue dissolution, and offers guidelines on the planning process. In addition, this packet provides information about the procedures before and after a petition is filed with the LBC.

Throughout the packet, the text refers to Alaska statutes, regulations, and sections of the Alaska constitution. All relevant laws are listed by title, and the full text can be found in the appendices. In this text, the term 'municipalities' refers to both cities and boroughs. The appendices also include a generic sample petition form; however, interested persons should still consult LBC staff before drafting a petition. Dissolution, however small the municipality proposed to be dissolved, is an involved process. This information packet aims to help prepare potential petitioners, and educate those interested in the process. Prospective petitioners and those with questions should feel free to contact staff:

Local Boundary Commission staff 550 W. 7th Avenue, Suite 1640 Anchorage, AK 99501 907-269-4587/4559 lbc@alaska.gov

ABOUT THE LOCAL BOUNDARY COMMISSION

CONSTITUTIONAL ORIGIN OF THE LOCAL BOUNDARY COMMISSION

The framers of Alaska's constitution subscribed to the principle that, "unless a grave need existed, no agency, department, commission, or other body should be specified in the constitution." The framers recognized that a "grave need" existed when it came to the establishment and alteration of municipal governments and provided for the creation of the Local Boundary Commission (LBC or commission) in Article 10, Section 12 of the constitution.²

The LBC is one of only five state boards or commissions established in the constitution (among a current total of approximately 120 active boards and commissions). The Alaska Supreme Court characterized the framers' purpose in creating the LBC as follows:

An examination of the relevant minutes of [the Local Government Committee of the Constitutional Convention] shows clearly the concept that was in mind when the local boundary commission section was being considered: that local political decisions do not usually create proper boundaries and that boundaries should be established at the state level. The advantage of the method proposed, in the words of the committee:

... lies in placing the process at a level where area-wide or state-wide needs can be taken into account. By placing authority in this third party, arguments for and against boundary change can be analyzed objectively.³

DUTIES AND FUNCTIONS OF THE LBC

The LBC acts on proposals for seven different municipal boundary changes. The term "municipalities" includes both city governments and borough governments. These are:

- incorporation of municipalities;
- reclassification of city governments;
- annexation to municipalities;
- dissolution of municipalities;
- detachment from municipalities;

¹ Victor Fischer, Alaska's Constitutional Convention, p. 124.

Article 10, Section 12 states, "A local boundary commission or board shall be established by law in the executive branch of state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the Legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action."

³ Fairview Public Utility District No. 1 v. City of Anchorage, 368 P.2d 540, 543 (Alaska 1962).

- · merger of municipalities; and
- consolidation of municipalities.

In addition to the above, the LBC has a continuing obligation under statutory law to:

- make studies of local government boundary problems;
- adopt regulations providing standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification, and dissolution; and
- make recommendations to the legislature concerning boundary changes under Article 10, Section 12 of Alaska's constitution.

The LBC is sometimes assigned duties by the legislature. Examples include the 2002 requirement to study the unorganized borough and determine which areas meet borough incorporation standards, and the 2003 directive to work with the Department of Education and Early Development regarding school district consolidation. These materials are available on the LBC website.

LBC DECISIONS MUST HAVE A REASONABLE BASIS AND MUST BE ARRIVED AT PROPERLY

LBC decisions regarding petitions that come before it must have a reasonable basis. That is, both the LBC's interpretation of the applicable legal standards and its evaluation of the evidence in the proceeding must have a rational foundation. The LBC must proceed within its jurisdiction, conduct a fair hearing, and avoid any prejudicial abuse of discretion. Abuse of discretion occurs if the LBC has not proceeded in the manner required by law or if its decision is not supported by evidence.

COMMUNICATIONS WITH THE LBC

LBC proceedings regarding a municipal boundary change must be conducted in a manner that upholds the right of everyone to due process and equal protection. Ensuring that communications with the LBC concerning municipal boundary proposals are conducted openly

See Keane v. Local Boundary Commission, 893 P.2d 1239, 1241 (Alaska 1995). When an administrative decision involves expertise regarding either complex subject matter or fundamental policy formulation, the court defers to the decision if it has a reasonable basis; Lake and Peninsula Borough v. Local Boundary Commission, 885 P.2d 1059,1062 (Alaska 1994); Mobil Oil Corp. v. Local Boundary Commission, 518 P.2d 92,97-8 (Alaska 1974). Where an agency action involves formulation of a fundamental policy the appropriate standard on review is whether the agency action has a reasonable basis; LBC exercises delegated legislative authority to reach basic policy decisions; acceptance of the incorporation petition should be affirmed if court perceives in the record a reasonable basis of support for the LBC's reading of the standards and its evaluation of the evidence; Rose v. Commercial Fisheries Entry Comm'n, 647 P.2d 154, 161 (Alaska 1982) (review of agency's exercise of its discretionary authority is made under the reasonable basis standard) cited in Stosh's I/M v. Fairbanks North Star Borough, 12 P.3d 1180, 1183 nn. 7 and 8 (Alaska 2000); see also Matanuska-Susitna Borough v. Hammond, 726 P.2d 166, 175-76 (Alaska 1986).

and publicly preserves those rights to due process and equal protection. To regulate communications, the LBC adopted <u>3 AAC 110.500(b)</u> which expressly prohibits private (*ex parte*) contact between the LBC and any individual, other than its staff, except during a public meeting called to address a municipal boundary proposal. The limitation takes effect upon the filing of a petition and remains in place through the last date available for the commission to reconsider a decision. If a decision of the LBC is appealed to the court, the limitation on *ex parte* contact is extended throughout the appeal in the event the court requires additional consideration by the LBC.

In that regard, all communications with the commission must be submitted through staff. The LBC staff may be contacted at the following address, telephone number, fax number, or email address.

Local Boundary Commission staff 550 West Seventh Avenue, Suite 1640 Anchorage, Alaska 99501-3510 Telephone: (907) 269-4587 or 269-4559

> Fax: (907) 269-4563 Email: LBC@alaska.gov

LBC MEMBERSHIP

The LBC is an independent commission. Members of the LBC are appointed by the governor for five-year overlapping terms.⁵ Notwithstanding their terms, the five members of the LBC serve at the pleasure of the governor.⁶ One member is appointed from each of Alaska's four judicial districts. The fifth member is appointed from the state, at-large.

State law provides that members of the LBC must be appointed "on the basis of interest in public affairs, good judgment, knowledge and ability in the field of action of the department for which appointed, and with a view to providing diversity of interest and points of view in the membership." LBC members receive no pay for their service on the commission. However, they are entitled to travel expenses reimbursement and per diem authorized for members of boards and commissions under AS 39.20.180. A biographical summary of the current members of the LBC can be found on the LBC website.

⁶ AS 39.05.060(d)

⁵ AS 44.33.810

⁷ AS 39.05.060(b)

STAFF TO THE LOCAL BOUNDARY COMMISSION

The framers provided for a local government agency in Article 10, Section 14 to advise and assist local governments. The constitutional duty to support local governments is entrusted to Alaska Department of Commerce, Community, and Economic Development (DCCED or department). Within DCCED, the Division of Community and Regional Affairs (DCRA) carries out the duty to advise and assist local governments, and provides staff to the commission pursuant to AS 44.33.810.

The department is required to investigate each boundary change proposal and make recommendations regarding each to the commission. ¹⁰ LBC decisions must have a reasonable basis (i.e., a proper interpretation of the applicable legal standards and a rational application of those standards to the evidence in the proceeding). Accordingly, DCCED adopts the same standard for itself in developing recommendations regarding matters pending before the LBC. That is, DCCED's self-imposed standard requires its recommendations to the LBC to be based on a proper interpretation of the applicable legal standards and a rational application of those standards to the evidence in the proceeding. DCCED takes the view that due process is best served by providing thorough, credible, and objective analysis of every municipal boundary proposal that comes before the LBC.

DCCED's commissioner, deputy commissioners, and the director of DCRA provide policy direction concerning recommendations to the LBC from staff. DCCED staff's recommendations to the LBC are not binding on the LBC. The LBC is an independent commission. While the commission is not obligated to follow DCCED recommendations, it has historically considered the department's analyses and recommendations to be critical components of the evidence in municipal boundary proceedings. The LBC considers the entire record when it renders a decision.

DCCED staff also provide technical assistance to municipalities, residents of areas subject to impacts from existing or potential petitions for creation or alteration of municipal governments, petitioners, respondents, agencies, and others. There are two full-time staff positions assigned to work on commission matters.

Types of assistance provided by DCCED staff include:

conducting feasibility and policy analysis of proposals for incorporation or

Article 10, Section 14 states, "An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities, collect and publish local government information, and perform other duties prescribed by law."

⁹ AS 44.33.020 provides that DCCED "shall (1) advise and assist local governments."

¹⁰ AS 29.05.080 and 3 AAC 110.530

- alteration of municipalities;
- responding to legislative and other governmental inquiries relating to issues on municipal government;
- conducting informational meetings;
- providing technical support during commission hearings and commission meetings;
- drafting decisional statements;
- implementing decisions of the commission;
- certifying actions;
- maintaining incorporation and boundary records for each of Alaska's municipal governments;
- drafting reports, correspondence, public notices, legislation, or regulations as requested by the commission;
- coordinating, scheduling, and overseeing public meetings and hearings for the commission;
- developing orientation materials and providing training for new commission members;
- maintaining and preserving commission records in accordance with the public records laws of the state;
- developing and updating forms and related materials for use in municipal incorporation or alteration; and
- if directed by the commission, acting as a petitioner on a matter that the commission believes will promote local government standards in the Alaska constitution, AS 29.04, AS 29.05, or AS 29.06.

PROCEDURES OF THE COMMISSION

Procedures for establishing and altering municipal boundaries and for reclassifying cities are designed to secure the reasonable, timely, and inexpensive determination of every proposal to come before the commission. The procedures are also intended to ensure that decisions of the commission are based on analysis of the facts and the applicable legal standards, with due consideration of the positions of interested parties. The procedures include extensive public notice and opportunity to comment, thorough study, public informational meetings, public hearings, a decisional meeting of the commission, and opportunity for reconsideration by the commission. Petition procedures are described later in the modules, <u>About Municipal</u> Dissolution and Procedures for Petitions.

ABOUT MUNICIPAL DISSOLUTION

INTRODUCTION

"Municipal dissolution" means the termination of a city or borough government. There are a number of municipal dissolution scenarios, including the following:

Within the Unorganized Borough:

- A city within the unorganized borough may be dissolved, leaving no successor municipal government in place;
- A city within the unorganized borough may be dissolved because of a merger or consolidation involving another city government, leaving an expanded city government in place.

Within an Organized Borough:

- A city within an organized borough may be dissolved as a consequence of a merger or consolidation involving another city government, leaving an expanded city government in place;
- A city in an organized borough may be dissolved as a result of the transfer of all powers
 of the city to the borough on an areawide basis, direct dissolution, merger,
 consolidation, annexation, or unification, leaving some municipal government structure
 (another city and the borough, or just the borough) in place;
- An organized borough may be dissolved leaving no successor regional municipal government in place;
- An organized borough may be dissolved because of a merger, consolidation, annexation, or unification, leaving some municipal government structure in place.

Scenarios involving dissolution as a result of merger or consolidation are addressed separately in additional information packets available on the LBC website. Dissolution involving unification into a home rule borough is not a process dictated by the LBC. Information can be found in AS 29.06.190- AS 29.06.420. The scenario involving dissolution of an organized borough that leaves no successor regional municipal government in place is virtually unimaginable. There has never been a dissolution of a borough under such circumstances. Consequently, this discussion focuses on dissolution of city governments through a means other than merger, consolidation, annexation, or unification.

Dissolution of a city through means other than merger, consolidation, or unification is complex and requires a substantial commitment of time and other resources on the part of the petitioner. Proponents of dissolution should initiate a proposal to dissolve a city only after they have carefully and objectively evaluated the consequences and likelihood of success, as well as what will happen afterward regarding assets, liabilities, and services. The dissolution process is a set chain of events, which must be followed in order to ensure a successful dissolution process.

This module provides an overview of basic information about dissolution; however, dissolution cannot be covered completely in this brief overview. This overview does provide information, answers to frequently asked questions, and links to applicable law; staff is also available to provide assistance on the dissolution process.

FREQUENTLY ASKED QUESTIONS

WHO CAN PROVIDE INFORMATION REGARDING DISSOLUTION?

Local Boundary Commission staff are located within the Division of Community and Regional Affairs of the Department of Commerce, Community, and Economic Development. Staff are available to provide technical assistance, petition forms, and sample dissolution materials to anyone interested in petitioning, and are available to provide materials and information to those interested in responding to a petition. Staff also provide general information to any other interested individuals or groups.

IF AN INDIVIDUAL OR GROUP OPPOSES DISSOLUTION, WILL STAFF PROVIDE INFORMATION TO THEM?

Yes. LBC staff will provide information about how to submit comments or a responsive brief. Submitting a responsive brief allows any interested party to be identified as a 'respondent' in the dissolution proceeding. Being identified as a respondent provides certain procedural rights at the commission's public hearing. These rights include being able to present witnesses and to give opening and closing arguments. Staff can also explain the standards and procedures.

WHO CAN INITIATE A DISSOLUTION PETITION?

A petition for dissolution may be initiated by:

- a city;
- a borough;
- a regional educational attendance area (REAA);
- at least 10 percent of the resident registered voters of a city, borough, or regional educational attendance area, if the petition seeks dissolution by legislative review;
- at least 25 percent of the number of votes cast in the last regular election in that municipality, if the petition seeks dissolution by local action;
- the state legislature;
- the Commissioner of the Department of Commerce, Community, and Economic Development (DCCED); or
- a person designated by the Local Boundary Commission.

If a petition for dissolution includes another boundary change and is initiated by voters, additional signature requirements may be necessary to meet.

ARE THERE CRITERIA THAT GUIDE THE DEVELOPMENT OF A PETITION FOR DISSOLUTION OF MUNICIPALITIES?

Yes, the criteria are found in <u>AS 29.06.470</u>, <u>AS 29.06.500</u>, <u>3 AAC 110.280-.300</u>, <u>3 AAC 110.310-3 AAC 110.330</u>, and <u>3 AAC 110.900-.3 AAC 110.990</u>. These criteria (also referred to as the standards) should be carefully reviewed when deciding whether to dissolve a government. If the prospective petitioner decides to propose dissolution, the criteria should also be used to guide the development of the petition. The LBC will use these same criteria to judge the merits of the petition.

WHAT ARE THE PROCEDURES FOR DISSOLUTION?

The procedures for dissolution petitions are found in <u>3 AAC 110.400- 3 AAC 110.700</u>. See the module, <u>Procedures for Petitions</u>, for more specific information. Generally, most petitions come from either municipalities or citizens. The petitioner drafts the petition, proposes the boundaries, and, if the petition is initiated by citizens, gathers signatures.

If the petition is initiated by a municipality, then the proposed boundary change would first need to be discussed at a publicly noticed city council or assembly meeting. People can attend such a meeting, or otherwise make their views known to the potential petitioner. It is possible that such input could result in a petition not being filed, or filed using a different method.

When a petition is submitted, the LBC staff first performs a technical review which verifies that the petition includes everything necessary for commission review and required by statutes and regulations. This review is not an analysis of the merits of the petition. If the petition does not include all of the necessary information, staff send it back to the petitioner to complete.

If a petition is accepted for filing, there is a publicly noticed opportunity for the public to submit written comment. A person or entity can also become a "respondent." A respondent has the opportunity to file a brief in response to the petition, and to present witnesses at the hearing. This gives a respondent the opportunity for greater input before the commission.

Next, the staff analyze the petition to see whether it meets the standards. In doing so, it considers the petition, briefs, and comments submitted. The staff then issue a public report with its findings. People can comment on that report, and say why they feel the report is correct or incorrect in its findings. Staff consider those comments, and then issue a second report with findings. The findings could change from the first report based on the comments submitted.

After public notice, the commission will hold at least one public hearing, where parties can present witnesses, and the public will have an opportunity to speak. After the hearing, the commission will carefully consider all of the testimony, materials, and comments submitted in determining whether the petition meets the standards.

The LBC may amend the petition and may impose conditions for the dissolution. If the LBC determines that the dissolution, as amended or conditioned if appropriate, meets the dissolution statutes in <u>AS 29.06.450 – AS 29.06.530</u>, the dissolution standards in <u>3 AAC 110.280 – 3 AAC 110.300</u>, or <u>3 AAC 110.310-3 AAC 110.330</u>, as well as <u>3 AAC 110.900 – 3 AAC 110.990</u>, it may approve the petition. Otherwise, it must reject the petition.

Once the LBC acts on a petition, it must prepare and adopt a written decision explaining the basis for its decision. Once adopted, any individual may ask the LBC to reconsider its decision pursuant to <u>3 AAC 110.580</u>. If the LBC approves the proposal, it will be subject to either voter approval or legislative review.

If approved by the voters or the legislature takes no action, the dissolution is implemented. Succession to the dissolved municipality's rights, powers, duties, assets, and liabilities occurs in the fashion noted in <u>AS 29.06.520</u>. See below for more details about succession.

The petition process generally takes about a year before the LBC holds the hearing and issues a decision, primarily because of the extensive opportunity for public comment, and because of the two written reports by staff analyzing the petition.

CAN A PETITION BE AMENDED AFTER IT IS FILED?

The petition may be amended by the petitioner. The LBC can also amend or impose conditions on a proposal following a public hearing. Ideally, however, with carefully planning and proper consultation prior to the filing of a petition, amendments can be avoided. Amending a petition may, under certain circumstances, cause delays in the consideration of the petition.

HOW LONG DOES IT TAKE TO DISSOLVE?

It typically takes several months (in some cases a year or more depending on the local effort) to prepare a proper petition. Prospective petitioners are encouraged to work closely with the LBC staff in developing a petition. Once a petition is completed, the petition is filed with the LBC. The process for review of the proposal by the LBC depends, in part, upon other actions pending before the commission. The procedural steps required by law are extensive. In general, one should assume that it will take one year or longer from the filing of a petition for final action.

WHAT HAPPENS WHEN A MUNICIPAL GOVERNMENT DISSOLVES?

AS 29.06.520 provides as follows:

A municipality succeeding to a dissolved municipality succeeds to all rights, powers, duties, assets, and liabilities of the dissolved municipality. Otherwise, the state succeeds to those rights, powers, duties, assets, and liabilities. If the state succeeds to a dissolved municipality, the state may enter into a contract for the performance of duties or powers in the area of the dissolved municipality. However, a contract with an organization for the performance of duties or powers entered into under this section does not constitute recognition by the state of governmental powers of that organization.

The issue of what organization will succeed to the assets, rights, powers, and obligations of a city proposed for dissolution is a critical aspect of any dissolution proposal. Details regarding such matters must be included in the transition plan required by <u>3 AAC 110.900</u>.

Another municipal government (if its boundaries encompass the dissolved city) *may*, but is not obligated to, succeed to all rights, powers, duties, assets, and liabilities of the dissolved city. Otherwise, the State of Alaska becomes the successor to those rights, powers, duties, assets, and liabilities.

It has been the policy of the Local Boundary Commission that the State of Alaska should avoid the assumption of responsibilities of former city governments. Consequently, it has been the practice of the commission to permit dissolution of a city only if some stable local entity is prepared to serve as successor. In such case, the commission would stipulate that the state would enter into a contract for the performance of duties or powers in the area of the dissolved municipality. As the statute states, succession of assets and liabilities to an organization does not constitute recognition of that entity as a political subdivision of the state.

CAN A CITY BE DISSOLVED IF IT HAS DEBTS?

Only if all creditors of the city have indicated in writing that they are satisfied with a plan for payment of the debts. 11

WHAT IF A CITY IS INACTIVE?

AS 29.06.450 states:

The department shall investigate a municipality that it considers to be inactive and shall report to the Local Boundary Commission on the status of the municipality. The commission may submit its recommendation to the legislature that the municipality be

¹¹ AS 29.06.470

dissolved in the manner provided for submission of boundary changes in art. X, sec. 12 of the state constitution.

'Inactive' status is not a legal status, but a term simply used to describe communities who fail to meet the ongoing requirements of municipalities found in Title 29. There are a number of requirements in law for cities including holding annual elections, convening regular city council meetings, providing a certified financial statement or audit, and other requirements.

An inactive municipality is one that does not meet those requirements—such as failing to meet regularly, hold regular elections, etc. Instead of pursuing dissolution, a city could simply become inactive. However, if a city or borough does not meet certain obligations, many sources of funding are no longer available. For example, payments from the Community Assistance Program (CAP) (formerly Community Revenue Sharing) are dependent on receiving a certified financial statement or audit among other requirements.

CAN A CITY OR BOROUGH FILE FOR BANKRUPTCY?

The United States Bankruptcy Code was amended in 1994 to require express statutory authorization by state law in order for a municipality to file for bankruptcy. The Alaska statutes contain no such statutory authority. Therefore, a municipality or school district in Alaska would not be permitted to file for Chapter 9 bankruptcy unless the Alaska legislature first passed a law specifically authorizing them to do so.

WHAT ARE THE TWO PETITION METHODS?

State law establishes procedures for two different types of dissolution including by legislative review and by local action.

LOCAL ACTION

Dissolution by Vote. Upon approval by the Local Boundary Commission, a city or borough may dissolve. Dissolution is then subject to ratification by the voters living in the municipality approved for dissolution. To pass, the proposition must be approved by a majority of those voting on the question. The terms 'local action' and 'local option' have the same meaning.

LEGISLATIVE REVIEW

Dissolution by Legislative Review. A municipality may be dissolved without approval of the voters under the legislative review process. This method is authorized by the state constitution. Such petitions first require approval by the LBC. After approval, the LBC presents its recommendation to the legislature during the first 10 days of a regular session of the legislature. The legislature then has the opportunity to act on the LBC's recommendation. If the legislature adopts a concurrent resolution to deny the recommendation within 45 days of the

date that it was submitted, then the recommendation is denied. If the legislature takes no action, it has tacitly approved the proposal, and the dissolution takes effect.

WHAT HAPPENS AFTER DISSOLUTION?

See Planning for Dissolution for more information on post-dissolution options.

WHAT ARE THE STANDARDS THE LBC USES TO REACH A DECISION?

A municipal government may be dissolved if it meets the standards established in law. ¹² Among the standards is the requirement to demonstrate that the city is free of debt or that its creditors have agreed to a repayment plan. Also essential is a well-conceived transition plan (where another municipal government or some other local entity will take responsibility for assets, obligations, and functions of the former city). It must also be demonstrated that the proposed dissolution will serve the broad public interest. See <u>Planning for Dissolution</u> for more information.

CITIES THAT HAVE DISSOLVED IN ALASKA

| Name | Date Incorporated | Date Dissolved | Comments |
|-----------------------|----------------------|-------------------|--|
| 1. City of Akiachak | 02/07/74 | 01/31/90 | |
| 2. City of Anchorage | 11/23/20 | 09/16/75 | Ceased to exist upon unification of the Municipality of Anchorage |
| 3. City of Atmautluak | 02/02/76 | 02/07/96 | Dissolved as inactive city; Atmautluak Traditional Council became successor to city's assets & liabilities |
| 4. City of Basher | 1960s | 03/07/74 | Dissolved as an inactive city |
| 5. City of Bay City | 06/02/61 | 03/07/74 | Dissolved as inactive city (also known as John F. Kennedy City) |
| 6. City of Chena | 1903 | 1973 | |
| 7. City of Donnelly | 12/15/60 | 03/07/74 | Dissolved as inactive city |
| 8. City of Douglas | 05/19/1902 | 07/01/70 | Dissolved through unification of the City and Borough of Juneau |
| 9. City of Girdwood | 09/20/61 | 09/16/75 | Dissolved through unification of the Municipality of Anchorage |
| 10. City of Glen Alps | 1960s | 09/16/75 | Dissolved through unification of the Municipality of Anchorage |
| 11. City of Haines | 01/24/1910 | 10/17/2002 | Dissolved through consolidation |
| 12. City of Iditarod | 1910s | unknown | |
| 13. City of Juneau | 06/29/1900 | 07/01/70 | Dissolved through unification of the City and Borough of Juneau |

¹² AS 29.06.470, AS 29.06.500, 3 AAC 110.280 – 3 AAC 110.300 and 3 AAC 110.900 – 3 AAC 110.990

| 14. City of Kasigluk | 08/26/69 | 10/21/96 | Dissolved as inactive city; Kasigluk Traditional Council became successor to city's assets & liabilities |
|---------------------------|---|-----------|---|
| 15. City of Long Island | 07/23/65 | 03/07/75 | Dissolved as inactive city |
| 16. City of Lost River | 06/08/72 | 05/26/74 | Development city incorporated by Ch 110, SLA 1972; dissolved by Ch 145, SLA 1974 |
| 17. City of Newtok | 02/02/76 | 01/28/97 | Dissolved as inactive city; Newtok Traditional Council became successor to city's assets & liabilities |
| 18. City of Petersburg | 04/11/1910 | 01/03/13 | The City of Petersburg dissolved when it became a borough (Petersburg Borough) in 2013. |
| 19. City of Port Chilkoot | 04/09/56 | 06/05/70 | Dissolved through annexation to the City of Haines |
| 20. City of Selawik | 12/23/63 | 06/29/77 | Dissolved first class city and incorporated as a second class city on 06/29/77 |
| 21. City of Sitka | 11/05/1913 | 12/02/71 | Dissolved through unification of the City and Borough of Sitka |
| 22. City of Skagway | Incorporation election was held 6/28/1900 | 6/20/2007 | The City of Skagway dissolved when it became a borough (Municipality of Skagway) in 2007. |
| 23. City of Thane | unknown | unknown | |
| 24. City of Treadwell | 1900s | unknown | |
| 25. City of Tuluksak | 10/28/70 | 03/07/97 | Dissolved as inactive city; Tuluksak IRA Council became successor to city's assets & liabilities |
| 26. City of Tununak | 02/13/75 | 02/28/97 | Dissolved as inactive city; Tununak Traditional Council became successor to city's assets & liabilities |
| 27. City of Wood River | 06/30/63 | 04/9/65 | Dissolved through annexation to the City of Dillingham |
| 28. City of Wrangell | Articles of incorporation filed 6/18/1903 | 5/30/2008 | The then City of Wrangell ceased to exist when it unified with the proposed Wrangell borough to form the City and Borough of Wrangell, a unified home rule borough. |
| 29. City of Yakutat | 06/22/48 | 09/22/92 | Dissolved upon incorporation of City and Borough of Yakutat |

ADDITIONAL INFORMATION AVAILABLE

LBC staff is available to answer questions about the standards for dissolution and about municipal dissolution generally. The next modules, <u>Planning for Dissolution</u>, and <u>Procedures for Petitions</u>, provide additional information about the process and procedures for dissolution throughout the petition process.

PLANNING FOR DISSOLUTION

Petitions to dissolve municipalities are submitted infrequently. This discussion focuses on cities because so few borough dissolution petitions have been submitted, and no dissolution petition for a borough without a concurrent boundary change has ever been approved. Dissolution petitions are typically part of other boundary changes such as consolidation, merger, or unification. A dissolution could also be proposed as part of an incorporation petition for a new city or borough. Other boundary changes are possible and should be discussed with LBC staff as part of the planning process. Once decisions are reached, staff can provide the appropriate forms for specific boundary changes as well as more information and guidance.

Dissolution of a municipality requires that there be a plan for succession of assets, liabilities, powers, and duties in place. The LBC generally will not approve a petition to dissolve a municipality with no successor in place. Another municipality may succeed to the powers, duties, assets, and liabilities of a dissolving municipality, but is not required to. It has been the policy of the Local Boundary Commission that the State of Alaska should avoid the assumption of responsibilities of former city governments. A list of all dissolved cities in Alaska is provided in the previous module.

Any dissolution proposal requires approval by the Local Boundary Commission. Many specific questions regarding issues about post-dissolution options are those that would be addressed in a transition plan included as a part of a complete petition. For example, state law requires a petitioner for city dissolution to provide a detailed plan for the termination of the city government.¹³ In addition, the commission has authority to impose conditions on any city dissolution.¹⁴

EFFECTS OF DISSOLUTION

City governments in Alaska are a diverse group. Some provide an extensive range of fundamental services while others provide very limited services. With the exception of home rule and first class cities located outside of organized boroughs, state law does not impose any specific duties on city governments to provide particular services. ¹⁵ Boroughs, alternatively, are required to provide education, for example.

The answer to many dissolution-related questions will depend largely on the particular powers being exercised by the municipal government proposed to be dissolved. For example, management and maintenance of the electrical utility would be an issue only if the city

¹³ 3 AAC 110.900.

¹⁴ AS 29.06.500.

¹⁵ AS 29.35.260

government operated the utility in question. Issues regarding successor responsibilities of utility operations operated by a city (electric, water, wastewater, etc.) would fall within the purview of the Regulatory Commission of Alaska. In general, if a city being dissolved provides utility services under AS 42.05, it would have to apply for a utility certificate transfer under AS 42.05.281 or discontinuance, suspension, or abandonment approval under AS 42.05.261.

When the Local Boundary Commission last dealt with the dissolution of city governments in the mid-1990s, the commission consistently granted its approval of those proposals with the stipulation that a local entity assume full responsibility for all assets and liabilities of the dissolving city. That condition was imposed as a matter of public policy to ensure that the State of Alaska did not take on additional responsibilities for provision of local services following dissolution of municipal governments. A copy of an agreement similar to the ones used in those dissolutions actions is available on request from staff.

Potential petitioners should:

- Carefully define objectives: articulate what changes to the local government status quo are desired.
- Examine local government options: realistically determine which potential local government options would best achieve the defined objectives, if any.
- Thoroughly and credibly examine the feasibility of potential options: address the economic and political feasibility, as well as whether any hypothetical options could meet the standards.
- Develop and implement an action plan: determine what course of action, if any, to pursue. If a boundary proposal is forthcoming, determine how to marshal the resources needed to draft the petition and support the effort to make the change.

Defining the objectives of a prospective dissolution proposal is a fundamental step in planning for dissolution. A petitioner is required by law (3 AAC 110.420) to state its reasons formally for dissolution in its petition. In planning for dissolution, it may also be helpful to anticipate arguments against dissolving.

WHAT ARE THE STANDARDS?

This section summarizes the standards that must be met for both city and borough dissolution, which are found in statute and regulations, and lists the referenced statutes and regulations. The standards found in statute and regulation are sometimes repetitive, but each is summarized here for reference.

METHODS OF DISSOLUTION (AS 29.06.450)

This statute identifies the methods available to dissolve a municipality. Municipality means both cities and boroughs.

- Legislative review. When a legislative review petition is approved by the LBC, the legislature has an opportunity to disapprove a petition. A legislative review petition initiated by voters requires 10 percent of voter signatures of the city or borough proposed for dissolution in order to be submitted.
- Local action (also referred to as local option). With a local action petition, residents have
 an opportunity to vote on the question of dissolution once the petition is approved by
 the LBC. A local action petition initiated by voters must be signed by a number of voters
 equal to at least 25 percent of the votes cast in the last regular election held in that
 municipality.

In addition, this statute says if the department considers a municipality to be inactive, then the department must investigate and report on the status of the municipality to the LBC. The LBC may then submit its recommendation to the legislature that the municipality be dissolved in the manner provided (legislative review) in Article 10, Section 12.

This statute also says a borough is dissolved when its entire territory is included in a home rule or first class city or cities. In addition, a city is dissolved when all its powers become areawide borough powers.

This statute allows for the methods identified in commission regulation as well. This means that a petition can be initiated by a municipality, or an REAA, as well as the commissioner of DCCED, the legislature, or a person designated by the commission. A petition from those entities could proceed either by local action or legislative review, subject to the commission's decision, and would not require any signatures.

PETITION (AS 29.06.460)

Voters may file a dissolution petition in the manner provided for by the department (items required are spelled out in <u>3 AAC 110.420</u>). For a local action petition, it must be signed by a number of voters equal to at least 25 percent of the number of votes cast in the last regular election in that municipality.

STANDARDS (FOR VOTER INITIATED PETITIONS) (AS 29.06.470)

Voters of a municipality may petition for dissolution when the municipality is free of debt, or if in debt, when each of its creditors is satisfied with a method of repayment, and one of the following is met:

- The municipality no longer meets the minimum standards prescribed for incorporation by AS 29.05;
- The municipality ceases to use each of its mandatory powers; or
- The dissolution petition is signed by a number of voters of the municipality proposed to be dissolved that is greater than 50 percent of the number of votes cast in the last regular election in that municipality.

This statute also states that voters of a city in a borough may petition for dissolution of the city if the borough consents to assume the city's rights, powers, duties, assets, and liabilities. This consent must be ratified by a majority of borough voters voting on the question.

COMMISSION STANDARDS (3 AAC 110.280, 3 AAC 110.310)

After filing a petition under AS 29.06.110(a)(1), a city may dissolve if the commission determines that these three things apply:

- The dissolution is in the best interests of the state;
- The city or borough is free of debt or has satisfied each creditor with a method of repayment
- And one of these things:
 - The city or borough no longer meets the standards for incorporation;
 - The city or borough has ceased to exercise any of its mandatory powers; or
 - The city is included within an organized borough that assumes, on an areawide, nonareawide, or service-area basis, all the rights, powers, duties, assets and liabilities of the city; or for a borough, the borough is a unified municipality and is subject to a petition for deunification under 3 AAC 110.331-333.

The commission will require an audit identifying all assets and liabilities of the city or borough in its determination whether a municipality is free of debt or has satisfied each creditor with a method of repayment. These regulations also provide details on the requirements of that audit.

LOCAL ACTION (3 AAC 110.290 AND 3 AAC 110.320)

A city or borough may dissolve using the local action method identified in AS 29.06 if the voters of the municipality file a petition for city or borough dissolution under AS 29.06.460, and the commission determines the city or borough qualifies for dissolution under AS 29.06.470(a) or (b). The commission may accept or deny a petition in accordance with AS 29.06.

These regulations also note that the commission must determine whether the city or borough is free of debt or has satisfied each creditor with a method of repayment. The commission will require an audit and the details of those requirements are spelled out in these regulations.

LEGISLATIVE REVIEW (3 AAC 110.295 AND 3 AAC 110.325)

The commission may determine whether its decision approving a petition for dissolution for a borough or city may be submitted for legislative review according to Article X, Section 12.

BEST INTERESTS OF THE STATE (3 AAC 110.300 AND 3 AAC 110.330)

These regulations provide relevant factors the commission may consider in its determination of whether the dissolution of a city or borough is in the best interest of the state. These factors are:

- The extent to which the city or borough is providing services, receiving revenue, and incurring debt;
- Whether a government or organization other than the state is willing and able to provide all services and facilities necessary to meet the needs of the community;
- Whether dissolution of the city or borough is likely to endanger the health, safety, or general welfare of residents in or near the city proposed for dissolution;
- The effect that the proposed dissolution will have on the harmony of relations among residents of the city or borough proposed for dissolution, and between the residents of the city or borough and others residing near the city or borough;
- The social and economic impacts of the proposed dissolution on other municipalities or communities in the state;
- The effect of the proposed dissolution on the long-term stability of the finances of other municipalities and the state; and
- Circumstances identified by the commission reflecting the legal standards and principles that guide commission action in furthering the development of maximum local self-government with a minimum number of local government units.

This regulation (<u>3 AAC 110.330(b)</u>) also states that unless the petition demonstrates sufficiently otherwise, the commission will presume that a petition for dissolution of a city within an organized borough promotes the constitutional principle of a minimum number of local government units.¹⁶

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¹⁶ Article X, section 12, Constitution of the State of Alaska

PREPARING TO DRAFT A PETITION: UNDERSTAND WHAT IS REQUIRED

Potential petitioners should:

- Understand the two methods that may be used to dissolve municipalities.
- Become familiar with the legal standards that will be used to judge the dissolution proposal. Standards for dissolution are described above, and listed in full in the appendices. Additional boundary change standards must be addressed if the petition is also seeking an additional, concurrent boundary change.
- Learn what information must be included in a petition. A sample petition is included in the appendix; all petition forms are available upon request from LBC staff. Petition information is listed in 3 AAC 110.420.
- Understand the signature requirements, if applicable, for dissolution, or if an additional boundary change is sought, those requirements as well. Signature requirements can be found in 3 AAC 110.410.
- Identify the resources needed to develop a petition. Potential petitioners should also consult with LBC staff to obtain and review any available materials to consider for other dissolutions, if any. These may include petitions, responsive and reply briefs, LBC staff reports, LBC decisional statements, and any relevant case law.

CONSIDER HOW DISSOLUTION WOULD BE IMPLEMENTED

After gathering information and identifying resources needed, potential petitioners should make preliminary decisions after reviewing the standards. The regulations require that petitions have a transition section which must include:

- A plan for the transition or termination of municipal services in the shortest practicable time after dissolution;
- A practical plan for the assumption of all relevant and appropriate powers, duties, rights, and functions presently exercised within the city or borough within two years; and
- A practical plan for the transfer and integration of all relevant and appropriate assets and liabilities of entities (including existing borough, city, service areas, or other entities) located within the city or borough without loss of value in assets, loss of credit reputation, or a reduced bond rating for liabilities within two years.

This plan must be thorough and practical, and must be prepared in consultation with the officials of existing cities, boroughs, and service areas wholly or partially included within the boundaries of the municipality proposed for dissolution. Many petitions fail to devote enough attention to this vital step. The transition plan will necessarily be more complex if a proposal seeks dissolution and another concurrent boundary change. Additional information about the transition plan can be found in regulation 3 AAC 110.900.

FINANCIAL CONSEQUENCES OF CITY DISSOLUTION

This discussion will focus on the impact of dissolution on cities because borough dissolution is so rare. Depending upon the particular circumstances there can be significant financial effects upon a community should city dissolution occur. These may include:

- Reduction in Community Assistance Payments. Unincorporated communities are eligible
 for Community Assistance (CAP) funding only if they are outside of organized boroughs.
 Even then, CAP for eligible unincorporated communities in the unorganized borough is
 greatly reduced. For unincorporated communities in organized boroughs, CAP payments
 are provided to the borough in which a community is located, and the borough may
 allocate that money as it sees fit.
- Loss of Grant Eligibility for Some Grant Programs. After dissolution of a city, the community would be ineligible for certain grant programs. For example, municipal governments in Alaska are eligible to apply for competitive Community Development Block Grants (CDBG) up to \$850,000 for community development, planning, and special economic development projects.
- Loss of Confidence by Funding Agencies. Uncertainty regarding whether a city would remain incorporated could result in the delay or loss of funding for public projects. In general, a community with an active city government is more likely to be awarded grant funds than a community with similar needs but governed by a weak or inactive city. If it appears that a city is likely to be dissolved, funding agencies may be inclined to withhold or delay grants or loans to that city.
- Complication of Land Status. In many cases, cities own land or have 14(c) claims to land
 occupied by or involving existing or proposed public facilities. State and federal grants
 for capital improvements require demonstrated site control. Dissolution of a city could
 result in delays in settling land ownership issues. Projects without site control may be
 delayed or funding opportunities may be lost.

PROS AND CONS OF DISSOLUTION

A community with a city government is referred to as 'incorporated.' A community without a city government is 'unincorporated.' When a city is dissolved, the incorporated city once again becomes an unincorporated community. In the unorganized borough, it is often proposed that certain duties and functions of dissolved cities be assumed by local IRA (Indian Reorganization Act) council or traditional tribal councils.

Dissolution of a city may result in many changes in the community involved. This discussion does not examine all of them, but describes some of the positions that are typically expressed when city dissolution is first discussed at the community level. This discussion is restricted to the unorganized borough. There are many other things to consider if a city proposed for dissolution is located within an organized borough.

COMMONLY STATED VIEWS IN SUPPORT OF CITY DISSOLUTION

Stronger Tribal Government. Some believe that having both a city and an IRA council or traditional council weakens tribal authority in the community. Others believe that having both forms of government can help the community by working together for the good of all the people living in the community.

A Single Tribal Local Government Is Simpler. Some believe that a single tribal government reduces confusion about service delivery, minimizes the number of meetings, and keeps government to a minimum.

Return to Traditional Ways of Governing. City government is still fairly new in many Alaska communities. Many second class cities were established during the period from 1960-1980. Some people think of the 'old' days as more pleasant then today. They say that changing local government back to an earlier style might help bring back some of the other values that are viewed as diminished or changed.

COMMONLY STATED VIEWS AGAINST CITY DISSOLUTION

Reduction in Community Assistance Program payments (CAP). Unincorporated communities are only eligible if they are outside of organized boroughs. CAP for eligible unincorporated communities is greatly reduced. Money is allocated to boroughs for unincorporated communities within organized boroughs, but the borough may allocate that as it sees fit.

Loss of Grant Eligibility. After dissolution of a city, the community will be ineligible for certain grant programs, such as the Community Development Block Grant (CDBG) Program, which limit eligibility to municipalities.

Loss of Confidence by Funding Agencies. Uncertainty regarding whether a city will remain incorporated could result in the delay or loss of funding for public projects. In general, a community with an active city government is more likely to be awarded grant funds than a community with similar needs, but governed by a weak or inactive city administration. If it appears that a city is likely to be dissolved, funding agencies may be inclined to withhold or delay grants or loans to that city.

Sales Tax. Unlike cities, IRA and traditional councils have no authority to impose and collect sales taxes. Sales tax revenues provide a major source of funds to support local services throughout Alaska.

Complication of Land Status. In many cases, cities own land or have 14(c) claims to land occupied by or involving existing or proposed public facilities. State and federal grants for capital improvements require demonstrated site control. Dissolution of a city could result in delays in settling land ownership issues. Projects without site control may be delayed or funding opportunities may be lost.

Some Residents May Be Excluded from Participating in Local Affairs. IRA and traditional councils can be racially exclusive; consequently, non-Native residents of a community may not hold elective office in such organizations or vote in elections of such organizations.

Loss of Political-Subdivision Exemption from Utility Regulation. Under AS 42.05.711(b), public utilities owned and operated by a political subdivision of the state, such as a city, are, with limited exceptions, exempt from economic regulation by the Regulatory Commission of Alaska (RCA). If a city is dissolved, it loses its status as a political subdivision; and its utilities could become subject to regulation by the RCA.

TECHNICAL ASSISTANCE, FORMS, AND SAMPLE MATERIALS AVAILABLE

Local Boundary Commission staff are available to provide technical assistance, petition forms, and sample dissolution materials to prospective petitioners, prospective respondents (those favoring or opposing dissolution), and other interested individuals and groups throughout the planning phase of the petition process. Staff will draft a petition form specific to the boundary change(s) a petitioner is seeking and can offer guidance regarding signature requirements for concurrent boundary changes.

Ultimately, the burden of deciding whether to pursue a particular boundary change and drafting a petition falls on petitioners. The next module will discuss drafting a petition for review, the formal filing of a petition as well as the process that takes place after a petition is filed with the Local Boundary Commission staff.

PROCEDURES FOR PETITIONS

THE PROCESS

- Alaska Statute Title 29 and Alaska Administrative Code Title 3 Articles 9, 10, and 14 (<u>3 AAC 110.280-.300</u>; .<u>310-.330</u>; .<u>900-990</u>) contain the standards for dissolution that the Local Boundary Commission (LBC) follows when reviewing a petition for dissolution. Petition procedures are found in <u>3 AAC 110.400-700</u>. The following is a brief summary of the procedures for dissolution.
 - a. A petition is filed with the LBC.
 - b. The public reviews the petition.
 - c. LBC staff review petition, and draft report(s) that include a nonbinding recommendation to the commission.
 - d. The LBC holds public hearing(s) and makes a decision.
 - e. If the LBC approves the dissolution, the boundary change must be approved by voters or through legislative review in order to take effect.
- 2. Petition forms are drafted and provided by LBC staff. A sample form for dissolution by local action is provided in the appendices of this packet. Other forms are available on request.
- 3. Before a voter-initiated petition for dissolution is circulated for signatures, the petitioner should prepare and submit to LBC staff a complete draft of the dissolution petition, using forms provided by DCCED. LBC staff will review the draft petition and advise the petitioner of any elements in the draft that should be corrected, supplemented, or clarified. Such preliminary review by DCCED should minimize the possibility of rejection of the petition for technical reasons after local voters sign the document. If a petition is rejected by DCCED after petition signatures of local voters are secured, the corrected petition must then be circulated again for signatures of qualified voters. This could be time-consuming and potentially confusing to the public.
- 4. If the petition seeks dissolution using the legislative review method, the petition should be filed recognizing the time constraints necessitated by the legislative review method. Successful legislative review petitions decisions can only be submitted during the first 10 days of a regular legislative session—typically around late January to early February. Those petition decisions completed after that point during the year must wait until the next regular legislative session.
- 5. Information required in a petition is specified in <u>3 AAC 110.420</u>. Petitioners may submit additional information to supplement their petition, and are not limited to the space provided in sample forms. Staff may offer technical assistance including review, analysis and an assessment of the feasibility of a particular proposal. However, staff may not act

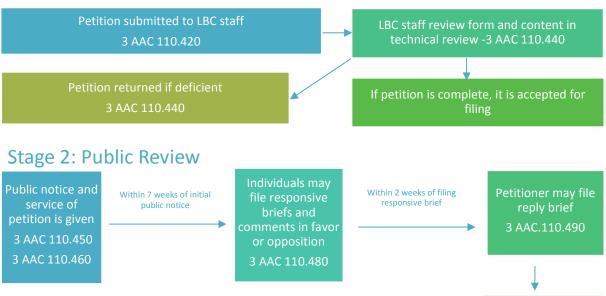
- in an advocacy capacity pursuant to 3 AAC 110.410 and -3 AAC 110.435.
- 6. Once a petition, including signatures and any supporting materials, is complete, it is submitted to LBC staff. Staff have 45 days to complete a technical review required by 3 AAC 110.440. This review ensures all required elements of the petition are included, complete, and sufficient for commission review. It also ensures there are enough valid signatures to proceed. This technical review is not a review of the merits of the petition. A more substantive review with an investigation and analysis of the merits of the petition occurs later in the process when the department drafts its preliminary report for the commission which includes a nonbinding recommendation to the LBC.
- 7. If a petition is deemed incomplete, it will be returned to the petitioner for completion with a list of the missing elements. The chair of the LBC will determine if the changes necessary are significant enough to warrant the gathering of new signatures, or reauthorization by the city council or borough assembly. If a petition passes technical review, the petition will be accepted for filing. It is important to note that acceptance of the petition for filing is not a formal endorsement of the petition as submitted. Acceptance allows the merits of the dissolution proposal to be examined formally by interested parties, including the department, and the Local Boundary Commission. As staff develop its report to the LBC regarding the petition, specific policy issues or other concerns may be identified.
- 8. When a petition is accepted for filing, DCCED will notify petitioners and provide a packet of information including the procedure going forward. The next pages will detail the next steps in the process. The following page includes a flow chart with these steps.

Dissolution Petition Process

Staff may hold

3 AAC 110.520

Stage 1: Filing the Petition

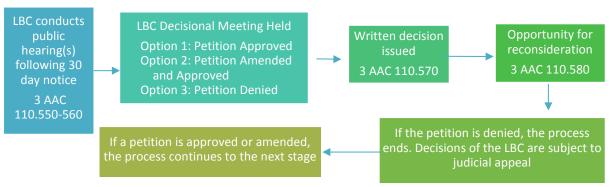


LBC staff draft preliminary report for public

review and begins public comment period of

3 AAC 110.530

Stage 3: Hearing and Decision by LBC



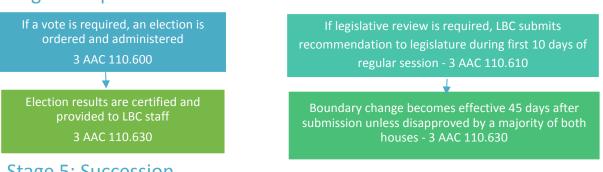
Stage 4: Implementation

LBC staff review

comments and briefs

submitted and writes

3 AAC 110.530



Stage 5: Succession

Dissolution takes effect upon the execution and recording of an agreement between the state and the local successor transferring assets, liabilities, & obligations

PETITION PROCEDURES ONCE ACCEPTED

PUBLIC NOTICE AND PUBLIC REVIEW

Once a petition is accepted for filing, extensive public notice of the filing of the petition is given. Interested parties and the public are given at least seven weeks to submit responsive briefs and comments in support of or in opposition to a petition. The petitioner is then given at least two weeks to file one brief in reply to all the responsive briefs.

PETITION ANALYSIS

Following the initial public comment period, LBC staff analyze the petition, responsive briefs, public comments, reply brief, and other materials as part of its investigation. LBC staff may conduct an informational meeting on petition procedures under <u>3 AAC 110.520</u>.

At the conclusion of its investigation, the department issues a preliminary report for public review and comment. The report includes a formal recommendation to the Local Boundary Commission for action on the petition.

The preliminary report is circulated for public review and comment for a minimum of four weeks. After reviewing the comments on its report, the department issues its final report. The final report includes a brief discussion of comments made on the preliminary report and also notes any changes to the department's recommendations to the commission. The final report must be issued at least three weeks prior to the hearing on the petition.

COMMISSION REVIEW OF MATERIALS AND PUBLIC HEARING

Members of the commission review the petition, responsive briefs, written comments, reply brief, and DCRA reports. If circumstances permit, commission members may also tour the area in question prior to the hearing in order to gain a better understanding of the proposal.

Following extensive public notice, the commission conducts at least one public hearing on the proposal. At this hearing, petitioners, respondents, and members of the public are given the opportunity to weigh in, and commissioners may ask questions. Commission hearing procedures are found in <u>3 AAC 110.550</u>.

DECISION AND OPPORTUNITY FOR RECONSIDERATION

The commission must reach a decision on the petition within 90 days of the public hearing. However, typically, the commission holds a decisional meeting immediately after the hearing.

The commission may take any one of the following actions:

• Approve the petition as presented;

- Amend the petition (e.g., alter the boundaries);
- Impose conditions on approval of the petition (e.g., require an additional public meeting); or
- Deny the petition.

Within 30 days of announcing its decision, the commission must adopt a written statement setting out the basis for its decision. Copies of the statement are provided to the petitioner, respondents, and others who request it. At that point, the decision becomes final, subject to reconsideration.

Any person may ask the commission to reconsider its decision. Such requests must be filed within 18 days of the date that the decision becomes final. If the commission does not approve a request for reconsideration within 30 days of the date that the decision becomes final, the request for reconsideration is automatically denied.

IMPLEMENTATION

If the commission approves a petition, the proposal is subject to approval by voters, or is submitted to the legislature. For local action petitions, the boundary change takes effect when the boundary change election is certified. For a legislative review petition, the boundary change takes effect when 45 days have passed from submission during a regular session and no action is taken. Decisions are no longer subject to Department of Justice review under the Voting Rights Act of 1965.

Succession to the dissolved municipality's rights, powers, duties, assets, and liabilities occurs in the fashion noted in <u>AS 29.06.520</u>.

A general timeline is provided below.

PETITION PROCESS TIMELINE

| Date | Action |
|---|--|
| Within 45 days of receiving petition | Local Boundary Commission (LBC) staff conduct a technical review of the petition. A technical review determines whether a petition contains all required information. A petition will either be accepted for filing or it will be returned to the petitioner for correction or completion. |
| Within 45 days of receiving notice of acceptance for filing | After the petition is accepted, staff will provide a public notice of the filing of the petition and instructions for publication. This notice informs the public and alerts them to an opportunity to comment. |

| Date | Action |
|---|---|
| Beginning when notice of filing is first published or posted, for at least 49 days | Public comments and responsive briefs are received for a specific time period published in notice. Staff may conduct an informational session during this time. |
| At least 14 days | Petitioner may respond to the responsive briefs and comments. |
| About 7 weeks | LBC staff perform a thorough investigation and analysis of the petition and draft a preliminary report that includes a recommendation to the LBC regarding the petition. |
| A minimum of 28 days from the mailing of preliminary report | Opportunity for public review and comment on the preliminary report. |
| Approximately 3 weeks | LBC staff consider comments on preliminary report and makes appropriate changes to its report and recommendation. The final report is issued for public review. |
| At least 21 days from the mailing of the final report | LBC conducts public hearing(s) where petitioners, respondents and members of the public are given an opportunity to comment. |
| Within 90 days of hearing | LBC conducts public meeting(s) and reaches a decision [often made immediately after hearing]. |
| Within 30 days of decisional meeting | LBC issues written decision. |
| Within 30 days of when the written decision is issued | Any public member may request reconsideration within 18 days after the written decision is issued. The LBC may grant a reconsideration request, or order reconsideration on its own motion within 30 days after the written decision is issued. |
| If petition is denied, LBC process ends (parties may appeal LBC decision to superior court) | If approved by the LBC, the petition is subject to review by the legislature or approval by the voters in the area approved for change. |

STAFF ASSISTANCE

Staff are available to help petitioners throughout this process. When a petition is formally accepted, petitioners will receive a packet of information with a schedule and materials specifying next steps for that petition.

CONCLUSION

This packet seeks to inform Alaska residents interested in city or borough dissolution, and to provide the necessary resources to start the petition process. Staff are available for guidance, and should be consulted when preparing a petition and before gathering any signatures. Dissolution requires a substantial effort on the behalf of petitioners. Proper planning can help petitioners anticipate roadblocks and help streamline the process.

Dissolution of a municipality through means other than merger, consolidation, or unification is complex and requires a significant commitment of time and other resources on the part of the petitioner. Submission of a dissolution petition can result in significant expenses for necessary actions such as publication of notices in newspapers. Proponents of dissolution should initiate a proposal to dissolve a city or borough only after they have carefully and objectively evaluated the consequences and likelihood of success.

City or borough dissolution is a step not to be taken lightly. Thought should be given to researching and planning the process and what will happen afterward regarding assets, liabilities, and services. The dissolution process is a set chain of events, which must be followed in order to ensure a successful dissolution process. LBC staff are able to provide guidance regarding the standards and procedures, but decisions whether to seek dissolution must be made at the community level. Please contact staff for additional information.

APPENDICES

- 1. APPLICABLE LAWS
- 2. BLANK PETITION FORM

APPLICABLE LAWS AND REGULATIONS

ARTICLE 10, ALASKA CONSTITUTION

- Section 1. Purpose and Construction, local self-government, local government units.
- Section 3. Boroughs, standards required to be established, classification, method of organization.
- Section 7. Cities.
- Section 12. Boundaries.
- Section 13. Agreements; Transfer of Powers.
- Section 14. Agency to advise and assist local governments.

ALASKA STATUTES

- AS 29.06.450. Methods of dissolution.
- AS 29.06.460. Petition.
- AS 29.06.470. Standards, dissolution petition, debt repayment.
- AS 29.06.480. Review, deficient petition.
- AS 29.06.490. Report and hearing.
- AS 29.06.500. Decision, LBC amendment/conditions, decision criteria, appeal under the Administrative Procedures Act.
- AS 29.06.510. Election, notification to director of elections, time frame for holding election, certification, effective date of dissolution.
- AS 29.06.520. Succession.
- AS 29.06.530. Application.
- AS 44.33.810. Local Boundary Commission, appointment.
- AS 44.33.812. Powers and Duties.
- AS 44.33.814. Meetings and Hearings.
- AS 44.33.816. Minutes and Records.
- AS 44.33.818. Notice of Public Hearings.
- AS 44.33.820. Quorum.
- AS 44.33.822. Boundary Change.
- AS 44.33.824. Expenses.
- AS 44.33.826. Hearings on boundary changes.
- AS 44.33.828. When boundary changes take effect.

RELEVANT REGULATIONS

- 3 AAC 110.280. Commission standards (cities), best interest finding, debt/repayment plan, audit/report of assets & liabilities.
- 3 AAC 110.290. Local option standards (cities), petition, debt/repayment plan, audit/report of assets & liabilities.
- 3 AAC 110.300. Best interests of state (cities).

- 3 AAC 110.310. Commission standards (boroughs), best interest finding, debt/repayment plan, audit/report of assets & liabilities.
- 3 AAC 110.320. Local option standards (boroughs), petition, debt/repayment plan, audit/report of assets & liabilities.
- 3 AAC 110.325 Legislative review.
- 3 AAC 110.330. Best interests of state (boroughs).
- <u>3 AAC 110.400</u>. Applicability.
- 3 AAC 110.410. Petitioners, defining authorized petitioners, signature requirements.
- 3 AAC 110.415 Additional requirements of a voter-initiated petition
- 3 AAC 110.420. Petition, form, supporting brief, exhibits.
- 3 AAC 110.430. Consolidation of petitions.
- 3 AAC 110.435. Role of department staff
- 3 AAC 110.440. Technical review of petitions, department review, deficient petition.
- 3 AAC 110.450. Notice of petition, time limit and method for providing notice.
- 3 AAC 110.460. Service of petition, recipients and method of delivery, availability of all petition documents for public review.
- 3 AAC 110.470. Proof of notice and service.
- 3 AAC 110.475 Summary determination
- 3 AAC 110.480. Responsive briefs and written comments, filing with department, affidavit of delivery to petitioner.
- 3 AAC 110.490. Reply brief, filing with department, affidavit of delivery to respondent.
- 3 AAC 110.500. Limitations on advocacy, adherence to regulations, commission contact with interested parties.
- <u>3 AAC 110.510. Informational sessions, department determination of adequate public information sessions, affidavit.</u>
- <u>3 AAC 110.520. Departmental public meetings, notice, affidavit of posting, presiding officer, meeting summary, postponement, relocation.</u>
- 3 AAC 110.530. Departmental reports, draft review and comment.
- 3 AAC 110.540. Amendment of petition
- 3 AAC 110.545 Withdrawal of petition
- 3 AAC 110.550. Commission public hearing, notice, public service announcement, postponement, relocation.
- <u>3 AAC 110.560. Commission hearing procedures, presiding officer, commission quorum, limit on comments, witnesses, sworn testimony, timely submission of documents.</u>
- 3 AAC 110.570. Decisional meeting, time limit, commission quorum, change to comply with law, minutes, statement of considerations, decision, affidavit.
- 3 AAC 110.590. Modified procedures for certain local action annexations, applicable regulations.
- 3 AAC 110.580. Reconsideration, time limit, denial or acceptance of request.
- 3 AAC 110.600. Local action/local option elections, election by director of elections under AS 15, election by municipality.

- 3 AAC 110.610. Legislative review, amendment to consider as local action/option procedure, legislative review of commission decision.
- 3 AAC 110.620. Judicial review, appeal and judicial review in accordance with Administrative Procedure Act.
- <u>3 AAC 110.630</u>. Effective date and certification, Voting Rights Act approval, certification of election, legislative review deadline, certificate of change, recordation.
- 3 AAC 110.640. Scheduling, chairperson order setting/amending schedule, timeline, postponement.
- <u>3 AAC 110.650</u>. Resubmittals and reversals, denial of previous similar petition, request for reversal of decision.
- <u>3 AAC 110.660. Purpose of procedural regulations, relaxation or suspension of procedural regulation, commission discretion, guidelines.</u>
- 3 AAC 110.680 LBC Meetings
- 3 AAC 110.690 Teleconference policy and procedures
- 3 AAC 110.700 Filing with the commission
- <u>3 AAC 110.900. Transition, submission of transition plan; assumption of powers, duties, responsibilities, assets, and liabilities; time limit on execution of plan; approved agreement.</u>
- 3 AAC 110.910. Statement of non-discrimination.
- 3 AAC 110.920. Determination of community, factors considered in determining whether the term community applies.
- 3 AAC 110.970. Determination of essential city or borough services, guidelines.
- 3 AAC 110.981 Determination of maximum local self-government
- 3 AAC 110.982 Minimum number of local government units
- 3 AAC 110.990. Definitions.

APPLICABLE STATUTES AND REGULATIONS

CONSTITUTION OF THE STATE OF ALASKA, ARTICLE 10, LOCAL GOVERNMENT

SECTION 1. PURPOSE AND CONSTRUCTION. The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units.

SECTION 2. LOCAL GOVERNMENT POWERS. All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.

SECTION 3. BOROUGHS. The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

SECTION 5. SERVICE AREAS. Service areas to provide special services within an organized borough may be established, altered, or abolished by the assembly, subject to the provisions of law or charter. A new service area shall not be established if, consistent with the purposes of this article, the new service

can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services.

SECTION 7. CITIES. Cities shall be incorporated in a manner prescribed by law, and shall be a part of the borough in which they are located. Cities shall have the powers and functions conferred by law or charter. They may be merged, consolidated, classified, reclassified, or dissolved in the manner provided by law.

SECTION 12. BOUNDARIES. A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

SECTION 13. AGREEMENTS; TRANSFER OF POWERS. Agreements, including those for cooperative or joint administration of any functions or powers, may be made by any local government with any other local government, with the State, or with the United States, unless otherwise provided by law or charter. A city may transfer to the borough in which it is located any of its powers or functions unless prohibited by law or charter, and may in like manner revoke the transfer.

SECTION 14. LOCAL GOVERNMENT AGENCY. An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities, collect and publish local government information, and perform other duties prescribed by law.

ALASKA STATUTES, TITLE 29, ARTICLE 1. REQUIREMENTS

ARTICLE 5. DISSOLUTION

Section:

450. Methods of dissolution500. Decision460. Petition510. Election470. Standards520. Succession480. Review530. Application

490. Report and hearing

SEC. 29.06.450. METHODS OF DISSOLUTION

- (a) Two petition methods may be used to initiate dissolution of a municipality:
- (1) petition to the Local Boundary Commission under regulations adopted by the commission; or
 - (2) the local option method specified in AS 29.06.460 29.06.510.
- (b) The department shall investigate a municipality that it considers to be inactive and shall report to the Local Boundary Commission on the status of the municipality. The commission may submit its recommendation to the legislature that the municipality be dissolved in the manner provided for submission of boundary changes in art. X, sec. 12 of the state constitution.
- (c) A borough is dissolved when its entire territory is included in a home rule or first class city or cities. A city is dissolved when all its powers become areawide borough powers. (§ 5 ch 74 SLA 1985)

SEC. 29.06.460. PETITION

- (A) Voters of a municipality may file a dissolution petition with the department in the form prescribed by the department. The petition must be signed by a number of voters equal to at least 25 percent of the number of votes cast in the last regular election in that municipality.
- (B) The petition must include
- (C) The name of the municipality;
- (D) Maps, documents, and other information showing that the municipality meets the standards for dissolution. (§ 5 ch 74 sla 1985)

SEC. 29.06.470. STANDARDS

- (a) Except as provided in (b) of this section, voters of a municipality may petition for dissolution when the municipality is free of debt, or, if in debt, each of its creditors is satisfied with a method of repayment and
 - (1) the municipality no longer meets the minimum standards prescribed for incorporation by AS 29.05, or former AS 29.18.030 if it is a third class borough;
 - (2) the municipality ceases to use each of its mandatory powers; or
 - (3) the dissolution petition filed under AS 29.06.460 is signed by a number of voters of the municipality proposed to be dissolved greater than 50 percent of the number of votes cast in the last regular election in that municipality.
- (b) Voters of a city in a borough may petition for dissolution of the city if the borough consents to assume the city's rights, powers, duties, assets, and liabilities. The consent must be ratified by a majority of borough voters voting on the question. (§ 5 ch 74 SLA 1985; am § 1 ch 35 SLA 1988; am § 20 ch 58 SLA 1994)

SEC. 29.06.480. REVIEW

- (a) The department shall review a dissolution petition for content and signatures, and shall return a deficient petition for correction or completion.
- (b) If the petition contains the required information and signatures, the department shall investigate the proposal. (§ 5 ch 74 SLA 1985)

SEC. 29.06.490. REPORT AND HEARING

- (a) The department shall report its findings to the Local Boundary Commission with its recommendation regarding the dissolution of a municipality.
- (b) The Local Boundary Commission shall hold at least one public hearing in the municipality proposed to be dissolved. (§ 5 ch 74 SLA 1985)

SEC. 29.06.500. DECISION

(a) The Local Boundary Commission may amend the petition and may impose conditions for the dissolution. If the commission determines that the dissolution, as amended or conditioned if appropriate, meets applicable standards under the state constitution and

- commission regulations, meets the standards for dissolution under AS 29.06.470, and is in the best interest of the state, it may accept the petition. Otherwise, it shall reject the petition.
- (b) A Local Boundary Commission decision under this section may be appealed under AS 44.62 (Administrative Procedure Act). (§ 5 ch 74 SLA 1985; am § 2 ch 35 SLA 1988; am § 21 ch 58 SLA 1994; am § 5 ch 86 SLA 1999)

SEC. 29.06.510. ELECTION

- (a) The Local Boundary Commission shall immediately notify the director of elections of its acceptance of a dissolution petition. Within 30 days after notification, the director of elections shall order an election in the municipality to determine whether the voters desire dissolution. The election must be held at least 30 and not more than 90 days after the election order unless such timing would cause the election to be held between May 1 and November 1. If the director of elections receives notification after April 1, but before October 1, the election shall be held within 60 days after November 1. A person who is a voter of the municipality may vote in the dissolution election.
- (b) The director of elections shall supervise the election in the general manner prescribed by AS 15 (Election Code). The state shall pay all election costs.
- (c) The director of elections shall certify the election results. If dissolution is approved by a number of voters greater than 50 percent of the number of people registered to vote in the municipality, the director of elections shall declare that the municipality is dissolved effective on the date of certification. (§ 5 ch 74 SLA 1985; am §§ 3, 4 ch 35 SLA 1988)

SEC. 29.06.520. SUCCESSION

A municipality succeeding to a dissolved municipality succeeds to all rights, powers, duties, assets, and liabilities of the dissolved municipality. Otherwise, the state succeeds to those rights, powers, duties, assets, and liabilities. If the state succeeds to a dissolved municipality, the state may enter into a contract for the performance of duties or powers in the area of the dissolved municipality. However, a contract with an organization for the performance of duties or powers entered into under this section does not constitute recognition by the state of governmental powers of that organization. (§ 5 ch 74 SLA 1985; am § 5 ch 35 SLA 1988; am § 22 ch 58 SLA 1994)

SEC. 29.06.530. APPLICATION

AS 29.06.450 - 29.06.530 apply to home rule and general law municipalities. (§ 5 ch 74 SLA 1985)

ARTICLE 12. LOCAL BOUNDARY COMMISSION

SEC. 44.33.810. LOCAL BOUNDARY COMMISSION

There is in the Department of Community and Economic Development a Local Boundary Commission. The Local Boundary Commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four judicial districts described in AS

22.10.010 and one member shall be appointed from the state at large. The member appointed from the state at large is the chair of the commission. (§ 64 ch 58 SLA 1999)

SEC. 44.33.812. POWERS AND DUTIES

- (a) The Local Boundary Commission shall
 - (1) make studies of local government boundary problems;
- (2) adopt regulations providing standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification, and dissolution; the regulations providing standards and procedures are subject to AS 29.04 AS 29.10.
- (3) consider a local government boundary change requested of it by the legislature, the commissioner of commerce, community, and economic development, or a political subdivision of the state; "boundary change" may not be construed to include a borough incorporation; and
- (4) develop standards and procedures for the extension of services and ordinances of incorporated cities into contiguous areas for limited purposes upon majority approval of the voters of the contiguous area to be annexed and prepare transition schedules and prorated tax mill levies as well as standards for participation by voters of these contiguous areas in the affairs of the incorporated cities furnishing services.
 - (b) The Local Boundary Commission may
- (1) conduct meetings and hearings to consider local government boundary changes and other matters related to local government boundary changes, including extensions of services by incorporated cities into contiguous areas and matters related to extension of services; and
- (2) present to the legislature during the first 10 days of a regular session proposed local government boundary changes, including gradual extension of services of incorporated cities into contiguous areas upon a majority approval of the voters of the contiguous area to be annexed and transition schedules providing for total assimilation of the contiguous area and its full participation in the affairs of the incorporated city within a period not to exceed five years. (§ 64 ch 58 SLA 1999; am § 2 ch 86 SLA 2005; am § 4 ch 46 SLA 2006).

SEC. 44.33.814. MEETINGS AND HEARINGS.

The chair of the commission or the commissioner of community and economic development with the consent of the chair may call a meeting or hearing of the Local Boundary Commission. All meetings and hearings shall be public. (§ 64 ch 58 SLA 1999)

SEC. 44.33.816. MINUTES AND RECORDS

The Local Boundary Commission shall keep minutes of all meetings and hearings. If the proceedings are transcribed, minutes shall be made from the transcription. The minutes are a public record. All votes taken by the commission shall be entered in the minutes. (§ 64 ch 58 SLA 1999)

SEC. 44.33.818. NOTICE OF PUBLIC HEARINGS

Public notice of a hearing of the Local Boundary Commission shall be given in the area in which the hearing is to be held at least 15 days before the date of the hearing. The notice of the hearing must include the time, date, place, and subject of the hearing. The commissioner of commerce, community, and economic development shall give notice of the hearing at least three times in the press, through other news media, or by posting in a public place, whichever is most feasible. (§ 64 ch 58 SLA 1999)

SEC. 44.33.820. QUORUM

Three members of the commission constitute a quorum for the conduct of business at a meeting. Two members constitute a quorum for the conduct of business at a hearing. (§ 64 ch 58 SLA 1999)

SEC. 44.33.822. BOUNDARY CHANGE

A majority of the membership of the Local Boundary Commission must vote in favor of a proposed boundary change before it may be presented to the legislature. (§ 64 ch 58 SLA 1999)

SEC. 44.33.824. EXPENSES

Members of the Local Boundary Commission receive no pay but are entitled to the travel expenses and per diem authorized for members of boards and commissions under AS 39.20.180. (§ 64 ch 58 SLA 1999)

SEC. 44.33.826. HEARINGS ON BOUNDARY CHANGES

A local government boundary change may not be proposed to the legislature unless a hearing on the change has been held in or in the near vicinity of the area affected by the change. (§ 64 ch 58 SLA 1999)

SEC. 44.33.828. WHEN BOUNDARY CHANGE TAKES EFFECT

When a local government boundary change is proposed to the legislature during the first 10 days of any regular session, the change becomes effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. (§ 64 ch 58 SLA 1999)

Article 9 Standards for Dissolution of Cities

Section:

280. Commission standards. 290. Local option standards.

295. Legislative review. 300. Best interests of state.

3 AAC 110.280, COMMISSION STANDARDS

- (a) After filing a petition under AS 29.06.450(a)(1), a city may dissolve if the commission determines that
 - (1) dissolution of the city is in the best interests of the state;
 - (2) the city is free of debt or has satisfied each creditor with a method of repayment; and
 - (3) the city
 - (A) no longer meets the standards for incorporation of cities, as set out in AS 29.05 and 3 AAC 110.005 3 AAC 110.042;
 - (B) has ceased to exercise any of its mandatory powers; or
 - (C) is included within an organized borough that assumes, on an areawide, nonareawide, or service-area basis, all the rights, powers, duties, assets, and liabilities of the city.
- (b) Repealed 1/9/2008.
- (c) Except as otherwise provided in this subsection, in determining whether a city is free of debt or has satisfied each creditor with a method of repayment, the commission will require an audit identifying

all assets and liabilities of the city. For the proposed dissolution of a home rule or first class city, and for the proposed dissolution of a second class city that has undergone an audit in each of the three years immediately preceding the petition for dissolution, the audit must be performed by an independent certified public accountant. For the proposed dissolution of a second class city that has not undergone an audit in each of the three years immediately preceding the petition for dissolution, the department shall submit a written report identifying all assets and liabilities of that city.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

Art. X, sec. 1, Ak Const.

Art. X, sec. 7, Ak Const.

AS 29.06.450

AS 44.33.020

Art. X, sec. 12, Ak Const.

AS 44.33.812

Art. X, sec. 14, Ak Const.

Editor's note:

The substance of 3 AAC 110.280(b) was relocated to 3 AAC 110.295.

3 AAC 110.290. LOCAL OPTION STANDARDS

- (a) A city may dissolve using the local option method identified in AS 29.06.450(a)(2) if the voters of the city file a petition for dissolution under AS 29.06.460 and the commission determines that the city qualifies for dissolution under AS 29.06.470(a) or AS 29.06.470(b). The commission will deny or accept a petition in accordance with AS 29.06.
- (b) Except as otherwise provided in this subsection in determining whether a city is free of debt or has satisfied each creditor with a method of repayment under AS 29.06.470, the commission will require an audit identifying all assets and liabilities of the city. For the proposed dissolution of a home rule or first class city, and for the proposed dissolution of a second class city that has undergone an audit in each of the three years immediately preceding the petition for dissolution, the audit must be performed by an independent certified public accountant. For the proposed dissolution of a second class city that has not undergone an audit in each of the three years immediately preceding the petition for dissolution, the department shall submit a written report identifying all assets and liabilities of that city proposed for dissolution.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

Art. X, sec. 1, Ak Const.AS 29.06.460Art. X, sec. 7, Ak Const.AS 29.06.470Art. X, sec. 12, Ak Const.AS 29.06.500Art. X, sec. 14, Ak Const.AS 44.33.020AS 29.06.450AS 44.33.812

3 AAC 110.295. LEGISLATIVE REVIEW

The commission may determine whether its decision favoring dissolution of a city will be submitted for legislative review in accordance with art. X, sec. 12, Constitution of the State of Alaska.

History: Eff. 1/9/2008, Register 185

Authority:

| Art. X, sec. 1, Ak Const. | AS 29.06.460 |
|----------------------------|--------------|
| Art. X, sec. 7, Ak Const. | AS 29.06.470 |
| Art. X, sec. 12, Ak Const. | AS 29.06.500 |
| AS 29.06.450 | AS 44.33.812 |

Editor's note:

The substance of 3 AAC 110.295 was formerly located at 3 AAC 110.280(b).

3 AAC 110.300. BEST INTERESTS OF STATE

- (a) In determining whether dissolution of a city is in the best interests of the state under AS 29.06.500(a) or 3 AAC 110.280, the commission may consider relevant factors, including
 - (1) the extent to which the city is providing services, receiving revenue, and incurring debt;
 - (2) whether a government or organization other than the state is willing and able to provide all services and facilities necessary to meet the needs of the community;
 - (3) whether dissolution of the city is likely to endanger the health, safety, or general welfare of residents in or near the city proposed for dissolution;
 - (4) the effect that the proposed dissolution will have on the harmony of relations among residents of the city proposed for dissolution, and between the residents of the city and others residing near the city;
 - (5) the social and economic impacts of the proposed dissolution on other municipalities or communities in the state;
 - (6) the effect of the proposed dissolution on the long-term stability of the finances of other municipalities and the state; and
 - (7) circumstances identified by the commission reflecting the legal standards and principles that guide commission action in furthering the development of maximum local self-government with a minimum number of local government units.
- (b) Absent a specific and persuasive showing to the contrary, the commission will presume that a petition for dissolution of a city within an organized borough promotes a minimum number of local government units in accordance with art. X, sec. 1, Constitution of the State of Alaska.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

| Art. X, sec. 1, Ak Const. | AS 29.06.450 |
|----------------------------|--------------|
| Art. X, sec. 7, Ak Const. | AS 29.06.500 |
| Art. X, sec. 12, Ak Const. | AS 44.33.812 |

Article 10 Standards for Dissolution of Boroughs

Section:

310. Commission standards. 320. Local option standards.

325. Legislative review.

330. Best interests of state.

3 AAC 110.310. COMMISSION STANDARDS

- (a) After filing a petition under AS 29.06.450(a)(1), a borough may dissolve if the commission determines that
 - (1) dissolution of the borough is in the best interests of the state;
 - (2) the borough is free of debt or has satisfied each creditor with a method of repayment; and
 - (3) the borough
 - (A) no longer meets the standards for incorporation of boroughs, as set out in the Constitution of the State of Alaska, AS 29.05, and 3 AAC 110.045 3 AAC 110.065, and dissolution is in the best interests of the state;
 - (B) has ceased to exercise any of its mandatory powers; or
 - (C) is a unified municipality and is subject to a petition for deunification under 3 AAC 110.331 3 AAC 110.333.
- (b) Repealed 1/9/2008.
- (c) Except as otherwise provided in this subsection, in determining whether a borough is free of debt or has satisfied each creditor with a method of repayment, the commission will require an audit to be performed by an independent certified accountant identifying all assets and liabilities of the borough.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

Art. X, sec. 1, Ak Const. Art. X, sec. 3, Ak Const. Art. X, sec. 12, Ak Const. AS 29.06.450 AS 44.33.812

Editor's note:

The substance of 3 AAC 110.310(b) was relocated to 3 AAC 110.325.

3 AAC 110.320. LOCAL OPTION STANDARDS

- (a) A borough may dissolve using the local option method identified in AS 29.06.450(a)(2) if the voters of the borough file a petition for dissolution under AS 29.06.460 and the commission determines that the borough qualifies for dissolution under AS 29.06.470(a) or AS 29.06.470(b). The commission will deny or accept a petition in accordance with AS 29.06.
- (b) In determining whether a borough is free of debt or has satisfied each creditor with a method of repayment under AS 29.06.470, the commission will require an audit performed by an independent certified public accountant identifying all assets and liabilities of the borough.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

| Art. X, sec. 1, Ak Const. | AS 29.06.460 |
|----------------------------|--------------|
| Art. X, sec. 3, Ak Const. | AS 29.06.470 |
| Art. X, sec. 12, Ak Const. | AS 29.06.500 |
| AS 29.06.450 | AS 44.33.812 |

3 AAC 110.325. LEGISLATIVE REVIEW

The commission may determine whether its decision favoring dissolution of a borough will be submitted for legislative review in accordance with art. X, sec. 12, Constitution of the State of Alaska.

History: Eff. 1/9/2008, Register 185

Authority:

| Art. X, sec. 1, Ak Const. | AS 29.06.460 |
|----------------------------|--------------|
| Art. X, sec. 3, Ak Const. | AS 29.06.470 |
| Art. X, sec. 12, Ak Const. | AS 29.06.500 |
| AS 29.06.450 | AS 44.33.812 |

Editor's note:

The substance of 3 AAC 110.325 was formerly located at 3 AAC 110.310(b).

3 AAC 110.330. BEST INTERESTS OF STATE

In determining whether dissolution of a borough is in the best interests of the state under AS 29.06.500(a) or 3 AAC 110.310, the commission may consider relevant factors, including

- (1) the extent to which the borough is providing services, receiving revenue, and incurring debt;
- (2) whether a government or organization other than the state is willing and able to provide all services and facilities necessary to meet the needs of the area;
- (3) whether dissolution of the borough is likely to endanger the health, safety, or general welfare of residents in or near the borough proposed for dissolution;
- (4) the effect that the proposed dissolution will have on the harmony of relations among residents of the borough proposed for dissolution, and between the residents of the borough and others residing near the borough;
- (5) the social and economic impacts of the proposed dissolution on other municipalities or communities in the state;
- (6) the effect of the proposed dissolution on the long-term stability of the finances of other municipalities and the state; and
- (7) circumstances identified by the commission reflecting the legal standards and principles that guide commission action in furthering the development of maximum local self-government with a minimum number of local government units.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

Art. X, sec. 1, Ak Const. Art. X, sec. 3, Ak Const. Art. X, sec. 12, Ak Const. AS 29.06.450 AS 29.06.500 AS 44.33.812

ARTICLE 13 PROCEDURES FOR PETITIONING AND FOR OTHER COMMISSION MATTERS

Section:

400. Applicability.

410. Petitioners.

415. Additional requirements of a voter-initiated petition.

420. Petition.

421. Name of municipal government.

425. Legislative review annexation petitions.

430. Consolidation of petitions.

435. Role of department staff.

440. Technical review of petition.

450. Notice of petition.

460. Service of petition.

470. Proof of notice and service.

475. Summary determination.

480. Responsive briefs and written comments.

490. Reply brief.

500. Limitations on advocacy.

510. Informational sessions.

520. Departmental public meetings.

530. Departmental reports.

540. Amendment of petition.

545. Withdrawal of petition.

550. Commission public hearing.

560. Commission hearing procedures.

570. Decisional meeting.

580. Reconsideration.

590. Modified procedures for certain local action annexations.

600. Local action/local option elections.

610. Legislative review.

620. Judicial review.

630. Effective date and certification.

640. Scheduling.

650. Resubmittals and reversals.

660. Purpose of procedural regulations; relaxation or suspension of procedural regulations.

680. Meetings.

690. Teleconference policy and procedures.

700. Filing with the commission.

3 AAC 110.400. APPLICABILITY

Except as provided in 3 AAC 110.590, 3 AAC 110.410 - 3 AAC 110.700 apply to petitions for city reclassification under AS 29.04, for incorporation under AS 29.05 or art. X, sec 12, Constitution of the State of Alaska, and for alterations to municipalities under AS 29.06 or art. X, sec 12, Constitution of the State of Alaska. However, only those sections of 3 AAC 110.410 - 3 AAC 110.700 with which compliance is required under 3 AAC 110.590 apply to an annexation petition filed under a local action method provided for in AS 29.06.040(c)(3) or (4).

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

Art. X, sec. 1, Ak Const. Art. X, sec. 12, Ak Const.

Art. X, sec. 3, Ak Const. AS 29.04.040 Art. X, sec. 7, Ak Const. AS 29.05.060

Dissolution in Alaska-45

| AS 29.06.040 | AS 29.06.450 |
|--------------|--------------|
| AS 29.06.090 | AS 29.06.460 |
| AS 29.06.100 | AS 44.33.812 |

3 AAC 110.410. PETITIONERS

- (a) A petition for a proposed action by the commission under this chapter may be initiated by
 - (1) the legislature;
 - (2) the commissioner;
 - (3) a person designated by the commission, subject to (d) of this section;
 - (4) a political subdivision of the state;
 - (5) a regional educational attendance area;
 - (6) repealed 1/9/2008;
 - (7) at least 10 percent of the persons registered to vote in a political subdivision of the state or in a regional educational attendance area, if the petition seeks the alteration of a municipality under AS 29.06, other than by local option under AS 29.06.090(b)(2) or AS 29.06.450(a)(2);
 - (8) at least 10 percent of the persons registered to vote in
 - (A) the area proposed for borough annexation by election under 3 AAC 110.210(3) or by legislative review under AS 29.06.040(b) or AS 44.33.812(b)(2); or
 - (B) the territory proposed for city annexation by election under 3 AAC 110.150(3) or by legislative review under AS 29.06.040(b) or AS 44.33.812(b)(2);
 - (9) at least 25 percent of the persons registered to vote in
 - (A) the area proposed for borough detachment by election under AS 29.06.040(c)(2) or by legislative review under AS 29.06.040(b) or AS 44.33.812(b)(2); or
 - (B) the territory proposed for city detachment by election under AS 29.06.040(c)(2) or by legislative review under AS 29.06.040(b) or AS 44.33.812(b)(2); or
 - (10) the number of qualified voters required under
 - (A) AS 29.04.040, if the petition seeks reclassification of a city;
 - (B) AS 29.05.060, if the petition seeks a municipal incorporation under AS 29.05.060;
 - (C) AS 29.06.100(a), if the petition seeks a municipal merger or consolidation under AS 29.06.090(b)(2); or
 - (D) AS 29.06.460(a), if the petition seeks a municipal dissolution under AS 29.06.450(a)(2).
- (b) If, to achieve compliance with AS 29.06.100(a), a petition for merger or consolidation must be signed by a percentage of voters from one or more cities within a borough, and also by a percentage of voters in that borough, all voters who sign the petition as borough voters must reside outside any city or cities joining that petition. The number of borough voters required to sign the petition must be based on the number of registered voters or the number of votes cast in the area of the borough outside any city or cities joining the petition.
- (c) The provisions of (a)(10) of this section may not be construed to apply to petition procedures established by the commission under AS 44.33.812(a)(2), AS 29.06.040(c) for annexation and detachment, AS 29.06.090(b)(1) for merger and consolidation, or AS 29.06.450(a)(1) for dissolution.
- (d) A person designated by the commission may initiate a petition if the commission
 - (1) determines that the action proposed will likely promote the standards established under the Constitution of the State of Alaska, AS 29.04, AS 29.05, AS 29.06, or this chapter, and is in the best interests of the state; and
 - (2) directs the designated person to prepare a petition by a motion approved by a majority of the appointed membership of the commission.

- (e) The person initiating a petition under (a) of this section is the petitioner. A petition must include a designation of
 - (1) one person as representative of the petitioner; and

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(2) a second person as an alternate representative, who may act if the primary representative is absent, resigns, or fails to perform the representative's duties.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 1, Ak Const. | AS 29.06.040 |
| Art. X, sec. 3, Ak Const. | AS 29.06.090 |
| Art. X, sec. 7, Ak Const. | AS 29.06.100 |
| Art. X, sec. 12, Ak Const. | AS 29.06.450 |
| Art. X, sec. 14, Ak Const. | AS 29.06.460 |
| AS 29.04.040 | AS 44.33.020 |
| AS 29.05.060 | AS 44.33.812 |
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3 AAC 110.415. ADDITIONAL REQUIREMENTS OF A VOTER-INITIATED PETITION

- (a) In determining whether a voter-initiated petition under 3 AAC 110.410(a)(7) (10) or 3 AAC 110.410(b) contains at least the minimum number of required signatures, the department may not consider a signature
 - (1) unless the voter who signed the form printed the voter's name, physical address of place of residence, and a numerical identifier, and dated the signature;
 - (2) that is dated more than one year before the date that the petition was submitted to the department.
- (b) If a voter-initiated petition is unacceptable under (a)(2) of this section, the department is not required to perform a technical review of the petition under 3 AAC 110.440. The department shall return the petition to the petitioner with a letter explaining the reason for the return.
- (c) A person who has signed a petition form may withdraw that person's name only by giving written notice to the petitioner's representative before the date the petition is submitted to the department.
- (d) Information that is confidential under AS 15.07.195 is not open to public inspection unless otherwise required by law.

| History: Eff. 1/9/2008, Register 185 | | |
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| Authority: | | |
| Art. X, sec. 1, Ak Const. | AS 29.06.040 | |
| Art. X, sec. 3, Ak Const. | AS 29.06.090 | |
| Art. X, sec. 7, Ak Const. | AS 29.06.100 | |
| Art. X, sec. 12, Ak Const. | AS 29.06.450 | |
| Art. X, sec. 14, Ak Const. | AS 29.06.460 | |
| AS 29.04.040 | AS 44.33.020 | |
| AS 29.05.060 | AS 44.33.812 | |
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3 AAC 110.420. PETITION

- (a) A proposal for one or more actions by the commission under this chapter is initiated by submitting a petition and supporting materials to the department.
- (b) A petition must be submitted on forms provided by the department. On the forms provided, the department shall require that the petition include the following information and supporting materials:
 - (1) the name of the petitioner;
 - (2) for the petitioner's representative and alternative representative designated under 3 AAC 110.410(e),
 - (A) the physical address of each individual's place of residence;
 - (B) each individual's mailing address; and
 - (C) each individual's telephone number, facsimile number, and electronic mail address, if any;
 - (3) the name and class of the
 - (A) existing municipal government for which a change is proposed; and
 - (B) proposed municipal government;
 - (4) a general description of the nature of the proposed commission action;
 - (5) a general description of the
 - (A) area proposed for borough boundary change; or
 - (B) territory proposed for city boundary change;
 - (6) a statement of reasons for the petition;
 - (7) legal metes and bounds descriptions, maps, and plats for a proposed municipality, or for any existing municipality for which a change is proposed;
 - (8) the size of the
 - (A) area proposed for borough boundary change; or
 - (B) territory proposed for city boundary change;
 - (9) data estimating the population of the
 - (A) area proposed for borough boundary change; or
 - (B) territory proposed for city boundary change;
 - (10) information relating to public notice and service of the petition;
 - (11) the following tax data for a borough boundary change:
 - (A) the assessed or estimated value of taxable property in the area proposed for change, if the proposed municipal government, or any existing municipal government for which a change is proposed, levies or proposes to levy property taxes;
 - (B) projected taxable sales in the area proposed for change, if the proposed municipal government, or any existing municipal government for which the change is proposed, levies or proposes to levy sales taxes;
 - (C) each municipal government tax levy currently in effect in the area proposed for change;
 - (12) the following tax data for a city boundary change:
 - (A) the assessed or estimated value of taxable property in the territory proposed for change, if the proposed municipal government, or any existing municipal government for which a change is proposed, levies or proposes to levy property taxes;
 - (B) projected taxable sales in the territory proposed for change, if the proposed municipal government, or any existing municipal government for which the change is proposed, levies or proposes to levy sales taxes;
 - (C) each municipal government tax levy currently in effect in the territory proposed for change;

- (13) for a proposed municipality, or for any existing municipality for which a change is proposed, projections of revenue, operating expenditures, and capital expenditures through the period extending one full fiscal year beyond the reasonably anticipated date
 - (A) for receipt of any final organization grant under AS 29.05.180 or 29.05.190;
 - (B) for completion of any transition set out in AS 29.05.130 29.05.140 or 3 AAC 110.900; and
 - (C) on which a proposed new borough or city will make its first full local contribution required under AS 14.17.410(b)(2), if the proposal seeks to incorporate a municipality that would be subject to AS 14.17.410(b)(2);
- (14) information about any existing long-term municipal debt;
- (15) information about the powers and functions of
 - (A) the proposed municipality;
 - (B) any existing municipality for which a change is proposed, before and after the proposed change; and
 - (C) alternative service providers, including regional educational attendance areas and other service areas within the area proposed for borough boundary change or territory proposed for city boundary change;
- (16) the transition plan required under 3 AAC 110.900;
- (17) information about the composition and apportionment of the governing body of
 - (A) the proposed municipality; and
 - (B) any existing municipality for which a change is proposed, before and after the proposed change;
- (18) information regarding any effects of the proposed change upon civil and political rights for purposes of 42 U.S.C. 1971 1974 (Voting Rights Act of 1965);
- (19) a supporting brief that provides a detailed explanation of how the proposal serves the best interests of the state and satisfies each constitutional, statutory, and regulatory standard that is relevant to the proposed commission action;
- (20) documentation demonstrating that the petitioner is authorized to file the petition under 3 AAC 110.410;
- (21) for a petition to incorporate or consolidate a home rule city or borough, the proposed municipal charter;
- (22) an affidavit from the petitioner's representative that, to the best of the representative's knowledge, information, and belief, formed after reasonable inquiry, the information in the petition is true and accurate;
- (23) other information or supporting material that the department believes the petitioner must provide for an adequate review of the proposal.
- (c) The petitioner shall provide the department with a copy of the petition and supporting materials in an electronic format, unless the department waives this requirement because the petitioner lacks a readily accessible means or the capability to provide items in an electronic format.
- (d) For a voter-initiated petition, the petition form must include sufficient space for the printed name, a numerical identifier, the signature, the date of signature, and the address of each person signing the petition.

Authority:

| Art. X, sec. 1, Ak Const. | AS 29.06.040 |
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| Art. X, sec. 3, Ak Const. | AS 29.06.090 |
| Art. X, sec. 7, Ak Const. | AS 29.06.100 |
| Art. X, sec. 12, Ak Const. | AS 29.06.450 |
| Art. X, sec. 14, Ak Const. | AS 29.06.460 |
| AS 29.04.040 | AS 44.33.020 |
| AS 29.05.060 | AS 44.33.812 |

3 AAC 110.430. CONSOLIDATION OF PETITIONS

If two or more petitions pending action by the commission affect all or some portion of the same boundaries, the chair of the commission may consolidate the informational session, briefing schedule, department reports, commission hearing, decisional meeting, or other procedure under this chapter for one or more of those petitions. The commission may consider relevant information from concurrent or conflicting petitions during the process of rendering its decision on any one petition.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 1, Ak Const. | AS 29.06.100 |
| Art. X, sec. 3, Ak Const. | AS 29.06.450 |
| Art. X, sec. 7, Ak Const. | AS 29.06.470 |
| Art. X, sec. 12, Ak Const. | AS 44.33.812 |
| AS 29.04.040 | AS 44.33.814 |
| AS 29.05.060 | AS 44.33.818 |
| AS 29.06.040 | AS 44.33.822 |
| AS 29.06.090 | AS 44.33.826 |
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3 AAC 110.435. ROLE OF DEPARTMENT STAFF

- (a) A department employee assigned under AS 44.33.020(a)(4) as a member of the commission staff serves as an advisor. The advisory staff may not act in an advocacy capacity as a petitioner under 3 AAC 110.410.
- (b) During a proceeding, the advisory staff to the commission may provide technical assistance, information, and forms to petitioners, respondents, and interested persons who have procedural questions regarding local government or boundary issues. If the commissioner, a department subdivision, or a department employee not assigned under AS 44.33.020(a)(4) to the commission's advisory staff serves in an official capacity as a petitioner in a case before the commission,
 - (1) communications with the commission's advisory staff regarding the case are subject to the limitations of this subsection and 3 AAC 110.500; and
 - (2) communications with members of the commission are subject to the ex parte limitations of 3 AAC 110.500.
- (c) Nothing in this section limits the role and ability of the commission's advisory staff to ensure that the commission is fully and accurately informed by providing to the commission new or additional information that supplements, questions, or refutes information provided by, or a position taken by, a petitioner, respondent, or other person.

Authority:

Art. X, sec. 12, Ak Const. AS 44.33.020 Art. X, sec. 14, Ak Const. AS 44.33.812

3 AAC 110.440. TECHNICAL REVIEW OF PETITION

- (a) The department shall review the petition and supporting materials to determine whether they include a budget sufficient for commission review, a transition plan sufficient for commission review, and other required information. When applicable, the department shall also determine whether the petition contains the legally required number of valid signatures. The department shall complete the technical review of the petition within 45 days after receiving it, except that the chair of the commission, for good cause, may grant the department additional time to complete its technical review.
- (b) The petitioner is primarily responsible for supplying all supplemental information and documents reasonably necessary for the technical review process, including information identifying who is registered to vote, who resides within the boundaries proposed for change, and the number of persons who voted within those boundaries during the last election.
- (c) If it determines that the petition or supporting materials are deficient in form or content, the department shall consult with the chair of the commission. With the concurrence of the chair of the commission, the department shall return the defective petition or supporting materials to the petitioner for correction or completion. With the concurrence of the chair of the commission, the department shall determine whether the deficiencies in the petition are significant enough to require new authorization for the filing of the corrected or completed petition. The department shall complete the technical review of any corrections or materials needed to complete the petition within 30 days after receiving them, except that the chair of the commission, for good cause, may grant the department additional time to complete its technical review. If the department determines that the petition and brief are in substantial compliance with applicable provisions of AS 29.04, AS 29.05, AS 29.06, and this chapter, the department shall notify the petitioner that the petition and brief have been accepted for filing.
- (d) The petitioner may appeal to the commission a determination by the department under (c) of this section that a petition is deficient in form and content or that new authorization will be required for the filing of a corrected or completed petition.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

| Authority: |
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| Art. X, sec. 1, Ak Const. | AS 29.05.070 |
|----------------------------|--------------|
| Art. X, sec. 3, Ak Const. | AS 29.06.040 |
| Art. X, sec. 7, Ak Const. | AS 29.06.110 |
| Art. X, sec. 12, Ak Const. | AS 29.06.480 |
| Art. X, sec. 14, Ak Const. | AS 44.33.020 |
| AS 29.04.040 | AS 44.33.812 |

- (a) No later than 45 days after receipt of the department's written notice of acceptance of the petition for filing, the petitioner shall
 - (1) publish public notice of the filing of the petition in a display ad format of no less than six inches long by two columns wide at least once each week for three consecutive weeks in one or more newspapers of general circulation designated by the department; if the department determines that a newspaper of general circulation, with publication at least once a week, does not circulate within the boundaries proposed for change, the department shall require the petitioner to provide notice through other means designed to reach the public;
 - (2) post public notice of the filing of the petition in
 - (A) at least three prominent locations readily accessible to the public and within or near the boundaries proposed for change; and
 - (B) other locations designated by the department;
 - ensure that notices posted under (2) of this subsection remain posted through the deadline set under 3 AAC 110.640 by the chair of the commission for the filing of responsive briefs;
 - (4) hand-deliver or mail, postage prepaid, public notice of the filing of the petition, correctly addressed to the municipalities having jurisdictional boundaries within 20 miles of the boundaries proposed for change, and to other persons designated by the department; and
 - (5) submit a request for a public service announcement of the filing of the petition to at least one radio or television station serving within the boundaries of the proposed change and request that it be announced for the following 14 days.
- (b) The department shall specify the text of the public notices required in (a)(1) (a)(4) of this section, to ensure that the notices contain the following information:
 - (1) the title of the notice of the filing of the petition;
 - (2) the name of the petitioner and the petitioner's representative designated under 3 AAC 110.410(e);
 - (3) a description of the proposed action;
 - (4) a statement of the size and general location of the boundaries proposed for change;
 - (5) a map of the area or territory proposed for change or information where that map is available for public review;
 - (6) a reference to the constitutional, statutory, and regulatory standards applicable to the proposal;
 - (7) a reference to the statutes and regulations applicable to procedures for consideration of the petition;
 - (8) designation of where and when the petition is available for public review;
 - (9) a statement that responsive briefs and comments regarding the petition may be filed with the commission;
 - (10) a reference to the regulations applicable to the filing of responsive briefs;
 - (11) the deadline for receipt of responsive briefs and comments;
 - (12) the mailing address, facsimile number, and electronic mail address for the submission of responsive briefs and comments to the department;
 - (13) a telephone number for inquiries to the commission staff.
- (c) The department shall specify the text of the public service announcement required in (a)(5) of this section to ensure that the announcement contains
 - (1) the title of the public service announcement;
 - (2) the period during which the public service announcement is requested to be broadcast;
 - (3) the name of the petitioner;
 - (4) a description of the proposed action;

- (5) a statement of the size and general location of the
 - (A) area proposed for borough boundary change; or
 - (B) territory proposed for city boundary change;
- (6) a statement of where and when the petition is available for public review;
- (7) a statement that responsive briefs and comments regarding the petition may be filed with the commission;
- (8) a statement of the deadline for responsive briefs and comments;
- (9) a statement of where the complete notice of the filing may be reviewed; and
- (10) a telephone number for inquiries to the petitioner.
- (d) For a municipal incorporation, the department shall ensure that, in addition to the information required in (b) of this section, the notice also contains the following information:
 - (1) for a petition using the local option method, a statement regarding voter eligibility in the incorporation election;
 - (2) for a petition using the legislative review method, a statement regarding the election of initial officials for the municipality.

| Authority: | |
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| Art. X, sec. 3, Ak Const. | AS 29.05.120 |
|-----------------------------|--------------|
| Art. X, sec. 7, Ak Const. | AS 29.06.040 |
| Art. X, sec. 12, Ak. Const. | AS 29.06.130 |
| Art. X, sec. 14, Ak Const. | AS 29.06.500 |
| AS 29.04.040 | AS 44.33.020 |
| AS 29.05.100 | AS 44.33.812 |
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3 AAC 110.460. SERVICE OF PETITION

- (a) No later than 25 days after receipt of the department's notice of acceptance of the petition for filing, the petitioner shall hand-deliver or mail, postage prepaid, one complete set of petition documents to every municipality within 20 miles of the boundaries proposed for change, and to other interested persons designated by the department. Copies of the petition documents, including maps and other exhibits, must conform to the originals in color, size, and other distinguishing characteristics.
- (b) From the first date of publication of notice of the filing of the petition under 3 AAC 110.450(a)(1), through the last date on which the petition may be subject to action by the commission, including the last date of proceedings of the commission ordered by a court of competent jurisdiction, the petitioner shall make a full set of petition documents, including public notices, responsive briefs, the reply brief, and department reports, available for review by the public at a central and convenient location such as a municipal office or public library. The petition documents must be available for review during normal working hours, and the petitioner shall accommodate specific requests for public review of the petition documents at reasonable times in the evening and on weekend days. All published and posted notices of filing of a petition must identify the specific location of the petition documents, and the hours when the documents can be reviewed.

Authority:

Art. X, sec. 3, Ak Const.

AS 29.06.040

Art. X, sec. 7, Ak Const.

AS 29.06.130

Art. X, sec. 12, Ak Const.

AS 29.06.500

AS 29.04.040

AS 44.33.812

AS 29.05.100

3 AAC 110.470. PROOF OF NOTICE AND SERVICE

No later than 50 days after receipt of the department's written notice of acceptance of the petition for filing, the petitioner shall deliver to the department five additional complete sets of petition documents and an affidavit that the notice, posting, service, deposit, and publishing requirements of 3 AAC 110.450 - 3 AAC 110.460 have been satisfied. Copies of the petition documents, including maps and other exhibits, must conform to the originals in color, size, and other distinguishing characteristics.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162

Authority:

Art. X, sec. 3, Ak Const.

As 29.06.040
Art. X, sec. 7, Ak Const.

As 29.06.130
Art. X, sec. 12, Ak Const.

As 29.06.500
As 29.04.040

As 44.33.812

AS 29.05.100

3 AAC 110.475. SUMMARY DETERMINATION

- (a) If the staff for the commission or a person who may serve as a petitioner under 3 AAC 110.410(a) believes that a petition accepted for filing under 3 AAC 110.440 was prepared using defective procedures, that the petition lacks certain information needed to determine and fully evaluate the merits of the petition, or that a reasonable probability exists that the petition fails to meet the standards applicable to the petition, that person may request a summary determination of the petition in accordance with this section. If the person requesting a summary determination is the commissioner, a department subdivision, or a department employee not assigned under AS 44.33.020(a)(4) to the commission's advisory staff, and that person is making the request in an official capacity, the limitations of 3 AAC 110.435(b) apply.
- (b) Not later than 21 days after the initial publication of notice of the petition under 3 AAC 110.450(a)(1), the person seeking a summary determination must file an original and five copies of a request that the petition be rejected or be returned to the petitioner for substantial correction or modification.
- (c) A request for summary determination must include
 - (1) the name of the person requesting a summary determination and that person's representative;
 - (2) the physical address of place of residence and mailing address of the representative designated under (1) of this subsection and the telephone number, facsimile number, and electronic mail address, if any, for that representative;

- (3) if a person other than the staff of the commission seeks a summary determination, documentation demonstrating that the person may serve as a petitioner under 3 AAC 110.410(a);
- (4) a description of the proposed summary determination action;
- (5) a statement of reasons for the request for summary determination;
- (6) a supporting brief that provides a detailed explanation of how
 - (A) the petition accepted for filing was prepared using defective procedures, or lacks certain information needed to determine and fully evaluate the merits of the petition; or
 - (B) a reasonable probability exists that the petition fails to meet constitutional, statutory, and regulatory standards that apply to the petition;
- (7) legal metes and bounds descriptions, maps, and plats needed to assess the proposed determination; and
- (8) an affidavit by the representative designated under (1) of this subsection that
 - (A) to the best of the representative's knowledge, information, and belief, formed after reasonable inquiry, the information in the request for summary determination is true and accurate:
 - (B) the request for summary determination is not submitted to harass or to cause unnecessary delay or needless expense in the cost of processing the petition; and
 - (C) three copies of the request for summary determination have been served on the petitioner by mail, postage prepaid, or hand delivery, or one copy has been delivered by facsimile or electronic mail, unless prohibited under (d) of this section.
- (d) Copies of the request for summary determination, including maps and other exhibits, provided to the department and the petitioner under this section must conform to the original in color, size, and other distinguishing characteristics. If the request, including attachments, contains colored materials or materials larger than 11 inches by 17 inches, the person requesting a summary determination may not serve the request and copies by facsimile or electronic mail. The person shall provide the department with a copy of the request for summary determination in an electronic format, unless the department waives this requirement because the person lacks a readily accessible means or the capability to provide items in an electronic format.
- (e) Within 24 hours after receipt of a request for summary determination, the petitioner shall place a copy of the request with the petition documents available for review under 3 AAC 110.460(b).
- (f) Within two days after the receipt of a request for summary determination, the department shall determine whether the request is complete, filed in a timely manner, groundless, or filed for purposes of delay. The department shall immediately notify the person who filed the request, the petitioner, and the commission of the department's determination. If the department determines that the request for summary determination was incomplete or untimely, the person who filed the request may appeal the department's determination to the commission. If the department determines that a request for summary determination was complete and timely, the provisions of (g) (p) of this section apply. If the department determines that the request was filed for the purpose of delay or is groundless, the provisions of (q) of this section apply.
- (g) If the department determines that a request for summary determination is complete and timely, the deadline for filing responsive briefs and comments under 3 AAC 110.480 is suspended pending a decision by the commission regarding the request for summary determination.
- (h) If it determines that the request is complete and timely, the department shall issue public notice of the request in accordance with 3 AAC 110.450(a)(1), except that publication of the notice is required only one time. The department shall issue public notice of the commission hearing under (k) of this section in accordance with 3 AAC 110.550, except that the first date of publishing must occur at

- least 20 days before the date of the hearing. The person who filed the request shall bear the cost of publication of the public notices.
- (i) Within 10 days after receipt of notice under (f) of this section that the request is complete and timely, the petitioner shall file with the department an original and five copies of a brief responding to the request for summary determination. At the same time the petitioner files its responsive brief with the department, the petitioner shall serve a copy of that responsive brief by mail, postage prepaid, or by electronic mail, facsimile transmission, or hand delivery on the person who filed the request, and shall file an affidavit of service to that effect. The petitioner shall provide the department with a copy of the responsive brief in an electronic format, unless the department waives that requirement because the petitioner lacks a readily accessible means or the capability to provide items in an electronic format.
- (j) Within 10 days after receipt of the petitioner's responsive brief under (i) of this section, the department shall provide the commission with a written report of the department's analysis, findings, and recommendation regarding the request for summary determination. The report must include a summary of the request, petitioner's responsive brief, and public comments, if any. A copy of the report must be provided to the person who filed the request and the petitioner at the same time the report is provided to the commission. The chair may, for good cause, grant additional time, not to exceed five days, for the department to file the report required under this subsection.
- (k) After service of the report under (j) of this section, the commission will hold a public hearing on the request for summary determination.
- (I) As part of the hearing conducted under (k) of this section, the commission will include
 - (1) a summary of the analysis and recommendation by the department;
 - (2) an opening statement by the person who filed the request, not to exceed 10 minutes;
 - (3) an opening statement by the petitioner, not to exceed 10 minutes;
 - (4) oral argument by the person who filed the request, on the merits of the request;
 - (5) oral argument by the petitioner on its opposition to the request;
 - (6) a period of public comment by interested persons, not to exceed three minutes for each person;
 - (7) a closing statement by the person who filed the request, not to exceed 10 minutes;
 - (8) a closing statement by the petitioner, not to exceed 10 minutes; and
 - (9) a reply by the person who filed the request, not to exceed five minutes.
- (m) Within three days after the public hearing under (k) of this section, the commission will hold a decisional meeting in accordance with 3 AAC 110.570(a), (b), and (d) (f) and either grant the request for summary determination or deny the request.
- (n) If a request for summary determination seeking rejection of a petition is granted, the petitioner may not submit a substantially similar petition for at least three years after the date of commission's decision on the request. If a request for summary determination seeking substantial correction or modification of a petition is granted, the petitioner may modify the petition and resubmit it as a new petition, with no restriction as to the time of filing.
- (o) If the request for summary determination is denied, the chair of the commission shall determine a new schedule for the filing of responsive briefs and comments on the petition in accordance with 3 AAC 110.640.
- (p) The person who filed the request or the petitioner may seek reconsideration of a commission decision on a request for summary determination under this section.
- (q) The commission will deny, without hearing, a request for summary determination under this section if the commission concludes that the request is filed for purposes of delay or is groundless.

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 1, Ak Const. | AS 44.33.020 |
| Art. X, sec. 12, Ak Const. | AS 44.33.812 |
| Art. X, sec. 14, Ak Const. | AS 44.33.814 |
| AS 29.04.040 | AS 44.33.816 |
| AS 29.05.090 | AS 44.33.818 |
| AS 29.06.120 | AS 44.33.820 |
| AS 29.06.490 | |

3 AAC 110.480. RESPONSIVE BRIEFS AND WRITTEN COMMENTS

- (a) If an interested person seeks to participate as a respondent to a petition, that person must have the capacity to sue and be sued and must file with the department an original and five complete copies of a responsive brief containing facts and analyses favorable or adverse to the petition. If the respondent is a group, the group shall designate one person to represent the group. A responsive brief must provide the physical address of the place of residence and mailing address of the respondent or the respondent's representative, and must provide the telephone number, facsimile number, and electronic mail address, if any, for the respondent or respondent's representative. Copies of the responsive briefs, including maps and other exhibits, must conform to the original in color, size, and other distinguishing characteristics. The respondent shall provide the department with a copy of the responsive brief in an electronic format, unless the department waives this requirement because the respondent lacks a readily accessible means or the capability to provide items in an electronic format.
- (b) The responsive brief, and any companion exhibits, must be filed with an affidavit by the respondent that, to the best of the respondent's knowledge, information, and belief, formed after reasonable inquiry, the responsive brief and exhibits are founded in fact and are not submitted to harass or to cause unnecessary delay or needless expense in the cost of processing the petition.
- (c) A responsive brief must be received by the department in a timely manner in accordance with 3 AAC 110.640. A responsive brief must be accompanied by an affidavit stating that two copies of the brief have been served on the petitioner by regular mail, postage prepaid, or by electronic mail, facsimile transmission, or hand delivery.
- (d) An interested person may file with the department written comments supporting or opposing the petition. The department shall request that the commentor either serve a copy of the comments on the petitioner and file a statement on or with the comments that service was made on the petitioner or notify the department of an inability to serve comments on the petitioner. If the department receives comments without a statement that they were served on the petitioner, the department shall provide promptly a copy of the written comments to the petitioner by hand-delivery, electronic mail, facsimile, or postage-prepaid mail. If the written comments, including attachments, exceed 20 pages or if they include colored materials or materials larger than 11 inches by 17 inches, the commentor shall provide an additional five complete sets of the written comments to the department. Copies of the written comments, including attachments, must conform to the original in color, size, and other distinguishing characteristics. Written comments must be received by the department in a timely manner in accordance with 3 AAC 110.640.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 3, Ak Const. | AS 29.06.040 |
| Art. X, sec. 7, Ak Const. | AS 29.06.110 |
| Art. X, sec. 12, Ak Const. | AS 29.06.130 |
| Art. X, sec. 14, Ak Const. | AS 29.06.480 |
| AS 29.04.040 | AS 29.06.500 |
| AS 29.05.080 | AS 44.33.020 |
| AS 29.05.100 | AS 44.33.812 |
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3 AAC 110.490. REPLY BRIEF

The petitioner may file an original and five copies of a single reply brief in response to all responsive briefs and written comments filed timely under 3 AAC 110.480. The petitioner shall provide the department with a copy of the reply brief in an electronic format, unless the department waives this requirement because the petitioner lacks a readily accessible means or the capability to provide items in an electronic format. The reply brief must be received by the department in a timely manner in compliance with 3 AAC 110.640. The reply brief must be accompanied by an affidavit stating that the brief has been served on all respondents by regular mail, postage prepaid, or by electronic mail, facsimile transmission, or hand delivery.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 3, Ak Const. | AS 29.06.040 |
| Art. X, sec. 7, Ak Const. | AS 29.06.110 |
| Art. X, sec. 12, Ak Const. | AS 29.06.130 |
| Art. X, sec. 14, Ak Const. | AS 29.06.480 |
| AS 29.04.040 | AS 29.06.500 |
| AS 29.05.080 | AS 44.33.020 |
| AS 29.05.100 | AS 44.33.812 |
| | |

3 AAC 110.500. LIMITATIONS ON ADVOCACY

- (a) Unless otherwise ordered by the commission for good cause shown, the commission will not, and the department may not, accept a document, letter, or brief for filing and consideration except in accordance with the procedures, timeframes, hearings, and meetings specified in 3 AAC 110.410 3 AAC 110.700.
- (b) A member of the commission is prohibited from ex parte contact and communication with any person except the staff of the commission, concerning a matter pending before the commission that has been filed as a petition, from the date the petition was first submitted to the department through the last date on which the petition may be subject to action by the commission, including the last date of proceedings of the commission ordered by a court of competent jurisdiction.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 12, Ak Const. | AS 29.06.110 |
| Art. X, sec. 14, Ak Const. | AS 29.06.130 |
| AS 29.04.040 | AS 29.06.480 |
| AS 29.05.080 | AS 29.06.500 |
| AS 29.05.100 | AS 44.33.020 |
| AS 29.06.040 | AS 44.33.812 |

3 AAC 110.510. INFORMATIONAL SESSIONS

Authority

- (a) If the department determines that persons within or near the proposed boundary change have not had adequate opportunity to be informed about the scope, benefits, or detriments of the proposed change, the department shall require the petitioner to conduct informational sessions, and to submit a recording, transcript, or summary of those sessions to the department.
- (b) The department may not proceed with the processing of the petition until the petitioner has certified, by affidavit, that the informational session requirements of this section have been met.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

| Authority. | |
|----------------------------|--------------|
| Art. X, sec. 12, Ak Const. | AS 29.06.110 |
| Art. X, sec. 14, Ak Const. | AS 29.06.130 |
| AS 29.04.040 | AS 29.06.480 |
| AS 29.05.080 | AS 29.06.500 |
| AS 29.05.100 | AS 44.33.020 |
| AS 29.06.040 | AS 44.33.812 |
| | |

3 AAC 110.520. DEPARTMENTAL PUBLIC MEETINGS

- (a) During its investigation and analysis of a petition for incorporation, the department shall convene at least one public meeting within the boundaries proposed for incorporation. During its investigation and analysis of a petition for a change other than incorporation, the department may convene at least one public meeting within or near the boundaries proposed for change.
- (b) Notice of the date, time, and place of the public meeting under (a) of this section must be mailed, postage prepaid, to the petitioner and to each respondent at least 15 days before the public meeting. The department shall publish the notice at least once each week, for two consecutive weeks, immediately preceding the date of the meeting, in a newspaper of general circulation selected by the department to reach the people and entities within or near the boundaries of the proposed change. If the department determines that a newspaper of general circulation, with publication at least once a week, does not circulate within or near the boundaries of the proposed change, the department shall provide notice through other means designed to reach the public. The petitioner shall post notice of the meeting in at least three prominent locations readily accessible to the public within or near the boundaries proposed for change, and at the same location where the petition documents are available for review, for at least 14 days immediately preceding the date of

- the meeting. On or before the date of the public meeting, the petitioner shall submit to the department an affidavit certifying that the posting requirements of this subsection have been met.
- (c) Staff assigned to the commission shall preside at the public meeting. If the public meeting is held within the time period established under 3 AAC 110.640 for receiving written comments, the presiding staff person shall accept written materials submitted at the public meeting. However, except in extraordinary circumstances, the petitioner and the respondents may not submit further written materials at the meeting. The public meeting must be recorded and must be summarized in the department's preliminary or final report prepared under 3 AAC 110.530.
- (d) The department may postpone the time or relocate the place of the public meeting by conspicuously posting notice of the postponement or relocation at the original time and location of the public meeting. If the meeting is relocated, the new location must be within the same vicinity, and be rescheduled no more than 72 hours after the originally scheduled time.
- (e) The department staff presiding at the public meeting may request that respondents with similar positions coordinate their participation and use a single spokesperson to present their common views or positions. The department staff presiding at the public meeting may request the same coordination by commentors with similar positions.

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 12, Ak Const. | AS 29.06.090 |
| Art. X, sec. 14, Ak Const. | AS 29.06.110 |
| AS 29.04.040 | AS 29.06.480 |
| AS 29.05.080 | AS 44.33.020 |
| AS 29.06.040 | AS 44.33.812 |

3 AAC 110.530. DEPARTMENTAL REPORTS

- (a) The department shall investigate and analyze a petition filed with the department under this chapter. The department shall prepare a written preliminary and a written final report regarding the petition. Each report must contain the department's findings and recommendations regarding the petition.
- (b) The department shall mail or hand-deliver its preliminary report to the commission, petitioner, and respondents. Within 24 hours after receipt of the preliminary report, the petitioner shall place a copy of the report with the petition documents available for review. The petitioner shall file an affidavit with the department stating the preliminary report has been made available for public review.
- (c) The petitioner, respondents, and other interested persons may submit to the department written comments pertaining directly to the preliminary report. The written comments must be received by the department in a timely manner in accordance with 3 AAC 110.640.
- (d) In its final report, the department shall consider timely submitted written comments addressing the preliminary report. The department shall mail its final report to the commission, petitioner, and respondents.
- (e) If a preliminary or final report of the department contains a recommendation to amend or condition approval of a municipal incorporation petition subject to AS 29.05.060 29.05.110,
 - (1) the department shall issue a public notice regarding the recommended amendment or condition;

- (2) the public notice required under (1) of this subsection
 - (A) must be issued contemporaneously with that report;
 - (B) must be published in conformance with the requirements of 3 AAC 110.450(a)(1), except that the notice need be published only one time;
 - (C) if the recommendation is part of a preliminary report, must state that comments on the recommendation must be filed on or before the same date as comments on the preliminary report under 3 AAC 110.640(b)(3); that date must be set out in the notice;
 - (D) if the recommendation is only part of a final report, must specify a date on or before which written comments on the recommendation may be filed; that date must allow at least 14 days for written comment; and
 - (E) must contain a statement that oral comments on a recommendation for amendment or conditional approval may also be provided at the public hearing under 3 AAC 110.560; and
 - (F) public comment received in response to a public notice required under (1) of this subsection must be included in the department's final report or summarized at the public hearing, whichever occurs first.
- (f) A report required from the department under this section does not constitute acting in an advocacy capacity as a petitioner under 3 AAC 110.410.

Authority:

Art. X, sec. 12, Ak Const.

AS 29.06.110

Art. X, sec. 14, Ak Const.

AS 29.06.490

AS 29.04.040

AS 44.33.020

AS 29.05.080

AS 44.33.812

AS 29.06.040

3 AAC 110.540. AMENDMENT OF PETITION

- (a) A petitioner may amend the petition at any time before the first mailing, publishing, or posting of notice of the commission's hearing on the petition under 3 AAC 110.550. The original and five copies of the amendment must be filed with the department. The petitioner shall provide the department with a copy of the amended petition and supporting materials in an electronic format, unless the department waives this requirement because the petitioner lacks a readily accessible means or the capability to provide items in an electronic format.
- (b) A petitioner may not amend the petition after the first mailing, publishing, or posting of notice of the commission's hearing on the petition except upon a clear showing to the commission that the public interest of the state and of the persons within or near the boundaries of the proposed change is best served by allowing the proposed amendment.
- (c) If voters initiated the petition, the amended petition must contain the dated signatures of the same number of voters required by AS 29.04, AS 29.05, AS 29.06, or this chapter for the original petition and must include the dated signatures of at least a majority of the same voters who signed the original petition.
- (d) The petitioner shall serve the amended petition on each person designated by the department, and by 3 AAC 110.410 3 AAC 110.700 to receive the original petition, and on the respondents to the original petition. The petitioner shall place a copy of the amended petition with the original petition

- documents, post the public notice of the amended petition, and submit an affidavit of service and notice in the same manner required for the original petition.
- (e) The chair of the commission shall determine whether the amendment is significant enough to warrant an informational session, opportunity for further responsive briefing, an additional public meeting by the department, or a repeat of any other step or process specified in 3 AAC 110.410 3 AAC 110.700. Additional informational sessions, meetings, briefings, or other steps or processes will be conducted in accordance with the procedures specified in 3 AAC 110.410 3 AAC 110.700 for the processing of the original petition, except that the chair of the commission may shorten the timing.

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 1, Ak Const. | AS 29.06.090 |
| Art. X, sec. 3, Ak Const. | AS 29.06.100 |
| Art. X, sec. 7, Ak Const. | AS 29.06.450 |
| Art. X, sec. 12, Ak Const. | AS 29.06.460 |
| Art. X, sec. 14, Ak Const. | AS 44.33.020 |
| AS 29.04.040 | AS 44.33.812 |
| AS 29.05.060 | AS 44.33.814 |
| AS 29.06.040 | |

3 AAC 110.545. WITHDRAWAL OF PETITION

- (a) A petitioner may withdraw the petition at any time before the first mailing, publishing, or posting of notice of the commission's hearing on the petition under 3 AAC 110.550. The original and five copies of the withdrawal must be filed with the department.
- (b) A petitioner may not withdraw the petition after the first mailing, publishing, or posting of notice of the commission's hearing on the petition except upon a clear showing to the commission that the public interest of the state and the persons within or near the boundaries of the proposed change is best served by allowing the proposed withdrawal.
- (c) If voters initiated the petition, a statement withdrawing a petition must contain the dated signatures of at least 30 percent of the voters residing within the boundaries of the proposed change and must include at least a majority of the same voters who signed the original petition.
- (d) If the petition was submitted by a municipality under AS 29.06.040(c)(4) at the request of all property owners and voters within the boundaries of the proposed change, the petition may be withdrawn only with the approval of the petitioning municipality.
- (e) If the petitioning municipality declines to withdraw the petition,
 - (1) the consent of a property owner or voter to the filing of the petition is binding on any subsequent purchaser of the property if the property is purchased before the boundary change is approved; and
 - (2) the municipality and the state are not responsible for ensuring that the subsequent purchaser receives notice of the proposed boundary change before purchase, by recording or otherwise.

History: Eff. 1/9/2008, Register 185

Authority:

| Art. X, sec. 1, Ak Const. | AS 29.06.040 |
|----------------------------|--------------|
| Art. X, sec. 3, Ak Const. | AS 29.06.090 |
| Art. X, sec. 7, Ak Const. | AS 29.06.100 |
| Art. X, sec. 12, Ak Const. | AS 29.06.450 |
| Art. X, sec. 14, Ak Const. | AS 29.06.460 |
| AS 29.04.040 | AS 44.33.812 |
| AS 29.05.060 | AS 44.33.814 |

3 AAC 110.550. COMMISSION PUBLIC HEARING

(a) The commission will convene one or more public hearings at convenient locations within or near the boundaries of the proposed change as required under AS 29.04, AS 29.05, AS 29.06, AS 44.33.810 - 44.33.828, and this chapter. If the proposed change is for legislative-review borough incorporation under AS 29.05.115, the commission will convene two or more public hearings within the boundaries of the proposed change.

- (b) Notice of the date, time, place, and subject of the hearing must be
 - (1) mailed, postage prepaid, by the department to the petitioner and to each respondent;
 - (2) published by the department at least three times, with the first date of publishing occurring at least 30 days before the date of the hearing, in a display ad format no less than three inches long by two columns wide, in one or more newspapers of general circulation selected by the department to reach the people within the boundaries of the proposed change; if the department determines that a newspaper of general circulation, with publication at least once a week, does not circulate within the boundaries of the proposed change, the department shall provide notice through other means designed to reach the public; and
 - (3) posted by the petitioner in at least three prominent locations readily accessible to the public within the boundaries of the proposed change in which the hearing is to be held, and where the petition documents are available for review, for at least 21 days preceding the date of the hearing.
- (c) The department shall submit a request for a public service announcement of the hearing notice required under this section to at least one radio or television station serving within the boundaries of the proposed change and request that it be announced during the 21 days preceding the date of the hearing.
- (d) The commission may postpone the time or relocate the place of the hearing by conspicuously posting notice of the postponement or relocation at the original time and location of the public hearing. If the hearing is relocated, the new location will be within the same vicinity and will be rescheduled no more than 72 hours after the originally scheduled time.
- (e) At least 14 days before the hearing, the petitioner and each respondent shall submit to the department a list of witnesses that the respective party intends to call to provide sworn testimony. The list must include the name and qualifications of each witness, the subjects about which each witness will testify, and the estimated time anticipated for the testimony of each witness. On the same date that the petitioner submits its witness list to the department, the petitioner shall provide a copy of its witness list to each respondent by hand-delivery, facsimile, electronic mail, or postage-prepaid mail. On the same date that a respondent submits its witness list to the department, the respondent shall provide a copy of its witness list to the petitioner and to all other respondents by hand-delivery, facsimile, electronic mail, or postage-prepaid mail.
- (f) In conjunction with a public hearing under this section, the commission may tour the area or territory. The purpose of a tour is to enable the commission to gain first-hand perceptions regarding the characteristics of the area or territory. If a tour is conducted,

(1) the tour will be recorded; and

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(2) conversations relating to the pending petition will be limited to factual questions by commission members to the department staff and concise factual answers by the department staff.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 12, Ak Const. | AS 29.06.490 |
| Art. X, sec. 14, Ak Const. | AS 44.33.020 |
| AS 29.04.040 | AS 44.33.812 |
| AS 29.05.090 | AS 44.33.814 |
| AS 29.06.040 | AS 44.33.818 |
| AS 29.06.120 | AS 44.33.826 |
| | |

3 AAC 110.560. COMMISSION HEARING PROCEDURES

- (a) The chair of the commission shall preside at the hearing, and shall regulate the time and the content of statements, testimony, and comments to exclude irrelevant or repetitious statements, testimony, and comments. The department shall record the hearing and preserve the recording. Two members of the commission constitute a quorum for purposes of a hearing under this section.
- (b) As part of the hearing, the commission may include
 - (1) a report with recommendations from the department;
 - (2) an opening statement by the petitioner, not to exceed 10 minutes;
 - (3) an opening statement by each respondent, not to exceed 10 minutes;
 - (4) sworn testimony of witnesses
 - (A) with expertise in matters relevant to the proposed change; and
 - (B) called by the petitioner;
 - (5) sworn testimony of witnesses
 - (A) with expertise in matters relevant to the proposed change; and
 - (B) called by each respondent;
 - (6) sworn responsive testimony of witnesses
 - (A) with expertise in matters relevant to the proposed change; and
 - (B) called by the petitioner;
 - (7) a period of public comment by interested persons, not to exceed three minutes for each person;
 - (8) a closing statement by the petitioner, not to exceed 10 minutes;
 - (9) a closing statement by each respondent, not to exceed 10 minutes;
 - (10) a reply by the petitioner, not to exceed five minutes; and
 - (11) points of information or clarification by the department.
- (c) If more than one respondent participates, the chair of the commission, at least 14 days before the hearing, may establish for each respondent time limits on the opening and closing statements that are lower than those time limits set out in (b) of this section.
- (d) A member of the commission may question a person appearing for public comment or as a sworn witness. The commission may call additional witnesses.
- (e) A brief, document, or other evidence may not be introduced at the time of the public hearing unless the commission determines that good cause exists for that evidence not being presented in a timely

- manner for written response by the petitioner or respondents or for consideration in the reports of the department under 3 AAC 110.530.
- (f) The commission may amend the order of proceedings and change allotted times for presentations to promote efficiency if the amendment does not detract from the commission's ability to make an informed decision.
- (g) If the petition at hearing is for municipal incorporation subject to AS 29.05.060 29.05.110 and the department has recommended an amendment to or
- (h) conditional approval of the petition, during the hearing the commission will invite specific comments on that recommendation.

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 12, Ak Const. | AS 44.33.020 |
| Art. X, sec. 14, Ak Const. | AS 44.33.812 |
| AS 29.04.040 | AS 44.33.814 |
| AS 29.05.090 | AS 44.33.816 |
| AS 29.06.040 | AS 44.33.820 |
| AS 29.06.120 | AS 44.33.826 |
| AS 29.06.490 | |

3 AAC 110.570. DECISIONAL MEETING

- (a) Within 90 days after the last commission hearing on a proposed change, the commission will convene a decisional meeting to examine the written briefs, exhibits, comments, and testimony and to reach a decision regarding the proposed change. During the decisional meeting,
 - (1) the commission will not receive new evidence, testimony, or briefing;
 - (2) the chair of the commission or a commission member may ask the department or a person for a point of information or clarification; and
 - (3) the department may raise a point of information or clarification.
- (b) Repealed 1/9/2008.
- (c) If the commission determines that a proposed change must be altered or a condition must be satisfied to meet the standards contained in the Constitution of the State of Alaska, AS 29.04, AS 29.05, AS 29.06, or this chapter, and be in the best interests of the state, the commission may alter or attach a condition to the proposed change and accept the petition as altered or conditioned. A motion to alter, impose conditions upon, or approve a proposed change requires at least three affirmative votes by commission members to constitute approval. If the proposed change is a
 - (1) municipal annexation, detachment, deunification, dissolution, merger, or consolidation, a city reclassification, or a legislative-review borough incorporation under AS 29.05.115, and if the commission determines that the proposed change must be altered or a condition must be satisfied before the proposed change can take effect, the commission will include that condition or alteration in its decision; or
 - (2) municipal incorporation subject to AS 29.05.060 29.05.110, and if the commission determines that an amendment to the petition or the placement of a condition on incorporation may be warranted, the department shall provide public notice and an opportunity for public comment on the alteration or condition before the commission amends the petition or imposes a condition upon incorporation; if the department recommended the proposed change or

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- condition and the public had an opportunity to comment on the proposed change or condition at a commission hearing, an additional notice or comment period is not required.
- (d) If the commission determines that a proposed change fails to meet the standards contained in the Constitution of the State of Alaska, AS 29.04, AS 29.05, AS 29.06, or this chapter, or is not in the best interests of the state, the commission will reject the proposed change. If a motion to grant a proposed change receives fewer than three affirmative votes by commission members, the proposed change is rejected.
- (e) The commission will keep written minutes of a decisional meeting. Each vote taken by the commission will be entered in the minutes. The approved minutes are a public record.
- (f) Within 30 days after the date of its decision, the commission will issue a written decision explaining all major considerations leading to the decision. A copy of the statement will be mailed to the petitioner, respondents, and other interested persons requesting a copy. The department shall execute and file an affidavit of mailing as a part of the public record of the proceedings.
- (g) Unless reconsideration is requested timely under 3 AAC 110.580 or the commission, on its own motion, orders reconsideration under 3 AAC 110.580, a decision by the commission is final on the day that the written statement of decision is mailed, postage prepaid, to the petitioners and the respondents.

| History: Eff. 7/31/92, Register 123; am 5/3 185 | 19/2002, Register 162; am 1/9/2008, Register |
|---|--|
| Authority: | |
| Art. X, sec. 12, Ak Const. | AS 44.33.812 |
| Art. X, sec. 14, Ak Const. | AS 44.33.814 |
| AS 29.04.040 | AS 44.33.816 |
| AS 29.05.100 | AS 44.33.818 |
| AS 29.06.040 | AS 44.33.820 |
| AS 29.06.130 | AS 44.33.822 |
| AS 29.06.500 | AS 44.33.826 |
| AS 44.33.020 | |

3 AAC 110.580. RECONSIDERATION

- (a) Within 18 days after a written statement of decision is mailed under 3 AAC 110.570(f), a person may file an original and five copies of a request for reconsideration of all or part of that decision, describing in detail the facts and analyses that support the request for reconsideration.
- (b) Within 30 days after a written statement of decision is mailed under 3 AAC 110.570(f), the commission may, on its own motion, order reconsideration of all or part of that decision.
- (c) A person filing a request for reconsideration shall provide the department with a copy of the request for reconsideration and supporting materials in an electronic format, unless the department waives this requirement because the person requesting reconsideration lacks a readily accessible means or the capability to provide items in an electronic format. A request for reconsideration must be filed with an affidavit of service of the request for reconsideration on the petitioner and each respondent by regular mail, postage prepaid, or by hand-delivery. A request for reconsideration must also be filed with an affidavit that, to the best of the affiant's knowledge, information, and belief, formed after reasonable inquiry, the request for reconsideration is founded in fact and is not submitted to harass or to cause unnecessary delay or needless expense in the cost of processing the petition.
- (d) If the person filing the request for reconsideration is a group, the request must identify a representative of the group. Each request for reconsideration must provide the physical residence

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address and mailing address of the person filing the request for reconsideration and the telephone number, facsimile number, and electronic mail address, if any, for the person or representative of the group.

- (e) The commission will grant a request for reconsideration or, on its own motion, order reconsideration of a decision only if the commission determines that
 - (1) a substantial procedural error occurred in the original proceeding;
 - (2) the original vote was based on fraud or misrepresentation;
 - (3) the commission failed to address a material issue of fact or a controlling principle of law; or
 - (4) new evidence not available at the time of the hearing relating to a matter of significant public policy has become known.
- (f) If the commission does not act on a request for reconsideration within 30 days after the decision was mailed under 3 AAC 110.570(f), the request is automatically denied. If it orders reconsideration or grants a request for reconsideration within 30 days after the decision was mailed under 3 AAC 110.570(f), the commission will allow a petitioner or respondent 10 days after the date reconsideration is ordered or the request for reconsideration is granted to file an original and five copies of a responsive brief describing in detail the facts and analyses that support or oppose the decision being reconsidered. The petitioner or respondent shall provide the department with a copy of the responsive brief in an electronic format, unless the department waives this requirement because the petitioner or respondent lacks a readily accessible means or the capability to provide items in an electronic format.
- (g) Within 90 days after the department receives timely filed responsive briefs, the commission, by means of the decisional meeting procedure set out in 3 AAC 110.570(a) (f), will issue a decision on reconsideration. A decision on reconsideration by the commission is final on the day that the written statement of decision is mailed, postage prepaid, to the petitioner and the respondents.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

Art. X, sec. 12, Ak Const.

Art. X, sec. 14, Ak Const.

AS 29.04.040

AS 29.05.100

AS 29.06.040

AS 29.06.130

AS 29.06.500

AS 44.33.020

AS 44.33.812

AS 44.33.814

AS 44.33.820

AS 44.33.822

AS 44.33.826

3 AAC 110.590. MODIFIED PROCEDURES FOR CERTAIN LOCAL ACTION ANNEXATIONS

- (a) Except as otherwise provided in this section, if a petition is filed with the department under a local action method provided for in AS 29.06.040(c)(3) or (4) for annexation of adjacent municipally owned property or adjacent property by unanimous consent of voters and property owners, only the following procedures specified in 3 AAC 110.400 3 AAC 110.700 are required:
 - (1) filing a petition under 3 AAC 110.420;
 - (2) technical review of the petition under 3 AAC 110.440;
 - (3) notice and service of the petition under 3 AAC 110.450 3 AAC 110.470, unless the petitioning municipality, at least 30 days before passage of its authorizing ordinance under AS 29.06.040(c)(3) or (4) by the council or assembly, publishes notice of the annexation proposal in a newspaper of general circulation in the area or territory proposed for annexation and provides the notice to each owner of property abutting the boundaries proposed for annexation; the pre-ordinance notice
 - (A) must be published at least once in the format prescribed by 3 AAC 110.450(a)(1);
 - (B) must be served on each municipality within 20 miles of the boundaries of the area or territory proposed for change;
 - (C) must be posted in accordance with 3 AAC 110.450(a)(2) except that the posting must occur on or before the date that the notice is published under (A) of this paragraph;
 - (D) must remain posted in accordance with 3 AAC 110.450(a)(3) except that the posting deadline is determined under (4)(B) of this subsection; and
 - (E) may be broadcast as a public service announcement under 3 AAC 110.450(a)(5);
 - (4) responsive briefs and comments under 3 AAC 110.480, except that the time allowed under 3 AAC 110.640 for the filing of responsive briefs and comments is limited to 14 days from
 - (A) the date of first publication of the notice of filing of the petition; or
 - (B) passage of the ordinance required by AS 29.06.040(c)(3) or (4) by the council or assembly, if the petitioning municipality published notice at least 30 days before passage of the ordinance;
 - (5) a reply brief under 3 AAC 110.490, except that the time allowed under 3 AAC 110.640 for the filing of a reply brief is limited to seven days from the date that the petitioner received the responsive brief;
 - (6) a departmental report under 3 AAC 110.530, except that the department shall issue only one report concerning the local action annexation proposal at least 10 days before the public hearing under 3 AAC 110.550; interested persons may submit written comments to the department on its report no later than three days before the public hearing;
 - (7) the commission's public hearing under 3 AAC 110.550, except that the commission may conduct the hearing by teleconference;
 - (8) the decisional meeting under 3 AAC 110.570, except that the commission will convene a decisional meeting to examine the written briefs, exhibits, comments, and testimony and to reach a decision regarding the proposed change within 10 days after the last commission hearing on the petition;
 - (9) reconsideration under 3 AAC 110.580, except that a request for reconsideration must be filed within 10 days after a written statement of decision is mailed under 3 AAC 110.570(f);
 - (10) the amendment and withdrawal provisions of 3 AAC 110.540 and 3 AAC 110.545.
- (b) The commission may expand local action procedures for annexations under (a) of this section, so that those procedures include other requirements of 3 AAC 110.400 3 AAC 110.700, such as

- informational sessions, and public meetings and hearings, if the commission determines that the best interests of the state will be enhanced.
- (c) The commission may further relax or suspend local action procedures for annexation under (a) of this section as provided under 3 AAC 110.660.
- (d) Repealed 5/19/2002.
- (e) If the commission determines that the balanced best interests of the locality and the state are enhanced by statewide participation, the commission may convert a local action petition for an annexation described in (a) of this section to a legislative review petition.
- (f) If the petitioning municipality publishes a pre-ordinance notice as provided under (a)(3) of this section, the municipality shall file with the department a copy of
 - (1) the publisher's affidavit of publication of the notice;
 - (2) written comments submitted to the municipality regarding the annexation proposal; and
 - (3) the minutes of all council or assembly meetings at which the proposal was addressed by the petitioning municipality.

Authority:

Art. X, sec. 1, Ak Const.

AS 29.06.450
Art. X, sec. 3, Ak Const.

AS 44.33.020
Art. X, sec. 7, Ak Const.

AS 44.33.812
Art. X, sec. 12, Ak Const.

AS 44.33.814
Art. X, sec. 14, Ak Const.

AS 44.33.818
AS 29.06.040

AS 44.33.826
AS 29.06.090

3 AAC 110.600. LOCAL ACTION/LOCAL OPTION ELECTIONS

- (a) In accordance with AS 29.04, AS 29.05, and AS 29.06, the commission will notify the director of elections of the commission's acceptance of a local action or local option petition proposing city reclassification under AS 29.04, municipal incorporation under art. X, sec. 12 of the Constitution of the State of Alaska or AS 29.05, and municipal dissolution, deunification, merger, or consolidation under AS 29.06.
- (b) If AS 29.06.040 requires a municipal election for a proposed annexation or detachment, the commission will notify the clerk of the municipality proposed for change of the commission's acceptance of a local action petition. The election must be administered by the municipality proposed for change at the municipality's own cost and in the manner prescribed by its municipal election ordinances, except that the commission may specify the wording of the ballot measure and broaden the election notice requirements.
- (c) If a petition for detachment under AS 29.06.040 and incorporation under AS 29.05 requires a municipal election, the commission will notify the director of elections of the commission's acceptance of a local option petition and that the election must be a combined one for detachment and incorporation.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 1, Ak Const. | AS 29.05.120 |
| Art. X, sec. 3, Ak Const. | AS 29.06.040 |
| Art. X, sec. 7, Ak Const. | AS 29.06.140 |
| Art. X, sec. 12, Ak Const. | AS 29.06.510 |
| AS 29.04.040 | AS 44.33.812 |
| AS 29.05.110 | |

3 AAC 110.610. LEGISLATIVE REVIEW

- (a) The commission may determine during the course of proceedings that a legislative review petition must be amended and considered as a local action or local option petition if the commission determines that the balanced best interests of the locality and the state are enhanced by local participation.
- (b) If a decision of the commission requires legislative review, the commission will present a recommendation for the decision to the legislature during the first 10 days of a regular session in accordance with art. X, sec. 12, Constitution of the State of Alaska.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

| Art. X, sec. 12, Ak Const. | AS 44.33.812 |
|----------------------------|--------------|
| AS 29.06.040 | AS 44.33.822 |
| AS 29.06.090 | AS 44.33.826 |
| AS 29.06.450 | AS 44.33.828 |

3 AAC 110.620. JUDICIAL REVIEW

A final decision of the commission made under the Constitution of the State of Alaska, AS 29.04, AS 29.05, AS 29.06, or this chapter may be appealed to the superior court in accordance with the Administrative Procedure Act (AS 44.62).

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

Art. X, sec. 12, Ak Const.

AS 29.04.040

AS 29.05.100

AS 29.06.040

AS 29.06.130

AS 29.06.500

AS 44.33.812

3 AAC 110.630. EFFECTIVE DATE AND CERTIFICATION

(a) Except as provided in (b) or (c) of this section, a final decision of the commission is effective when Dissolution in Alaska-70

- (1) notification of compliance with 42 U.S.C. 1973c (Voting Rights Act of 1965) is received from the United States Department of Justice;
- (2) certification of the legally required voter approval of the commission's final decision is received from the director of elections or the appropriate municipal official; and
- (3) 45 days have passed since presentation of the commission's final decision on a legislative review petition was made to the legislature and the legislature has not disapproved the decision.
- (b) The effective date of a merger or consolidation is the date set by the director of elections for the election of officials of the remaining or new municipality, if the provisions of (a) of this section have also been satisfied.
- (c) The commission may defer the effective date of a city reclassification under AS 29.04, municipal incorporation under the Constitution of the State of Alaska or AS 29.05, or municipal annexation, detachment, deunification, merger, consolidation, or dissolution under AS 29.06 for a period of no more than two years.
- (d) When the requirements in (a) of this section have been met, the department shall issue a certificate describing the effective change. The department shall hand-deliver or mail, postage prepaid, a copy of the certificate to the municipality that has been changed and shall file a copy of the certificate in each recording district of all territory within the municipality that has been changed.
- (e) If a minor error is found in the certificate issued under (d) of this section, the person discovering the error shall notify the department and the commission. If the commission determines that the error resulted from an oversight during the petition proceeding or the issuance of the certificate, the commission will direct the department to issue a corrected certificate. The commission will not consider a request for a corrected certificate to include area or territory not proposed in the boundary change proceeding for which the certificate was issued.

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 12, Ak Const. | AS 29.06.140 |
| Art. X, sec. 14, Ak Const. | AS 29.06.510 |
| AS 29.04.040 | AS 44.33.020 |
| AS 29.05.120 | AS 44.33.812 |
| AS 29.06.040 | AS 44.33.828 |

3 AAC 110.640. SCHEDULING

- (a) The chair of the commission shall set or amend the schedule for action on a petition.
- (b) In a schedule under (a) of this section, and except as provided by 3 AAC 110.590 for certain local action annexations, the chair of the commission shall allow at least
 - (1) 49 days after the date of initial publication or posting of notice of the filing of a petition, whichever occurs first, for receipt by the department of a responsive brief or written comments concerning the petition;
 - (2) 14 days after the date of service of a responsive brief on the petitioner for the receipt by the department of a reply brief from the petitioner. Contemporaneously with notice to the petitioner of the date for filing its reply brief, the department shall provide notice to respondents and commentors of that date;

- (3) 28 days after the date of mailing of a departmental preliminary report for receipt of written summary comments to the department; and
- (4) 21 days between the date of mailing of a final report and the commission hearing on the petition.
- (c) As provided under 3 AAC 110.430, the commission may postpone proceedings on a petition that has been accepted for filing to allow concurrent consideration and action on another petition that pertains to some or all the same boundaries and that has either been accepted for filing or is anticipated to be filed. The commission may postpone the proceedings for an anticipated competing petition only if the anticipated competing petition is received by the department no later than 90 days after the date of the first publication of notice of the earlier petition under 3 AAC 110.450.
- (d) The chair of the commission will adjust the schedule in (b)(1) (4) of this section to accommodate the procedures under 3 AAC 110.475 if a request for summary determination is filed on the petition.

| AS 29.06.090 |
|--------------|
| AS 29.06.110 |
| AS 29.06.120 |
| AS 29.06.480 |
| AS 29.06.490 |
| AS 44.33.020 |
| AS 44.33.812 |
| AS 44.33.814 |
| AS 44.33.826 |
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3 AAC 110.650, RESUBMITTALS AND REVERSALS

Except upon a special showing to the commission of significantly changed conditions, a petition will not be accepted for filing that

- (1) is substantially similar to a petition denied by the commission during the immediately preceding three years; for purposes of this paragraph, the three-year period will be measured from the date that the denial is final at the agency level, including reconsideration, or through the end of the appeal process, whichever is later;
- (2) is substantially similar to a petition rejected by the legislature or rejected by the voters during the immediately preceding two years; or
- (3) requests a substantial reversal of a decision of the commission that first became effective during the immediately preceding two years.

| History: Eff. 7/31/92, Register 123; am 1/9/2008, Register | er 185 | Registe | /2008. F | : am 1/9 | egister 123 | /92. Re | 7/31. | v: Eff. | History |
|--|--------|---------|----------|----------|-------------|---------|-------|---------|---------|
|--|--------|---------|----------|----------|-------------|---------|-------|---------|---------|

Authority:

Art. X, sec. 3, Ak Const.

Art. X, sec. 7, Ak Const.

Art. X, sec. 12, Ak Const.

AS 29.04.040

AS 29.05.100

Art. X, sec. 12, Ak Const.

AS 29.06.040

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| AS 29.06.090 | AS 29.06.500 |
|--------------|--------------|
| AS 29.06.130 | AS 44.33.812 |
| AS 29.06.450 | |

3 AAC 110.660. PURPOSE OF PROCEDURAL REGULATIONS; RELAXATION OR SUSPENSION OF PROCEDURAL REGULATIONS

The purpose of the procedural requirements set out in 3 AAC 110.400 - 3 AAC 110.700 is to facilitate the business of the commission, and will be construed to secure the reasonable, speedy, and inexpensive determination of every action and proceeding. Unless a requirement is strictly provided for in the Constitution of the State of Alaska, AS 29, or AS 44.33.810 - 44.33.849, the commission, by a vote of at least three members, may relax or suspend a procedural regulation if the commission determines that a strict adherence to the regulation would work injustice, would result in a substantially uninformed decision, or would not serve relevant constitutional principles and the broad public interest.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

| Art. X, sec. 1, Ak Const. | AS 29.05.100 |
|----------------------------|--------------|
| Art. X, sec. 3, Ak Const. | AS 29.06.040 |
| Art. X, sec. 7, Ak Const. | AS 29.06.090 |
| Art. X, sec. 12, Ak Const. | AS 29.06.450 |
| AS 29.04.040 | AS 44.33.812 |

3 AAC 110.680. MEETINGS

- (a) When providing public notice of a commission meeting, the department shall include the date, time, and place of the meeting, the general topics to be discussed or considered, and the originating site of any teleconferencing facilities that will be used. If at least three days remain before the date of the meeting, and unless AS 44.33.818 or an applicable provision of this chapter sets out a more stringent publication requirement, the department shall publish notice of that meeting in a newspaper of general circulation in the vicinity where the meeting will be held or teleconferenced. If time is insufficient to arrange for publication of a complete notice as described in this subsection, the department shall publish an abbreviated notice that includes the date, time, and place of the meeting, the originating site of any teleconferencing facilities that will be used, and a statement that additional information regarding the meeting is available at the commission's offices and on the commission's website. Before the date and time of the meeting, the department shall
 - (1) post the complete notice of the meeting on the commission's website;
 - (2) transmit the complete notice to subscribers to the commission's electronic notice list;
 - (3) notify by telephone, electronic mail, or facsimile transmission those persons whom the chair of the commission determines to warrant notice by those means;
 - (4) mail or otherwise provide the complete notice to each person who requests it; and
 - (5) mail or otherwise distribute notice as directed by the commission chair.
- (b) The department shall prepare an agenda of each public meeting as directed by the chair, make the agenda available for public inspection and copying at the commission's offices, post it on the commission's website, serve it by electronic mail on subscribers to the commission's electronic

- notice service, and mail or otherwise provide it to each person who requests a copy. The department shall also make copies of the agenda available at the public meeting.
- (c) To the extent time permits, a public meeting agenda must be available at least 48 hours before the scheduled time of the meeting. If time does not allow that advanced publication, the agenda must be posted and distributed as soon as it is available but no later than the date of the meeting.
- (d) If the commission allows public testimony regarding a matter on the agenda or pending before the commission, that testimony is limited to three minutes for each person except that the chair may allow an extended period for good cause shown.

History: Eff. 1/9/2008, Register 185

Authority:

Art. X, sec. 12, Ak Const. AS 44.33.812 Art. X, sec. 14, Ak Const. AS 44.33.814

AS 44.33.020

3 AAC 110.690. TELECONFERENCE POLICY AND PROCEDURES

- (a) If the commission conducts a hearing by teleconference on a proposed boundary change, at least two members shall attend the hearing in person within or near the boundaries affected by the proposed change under consideration at the hearing. The department shall reflect in the minutes of a meeting or hearing whether a commission member attended in person or by teleconference.
- (b) If the commission conducts a hearing or meeting by teleconference, and teleconference access is arranged by the department, the petitioner, respondent, witness, or other person convenienced by teleconference attendance shall bear the cost of that person's teleconferencing, except as provided by law, or unless otherwise ordered by the commission.
- (c) If the commission conducts a meeting with a public teleconference site, agency materials that will be considered at a public meeting will be made available at the teleconference site or on the commission's website.

History: Eff. 1/9/2008, Register 185

Authority:

Art. X, sec. 12, Ak Const.

Art. X, sec. 14, Ak Const.

AS 44.33.812

AS 44.33.814

AS 44.33.020

AS 44.33.816

AS 44.33.810

AS 44.33.826

3 AAC 110.700. FILING WITH THE COMMISSION

- (a) The filing of documents with the commission as allowed or required by this chapter or by order of the commission is made by filing them with the commission staff at the commission's offices. Unless otherwise required by this chapter or ordered by the commission, documents may be filed by hand delivery, United States mail, electronic mail, or facsimile transmission. The commission requests that a document filed by electronic mail be in searchable portable document format (.pdf).
- (b) A document filed with the commission is complete upon receipt of the entire document by the commission. Filing that occurs in whole or in part after 4:30 p.m. is considered to have occurred at the opening of business on the next day that is not a Saturday, Sunday, or state holiday.

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- (c) For a document to be considered timely filed under requirements of this chapter or an order of the commission, the document must be filed with the commission on or before the deadline set under (b) and (e) of this section. For good cause shown, the commission chair will consider a request to accept a late-filed document.
- (d) The original of a document served by electronic mail or facsimile transmission must be submitted to the commission within 10 days after the submission of the filing by either electronic method.
- (e) The time in which to perform an act required or permitted under this chapter is computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday, or state holiday. If the last day is a Saturday, Sunday, or state holiday, that day is excluded and the act shall be performed on or before the end of the next state business day.

History: Eff. 1/9/2008, Register 185

Authority: AS 44.33.812

ARTICLE 14 GENERAL PROVISIONS

3 AAC 110.900. TRANSITION

- (a) A petition for incorporation, annexation, merger, or consolidation must include a practical plan that demonstrates the capacity of the municipal government to extend essential municipal services into the boundaries proposed for change in the shortest practicable time after the effective date of the proposed change. A petition for municipal detachment or dissolution under AS 29.06, or a city reclassification under AS 29.04, must include a practical plan demonstrating the transition or termination of municipal services in the shortest practicable time after detachment, dissolution, or city reclassification.
- (b) Each petition must include a practical plan for the assumption of all relevant and appropriate powers, duties, rights, and functions presently exercised by an existing borough, city, unorganized borough service area, or other appropriate entity located within the boundaries proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city, and unorganized borough service area and must be designed to effect an orderly, efficient, and economical transfer within the shortest practicable time, not to exceed two years after the effective date of the proposed change.
- (c) Each petition must include a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities of an existing borough, city, unorganized borough service area, and other entity located within the boundaries proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city, and unorganized borough service area wholly or partially included within the boundaries proposed for change and must be designed to effect an orderly, efficient, and economical transfer within the shortest practicable time, not to exceed two years after the date of the proposed change. The plan must specifically address procedures that ensure that the transfer and integration occur without loss of value in assets, loss of credit reputation, or a reduced bond rating for liabilities.
- (d) Before approving a proposed change, the commission may require that all boroughs, cities, unorganized borough service areas, or other entities wholly or partially included within the

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- boundaries of the proposed change execute an agreement prescribed or approved by the commission for the assumption of powers, duties, rights, and functions, and for the transfer and integration of assets and liabilities.
- (e) The transition plan must state the names and titles of all officials of each existing borough, city, and unorganized borough service area that were consulted by the petitioner. The dates on which that consultation occurred and the subject addressed during that consultation must also be listed.
- (f) If a prospective petitioner has been unable to consult with officials of an existing borough, city, or unorganized borough service area because those officials have chosen not to consult or were unavailable during reasonable times to consult with a prospective petitioner, the prospective petitioner may request that the commission waive the requirement for consultation with those officials. The request for a waiver must document all attempts by the prospective petitioner to consult with officials of each existing borough, city, and unorganized borough service area. If the commission determines that the prospective petitioner acted in good faith and that further efforts to consult with the officials would not be productive in a reasonable period of time, the commission may waive the requirement for consultation.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 1, Ak Const. | AS 29.05.140 |
| Art. X, sec. 3, Ak Const. | AS 29.06.040 |
| Art. X, sec. 7, Ak Const. | AS 29.06.090 |
| Art. X, sec. 12, Ak Const. | AS 29.06.130 |
| AS 29.04.040 | AS 29.06.150 |
| AS 29.05.100 | AS 29.06.160 |
| AS 29.05.130 | AS 44.33.812 |
| | |

3 AAC 110.910. STATEMENT OF NONDISCRIMINATION

A petition will not be approved by the commission if the effect of the proposed change denies any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.

History: Eff. 7/31/92, Register 123

Authority:

Art. X, sec. 12, Ak Const.

AS 44.33.812

3 AAC 110.920. DETERMINATION OF COMMUNITY

- (a) In determining whether a settlement comprises a community, the commission may consider relevant factors, including whether the
 - (1) settlement is inhabited by at least 25 permanent residents;
 - (2) the permanent residents live in a geographical proximity that allows frequent personal contacts and interaction; and

- (3) the permanent residents at a location are a discrete and identifiable social unit, as indicated by such factors as resident public school enrollment, number of sources of employment, voter registration, precinct boundaries, permanency of dwelling units, and the number of commercial or industrial establishments, community services, and service centers.
- (b) Absent a specific and persuasive showing to the contrary, the commission will presume that a population does not constitute a community if
 - (1) public access to or the right to reside at the location of the population is restricted; or
 - (2) repealed 1/9/2008;
 - (3) the location of the population is provided by an employer and is occupied as a condition of employment primarily by persons who do not consider the place to be their permanent residence.
- (c) A city that absorbs one or more municipalities through merger comprises a single community. A city that is formed through the consolidation of one or more municipalities comprises a single community.

History: Eff. 7/31/92, Register 123; am 5/19/2002, Register 162; am 1/9/2008, Register 185

Authority:

Art. X, sec. 1, Ak Const.

Art. X, sec. 3, Ak Const.

Art. X, sec. 7, Ak Const.

Art. X, sec. 12, Ak Const.

AS 44.33.812

3 AAC 110.970. DETERMINATION OF ESSENTIAL MUNICIPAL SERVICES

- (a) If a provision of this chapter calls for the identification of essential municipal services for a borough, the commission will determine those services to consist of those mandatory and discretionary powers and facilities that
 - (1) are reasonably necessary to the area; and
 - (2) promote maximum local self-government.
- (b) The commission may determine essential municipal services for a borough to include
 - (1) assessing the value of taxable property if the proposed or existing borough proposes to levy or levies a property tax;
 - (2) levying and collecting taxes if the proposed or existing borough proposes to levy or levies taxes;
 - (3) establishing, maintaining, and operating a system of public schools on an areawide basis as provided in AS 14.14.065;
 - (4) planning, platting, and land use regulation; and
 - (5) other services that the commission considers reasonably necessary to meet the borough governmental needs of the residents of the area.
- (c) If a provision of this chapter calls for the identification of essential municipal services for a city, the commission will determine those services to consist of those mandatory and discretionary powers and facilities that
 - (1) are reasonably necessary to the community;
 - (2) promote maximum, local self-government; and
 - (3) cannot be provided more efficiently and more effectively by the creation or modification of some other political subdivision of the state.

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- (d) The commission may determine essential municipal services for a city to include
 - (1) levying taxes;
 - (2) for a city in the unorganized borough, assessing the value of taxable property;
 - (3) levying and collecting taxes;
 - (4) for a first class or home rule city in the unorganized borough, establishing, maintaining, and operating a system of public schools within the city as provided in AS 14.14.065;
 - (5) public safety protection;
 - (6) planning, platting, and land use regulation; and
 - (7) other services that the commission considers reasonably necessary to meet the local governmental needs of the residents of the community.

| History: Eff. 5/19/2002, Register 162; am 1/9/2008, Register 185 | | | | |
|--|--------------|--|--|--|
| Authority: | | | | |
| Art. X, sec. 1, Ak Const. | AS 29.05.100 | | | |
| Art. X, sec. 3, Ak Const. | AS 29.06.040 | | | |
| Art. X, sec. 7, Ak Const. | AS 29.06.090 | | | |
| Art. X, sec. 12, Ak Const. | AS 29.06.130 | | | |
| AS 29.04.040 | AS 29.06.450 | | | |
| AS 29.05.011 | AS 29.06.500 | | | |
| AS 29.05.031 | AS 44.33.812 | | | |

3 AAC 110.981. DETERMINATION OF MAXIMUM LOCAL SELF-GOVERNMENT

In determining whether a proposed boundary change promotes maximum local self-government under art. X, sec. 1, Constitution of the State of Alaska, the commission will consider

- (1) for borough incorporation, whether the proposal would extend local government on a regional scale to a significant area and population of the unorganized borough;
- (2) for borough annexation, whether the proposal would extend local government to portions of the unorganized borough;
- (3) for merger or consolidation of municipalities, whether the proposal would expand or diminish the level of local government currently provided by the municipalities being merged or consolidated;
- (4) for borough detachment, whether the
 - (A) proposal would
 - (i) diminish the provision of local government to the area and population being detached; or
 - (ii) detrimentally affect the capacity of the remnant borough to serve the local government needs of its residents; and
 - (B) local government needs of the detached area can be adequately met by an existing local government;
- (5) for borough dissolution, whether the proposal substantiates that the provision of local government is no longer necessary or supportable for the area;
- (6) for deunification, whether the proposal substantiates that the provision of local government is not diminished by deunification or that deunification could lead to better local government by incorporation of other local governments better suited to needs of the area and population;
- (7) for city incorporation or annexation in the unorganized borough, whether the proposal would extend local government to territory and population of the unorganized borough where no local government currently exists;

- (8) for city incorporation or annexation in an organized borough, whether the proposal would extend local government to territory or population of the organized borough where local government needs cannot be met by the borough on an areawide or nonareawide basis, by annexation to an existing city, or through an existing borough service area;
- (9) for city detachment in an organized borough, whether the
 - (A) proposal would
 - (i) diminish the provision of local government to the territory and population being detached; or
 - (ii) detrimentally affect the capacity of the remnant city to serve the local government needs of its residents; and
 - (B) local government needs of the territory and population to be detached can be adequately met by the borough;
- (10) for city detachment in the unorganized borough, whether the
 - (A) proposal would
 - (i) diminish the provision of local government to the territory and population being detached; or
 - (ii) detrimentally affect the capacity of the remnant city to provide local government services; and
 - (B) local government needs of the detached territory and population can be adequately met by another existing local government;
- (11) for city dissolution in an organized borough, whether the proposal substantiates that the
 - (A) provision of local government is no longer necessary or supportable for the territory; or
 - (B) local government needs of the territory could be better provided by the borough;
- (12) for city dissolution in the unorganized borough, whether the proposal substantiates that the
 - (A) provision of local government is no longer necessary or supportable for the territory; or
 - (B) local government needs of the territory could be better provided by a governmental organization other than the city;
- (13) for city reclassification, whether the proposal would expand or diminish the provision of local government to the territory being reclassified;
- (14) whether the petition proposes incorporation of a home rule municipality.

History: Eff. 1/9/2008, Register 185

| Authority: | |
|----------------------------|--------------|
| Art. X, sec. 1, Ak Const. | AS 29.05.100 |
| Art. X, sec. 3, Ak Const. | AS 29.06.040 |
| Art. X, sec. 5, Ak Const. | AS 29.06.090 |
| Art. X, sec. 7, Ak Const. | AS 29.06.130 |
| Art. X, sec. 12, Ak Const. | AS 29.06.450 |
| AS 29.04.040 | AS 29.06.500 |
| AS 29.05.011 | AS 44.33.812 |
| AS 29.05.031 | |

Among the factors to be considered in determining whether a proposed boundary change promotes a minimum number of local government units in accordance with art. X, sec. 1, Constitution of the State of Alaska, the commission will consider

- (1) for borough incorporation, whether a new borough will be created from the unorganized borough and whether the proposed boundaries maximize an area and population with common interests;
- (2) for borough annexation, whether the jurisdictional boundaries of an existing borough are being enlarged rather than promoting the incorporation of a new borough and whether the proposed boundaries maximize an area and population with common interests;
- (3) for borough merger or consolidation, whether the merged or consolidated borough minimizes the number of local government units and whether the boundaries of the merged or consolidated borough maximize an area and population with common interests;
- (4) for borough detachment, whether the detached area by itself is likely to be incorporated as an organized borough;
- (5) for deunification of a unified municipality, whether
 - (A) incorporation of one or more new cities is likely to occur as a result of the proposed action, and, if so, the reasons why a new incorporation is or will be needed; or
 - (B) the action is proposed as an alternative to detachment of area and incorporation of one or more new boroughs;
- (6) for city incorporation, whether incorporation of a new city is the only means by which residents of the territory can receive essential municipal services;
- (7) for city annexation, whether the jurisdictional boundaries of an existing city are being enlarged rather than promoting the incorporation of a new city or creation of a new borough service area;
- (8) for city merger or consolidation, whether the merged or consolidated city minimizes the number of local government units;
- (9) for city detachment, whether the detached area, by itself, is likely to be incorporated as a new city.

| History: Eff. 1/9/2008, Register 185 | | | |
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| Authority: | | | |
| Art. X, sec. 1, Ak Const. | AS 29.05.100 | | |
| Art. X, sec. 3, Ak Const. | AS 29.06.040 | | |
| Art. X, sec. 5, Ak Const. | AS 29.06.090 | | |
| Art. X, sec. 7, Ak Const. | AS 29.06.130 | | |
| Art. X, sec. 12, Ak Const. | AS 29.06.450 | | |
| AS 29.04.040 | AS 29.06.500 | | |
| AS 29.05.011 | AS 44.33.812 | | |
| AS 29.05.031 | | | |

3 AAC 110.990. DEFINITIONS

Unless the context indicates otherwise, in this chapter

- (1) "borough" means a general law borough, a home rule borough, or a unified municipality;
- (2) repealed 1/9/2008;
- (3) "commission" means the Local Boundary Commission;
- (4) "commissioner" means the commissioner of commerce, community, and economic development;
- (5) a "community" means a social unit comprised of 25 or more permanent residents as determined under 3 AAC 110.920;

- (6) "contiguous" means, with respect to area, territory, or property, adjacent, adjoining, and touching; contiguous area, territory, or property includes area, territory, or property separated by public rights-of-way;
- (7) "department" means the Department of Commerce, Community, and Economic Development;
- (8) "mandatory power" means an authorized act, duty, or obligation required by law to be performed or fulfilled by a municipality in the course of its fiduciary obligations to citizens and taxpayers; "mandatory power" includes one or more of the following:
 - (A) assessing the value of taxable property, and levying and collecting taxes;
 - (B) providing education, public safety, public health, and sanitation services;
 - (C) planning, platting and land use regulation;
 - (D) conducting elections; and
 - (E) other acts, duties, or obligations required by law to meet the local governmental needs within the boundaries proposed for change;
- (9) "model borough boundaries" means those boundaries set out in the commission's publications
 - (A) Model Borough Boundaries, revised as of June 1997 and adopted by reference; and
 - (B) Unorganized Areas of Alaska That Meet Borough Incorporation Standards: A Report by the Alaska Local Boundary Commission to the Alaska Legislature Pursuant to Chapter 53, Session Laws of Alaska 2002, dated February 2003 and adopted by reference;
- (10) "permanent resident" means a person who has maintained a principal domicile within the boundaries proposed for change under this chapter for at least 30 days immediately preceding the date of acceptance of a petition by the department and who shows no intent to remove that principal domicile at any time during the pendency of a petition before the commission;
- (11) "political subdivision" means a borough or city organized and operated under state law;
- (12) "property owner" means a legal person holding a vested fee simple interest in the surface estate of any real property including submerged lands;
- (13) "regional educational attendance area" means an educational service area established in the unorganized borough under AS 14.08.031 by the department; "regional educational attendance area" includes the territory within the boundaries of a
 - (A) home rule city in that area;
 - (B) first class city in that area; or
 - (C) federal transfer regional educational attendance area formed under ch. 66, SLA 1985 in that area;
- (14) "witnesses with expertise in matters relevant to the proposed change" means individuals who are
 - (A) specialists in relevant subjects, including municipal finance, municipal law, public safety, public works, public utilities, and municipal planning; or
 - (B) long-standing members of the community or region that are directly familiar with social, cultural, economic, geographic, and other characteristics of the community or region;
- (15) "area" means the geographical lands and submerged lands forming the boundaries described in a petition regarding a borough government or forming the boundaries of an incorporated borough;
- (16) "boundary change" means the type of action the commission takes to create, alter, or abolish a municipal government; "boundary change" includes
 - (A) annexation, consolidation, detachment, dissolution, incorporation, and merger of boroughs or cities; and
 - (B) reclassification of cities if jurisdictional boundaries for public school districts are affected;
- (17) "city" has the meaning given in AS 29.71.800;
- (18) "consolidation" has the meaning given in AS 29.71.800;
- (19) "debt" means an obligation or alleged obligation of a municipality to pay money; "debt" includes funded debt and floating debt;

- (20) "deunification" and "deunify" mean to change a unified municipality into a non-unified home rule borough;
- (21) "floating debt" means a municipal obligation that is payable on demand;
- (22) "funded debt" means a municipal obligation
 - (A) evidenced by bonds payable at a time beyond the current fiscal year of their issue, with periodic payment of interest; and
 - (B) for which provision is made for payment by future taxation;
- (23) "merger" has the meaning given in AS 29.71.800;
- (24) "numerical identifier" has the meaning given in AS 15.60.010;
- (25) "non-unified home rule borough" means a home rule borough in which a city government does or could exist;
- (26) "person" has the meaning given in AS 01.10.060;
- (27) "public right-of-way" means a public easement or public property that is or may be used for a street, an alley, or another public purpose;
- (28) "region"
 - (A) means a relatively large area of geographical lands and submerged lands that may include multiple communities, all or most of which share similar attributes with respect to population, natural geography, social, cultural, and economic activities, communications, transportation, and other factors;
 - (B) includes a regional educational attendance area, a state house election district, an organized borough, and a model borough described in a publication adopted by reference in (9) of this section;
- (29) "regional" means having the characteristics of a region;
- (30) "remnant city" means the portion of a city that will remain if a petition to detach territory from that city is approved under AS 29.06.040;
- (31) "remnant borough" means the portion of a borough that will remain if a petition to detach area from that borough is approved under AS 29.06.040;
- (32) "territory" means the geographical lands and submerged lands forming the boundaries in a petition regarding a city government or forming the boundaries of an incorporated city;
- (33) "unified municipality" has the meaning given in AS 29.71.800;
- (34) "unorganized borough" has the meaning given in AS 29.03.010.

Petition

to the Local Boundary Commission to

Dissolve the City of [name of city]

Using the Local Option Method

The petitioner hereby requests that the Local Boundary Commission ("Commission " or "LBC") grant this dissolution petition under Article X, Section 12 of the Constitution of the State of Alaska, AS 29.06.450 - 530, AS 44.33.812, and 3 AAC 110.280 - 300. This petition incorporates by reference all of the attached exhibits. All of the petition's sections and exhibits need to be addressed and filled out. If a requirement does not apply, simply state "not relevant." If the petition has already addressed a requirement, simply state where the requirement was addressed.

Section 1. Name of the Petitioner. 3 AAC 110.420(b)(1).

| The petitioner is composed of at I | east 25 percent of the votes cast in the | e city in the last regular |
|-------------------------------------|--|----------------------------|
| election in that municipality (here | eafter "petitioner"). The City of | ("city") is |
| located within the | borough. | |

Section 2. Petitioner's Representative. 3 AAC 110.420(b)(2).

The petitioner designates the following individual to serve as its representative in all matters concerning this proposed dissolution:

| Name: | |
|-------------------|-------------|
| Physical address: | |
| Mailing address: | |
| | Fax number: |
| Email address: | |

Petitioner's Alternate Representative

The petitioner designates the following person to act as alternate representative in matters regarding the dissolution proposal in the event that the primary representative is absent, resigns, or fails to perform his or her duties: Physical address: Mailing address: Phone number: _____ Fax number: _____ Email address: Section 3. Name and Class of the City for Which a Change is Proposed. 3 AAC 110.420(b)(3). The name and class of the city which the petitioner proposes to dissolve: Section 4. General Description of the Nature of the Proposed Boundary Change. 3 AAC 110.420(b)(4). This petition, initiated by persons registered to vote in the city under the authority of 3 AAC 110.410(10)(D), requests that the LBC authorize the dissolution of the city under the local option method provided for in AS 29.06.450 - 530 and 3 AAC 110.280 - 300. Section 5. General Description of the City Proposed for Dissolution. 3 AAC 110.420(b)(5). [e.g. size, population, current use, and prospective development].

Section 6. Reasons for the Proposed Dissolution. 3 AAC 110.420(b)(6).

| Section 7. Legal Descriptions, | Maps, and Pla | its. 3 AAC 110.420 | (b)(7). |
|--------------------------------|---------------|--------------------|---------|
|--------------------------------|---------------|--------------------|---------|

| | a) | Legal Description of | the City Proposed for Dissolution. Exhibit A-1 provides a leg | al |
|------------|---------|--------------------------|--|-------------------|
| | | metes and bounds de | escription, including the USGS quad information and dates, o | f the |
| | | city. | | |
| | b) | Maps and Plats. Exhi | ibit A-2 provides a map showing the existing boundaries of the | ne city. |
| | | | | |
| Se | ctio | n 8. Size of the City Pr | roposed for Dissolution. 3 AAC 110.420(b)(8). | |
| | a) | The existing city prop | posed for dissolution encompasses square miles. | |
| Sa | oti o i | n O. Data Estimating t | he Population of the City Proposed for Dissolution. | |
| 36 | CLIOI | n 9. Data Estimating t | the Population of the City Proposed for Dissolution. | |
| 3 <i>F</i> | AC | 110.420(b)(9). | | |
| Th | e es | timated population w | ithin the current boundaries of the city is | |
| Se | ctio | n 10. Information Rel | lating to Public Notice and Service of the Petition. | |
| 3 <i>A</i> | AAC | 110.420(b)(10). | | |
| | | | | |
| Se | e Ex | hibit B. | | |
| | | | | |
| Se | ctio | n 11. Tax Data. 3 AAC | 110.420(b)(12). | |
| a) | The | e assessed or estimate | ed value of taxable property in the city proposed for dissolu | u tion (if |
| | it c | urrently levies proper | ty taxes). | |
| | Rea | al property | \$ | |
| | Pei | rsonal property | \$ | |
| | Tot | tal | \$ | |
| | | | | |

| b) | Projected taxable sales in the city proposed for dissolution (if it currently levies sales | | | | | |
|--|--|------------------|--------------|-------------------|-------------------|------------------|
| | taxes). List any di | fferent sales ta | ax rates fo | or other goods or | services separate | ly here. Then |
| | include them in t | he total. | | | | |
| | The value of taxa | ble sales withi | n the city | is \$ At a | a rate of, | projected |
| | annual sales tax r | evenues in the | e city is \$ | · | | |
| c) | Taxes currently lo | evied by muni | cipal gov | ernments within | the city proposed | for dissolution. |
| | List the type and | rate of each su | uch tax: | | | |
| | Borough, city, or | Property tax | Sales | Other | Other | Other |
| | service area | (mills) | tax (%) | (delete column | (delete column | (delete column |
| | | | | if not used) | if not used) | if not used) |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Section 12. Budget Information. 3 AAC 110.420(b)(13)(B). | | | | | | |
| Exhibit C presents projected revenue, operating expenditures, and capital expenditures for the city for the past three years. | | | | | | |
| Section 13. Copies of Audits, Budgets and Certified Financial Statements | | | | | | |
| Exhibit D includes copies of the city's budgets and certified financial statements for the past | | | | | | |
| three years of operation. | | | | | | |
| Section 14. City Assets | | | | | | |
| Se | See Exhibit E. | | | | | |

Section 15. Existing Municipal Debt and Liabilities. 3 AAC 110.420(b)(14).

Please provide a detailed description of all city debts and liabilities, bonded or otherwise. Include short-term and long-term debts. Note if there is any lien or levy against the city, including from the IRS.

| Name/type of debt | Purpose of debt | Date debt will be fully paid | Is there any lien or levy? |
|-------------------|-----------------|------------------------------|----------------------------|
| | | | |
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Section 16. Municipal Powers and Functions. 3 AAC 110.420(b)(15).

| Municipality for which a change is proposed, OR alternative service providers | Powers and functions before the proposed change | Powers and functions after the proposed change |
|---|---|--|
| | | |
| | | |
| | | |

| Section 17. Transition Plan. 3 | AAC 110.420(b)(16). | |
|-----------------------------------|------------------------------------|---------------------------------|
| See Exhibit F. | | |
| | | |
| Section 18. City Council Comp | osition and Apportionment. 3 AA | AC 110.420(b)(17). |
| | | |
| Section 19. Supporting Brief. | 3 AAC 110.420(b)(19). | |
| See Exhibit G. | | |
| | | |
| Section 20. Voters | | |
| The city has regis | tered voters. The number of vote | rs within the city who voted in |
| the city's last regular election: | · | |
| | | |
| Section 21. Other Information | ı . | |
| See Exhibit H . | | |
| | | |
| Section 22. Sample Agreemer | nt Regarding Satisfaction of Debts | s |
| See Exhibit I. | | |

Section 23. Documentation Demonstrating that the Petitioner is Authorized to File the Petition Under 3 AAC 110.410. 3 AAC 110.420(b)(20).

Exhibit J provides pages containing the signatures and residential addresses of voters registered to vote in the city.

Section 24. Petitioner's Affidavit. 3 AAC 110.420(b)(22).

Exhibit K provides an affidavit swearing that the information is true and accurate to the best of the knowledge of the petitioner's representative.

Exhibit A-1.

Legal Metes and Bounds Description of the City

Exhibit A-2.

Maps and Plats

This exhibit shows a map showing the existing boundaries of the City. Any plats required by the Department of Commerce, Community, and Economic Development ("Department") to demonstrate the accuracy of the legal descriptions in Exhibit A-1 are also included.

Exhibit B.

Information Relating to Public Notice and Service of the Petition

This exhibit provides information relevant to public notice of this dissolution petition per 3 AAC 110.450 and 3 AAC 110.460. The information includes local media; places recommended to post notices; adjacent municipalities; persons who may warrant individual notice of the filing of the petition because of their interest in this matter, and location(s) where the public can review the petition.

Local media

Newspaper(s) 3 AAC 110.450(a)(1):

The following lists the principal news media serving the current and proposed boundaries of the city:

Name: _______ Physical address: _______ Mailing address: ________ Telephone number: _________Fax ______ Email address: ________ Radio and television station(s) 3 AAC 110.450(a)(5): Name: _______ Physical address: ________ Mailing address: ________ Telephone number: ________ Fax

| Email address: | |
|---|--------------------------------------|
| | |
| Name: | |
| Physical address: | |
| Mailing address: | |
| Telephone number:Fax | |
| Email address: | |
| | |
| Three or more prominent places readily accessible to the pu | blic and <i>within or near the</i> |
| boundaries proposed for change to post public notice of the f | filing of the petition. 3 AAC |
| 110.450(a)(2)(A): | |
| Location and Address | Days and times open to the public |
| | |
| | |
| | |
| | |

Municipalities (including service areas) whose boundaries extend within 20 miles of the boundaries of the proposed dissolution (with address and contact information, including email). Those municipalities must be hand delivered or mailed a copy of the public notice of the filing of the petition. **3 AAC 110.450(a)(4)**:

| Municipality | Address and contact information | |
|--------------|---------------------------------|--|
| | | |
| | | |
| | | |
| | | |

Individuals and entities whose potential interest in the dissolution proceedings may warrant individual notice of the filing of the petition. They must be hand delivered or mailed a copy of that notice. **3 AAC 110.450(a)(4)**:

| Name | Address | Email address |
|------|---------|---------------|
| | | |
| | | |
| | | |
| | | |

Municipalities and persons to serve the petition to. 3 AAC 110.460(a)

List all municipalities within 20 miles of the boundaries proposed for change. They must be hand delivered or mailed a complete set of petition documents. Please also list individuals and organizations whose potential interest in the proceedings may warrant being hand delivered or mailed a complete set of petition documents.

| Name | Address | Email address |
|------|---------|---------------|
| | | |

Central and convenient location(s) where a full set of petition documents will be available for public review. **3 AAC 110.460(b)**

| Location and address | Days and times open to the public | |
|----------------------|-----------------------------------|--|
| | | |
| | | |
| | | |
| | | |
| | | |

Exhibit C.

Projected Revenues, Operating Expenditures, and Capital Expenditures

(for the past three fiscal years)

| | Most recent fiscal year | Second most recent fiscal year | Third most recent fiscal year |
|--------------------|-------------------------|--------------------------------|-------------------------------|
| Revenues | | | |
| | | | |
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| | | | |
| | | | |
| Sub balance | | | |
| Operating Expenses | | | |
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| | | | |

| Sub balance | | |
|------------------|--|--|
| Capital Expenses | | |
| | | |
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| | | |
| | | |
| | | |
| Sub balance | | |
| Balance | | |

Use additional pages, if necessary

Exhibit D.

City's Audits, Budgets, and Certified Financial Statements

Please include copies of the city's audits, budgets, and certified financial statements for the past three years of operation.

Exhibit E.

City Assets

Per 3 AAC 110.420(23), please provide a detailed description of all city assets, including all real and personal property

| Asset | Value |
|-------|-------|
| | |
| | |
| | |
| | |
| | |
| | |
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| | |

Use additional pages as necessary

Exhibit F.

Transition Plan

This transition plan should demonstrate:

- 1. How essential services now provided by the city will be provided after the proposed dissolution, and who will provide them.
- 2. How all relevant and appropriate powers, duties, rights, and functions that the city now exercises will be exercised after the proposed dissolution, and who will carry them out.
- 3. How all relevant and appropriate city assets and liabilities will be operated, administered, or disposed of by a qualified successor after the proposed dissolution, and who that successor will be.

If approved by the LBC and the voters, the dissolution of the city will take effect upon the certification of the dissolution election. The city will no longer provide services. List the services that the city currently provides, as well as the entity or organization, if any, which will assume responsibility for providing each service listed upon city dissolution. Include any new services that any entity will provide that the city does not now provide.

| Current City Provided Services, and any New Services that an Entity Will Provide | Who Will Provide These Services After Dissolution? | How Will these Services be Funded? | When Will These Services Start? | How Long will These Services be Provided? |
|--|---|--|------------------------------------|---|
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List any services that the city had provided in the last five years, but no longer provides.

| City Former Services | When the City Stopped Providing those Services | Why Did the City Stop Providing Those Services? |
|----------------------|--|---|
| | | |
| | | |
| | | |

- A) As required under 3 AAC 100.900, does the petition include a practical transition plan:
 - Per 3 AAC 110.900(a), demonstrating the transition or termination of municipal services in the shortest practical time after dissolution?

| Yes 🗌 | No 🗌 |
|-------|------|
| | |

Please explain how.

• Per 3 AAC 110.900(b), to assume all relevant and appropriate powers, duties, rights, and functions presently exercised by the city?

| Yes No No |
|--|
| Please explain how. |
| Per 3 AAC 110.900(c), to transfer and integrate all relevant and appropriate assets and liabilities of the city? Yes No D Please explain how. |
| Per 3 AAC 110.900(c), that specifically addresses procedures ensuring that the transfer and integration of assets and liabilities occurs without loss of asset value or credit reputation, or a reduced bond rating for liabilities? Yes No Please explain how. |
| B) Per 3 AAC 110.900(b) and (c), is the plan designed to affect an orderly, efficient, and economical transfer within the shortest practicable time (not exceeding two years) after the proposed change would take effect? Yes No Please explain how. |
| C) Per 3 AAC 110.900(b) and (c), was the plan prepared in consultation with officials of each existing borough, city, and unorganized borough service area? Yes \text{No } No |

| Per 3 AAC 110.900(e), does the plan state the names and titles of all those | | | | |
|---|----------------------------------|--------------------------|---------------------------|--|
| official. | s who the petitioner consulted | l, and the consultatio | on subjects and dates? | |
| Yes No No | | | | |
| | | | | |
| | | | | |
| | Officials consulted for th | e transition plan | | |
| Name | Title and organization | Date(s) consulted | Subject(s) discussed | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| • Per 3 A | AC 110.900(f), was the prospe | ective petitioner unak | ple to consult with those | |
| official. | s because they chose not to co | onsult with the petition | oner, or were | |
| unavai | lable during reasonable times | to consult? | | |
| Yes No No | Yes No No | | | |
| | | | | |
| | | | | |
| • If yes, t | the petitioner may request tha | t the Commission wo | aive the consultation | |
| requirement. If so, the petitioner must document all attempts it made to consult | | | | |
| with those officials. Is the petitioner submitting such a request, and is it | | | | |
| docum | enting all its consultation atte | mpts? | | |
| Yes No No | | | | |
| | | | | |
| | | | | |
| | | | | |

Exhibit G. Supporting Brief

This exhibit provides a supporting brief fully explaining how the proposal satisfies the city dissolution standards set out in AS 29.06.470 and AS 29.06.500, as well as 3 AAC 110.280 - .300, and 3 AAC 110.900 – 3 AAC 110.990. In the brief, the petitioner should examine the language of the standards themselves – the below merely summarizes them. If a requirement does not apply, simply state "not relevant." If the petitioner has already addressed a requirement, simply state where the requirement was addressed.

Please be aware that the regulations often repeat the statutes, but sometimes have subtle differences or additional criteria. To avoid repetition, it suffices to explain how the petition meets the statutes, and refer to that explanation when addressing the regulations, as *long as there is no difference between the two*. The brief should answer the following questions:

| (2) Has the city ceased to use each of its mandatory powers? or |
|---|
| Yes No No |
| |
| (3) Is this petition signed by a number of city voters greater than 50% of the number of |
| votes cast in the last regular election in the city? |
| Yes No No |
| C. Dou AC 20 OC 470/h) if the city is in a bound beauth beauth consented to recover the |
| C. Per AS 29.06.470(b), if the city is in a borough, has the borough consented to assume the |
| city's rights, powers, duties, assets, and liabilities, and has the consent been ratified by a |
| majority of borough voters voting on the question? |
| Yes No No |
| Dogulaton, Doguiyamanta |
| Regulatory Requirements |
| A. Per 3 AAC 110.280(a)(1) and 3 AAC 110.300, is dissolution of the city in the best interests of |
| the state? |
| Yes No No |
| |
| B. Per 3 AAC 110.280(a)(2), is the city free of debt or has satisfied each creditor with a method |
| of repayment? |
| Yes No No |
| |
| |
| And, per 3 AAC 110.280(3), are at least one of the following three criteria satisfied? |

and 3 AAC 110.005 – .042? or

| Yes 🗌 I | No 🗌 |
|----------------|--|
| | Has the city ceased to use any of its mandatory powers? |
| ri C | is the city included within an organized borough that assumes on an areawide, nonareawide, or service area basis, all the rights powers, duties, assets, and liabilities of the city? No \square |
| <i>immedia</i> | city undergone an audit identifying all assets and liabilities in each of the three years ately preceding the dissolution petition? This information is used to determine the city is free of debt, or has satisfied each creditor with a method of repayment. |
| | audit performed by an independent certified public accountant? |
| | city submitted copies of those audits as required? |
| years im | y has not undergone an audit identifying all assets and liabilities in each of the three mediately preceding the dissolution petition, has it requested the department to a written report identifying all city assets and liabilities? |

| G. Per 3 AAC 110.300(b) and 3 AAC 110.982, does the proposed dissolution promote a minimum |
|---|
| number of local government units? |
| Yes No No |
| H. Per 3 AAC 110.910, does the proposed dissolution deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national |
| origin? |
| Yes No No |
| Please explain. |
| |
| I. Per 3 AAC 110.970(c), are there essential municipal services consisting of those mandatory |
| and discretionary powers and facilities that: |
| (1) Are reasonably necessary to the community; |
| Yes No Please explain. |
| (2) Promote maximum, local self-government; and |
| Yes No No |
| Please explain. |
| (3) Cannot be provided more efficiently and more effectively by creating or modifying some |
| other political subdivision of the state. |
| Yes No Please explain. |
| |

J. Per 3 AAC 110.981(12), does the proposed dissolution promote maximum self-government?

| Yes 🗌 | No 🗌 |
|-------|------|
| | |

Please explain. In doing so, consider whether local government is no longer necessary or supportable for the present city, and whether local government needs could be better provided by a governmental organization other than the city.

Exhibit H.

Other Information

This exhibit consists of other information that may be helpful in evaluating this petition. Please provide a copy of the city's comprehensive plan, if any, and any environmental audits of all public facilities owned by the city. Please also list any hazardous waste materials or sites owned by the city or on city property, and any environmental remediation needed.

Exhibit I.

Sample Agreement Regarding Satisfaction of Debts

| | voters of a municipality to petit | | ipality is in debt, a |
|---|---|---|--|
| | claim that the City of _ | | |
| I (We) hereby certify to satisfy the City ("C shall be: monthly pa consecutive months, | that I (we) have agreed to accellity") of's debt. yments shall be made in the am , beginning the month immediates ousiness day of each month. | ept the following payment pl After dissolution of the City count of \$ for a per | an from [specify entity] , payments for the debt riod of |
| Individual Creditor o Mailing Address | r Authorized Agent | Date | |
| Telephone | Fax | Email | |
| agreed to satisfy the () men at a meeting duly ca At the meeting, the | ecretary of [specify entity], do head of the convened, and held on the forgoing payment plan was applicated and abstaining convened. | debt, as described above. Th constitute a quorum day of roved by an affirmative vote | |
| Secretary | | Date | |

Exhibit J.

Documentation Demonstrating that the Petitioner is Authorized to File the Petition Under 3 AAC 110.410.

Briefly state how 3 AAC 110.410(8)(B) authorizes the petitioner to file the petition.

If this petition is being submitted pursuant to as 29.06.460(a), the petition has been signed by at least 25 percent of the number of voters who voted in the city's last regular election. If this petition is being submitted pursuant to as 29.06.470(a)(3), the petition has been signed by a number of voters greater than 50 percent of the number of voters who voted in the city's last regular election.

This exhibit contains the signatures and residential addresses of voters registered to vote in the city proposed for dissolution. Below are sample pages that the petitioner can use to collect signatures of voters

To help verify your voter registration status, please:

- Print your name legibly.
- List your physical residence address (e.g. street number, milepost) <u>do not list a post</u>
 <u>office or other mail box</u>. This should match the address listed in the state voter
 registration records.
- Sign your name as it is listed in the state voter registration records.
- List a numerical identifier such as your State of Alaska voter ID or driver's license; date of birth; or the **last four digits only** of your Social Security number.
- Date your signature.

WE, THE UNDERSIGNED, hereby petition for the dissolution of the City described in the complete petition. Further, we swear or affirm that:

- 1. We are registered voters of the State of Alaska;
- 2. We are registered to vote within the City proposed for dissolution; and
- 3. We have reviewed the complete dissolution petition, including all exhibits, and we understand its terms.

| Printed Name | | | | |
|---|----------------------|------|--|--|
| Principal Physical Residence Address (or best equivalent) – No PO Box Numbers | | | | |
| Signature signed | Numerical Identifier | Date | | |

IMPORTANT: review the first page of this exhibit for instructions before signing.

WE, THE UNDERSIGNED, hereby petition for the dissolution of the City described in the complete petition. Further, we swear or affirm that:

- 1. We are registered voters of the State of Alaska;
- 2. We are registered to vote within the City proposed for dissolution; and
- 3. We have reviewed the complete dissolution petition, including all exhibits, and we understand its terms.

| Printed Name | | | | | |
|---|----------------------|--------------|--|--|--|
| | | | | | |
| Principal Physical Residence Address (or best equivalent) – No PO Box Numbers | | | | | |
| | | | | | |
| Signature | Numerical Identifier | Date signed | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Printed Name | | - | | | |
| Filiteu Name | | | | | |
| | | | | | |
| Principal Physical Residence Address (or best equivalent) – No PO Box Numbers | | | | | |
| | | | | | |
| Signature | Numerical Identifier | Date signed | | | |

IMPORTANT: review the first page of this exhibit for instructions before signing.

WE, THE UNDERSIGNED, hereby petition for the dissolution of the City described in the complete petition. Further, we swear or affirm that:

- 1. We are registered voters of the State of Alaska;
- 2. We are registered to vote within the City proposed for dissolution; and
- 3. We have reviewed the complete dissolution petition, including all exhibits, and we understand its terms.

| Printed Name | | | | | |
|---|----------------------|-------------|--|--|--|
| Principal Physical Residence Address (or best equivalent) – No PO Box Numbers | | | | | |
| Signature | Numerical Identifier | Date signed | | | |
| | | | | | |
| | | | | | |
| Printed Name | | | | | |
| Principal Physical Residence Address (or best equivalent) – No PO Box Numbers | | | | | |
| Signature | Numerical Identifier | Date signed | | | |

Exhibit K.

Affidavit Concerning the Source and Accuracy of the Information in the Petition

| STATE OF ALASKA |) | | | |
|----------------------------------|-------------|-----------------|-----------------|--------------------------|
| |) ss. | | | |
| JUDICIAL DISTRICT |) | | | |
| AFFIDAVIT OF PETITIONERS' REPR | RESENTATI | VE | | |
| The information contained in the | petition fo | or dissolution | is complete and | I factual to the best of |
| my knowledge. | | | | |
| | | | | |
| | | | | |
| | | | _ | |
| Petitioner's Representativ | re | | | |
| | | | | |
| SUBSCRIBED AND SWORN TO be | ore me on | l | | , 20 . |
| | | | | |
| | | | | |
| [notary seal] | | | | |
| | | | | |
| | | | | |
| Notary Public in and for Alask | a | | - | |
| N | ly Commis | sion expires: _ | | |