

## Article 9 Standards for Dissolution of Cities

**Section**

**280. Commission standards.**

**295. Legislative review.**

**290. Local option standards.**

**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(b) Repealed 1/9/2008.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. 14, Ak Const.	AS 44.33.812
Art. X, sec. 7, Ak Const.	AS 29.06.450	
Art. X, sec. 12, Ak Const.	AS 44.33.020	

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

### 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 29.06.450	AS 29.06.500
Art. X, sec. 7, Ak Const.	AS 29.06.460	AS 44.33.812
Art. X, sec. 12, Ak Const.	AS 29.06.470	

#### **Editor's note:**

The substance of 3 AAC 110.295 was formerly located at 3 AAC 110.280(b). The history note does not reflect the history of the earlier regulation.

### 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.  
 Art. X, sec. 7, Ak Const.

Art. X, sec. 12, Ak Const.  
 AS 29.06.450

AS 29.06.500  
 AS 44.33.812

## Article 10 Standards for Dissolution of Boroughs

### Section

**310. Commission standards.**

**325. Legislative review.**

**320. Local option standards.**

**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 29.06.450	AS 29.06.500
Art. X, sec. 3, Ak Const.	AS 29.06.460	AS 44.33.812
Art. X, sec. 12, Ak Const.	AS 29.06.470	

**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. 12, Ak Const.	AS 29.06.500
Art. X, sec. 1, Ak Const.	AS 29.06.450
Art. X, sec. 3, Ak Const.	AS 29.06.460
	AS 29.06.470

**Editor's note:**

The substance of 3 AAC 110.325 was formerly located at 3 AAC 110.310(b). The history note does not reflect the history of the earlier regulation.

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