

CITY ANNEXATION PROCEDURES AND STANDARDS

ROLE OF LOCAL BOUNDARY COMMISSION:

Article X of the Alaska State Constitution established the Local Boundary Commission (LBC) and gave it authority to consider any proposed local government boundary change, including annexations. Because annexation proposals can be swept up in parochial controversy, the constitution empowered the LBC to make annexation-decisions based on facts and principles of sound local governmental development.

Generally, Alaska state law supports city annexations that are reasonably related to town development and promote efficient and equitable provision of essential public services, **even if residents of the area to be annexed are opposed**. State policy recognizes that annexation is the usual means by which established cities can prepare for orderly expansion at the city borders. Thus, state policy favors city annexation of the urban fringe rather than new city incorporation or service area formation.¹

The powers and functions of the LBC have been further defined by the legislature in law and by administrative regulations that specify procedures and standards by which the laws are to be implemented.

PROCEDURES FOR CITY ANNEXATION:

The procedures by which all annexation petitions are submitted to, reviewed by, and decided upon by the LBC are set out in detail in 19 AAC 010.400 - 19 AAC 010.660.

Briefly, the two procedures by which city governments may petition to annex territory are legislative review or local action. In either case, annexation petitions are submitted to the LBC. The LBC then determines whether the proposed annexation meets with applicable state law and regulations. Legislative review petitions, if approved by the LBC, are forwarded to the legislature and become final unless disapproved by a concurrent resolution of a majority of the members of each house. Local action petitions, if approved by the LBC, can be finalized by (a) majority vote of voters resident in the area proposed for annexation; or (b) municipal ordinance for municipally owned property adjoining the municipality; or (c) municipal ordinance upon receipt of a petition for annexation from all property owners and voters in the area proposed for annexation.

^{1/} Section 1 of the Alaska Constitution states: "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."

Generally, legislative review petitions are advisable when a proposed annexation is justifiable under state law and regulations, but may not be preferred by affected residents and landowners. Annexation by local action may be elected when the territory to be annexed is owned by the city or when annexation is supported by all or most property owners and residents of the area to be annexed.

STANDARDS FOR CITY ANNEXATION:

The standards by which the LBC evaluates city annexation petitions are set out in 19 AAC 010.090 - 19 AAC 010.150 (see Attachment A). Broadly, these standards address such factors as:

- The need for city government in the territory proposed to be annexed;
- The general compatibility in character of the annexing city and territory proposed to be annexed;
- The capability of the population and resources of the expanded city to support governmental services;
- The sufficiency of the expanded city's proposed boundaries for full development of essential city services on an efficient, cost-effective basis; and
- The consistency of the proposed annexation with the balanced best interests of the state, the territory to be annexed, and all affected political jurisdictions.

The latter two standards concerning **efficient, cost-effective development of city services** and the **balanced best interests** of the state, territory to be annexed, and affected local governments are especially critical in Palmer's present circumstances. In essence, these two standards require in very specific terms that the LBC determine **whether:**

- the proposed boundaries of the city include (a) all land and water necessary to provide the full development of essential city services on an efficient, cost-effective level, and (b) only that area comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the ten years following the effective date of annexation of that city; and
- the proposed annexation will serve the balanced best interests of the state, the territory to be annexed, and all political subdivisions affected by the annexation.

In this regard, the commission may consider whether:

- (1) the territory is an enclave surrounded by the annexing city;
- (2) the health, safety, or general welfare of city residents is or will be endangered by conditions existing or potentially developing in the territory, and annexation will enable the city to regulate or control the detrimental effects of those conditions;
- (3) extension of city services or facilities into the territory is necessary to enable the city to provide adequate services to city residents, and it is impossible or impractical for the city to extend the facilities or services unless the territory is within the boundaries of the city;
- (4) residents or property owners within the territory receive, or may be reasonably

expected to receive, directly or indirectly, the benefit of city government without commensurate tax contributions, whether these city benefits are rendered or received inside or outside the territory, and no practical or equitable alternative method is available to offset the cost of providing these benefits; and

- (5) annexation of the territory will enable the city to plan and control reasonably anticipated growth or development in the territory that otherwise may adversely impact the city.

In applying these and other standards, the LBC typically considers a wide range of facts about population patterns and trends; land use and ownership patterns; local economy and future economic development; need for efficient provision and equitable finance of public services; natural geography; transportation systems; public health, safety, and general welfare; and any other relevant information. Based on its evaluation of these facts compared to the standards, the LBC decides whether the proposed annexation is consistent with standards and therefore deserves to be approved.

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ARTICLE 03 - STANDARDS FOR ANNEXATION TO CITIES

19 AAC 010.090 - NEEDS OF THE TERRITORY.

- (a) The territory must exhibit a reasonable need for a city government. In this regard, the commission will, in its discretion, consider relevant factors, including
- (1) existing or reasonably anticipated social or economic problems;
 - (2) existing or reasonably anticipated health, safety, and general welfare problems;
 - (3) existing or reasonably anticipated economic development;
 - (4) adequacy of existing services; and
 - (5) extraterritorial powers of adjacent municipalities.
- (b) A territory may not be annexed to a city if essential city services can be provided more efficiently and more effectively by another existing city or by an organized borough.

19 AAC 010.100 - CHARACTER.

The territory must be compatible in character with the annexing city. In this regard, the commission will, in its discretion, consider relevant factors, including the

- (1) land use and subdivision platting;
- (2) salability of land for residential, commercial, or industrial purposes;
- (3) population density;
- (4) cause of recent population changes; and
- (5) suitability of the territory for reasonably anticipated community purposes.

19 AAC 010.110 - RESOURCES.

The economy within the proposed boundaries of the city must include the human and financial resources necessary to provide essential city services on an efficient, cost-effective level. In this regard, the commission will, in its discretion, consider relevant factors, including the

- (1) reasonably anticipated functions of the city in the territory being annexed;
- (2) reasonably anticipated new expenses of the city;
- (3) actual income and the reasonably anticipated ability to collect local revenue and income from the territory;
- (4) feasibility and plausibility of the anticipated operating budget of the city through the third full fiscal year of operation after annexation;
- (5) economic base of the territory after annexation;
- (6) property valuations in the territory proposed for annexation;
- (7) land use in the territory proposed for annexation;

- (8) existing and reasonably anticipated industrial, commercial, and resource development;
- (9) personal income of residents in the territory and in the city; and
- (10) need for and availability of employable skilled and unskilled people.

19 AAC 010.120 - POPULATION.

The population within the proposed boundaries of the city must be sufficiently large and stable to support the extension of city government. In this regard, the commission will, in its discretion, consider relevant factors, including

- (1) total census enumeration;
- (2) duration of residency;
- (3) historical population patterns;
- (4) seasonal population changes; and
- (5) age distributions.

19 AAC 010.130 - BOUNDARIES.

- (a) The proposed boundaries of the city must include all land and water necessary to provide the full development of essential city services on an efficient, cost-effective level. In this regard, the commission will, in its discretion, consider relevant factors, including
 - (1) land use and ownership patterns;
 - (2) population density;
 - (3) existing and reasonably anticipated transportation patterns and facilities;
 - (4) natural geographical features and environmental factors; and
 - (5) extraterritorial powers of cities.
- (b) Absent a specific and persuasive showing to the contrary, the commission will, in its discretion, presume that territory that is not contiguous to the annexing city does not meet the minimal standards required for annexation.
- (c) The proposed boundaries of the city must include only that area comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation of that city.
- (d) The proposed boundaries of the city must not include entire geographical regions or large unpopulated areas, except when boundaries are justified by the application of the standards in 19 AAC 10.090 - 19 AAC 10.130.
- (e) If a petition for annexation describes boundaries overlapping the boundaries of an existing organized borough, unified municipality, or city, the petition for annexation must also address and comply with the standards and procedures for either annexation of the enlarged city to the existing organized borough, or detachment of the overlapping region from the existing

organized borough, unified municipality, or city. The commission will consider and treat the annexation petition to the existing organized borough, or a detachment petition from the existing organized borough, unified municipality, or city.

19 AAC 010.140 - LEGISLATIVE REVIEW.

Territory that meets all of the annexation standards specified in 19 AAC 10.090 - 19 AAC 10.130 may be annexed to a city by the legislative review process if the commission also determines that annexation will serve the balanced best interests of the state, the territory to be annexed, and all political subdivisions affected by the annexation. In this regard, the commission will, in its discretion, consider relevant factors, including whether the

- (1) territory is an enclave surrounded by the annexing city;
- (2) health, safety, or general welfare of city residents is or will be endangered by conditions existing or potentially developing in the territory, and annexation will enable the city to regulate or control the detrimental effects of those conditions;
- (3) extension of city services or facilities into the territory is necessary to enable the city to provide adequate services to city residents, and it is impossible or impractical for the city to extend the facilities or services unless the territory is within the boundaries of the city;
- (4) residents or property owners within the territory receive, or may be reasonably expected to receive, directly or indirectly, the benefit of city government without commensurate tax contributions, whether these city benefits are rendered or received inside or outside the territory, and no practical or equitable alternative method is available to offset the cost of providing these benefits;
- (5) annexation of the territory will enable the city to plan and control reasonably anticipated growth or development in the territory that otherwise may adversely impact the city; and
- (6) territory is so sparsely inhabited, or so extensively inhabited by persons who are not landowners, that a local election would not adequately represent the interests of the majority of the landowners.

19 AAC 010.150 - LOCAL ACTION.

Territory contiguous to the annexing city, that meets the annexation standards specified in 19 AAC 10.090 - 19 AAC 10.130 and has been approved for local action annexation by the commission, may be annexed to a city by

- (1) city ordinance if the territory is wholly owned by the annexing city;
- (2) city ordinance and a petition signed by all of the voters and property owners of the territory; or
- (3) a majority of voters residing in the territory.

(Eff. 7/31/92, Register 123)
Authority - Alaska Const. art X, sec. 12
AS 29.06.040; AS 44.47.567; AS 44.47.980