

KETCHIKAN CHARTER COMMISSION

AGENDA STATEMENT

NO ____G-1_____

MEETING OF March 12, 2004

ITEM TITLE Introduction of the Article XII, Service Areas & Areawide; Article XIII, Saxman; and Article XIV, LID's & Service Districts of the City of Ketchikan's Charter of 2001 SUBMITTED BY John Harrington
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SUMMARY STATEMENT

Attached are the sections of the Ketchikan 2001 Charter document and alternatives from Sitka, Juneau and Haines of Article XII, Service Areas & Areawide; Article XIII, Saxman; and Article XIV, LID's and Service Districts for preliminary review. These articles will be reviewed for the first of three times at the next regular meeting of the Charter Commission on March 19, 2004.

RECOMMENDED ACTION:

No action needed. Introduction only.

ARTICLE XII SERVICE AREAS AND AREAWIDE POWERS

Section 12.01 Areawide and Non-areawide Powers.

Except as otherwise required by this Charter or by applicable state law, all powers of the municipality may be exercised on an areawide, non-areawide, or service area basis.

Section 12.02 Mandatory Areawide Powers.

In addition to all other powers that the municipality may exercise on an areawide basis, the following powers shall be exercised on an areawide basis:

- (a) The power to dispose of solid waste, whether through recycling, landfilling, shipping, or any other means, and the power to operate, maintain, monitor, remediate, repair, or remove landfills, including those previously owned or operated by the City of Ketchikan, whether or not such landfills were in operation or were closed on the effective date of this Charter;
- (b) The power to provide public libraries, civic centers, museums, and associated services;
- (c) The power to provide for hospital and public health services, including, but not limited to, those services formerly provided by the City of Ketchikan's Gateway Center for Human Services. The power to provide emergency medical services shall be exercised as provided in Section 12.07;
- (d) The power to provide public parks and recreation facilities and to provide recreational activities;
- (e) The power to provide port and harbor facilities and services;
- (f) The power to provide cemetery and mausoleum services;
- (g) The power to provide 911 emergency dispatch services;
- (h) The power to provide public transportation systems, including, but not limited to, airports (including airport police), air-taxi, and public mass transit;
- (i) The power to provide animal control; and
- (j) The power to provide economic development.

Section 12.03 Services Provided by Service Area

- (a) The following powers shall be exercised only through service areas:
 - (1) The establishment and operation of police departments, the hiring of

- police officers, or the contracting for the services of police officers;
- (2) The establishment and operation of fire departments, the hiring of firefighters, and the contracting for fire fighting services;
- (3) The collection, but not disposal, of solid waste.

Nothing in this Charter, except Section 12.02, prohibits the municipality from exercising any other power on a non-areawide basis or through service areas. No areawide power shall be interpreted to include or authorize any of the powers described in (1) through (3) above. Dispatching services for fire and law enforcement may, however, be provided areawide and shall be provided areawide for emergency 911 dispatching.

(b) Until otherwise changed, that area described in the consolidation petition as the Ketchikan Service Area shall be a service area for each and all of the powers described in (a)(1)-(3) above and for the power to build, operate, maintain, and replace roads, bridges, sidewalks, culverts, storm sewers, and drainage ways, and other public works. Except for the Shoreline Service Area, all other service areas in existence on the date this Charter becomes effective shall continue in effect until such time as changed as provided in this Article and the municipality shall exercise the same powers within those service areas as were exercised by the former Ketchikan Gateway Borough. A new Shoreline Service Area with such territory, taxation, and services as are described in the consolidation petition shall be created on the date this Charter becomes effective and shall continue in existence until such time as changed as provided in this Article. By consolidation petition is meant that petition filed by the City of Ketchikan for the consolidation of the City of Ketchikan and the Ketchikan Gateway Borough with all exhibits and amendments.

Section 12.04 Creation, Expansion, Reduction, Consolidation, Alteration, and Termination of Service Areas.

(a) Creation of Service Areas. The Assembly may create new service areas only by an ordinance which describes the boundaries of the service area and the powers to be exercised therein and which is either:

- (1) Approved by a majority of the voters residing within the proposed new service area; or
- (2) Consented to in writing by all of the owners of real property within the boundaries of the proposed service area if no voters reside in the proposed service area.

If, within the previous two (2) years, any part of the service area to be created was part of a service area which provided similar services, the vote to approve creation of the new service area will require the approval of both a majority of the voters in that area which previously received the services and in that area which did not.

(b) Expansions or Reductions of Service Areas. The boundaries of a service area may only be expanded or reduced by an ordinance adopted by the Assembly which describes the proposed new boundaries of the service area and the powers to be exercised therein and which is approved by both:

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- (1) A majority of the voters residing within the boundaries of the existing service area or, in the case of a reduction, a majority of the voters who will remain within the boundaries of the service area after the reduction; and
- (2) A majority of the voters residing in the area which will be added to or subtracted from the existing service area or, if no voters reside within that area, by written consent of all owners of real property within the area which will be added to or subtracted from the existing service area.

(c) Consolidation of Service Areas. Service areas may be consolidated for any or all of the services provided by each service area. Such consolidation shall be by an ordinance adopted by the Assembly and approved by a majority of the voters residing in each of the service areas to be consolidated.

(d) Expansion or Reduction of Powers. When a service area has been established for the exercise of one or more powers, the municipality may exercise additional service area powers in that service area or reduce the service area powers exercised in that service area only by an ordinance adopted by the Assembly and approved by a majority of the voters residing within the service area. But any power other than those listed in Section 12.02 which was previously exercised by the City of Ketchikan may, without approval of the voters, be exercised by the municipality on a non-areawide basis within the Ketchikan Service Area.

(e) Termination. Any service area may be terminated only by an ordinance adopted by the Assembly which describes the boundaries of the service area and the services to be terminated and which is either:

- (1) Approved by a majority of the voters residing within the service area to be terminated; or
- (2) Consented to in writing by all of the owners of real property within the boundaries of the service area to be terminated, if no voters reside in the service area.

Except for terminations under 12.04(f), the ordinance shall provide for the disposition of the service area's assets and shall provide for payment of the service area's indebtedness and ongoing operational and maintenance expenses from revenues obtained from the service area.

(f) Sanitary Sewage Service Areas. The provisions of this Section 12.04 and Subsection 12.06(c) shall not apply to sanitary sewage services. The Assembly may by ordinance and without voter approval exercise sanitary sewage service powers on an areawide basis, service area basis, or a non-areawide basis in such manner as it determines. The ordinance may designate sanitary sewage services as municipal utilities under Section 8.01. The term sanitary sewage services means any collection, transport, treatment, or disposal of human waste.

(g) Majority of Voters. For purposes of this section the term "majority of the voters"

shall mean a majority of the qualified voters casting a ballot on the proposition at a general or special election.

Section 12.05 Criteria for Establishing Service Areas.

Service areas shall be established according to criteria of need and economic operating efficiency and shall comprise the area to which the services shall be provided. A new service area shall be established only after Assembly determination that such services cannot be reasonably provided by an existing service area or by alteration of an existing service area. Nothing in this section will be interpreted to permit the establishment of a service area in any other manner than as provided for elsewhere in this Charter.

Section 12.06 Financing and Management.

(a) Service Area Taxes. The Assembly may levy taxes, assessments, payments in lieu of taxes, and other charges within a service area to pay for costs of that service area. Sales taxes on the sale of goods and services may be levied for service area purposes to the fullest extent allowed by law.

(b) Supervision of Service Areas. The Assembly may provide for an appointed or elected board to supervise the furnishing of services in a service area or may exercise such supervision by itself. The Assembly or board shall determine the cost and levels of service, the means, methods, and facilities for providing the service and all requirements for receiving the service.

(c) Use of Property and Assets of a Service Area. Except as provided in this subsection, funds raised by service area taxes, assessments, and charges shall not be used for any purpose other than to pay for costs of the service area. Unless a service area is terminated or consolidated, the revenues, equipment, property, personnel, and assets acquired or employed for that service area shall not be used to provide services outside of the service area. With the approval of the Assembly, any service area may participate in joint ventures, sharing of revenues, equipment, property, personnel, and assets, mutual assistance, and other cooperative arrangements provided that such service area is reasonably compensated in proportion to the revenues, equipment, property, personnel, and assets it contributes. Reasonable compensation may be in the form of services, money, future obligations, or other forms determined by the Assembly.

Section 12.07 Emergency Medical Services

The emergency medical services previously provided by the City of Ketchikan will be provided to such areas as designated by the Assembly where no other adequate emergency medical service exists. Unless the Ketchikan Service Area is compensated for the resulting increase in its service area costs, emergency medical services shall be provided through the Ketchikan Service Area but funded by the entire area being served. The provisions of Sections 12.04 and 12.06(c) shall not apply to service areas

for the providing of emergency medical services. This section shall not require the municipality to extend emergency medical services to remote locations or to areas where the extension of such service is not deemed practicable by the Assembly. Until otherwise changed as provided by this section, emergency medical services shall be provided by the service area established under the transition plan described in Section 16.09.

[Sitka Alternative] No separate article

[Haines Alternative] ARTICLE VI POWERS

The Haines Borough may exercise all powers available to a home rule borough, not prohibited by law or this charter

Section 6.01 Areawide Powers

The Haines Borough shall exercise areawide the powers to provide for tax assessment and levy; planning, platting, zoning; and education.

In addition, the borough may exercise on an areawide basis, by ratification of this charter, the powers to provide for the following services:

- (1) control of hazardous substances,*
- (2) emergency medical services and other medical services,*
- (3) emergency dispatch,*
- (4) ports and harbors facilities,*
- (5) financing capital improvement projects,*
- (6) public parks and recreational facilities,*
- (7) public libraries,*
- (8) museums,*
- (9) cemeteries,*
- (10) economic development (including tourism promotion),*
- (11) disaster planning and emergency response,*
- (12) solid waste management.*

In addition to the powers to provide the services listed, the borough may exercise on an areawide basis all other powers of a home rule borough consistent with state law and this charter, upon ratification by borough voters at a regular or special election.

Section 6.02 Powers for Service Areas

(A) Available powers. *Unless restricted otherwise by this charter, Alaska Statute, or borough code, any borough power not exercised areawide may be exercised on a service area basis. If already exercised areawide, the power may be exercised within a service area to provide a higher level of service.*

(B) Reserved powers. *The following powers are reserved for exercise in service areas only:*

- 1. the establishment and operation of police departments (exclusive of related dispatch communication services);*
- (2) the establishment and operation of fire departments, the hiring of firefighters and the contracting for fire services;*

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(3) *animal control.*

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*[Juneau Alternative had an expanded article II, but does not rely on service areas] ARTICLE II —  
POWERS*

*Section 2.1. POWERS. The municipality may exercise all powers not prohibited to home rule cities or boroughs by law or by this Charter.*

*Section 2.2. CONSTRUCTION. The powers of the municipality shall be liberally construed. The specific enumeration of a particular power in this Charter shall not be construed as limiting the powers of the municipality.*

*Section 2.3. INTERGOVERNMENTAL RELATIONS. The municipality may exercise any of its powers or perform any of its functions and may participate in the financing thereof, jointly or in cooperation, by agreement with any one or more local governments, the State, or the United States, or any agency or instrumentality of these governments.*

## **ARTICLE XIII SAXMAN**

The City of Saxman shall remain a separate municipal entity. Within its boundaries the City of Saxman may exercise museum, ports, harbors, parks, recreation, sanitary sewer powers, economic development powers and other powers it exercised prior to consolidation even though the municipality exercises those same powers. Until otherwise provided by law, the City of Saxman shall continue to receive such areawide municipal services as it previously received from the Ketchikan Gateway Borough and services under this Charter or authorized by the Assembly pursuant to law.

## **ARTICLE XIV LOCAL IMPROVEMENT AND SERVICE DISTRICTS**

### **Section 14.01 Purpose.**

Subject to this Charter's limitations on the exercise of areawide and service area powers, the municipality shall have the power to make public improvements, including local improvements and to provide local services, within the municipality.

To the extent otherwise permitted by this Charter and other law, the cost of a public improvement and local services may be paid wholly by the municipality, or partly by the municipality and partly by benefitted property, or wholly by benefitted property, as the Assembly may determine. Said cost or part thereof to be borne by benefitted property may be assessed by special assessment upon the benefitted property.

### **Section 14.02 Local Improvement Procedure.**

The Assembly may begin procedures for local improvements either on its own initiative or upon receipt of a petition. Procedures for local services may begin only upon petition of the owners of a majority of the property which will be assessed for the local service. The Assembly shall prescribe, by ordinance, special assessment procedures, including re-assessment procedures, for local improvements and local services and for agreements for furnishing local services, capital improvements, and the extension thereof in lieu of assessment.

### **Section 14.03 Lien for Special Assessments.**

The municipality shall have a first lien upon all real property against which special assessments are assessed, for the special assessments and any collection charges, penalties, and interest which may accumulate thereto; and the lien shall be of the same character, effect, and duration, and shall be enforceable in the same manner, as the lien for municipal taxes.

### **Section 14.04 All Real Property Liable for Special Assessments.**



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All real property, including such as is exempt from taxation in accordance with law, shall be liable for the cost of local improvements and local services assessed in accordance with this article unless specifically exempted from special assessments by law. If municipality property is benefitted by the local improvement or local services, the Assembly may make payments in lieu of the amount which would otherwise be assessed against the property.

### **[Sitka Alternative, Note:in two Articles]** ARTICLE XIV SERVICE AREAS

#### Section 14.0 Purpose

Service areas may be established to provide services not provided on an area wide basis or to provide a higher level of service than that provided on an area wide basis.

#### Section 14.02 Establishment

(a) By Ordinance. The Assembly by ordinance may establish, alter, consolidate, or abolish service areas. The Assembly by ordinance may add or eliminate services to a service area. The ordinance shall contain the following:

- (1) Boundaries and area to be included;
- (2) Service to be provided or be eliminated; and
- (3) Other provisions the Assembly includes.

(b) By Petition. Procedures for the establishment by petition, or in protest, of a service area shall be in accordance with Section 6.01 of this Charter as it would apply to the area in question. If a petition of protest is filed, the ordinance is suspended until ratified by a majority of those in the service area voting on the question. Each new service or each service to be eliminated shall be placed separately on the ballot.

#### Section 14.03 Criteria

Service areas shall be established according to criteria of need and economic operating efficiency and shall comprise the area to which the services shall be provided. A new service area shall be established only after Assembly determination that such services cannot be provided reasonably by an existing service area or by alteration of an existing service area.

#### Section 14.04 Financing

The Assembly may levy taxes, assessments, or other charges within a service area to finance the services, and funds thereby raised shall not be used for any purpose outside of the service area.

### ARTICLE XV LOCAL IMPROVEMENT DISTRICTS

#### Section 15.01 Purpose

Local improvement districts may be established in a limited and determinable area to confer the special benefits of any municipal improvement. All or any part of the costs of the improvement may be paid out of the proceeds of special assessments levied against the benefitted property.

#### Section 15.02 Local Improvement Procedure

The Assembly by ordinance shall prescribe procedures for establishment of local

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improvement districts and for agreements for furnishing capital improvements and the extension thereof in lieu of assessments.

### Section 15.03 Assessment in Proportion to Benefit

The Assembly by ordinance shall establish the method of apportioning and assessing the cost of improvements upon benefitted real property. Costs shall be assessed against real property specially benefitted in proportion to the benefits.

### Section 15.04 Lien

A special assessment, together with collection and interest charges, is a lien on the property assessed second in priority only to property taxes and prior special assessments. The assessment lien shall be enforceable in the same manner as a lien for municipal taxes.

### Section 15.05 Protests

If protests as to the necessity for any local improvement are made within the time allowed by ordinance by the owners of real property that will bear at least fifty percent of the estimated cost to be borne by the benefitted property, the improvement shall not proceed until the protests have been reduced below fifty per cent.

### Section 15.06 Limitation on Actions

No special assessment procedure may be contested by an action at law or in equity unless commenced within sixty days after the confirmation of the special assessment roll.

### Section 15.07 Property Liable

All real property, including property exempt from taxation as provided by law, shall be liable for the cost of local improvements unless specifically exempted by ordinance of general effect.

### Section 15.08 Receipts

Accounts for local improvement districts shall be kept separate from other municipal accounts. Revenues from a special assessment shall be used solely to pay the cost of the improvements or the principal and interest on indebtedness incurred for the improvements.

## ***[Haines Alternative Note: in three Articles] ARTICLE XII SERVICE AREAS***

### **Section 12.01 Purpose and criteria of service areas**

*Service areas may be established to provide services not provided on an areawide basis or to provide a higher level of service than that already provided on an areawide basis. A service area may be established to meet a need, improve safety, increase economic operating efficiency, and provide other reasonable benefits to residents of that area. Only the area in which the service shall be provided shall comprise the service area.*

### **.Section 12.02 Proposals and Protests**

**(A) Proposals.** *Service area creation, alteration, consolidation, or abolition may be proposed by*

*(1) a voter proposal petition following the same form and procedure as for less-than-areawide initiative; or*

*(2) a notice of intent by the assembly to introduce an ordinance.*

*The assembly by ordinance shall establish the full requirements for service area petitions of proposal and the notice of intent to introduce a service area ordinance.*

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*By supermajority vote, the assembly may deny a petition that proposes the continued existence or creation of a service area.*

**(B) Protests.** *Voters within the area affected may protest a proposed or newly enacted service area ordinance. A protest petition must follow the same form and procedure as less-than-area-wide initiative and referendum. If a petition of protest is certified, the ordinance is suspended until ratified by a majority of those in the area voting on the question.*

*If an ordinance to be ratified proposes that a service area be expanded, the voters in the area proposed for annexation and the voters in the existing service area must separately ratify the annexation.*

*If an ordinance to be ratified proposes that a service area be reduced, the voters in the area proposed for detachment and the voters in the proposed remnant service area must separately ratify the change.*

### **Section 12.03 Establishment**

*Service areas are created, consolidated, altered, or abolished by ordinance. The ordinance shall contain*

- (1) boundaries and area to be included;*
- (2) service to be provided or eliminated; and*
- (3) other provisions the assembly may prescribe by ordinance.*

*The assembly shall by ordinance adopt procedures for the creation, alteration, consolidation, and abolition of service areas.*

### **Section 12.04 Administration and Finance**

**(A) Procedures.** *The assembly shall by ordinance prescribe procedures for the administration of service areas and financing services.*

**(B) Revenue.** *The assembly by ordinance may levy taxes, make assessments, receive state funds, and otherwise generate income to pay the costs of services provided.*

**(C) Separate accounting.** *An account for each service area shall be created and kept separate from all other borough accounts. Revenues collected within a service area may be applied only to service area costs; service area costs will be paid only from service area accounts.*

**(D) Service area boards.** *The assembly may provide for appointed or elected boards to supervise the furnishing of services in service areas.*

## **ARTICLE XIII LOCAL IMPROVEMENT DISTRICTS**

### **Section 13.01 Purpose and Criteria**

*Property owners may request the borough to create a local improvement district (LID) to fund a capital improvement project within the district.*

*An LID may be established only if the assembly determines there is a need for the capital improvement and that it will provide a reasonable benefit to property owners in the proposed district and to the borough at large. The assembly may prescribe additional criteria by ordinance.*

*The total cost of the planned capital improvement shall be less than the assessed value of property in the proposed LID owned by individuals or entities that do not object to the creation of the LID.*

### **Section 13.02 Proposals, Protests, and Appeals**

**(A) Proposing LID creation.** *An LID may only be initiated by a petition of the property owners in the proposed LID. The petition must include a capital improvement plan detailing a carefully prepared and credible estimate of cost of the capital improvement to be borne by the property owners of the district. The capital improvement plan must list the estimated assessment for each lot or parcel of land in the proposed district. The petition must be signed by a number of property owners who collectively would bear more than 50 percent of the projected cost of the assessment for the capital improvement. The assembly shall describe by ordinance other requirements for the petition.*

**(B) Protesting LID creation.** *If written protests are filed by at least 50 percent of the number of property owners in the proposed district, without regard to property value, the assembly shall not*

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*proceed until the protests have been settled to the satisfaction of 66 percent of the property owners in the proposed district. If a property owner has more than one lot or parcel of land within the proposed LID, that property owner may be counted only once for purposes of this protest procedure.*

**(C) Objections and appeals.** *A decision of the assembly concerning the creation of an LID or the assessment relating to the LID may be appealed to the superior court within 30 days of the date on which the assembly adopts the final assessment roll by resolution or ordinance.*

### **Section 13.03 Establishment**

*The assembly shall establish an LID by ordinance and shall prescribe by ordinance procedures for the creation of an LID consistent with this charter. An LID may be dissolved by assembly resolution after the assessment of the LID has been paid in full.*

### **Section 13.04 Finance**

**(A) Assessment.** *To pay for all or a portion of the project, the borough may levy and collect special assessments upon real property specifically benefited by such improvements. The assessment or levy shall be proportionate to the benefit received from the improvement, as determined by the assembly by ordinance.*

*A special assessment for capital improvements, with interest and collection charges, is a lien on the property assessed, second only to property taxes and prior special assessments.*

**(B) Accounting.** *An account for each LID shall be created and kept separate from all other borough accounts. Revenues collected within an LID may be applied only to LID costs; LID costs will be paid only from LID accounts.*

## **ARTICLE XIV OTHER SPECIAL ASSESSMENT DISTRICTS**

### **Section 14.01 Purpose and Criteria**

*The assembly by ordinance may establish special assessment districts to provide and finance relatively temporary capital improvements and services less suitable for LID or service area.*

*The total cost of any proposed improvement and the cost of any proposed service over the first five years must be less than the assessed value of the property in the proposed special assessment district. The request for improvement shall be evaluated by the assembly based on the need for the proposed improvement or service and the benefit to the proposed district and the borough at large.*

### **Section 14.02 Proposals and Protests**

**(A) Proposals.** *An improvement proposal may be initiated by*

*(1) a petition to the assembly from the property owners who collectively would bear more than 50 percent of the cost of the total special assessment, or*

*(2) the assembly, by notice of intent to introduce an ordinance.*

**(B) Protests.** *If written protests are filed by property owners who would collectively bear 50 percent or more of the cost of the special assessment, the assembly shall not proceed until*

*(1) approval is granted by property owners who would collectively bear more than 50 percent of the special assessment, or*

*(2) approval is given by a supermajority vote of the assembly.*

### **Section 14.03 Establishment**

*The assembly shall prescribe by ordinance the procedures relating to establishing and dissolving special assessment districts, providing services, making improvements, and financing the work to be done. Public hearings and assembly action are required to determine the need for the improvements or service and the special assessment roll.*

*An assessment district may be formed or extended only with the approval of the majority of those being asked to pay, except that the assembly may form or extend a special assessment district with a supermajority vote of the assembly.*

### **Section 14.04 Finance**

*Capital improvements may be funded by a tax assessment against property, and services may*

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*be funded by fee, assessment, or tax levy. In all cases, the fee, assessment, or levy shall be proportionate to the benefit received and the burden imposed upon the improvement or service.*

*Revenue generated by the assessment district shall be applied only to the improvement or service, and costs of the district must be provided for by the district itself.*

### **[Juneau Alternative Note: in two Articles] ARTICLE XI — SERVICE AREA**

*Section 11.1. PURPOSE. Service areas may be established to provide services not provided on an areawide basis or to provide a higher level of service than that provided on an areawide basis.*

*Section 11.2. ESTABLISHMENT. (a) The assembly by ordinance may establish, alter, consolidate, or abolish service areas. The assembly by ordinance may add or eliminate services to a service area. The ordinance shall contain the following:*

- (1) Boundaries and area to be included;*
- (2) Service to be provided or be eliminated; and*
- (3) Other provisions the assembly includes.*

*(b) If a petition of protest is filed with the assembly before the effective date of the ordinance adopted under this section, the ordinance shall be submitted to the qualified voters residing in the service area or proposed service area and if ratified shall take effect upon certification of the election. The petition shall contain signatures of at least ten percent or 100 of the qualified voters residing in the service area, or proposed service area, whichever is the lesser. Each new service or each service to be eliminated shall be placed separately on the ballot and shall require ratification by a majority of the qualified voters voting on the question. There shall be no election under this subsection to eliminate a service to be provided on an areawide basis.*

*Section 11.3. CRITERIA. (a) A new service area shall be established only after assembly determination that such services cannot be provided reasonably by an existing service area or by alteration of an existing service area. (b) Service areas shall be established according to criteria of need and economic operating efficiency and shall comprise the area to which the services shall be provided.*

*Section 11.4. FINANCING. The assembly may levy taxes, assessments or other charges within a service area to finance the services, and funds thereby raised shall not be used for any purpose outside of the service area, provided, however, revenues from non-property taxes and charges which are in excess of those required to finance the services provided by the service area may be used to offset a part of the areawide property tax levy within the service area. (As amended by Serial No. 77-26 § 4, 1977).*

*Section 11.5. BOARDS. The assembly may appoint boards from each service area to make recommendations concerning services in that service area.*

### **ARTICLE XII — LOCAL IMPROVEMENT DISTRICTS**

*Section 12.1. PURPOSE. Local improvement districts may be established for special assessments upon real property in a limited and determinable area for special benefits conferred upon the property by any municipal improvement and to provide for the payment of all or any part of the costs of the improvement out of the proceeds of special assessments.*

*Section 12.2. LOCAL IMPROVEMENT PROCEDURE. The assembly by ordinance shall prescribe procedures for establishment of local improvement districts and for agreements for furnishing capital improvements and the extension thereof in lieu of assessments.*

*Section 12.3. ASSESSMENT IN PROPORTION TO BENEFIT. The assembly by ordinance shall establish the method of apportioning and assessing the cost of improvements upon benefitted real property. Costs shall be assessed against real property specially benefitted in proportion to the benefits.*

*Section 12.4. PROTESTS. If protests as to the necessity for any local improvement are made by owners of benefitted real property which will bear 50 percent or more of that portion of the estimated cost of the improvement which will be borne by owners of benefitted real property, the improvement shall not proceed until the protests have been*

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*reduced so that the real property of those still protesting shall not bear 50 percent of the said estimated cost of the improvement; provided however, that the assembly by ordinance may authorize the improvement by an affirmative vote of eight members.*

*Section 12.5. LIMITATIONS ON ACTIONS. No special assessment procedure may be contested by an action at law or in equity unless commenced within sixty days after the confirmation of the special assessment roll.*

*Section 12.6. LIEN. The municipality shall have a lien after taxes upon all real property against which special assessments are assessed, for the special assessments and collection charges, penalties, and interest which accumulate. The lien is paramount and superior to any other lien created before or after the assessment except a lien for a prior assessment and for taxes. Assessments shall become due and payable at such time or times in one or more installments and bear such interest and such penalty for delinquency as the assembly by ordinance shall prescribe. The assessment lien shall be enforceable in the same manner as a lien for municipal taxes.*

*Section 12.7. PROPERTY LIABLE. All real property, including property exempt from taxation as provided by law, shall be liable for the cost of local improvements unless specifically exempted by ordinance.*

*Section 12.8. EXPENDITURES PRIOR TO IMPROVEMENT. No expenditure, except for administrative, planning, engineering, and legal work for any local improvement, the cost of which is to be borne by special assessments on the real property benefitted, may be made unless funds have been authorized to finance the expenditures. All expenditures under this section shall be repaid to the source thereof from improvement funds which become available.*

*Section 12.9. RECEIPTS. Accounts for local improvement districts shall be kept separate from other municipal accounts. Revenues from special assessments shall be used solely to pay the cost of the principal of or interest on indebtedness and improvements to which they apply.*

*Section 12.10. CORRECTION OF INVALID SPECIAL ASSESSMENTS. If a special assessment procedure is irregular or invalid for any reason, the assembly may correct it within ninety days after the confirmation of the special assessment roll or after final determination of any litigation thereon. If payments have been made under an irregular or invalid procedure, such payments shall be credited to payments required under the corrected procedure, or in the alternate the assembly by ordinance shall provide for refunds.*