

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AMENDING MSB 3.28 TO INCREASE THE PROPERTY OWNER BALLOT THRESHOLD FOR CONTIGUOUS LOCAL IMPROVEMENT DISTRICTS FROM 54 PERCENT TO 75 PERCENT, AND REMOVE THE PROVISIONS THAT ONLY RETURNED BALLOTS ARE CONSIDERED IN TABULATION.

AGENDA OF: February 17, 2026

ASSEMBLY ACTION:

AGENDA ACTION REQUESTED: Introduce and set for public hearing.

Route To	Signatures
Originator	<div style="text-align: right;">2 / 4 / 2 0 2 6</div> <hr/> X N S f o r A s s y m N o w e r s a n d . . . <hr/> <small>Signed by: Nicholas Spiropoulos</small>
Finance Director	<div style="text-align: center;"></div> <hr/> X C h e y e n n e H e i n d e l <hr/> <small>Signed by: Cheyenne Heindel</small>
Borough Attorney	<div style="text-align: right;">2 / 4 / 2 0 2 6</div> <hr/> X N i c h o l a s S p i r o p o u l o s <hr/> <small>Signed by: Nicholas Spiropoulos</small>
Borough Manager	<div style="text-align: right;">2 / 5 / 2 0 2 6</div> <hr/> X M i c h a e l B r o w n <hr/> <small>Signed by: Mike Brown</small>
Borough Clerk	<div style="text-align: center;"></div> <hr/> X L o n n i e M c K e c h n i e <hr/> <small>Signed by: Lonnie McKechnie</small>

ATTACHMENT (S): Ordinance Serial No. 26-027 (5 pp)

SUMMARY STATEMENT: This legislation is sponsored by Assemblymembers Nowers and Bowles to change the property owner ballot threshold percentage required for the creation of contiguous local improvement districts ("LIDs") which most often involve either paving roads, or installing natural gas to serve properties.

Currently, LIDs can be created where ballot voting by property owners garners more than 54 percent of the property owners to be assessed, or by the Assembly. This legislation would change the ballot vote threshold by property owners from 54 percent to 75 percent. Additionally it would treat any unreturned ballots as NO votes.

By increasing the threshold for the final ballot and counting unreturned ballots as NO votes, it will mean that the proposed LID has an overwhelming majority of support from the people who must actually pay the assessment. This will help to minimize neighbor conflicts and therefore be less likely a proposed LID will be highly controversial

In the case of a local improvement districts, a supermajority is an absolute must. Local improvement districts benefit the community by allowing groups of homeowners to band together to share the cost of extending services such as natural gas or paving roads to their properties. They also prevent "free riders" ensuring those who benefit from the service pay their fair share. However, there is a downside. Because LIDs mandate payment from all households - and give the government the power to foreclose for non-payment - those who don't want the service face serious consequences if they do not wish to pay. For those reasons, a supermajority (not a simple majority but also not 100%) is the appropriate requirement, balancing the benefits of contiguous districts while avoiding "free riders" who would seek to benefit but not pay, and protecting against the government allowing a small majority to force a large minority to pay for an unwanted service at their home.

RECOMMENDATION OF ADMINISTRATION: Introduce and set for public hearing.