

# Fiscal Note

State of Alaska  
2026 Legislative Session

Bill Version: HB 379  
 Fiscal Note Number: \_\_\_\_\_  
 () Publish Date: \_\_\_\_\_

Identifier: HB379-DCCED-DCRA-03-20-26  
 Title: SERVICE AREA ELECTIONS  
 Sponsor: STATE AFFAIRS  
 Requester: (H) COMMUNITY & REGIONAL AFFAIRS

Department: Department of Commerce, Community and  
 Economic Development  
 Appropriation: Community and Regional Affairs  
 Allocation: Community and Regional Affairs  
 OMB Component Number: 2879

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

**Change in Revenues**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2026) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2027) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

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Division: <u>Community and Regional Affairs</u>	Date: <u>03/20/2026</u>
Approved By: <u>Hannah Lager, Administrative Services Director</u>	Date: <u>03/20/26</u>
Agency: <u>Department of Commerce, Community, and Economic Development</u>	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2026 LEGISLATIVE SESSION

BILL NO. HB 379

### Analysis

HB 379 adjusts existing statutes related to eservice areas to add new language in subsection (7) specifying that in a second-class borough, the voter approval requirements of AS 29.35.450(c) do not apply to the abolition, replacement, modification, or merger of any service area created on or after July 1, 2026.

Currently, AS 29.35.450(c) provides that a service area that provides roads, fire protection, or parks and recreation can only be dissolved if a majority of its residents vote in favor. If there is a proposal to dissolve the area and replace it with a larger one, it must be approved by two separate majorities: a majority of voters in the existing service area, and a majority of voters in the area proposed for addition. In addition, any other modification, such as changing boundaries or merging service areas, requires approval by a majority of voters in each area affected. HB 379 removes these voter approval requirements for the abolition, replacement, modification, or merger of any service area created on or after July 1, 2026, in a second-class borough.

HB 379 applies only to second-class boroughs. Unlike first-class boroughs where the assembly may assume new powers or services, second-class boroughs must obtain voter approval. The bill applies the same requirement to the removal of powers or services. Section 7 applies only to service areas created or consolidated after July 1, 2026. While HB 379 expands the authority of second-class boroughs, it may blur the distinction between borough classes by extending powers beyond what residents may have anticipated. However, HB 379 could also improve administrative efficiency by enabling consolidation of service areas, reducing transaction costs and limiting their expansion. HB 379 will not create operational or fiscal costs to DCRA.