

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 48
 (S) Publish Date: 3/9/01

Revision Date/Time (Note if correction): 1/31/2001 1:10p.m. Dept. Affected: DCED
 Title: Municipalities:Incorporation/Property Valuation BRU: Comm Asst&Econ Dev
 Component: Community & Business Development
 Sponsor: WILKEN, Donley, Cowdery, Green, Phillips
 Requester: Senate CRA Component Number: 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual	100.0	100.0	100.0	100.0	100.0	100.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	300.0	500.0	600.0	600.0	600.0
Miscellaneous						
TOTAL OPERATING	100.0	400.0	600.0	700.0	700.0	700.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	100.0	400.0	600.0	700.0	700.0	700.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 RSS						
TOTAL	100.0	400.0	600.0	700.0	700.0	700.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Assumptions.

- SB 48 will be enacted in 2001.
 - Beginning in FY 2002, one petition for borough incorporation or annexation will initiated annually under the provisions of SB 48. Each petition initiated under SB 48 would not have otherwise been initiated under current law. (Of course, if no petition is initiated, there will be no expense).
 - Each borough incorporation or annexation petition that is initiated under SB 48 will be approved by the Local Boundary Commission and the Legislature. The first such incorporation or annexation will occur in FY 2003. (Of course, if the Local Boundary Commission or Legislature disapprove the petition, there will be no cost for an organizational grant.)
 - For each petition, a financial consultant with expertise in local government finance and property values will be utilized to prepare an independent analysis of the financial feasibility of the proposed borough.
- (continued on separate page)

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 Division: Community and Business Development Date/Time 01/29/01
 Approved by: Commissioner Deborah B. Sedwick Date 1/31/2001 1:10p.m.
 Agency: Department of Community & Economic Development

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Estimated costs.

Contractual Services. \$100.0 will be needed annually beginning in FY 2002. These funds are necessary to prepare and process a petition for incorporation or annexation. The funds will be used primarily to develop credible and thorough expenditure and revenue projections relating to each proposed borough incorporation or annexation. Detailed information will be needed regarding local revenue alternatives (e.g., property taxes, general sales taxes, bed taxes, alcohol taxes, tobacco taxes, fish taxes, and severance taxes) as well as State and Federal revenue sources. Additionally, it is important to the long-term interests of the State to obtain a thorough and credible estimate of the full and true value of each area proposed for incorporation or annexation.

Organization grants. Each borough incorporation and annexation will result in an entitlement to an organization grant under AS 29.05.190. Each grant entitlement is paid over three years (\$300.0 the first year, \$200.0 the second year, and \$100.0 the third year).

Year	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Contractual Services	\$100.0	\$100.0	\$100.0	\$100.0	\$100.0	\$100.0
Grants	0.0	300.0	500.0	600.0	600.0	600.0
Total	\$100.0	\$400.0	\$600.0	\$700.0	\$700.0	\$700.0

