ALASKA STATE LEGISLATURE
HOUSE COMMUNITY & REGIONAL AFFAIRS STANDING COMMITTEE
February 1, 2001
8:10 a.m.

COMMITTEE CALENDAR

Overview from the Local Boundary Commission

TAPES

01-7, SIDES A & B

CALL TO ORDER

Representative Kevin Meyer, Co-Chair of the House Community and Regional Affairs Committee called the meeting to order at 8:10 a.m.

PRESENT

Committee members present were Representatives Morgan, Meyer, Murkowski, Scalzi, Guess, Kerttula, and Halcro.

SUMMARY OF INFORMATION

KEVIN WARING, Chair of the Local Boundary Commission (LBC) briefly discussed the inception of the LBC, it's responsibilities, and it's make up of members.

MR. WARING explained the activities of the commission during the year 2000 and specifically discussed the approved proposals for the incorporation of the City of Adak as a second class city; the annexation to the City of Palmer, and the annexation to the City of Ketchikan. Mr. Waring reviewed the consolidation petitions before the commission and stated that for the fourth year in a row there is not outstanding litigation of any commission decision.

MR. WARING turned to public policy issues that the commission raised in its report to the legislature. These issues concern: disincentives for borough incorporation and annexation that are impeding the development of local government in Alaska; several ambiguities in state law that affect municipal incorporation, boundary changes, dissolution, and reclassification; the unintended adverse impact of the Alaska Housing Finance Corporation's Small Communities Housing Loan Program on some

boundary proposals; the lack of common interests within the unorganized borough, notwithstanding the constitutional requirement for such; and proposed changes to the commission's administrative regulations.

MR. WARING mentioned that SB 48 introduced this year by Senator Gary Wilken would remedy the issues dealing with disincentives. He then explained the proposed changes to the regulations of the commission.

REPRESENTATIVE MEYER asked Mr. Waring to explain the advantages and disadvantages of the unorganized and organized borough.

MR. WARING answered that local government is usually better government. Organizing boroughs sometimes causes controversy and SB 48 would help with this problem.

REPRESENTATIVE MEYER asked what the difference is between a first and second class city.

MR. WARING explained that a first class city is responsible for making contributions to local education. The commission is neutral on a sales or a property tax. They suggest one or the other to provide for services. In the Denali Borough they have a strong tourism tax.

REPRESENTATIVE GUESS said she thought the advantages for education was four mills.

REPRESENTATIVE MEYER asked about the length of time for the Talkeetna request.

MR. WARING explained that the petition was submitted awhile ago but it has been revised. The borough and local citizens have been working together on the revision.

REPRESENTATIVE SCALZI asked if the commission must have public hearings, such as in Homer.

MR. WARING said that no public hearings are required on a petition.

REPRESENTATIVE MURKOWSKI asked about the shoreline access in Ketchikan and if they are now trying to create the Ketchikan Gateway Borough.

MR. WARING said that progress is being made in Ketchikan, they are discussing consolidation and if the Shoreline Service Area should annex. They did meet the standard, but all agreed to wait a period of time as they look into consolidation.

REPRESENTATIVE MURKOWSKI asked about the Adak reuse program.

MR. WARING stated that the reuse program is going okay.

REPRESENTATIVE MURKOWSKI asked if SB 48 takes care of the commission's concerns.

MR. WARING said it takes care of disincentives, but there is more work to be done.

REPRESENTATIVE MEYER asked what the bed tax is in the Denali Borough.

MR. WARING answered that it is seven percent.

REPRESENTATIVE HALCRO asked what the motive is behind the Talkeetna desire to incorporate as a home rule city.

DAN BOCKHORST, Local Boundary Commission, Division of Community and Business Development, Department of Community & Economic Development, answered that it is a desire to have better local control of services.

REPRESENTATIVE MORGAN asked how many unorganized boroughs there are in the state.

MR. WARING answered, "one."

REPRESENTATIVE KERTTULA asked for Mr. Waring's thoughts on why an unorganized borough should be incorporated.

MR. WARING said the commission sees different cases differently. He said the main reason to incorporate is for the advantages of local education.

ANNOUNCEMENTS

There were no announcements.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

REPRESENTATIVE MEYER adjourned the hearing at 9:20 a.m.

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Second Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.