

**ALASKA STATE LEGISLATURE**  
**SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

January 25, 2006

1:34 p.m.

**MEMBERS PRESENT**

Senator Bert Stedman, Chair  
Senator Gary Stevens, Vice Chair  
Senator Thomas Wagoner  
Senator Johnny Ellis

**MEMBERS ABSENT**

Senator Albert Kookesh

**COMMITTEE CALENDAR**

Local Boundary Commission Annual Report

**PREVIOUS COMMITTEE ACTION**

No previous action to record.

**WITNESS REGISTER**

Darroll Hargraves, Chair  
Local Boundary Commission  
Department of Community & Economic Development  
550 West Seventh Avenue, Suite  
Anchorage, Alaska 99501-3510

**POSITION STATEMENT:** Presented Local Boundary Commission Annual Report

**ACTION NARRATIVE**

**CHAIR GARY STEVENS** called the Senate Community and Regional Affairs Standing Committee meeting to order at [1:34:49 PM](#) and with little ceremony passed the gavel to the new chair, Senator Bert Stedman. Present were Senators Ellis, Wagoner, Stedman and Gary Stevens.

[1:35:25 PM](#)

**LOCAL BOUNDARY COMMISSION ANNUAL REPORT**

CHAIR BERT STEDMAN announced that the Local Boundary Commission annual report was on the agenda. He asked Mr. Hargraves and Mr. Bockhorst to come forward.

[1:36:48 PM](#)

DARROLL HARGRAVES, Chair, Local Boundary Commission, introduced himself and directed attention to the commission's three chapter annual report. He paraphrased as follows:

### **Annual Report**

The commission's report addresses three principal areas.

- Chapter 1 provides an overview of the commission
- Chapter 2 summarizes the commission's activities last year along with pending proposals
- Chapter 3 discusses public policy issues of interest to the commission.

### **Overview**

Alaska's Constitution established the Local Boundary Commission to ensure that proposals to create cities and boroughs or alter their boundaries would be dealt with objectively and with a statewide perspective.

The commission's responsibilities include judging proposals for:

- Incorporation of cities and boroughs
- Annexation to cities and boroughs
- Detachment from cities and boroughs
- Reclassification of cities
- Dissolution of cities and boroughs
- Merger and consolidation of cities and boroughs.

The commission has other powers and obligations established in law, including a duty to make studies of local government boundary issues.

The commission has five members. One member is appointed from each of Alaska's four judicial districts. The fifth member is appointed at-large and serves as chair.

Four members of the commission were unable to be present here today. They are:

- Bob Hicks, Vice-Chair, from Seward (Third Judicial District)
- Bob Harcharek, from Barrow (Second Judicial District)
- Tony Nakazawa, from Fairbanks (Fourth Judicial District)
- Georgianna Zimmerle, from Ketchikan (First Judicial District)

As Chair, I am appointed at large. I reside in Wasilla.

The governor appoints members for overlapping five-year terms. Members serve at the pleasure of the governor.

Commission members donate their time as a public service. We receive no compensation for the time we contribute to commission activities.

The Department of Commerce, Community, and Economic Development provides staff support to the commission.

[1:42:59 PM](#)

### **Activities**

Chapter 2 of the report outlines boundary activities, including formal or prospective proposals for:

- Annexation by 10 city governments - (Among those was a formal proceeding in which the commission affirmed the annexation of approximately 4.5 square miles to the City of Homer.)
- City incorporation of 4 unincorporated communities - (Among those was a formal proceeding in which the commission approved, with amendments, a proposal for incorporation of a second class city to serve the community of Naukati,

located on the northwest coast of Prince of Wales Island.)

- Reclassification of 4 existing cities - (No formal petitions were considered or are pending.)
- Annexation by 3 borough governments - (No formal petitions were considered or are pending.)
- Consolidation of a borough and city government - (One formal petition is pending before the LBC for consolidation of the City of Ketchikan and the Ketchikan Gateway Borough.)
- Detachment from 4 boroughs - (No formal petitions are pending.)
- Borough incorporation in 11 unorganized areas - (One petition for borough incorporation - the Deltana Borough - is pending before the LBC.)

### **Policy Issues.**

Chapter 3 contains a discussion of public policy issues of particular interest to the LBC. The issues were raised in the LBC's annual report last year and in previous years. In brief, the issues relate to:

- Lack of adequate inducements for incorporation of organized boroughs and annexation to existing boroughs
- Lack of standards providing for establishment of unorganized boroughs
- Funding for borough feasibility studies

The commission is pleased that the Legislature is considering various measures to address incentives for the formation of organized boroughs. Among those are:

- HB 217, which would exclude the value of oil and gas that is not taxed by a municipality in the determination of the required local contribution for schools

- SB 112, which would impose a tax on certain residents and/or individuals employed in the unorganized borough outside home rule and first class cities

The LBC is aware of the work done by the Alaska Advisory Commission on Local Government. Members of the LBC and staff will respond to any questions or concerns you wish to direct to the LBC as you consider the work of the Advisory Commission.

The Local Boundary Commission continues to support greater incentives for borough incorporation.

The Local Boundary Commission urges the Legislature to make funding available for regions to explore borough incorporation.

[1:52:12 PM](#)

MR. HARGRAVES offered to answer any questions and noted that Dan Bockhorst with the Department of Commerce, Community & Economic Development was also available to respond to technical questions.

CHAIR STEDMAN thanked him for the presentation and commented he particularly appreciated the update on specific issues related to borough formation.

He asked Mr. Hargraves to provide his office with a copy of his remarks and said he assumed that the LBC would insert its viewpoint and provide information as the Legislature works through the process of encouraging borough formation.

MR. HARGRAVES said the LBC steps forward when requested and when issues of monumental concern arise.

There were no further questions or comments.

There being nothing further to come before the committee, Chair Stedman adjourned the meeting at [1:54:40 PM](#).