

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

March 29, 2006

1:32 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Johnny Ellis
Senator Albert Kookesh

COMMITTEE CALENDAR

SENATE BILL NO. 248

"An Act relating to administrative boroughs; relating to municipal school districts; relating to standards for incorporation of boroughs and unified municipalities; eliminating obsolete provisions relating to a third class borough and making technical changes to statutes relating to regional educational attendance areas; and relating to new borough grants for certain newly incorporated boroughs and unified municipalities."

MOVED SB 248 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 248

SHORT TITLE: ADMINISTRATIVE BOROUGHS/BOROUGH GRANTS/

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS BY REQUEST OF ADVISORY
COMM ON LOCAL GOVT

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|----------|-----|---------------------------------|
| 01/23/06 | (S) | READ THE FIRST TIME - REFERRALS |
| 01/23/06 | (S) | CRA, FIN |
| 02/15/06 | (S) | CRA AT 1:30 PM BELTZ 211 |
| 02/15/06 | (S) | Scheduled But Not Heard |
| 03/08/06 | (S) | CRA AT 1:30 PM BELTZ 211 |
| 03/10/06 | (S) | CRA AT 1:30 PM BELTZ 211 |
| 03/10/06 | (S) | Heard & Held |
| 03/10/06 | (S) | MINUTE(CRA) |
| 03/22/06 | (S) | CRA AT 1:30 PM BELTZ 211 |
| 03/22/06 | (S) | -- Meeting Canceled -- |

WITNESS REGISTER

Scott Brandt-Erichsen, Borough Attorney
Ketchikan Gateway Borough
344 Front Street
Ketchikan, Alaska 99901
POSITION STATEMENT: Supported SB 248

Mike Black, Director
Division of Community Advocacy
Department of Commerce, Community & Economic Development
PO Box 110800
Juneau, AK 99811-0800
POSITION STATEMENT: Supported SB 248 with housekeeping changes

Lisa Von Bargaen, Director
Community and Economic Development
City of Valdez
P.O. Box 307
Valdez, AK 99686
POSITION STATEMENT: Supported SB 248, but voiced concern with Section 14

Former Senator Arliss Sturgulewski
Anchorage, AK
POSITION STATEMENT: Supported SB 248

Alan LeMaster
Gakona, AK
POSITION STATEMENT: Testified on SB 248

Dave Trantham
Bethel, AK
POSITION STATEMENT: Voiced concern with Section 14 of SB 248

ACTION NARRATIVE

CHAIR BERT STEDMAN called the Senate Community and Regional Affairs Standing Committee meeting to order at [1:32:41 PM](#). Present were Senator Gary Stevens and Chair Bert Stedman. Senator Thomas Wagoner arrived during the course of the meeting.

SB 248-ADMINISTRATIVE BOROUGH/BOROUGH GRANTS/

[1:33:57 PM](#)

CHAIR BERT STEDMAN announced SB 248 to be up for consideration. He noted that this was the second hearing on the bill and he asked the sponsor to recap the bill.

SENATOR GARY STEVENS, Sponsor, explained that SB 248 establishes a new, administrative, class of borough and removes several of the disincentives for areas to organize. He described the bill as a stepping-stone in the overall goal of helping areas organize into second-class, first-class, home-rule, or unified boroughs. He advised that this provides unorganized areas with another option and that no area would be forced to form an administrative borough.

CHAIR STEDMAN added that administrative boroughs would have an elective body with powers of planning and land use. They could levy sales or user tax, but not property tax and they would not have the power to provide education funds.

[1:35:28 PM](#)

SCOTT BRANDT-ERICHSEN, Member of the Alaska Advisory Commission on Local Government and Borough Attorney for the Ketchikan Gateway Borough, described the bill as a reasonable compromise and a viable means to transition unorganized areas into organized boroughs. He urged the committee to move the bill.

CHAIR STEDMAN noted that Mr. Brandt-Erichsen spent numerous hours working on the legislation. He asked for public testimony.

[1:36:48 PM](#)

Mike Black, Director, Division of Community Advocacy, Department of Commerce, Community & Economic Development (DCCED), testified that the department supports the bill because it provides strong incentives for borough formation to areas that might otherwise not find organizing attractive.

He noted that the department had questions about Section 19 relating to the organizational grant amounts.

[1:38:34 PM](#)

CHAIR STEDMAN said the financial aspects of the bill would be thoroughly scrutinized in the Senate Finance Committee.

MR. BLACK expressed agreement with the explanation and added that DCCED had several other housekeeping amendments and he would provide those to the committee.

LISA VON BARGEN, Member of the Alaska Advisory Commission of Local Government and Director of Community and Economic Development for the City of Valdez, stated that the legislation moves in the direction of encouraging the development of regional government, but that she, the City of Valdez, and other municipalities are concerned that the language in Section 14(c) is suggestive of having to use model borough boundaries. She urged the committee to consider changing that language because as currently worded it places the onus on the people that are applying for consideration for borough incorporation to prove otherwise.

[1:41:38 PM](#)

FORMER SENATOR ARLISS STURGULEWSKI, Anchorage, advised that she had followed the work of the advisory committee closely and she would urge the committee to move the bill paying particular attention that the grant section remains in the bill. She stated the view that in many parts of unorganized borough self-government and participation is lacking, coordination is absent, and delivery of public services and regional planning is inadequate. Because the state isn't coordinating its services on a regional basis many people have turned to Washington D.C. for community needs, but the atmosphere in Washington DC has changed and the state isn't going to see grants coming in.

She applauded the work that has been done but said she would prefer to see this in law because it's long overdue.

[1:45:16 PM](#)

ALAN LeMASTER, Gakona Junction Village Owner, testified that he lives in the Copper Valley, an area that is a potential borough. Historically the area has been against organizing into a borough, but many of the key arguments against organizing have been addressed in SB 248. Now people are asking about the state's motive because in the past the argument was to get rural areas to organize so they would contribute to education.

[1:47:23 PM](#)

SENATOR GARY STEVENS responded there is no hidden agenda and no "gotcha" at the end of the process. The notion is to assist areas to become an administrative borough because few areas have volunteered to organize and efforts to force organization haven't been very successful. He acknowledged that it's a different approach to offer areas of encouragement or "carrots" to take a first step. Administrative borough will have an assembly to provide focus and make it easier to deal with land

issues. In time, as the economy develops, it's almost inevitable that those areas will move on and become full-fledged boroughs.

[1:49:10 PM](#)

MR. LeMASTER replied he would describe this as a "baby step" into borough formation and an area could remain in that status forever or, once it became more financially stable, it could move on and become a full-fledged borough.

SENATOR GARY STEVENS said the term "baby step" seemed appropriate. He added that the grant is for just three years and although some areas wouldn't be suited for administrative boroughs it would make sense for others.

[1:52:10 PM](#)

DAVE TRANTHAM, Bethel, said in his area he has been unsuccessful in finding support for the bill for two primary reasons. First, Section 14 relating to borough boundaries is objectionable because the Local Boundary Commission has set a model borough boundary that is the same as the Lower Kuskokwim School District, which would include Bethel and twenty-five other communities. The other problem relates to finding a way to sustain borough government because there is no state land within 50 miles.

CHAIR STEDMAN recessed the meeting to the call of the chair at [1:55:22 PM](#).

CHAIR STEDMAN reconvened the meeting at [3:07:38 PM](#).

Chair Stedman announced that Senator Wagoner had joined the meeting and a quorum was present. He asked for a motion.

SENATOR GARY STEVENS motioned to report SB 248, \F version, and attached fiscal note(s) from committee with individual recommendations. There being no objection, it was so ordered.

There being no further business to come before the committee, Chair Stedman adjourned the meeting at [3:08:18 PM](#).