

1 IN THE HOUSE

BY MR. HELLENTHAL

2

HOUSE BILL NO. 298

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIRST LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act to provide for the creation of
7 specified organized boroughs and to prescribe
8 their powers, duties and functions and
9 methods of organization and creation;
10 implementing the provisions of the local
11 government article of Alaska's Constitution;
12 and providing for an effective date."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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Section 1. INTENT OF LEGISLATURE. It is the intent of the
state legislature that borough boundaries be continually studied
by the Local Affairs Commission and the Local Boundary Commission
so that the boundaries of boroughs shall be as flexible as possible
in order that the evils of rigid inflexible and unchangeable
county boundaries will never be found in Alaska.

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It is the further intent of the state legislature that as
pioneer areas of Alaska become settled, as community and social
life appears in said areas, as property values emerge in said
areas and as the pioneering period therein ends, that upon the
occurrence of these events, the former pioneer areas shall be
integrated into and made a part of the organized borough or
boroughs with closest economic ties to the area in question.

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The wishes of the people in segments of the State of Alaska
shall be taken into consideration in connection with the establish-
ment of borough boundaries, but these wishes shall not be

1 controlling, because of the fact that the people of Alaska by
2 their approval of the Constitution of Alaska have overwhelmingly
3 indicated that the total good of all of Alaska will best be
4 served by the creation of organized boroughs, even though a
5 majority of the people in an organized borough may, at the time
6 of the creation of the borough, oppose its creation.

7 It is the further intention of the state legislature that
8 organized boroughs be created where taxable property values exist
9 and where it is practical to profitably levy a property tax,...to
10 the end that the residents of these areas shall contribute their
11 proper share toward the expense of facilities and benefits
12 furnished to them by the state.

13 In fixing organized borough boundaries, it is the intent of
14 the legislature that, in addition to the constitutional standards,
15 the Local Boundary Commission also consider the following factors
16 and principles:

17 (1) Generally speaking, an organized borough will cover
18 every independent school district, every first or second class
19 city, every public utility district, in Alaska for the simple
20 reason that the very existence of these local government units
21 demonstrates and manifests a need for county-like intermediate
22 local government in the area.

23 (2) Generally speaking, organized borough boundaries
24 will be somewhat larger than the perimeter of the existing city,
25 FUD, or independent school district.

26 (3) Organized boroughs will be of such a size that
27 they can be handily and efficiently governed from a central point,
28 i.e., so that borough assemblymen will be able to conveniently
29 and frequently meet to arrange for the efficient satisfaction of

1 the needs of their constituents.

2 (4) Generally speaking, the boundaries of organized
3 boroughs will be found where the pioneering areas of the state
4 begin because in pioneer areas there are no property values to
5 support a property tax and it is unfair and unjust to impose such
6 a tax on property owners who are just getting a toe-hold in a
7 frontier district.

8 Sec. 2. EXCLUSIVE POWERS AND FUNCTIONS OF ORGANIZED
9 BOROUGHES. Powers of organized boroughs shall be exercised by
10 borough assemblies through borough ordinances. Organized boroughs
11 shall have the following exclusive powers within their perimeters:

12 (1) All powers exercised by boards of platting pursuant
13 to Ch. 115, SLA 1953 as amended by Ch. 95, SLA 1955, and Ch. 106,
14 SLA 1959.

15 (2) The powers of health districts pursuant to Ch. 163,
16 SLA 1955.

17 (3) All of the powers and functions presently exercised
18 by the Supreme Court over recording as provided in Ch. 184, SLA
19 1959, or exercised by the United States commissioners and ex
20 officio precinct recorders both as to recording and vital
21 statistics.

22 (4) The power to conduct all state elections within the
23 borough but outside of first or second class cities therein
24 subject to the administrative supervision of the designated state
25 election supervisors.

26 (5) Exclusive power to appraise, bill, and collect
27 property taxes and special assessments throughout the borough
28 pursuant to the provisions of Ch. 174, SLA 1957, as amended by
29 Ch. 166, SLA 1959 wherever applicable or unless limited by the

1 provisions of this Act, with the duty to make refunds of that
2 portion of the said tax or assessments collected within the
3 boundaries of the city or cities included within the organized
4 borough. The city or cities within the organized borough, after
5 approving their budget or budgets, shall notify the borough of
6 the mill rate established for the city or cities and the borough
7 shall thereupon collect the necessary tax and transmit it periodi-
8 cally upon collection to the city or cities.

9 The further power to levy a borough sales tax, in the same
10 manner as noncharter cities are presently empowered so to do by
11 state law, and to make refunds to cities of the first or second
12 class located within the borough boundaries of that portion of the
13 sales tax collected within said cities.

14 (6) Exclusive power over port districts and commissions
15 existing on the effective date hereof. (Some question here)

16 (7) Exclusive power over moorage facilities for fishing
17 and other boats and vessels maintained within the borough.

18 (8) The power to make charges for special services
19 within the borough or portions thereof.

20 (9) The power to create local improvement districts
21 throughout the borough in accordance to the applicable provisions
22 of Article 5, Ch. 1, Title 16, ACLA 1949 as amended, adjusting
23 said power to the borough by borough ordinance.

24 Sec. 3. CONCURRENT POWERS AND FUNCTIONS OF ORGANIZED
25 BOROUGHS. Certain powers shall be exercisable by boroughs con-
26 currently with cities. These powers shall be exercised by borough
27 ordinance and are as follows:

28 (1) Power to enact building, plumbing, electrical and
29 similar codes and zoning laws in the area within the borough and

1 outside a city or cities and not in conflict with city building
2 codes and zoning laws.

3 (2) Power to exercise control over animals and the
4 construction of fences.

5 No concurrent borough power shall conflict with the
6 powers of home rule or general law cities.

7 (3) The borough assembly shall have the same civil and
8 criminal powers to enforce its ordinances as have been conferred
9 upon cities under general laws of the state, as opposed to home
10 rule charters.

11 Sec. 4. THE RELATION OF SCHOOL DISTRICTS AND ORGANIZED
12 BOROUGHES. a. Each organized borough shall constitute an inde-
13 pendent school district and exercise all of the powers and perform
14 all of the duties within its perimeter of said school districts
15 existing under state law in effect upon the effective date of
16 this Act. There shall be a non-partisan school board identical
17 in composition, powers, and duties with school boards created
18 under the provisions of Article 4, Ch. 3, ACLA 1949 as amended,
19 established in each organized borough with its members elected
20 from throughout the borough in the same manner as provided in
21 said article. Said school boards shall be adjuncts of the borough
22 assembly and shall present the annual school budget to the borough
23 assembly in the same manner as provided in Sec. 37-3-53, ACLA 1949
24 as amended and shall govern the administration of schools within
25 the borough with maximum power and control over borough educational
26 matters.

27 b. An inventory shall be taken of all school property within
28 existing school districts and it shall be transferred to the
29 borough and equitable adjustments made as to purchase and sale

1 thereof; should disputes arise, they shall be settled by arbitra-
2 tion and if arbitration is unsuccessful or impossible to agree
3 upon, said disputes shall be settled by the Local Affairs Agency
4 and this agency's decision shall be final unless the legislature
5 makes final decision within 14 months after the decision of the
6 Local Affairs Agency.

7 Sec. 5. STANDARDS GOVERNING COMPOSITION OF BOROUGH
8 ASSEMBLIES. Borough assemblies shall be composed of qualified
9 voters of the state elected by the qualified voters of each
10 organized borough at an election called for said purpose by the
11 Local Affairs Agency of the state government.

12 In cities where less than 12,000 votes were cast at the
13 general election of November, 1958, one member of the initial
14 borough assembly shall be chosen by the qualified voters of the
15 city or cities within the borough as a councilman who shall,
16 in addition to his city council duties, be a member of the borough
17 assembly; the qualified voters of the borough resident outside of
18 the limits of the city or cities within the organized borough
19 shall choose one borough assembly member and the qualified voters
20 of the area within the organized borough perimeter which is not
21 included in a city, school district, or other local government
22 unit on the effective date hereof, shall choose a third borough
23 assembly member. Thereafter, one additional borough assemblyman
24 shall be chosen for each 3,000 votes cast within the said three
25 portions of the organized borough and from within each respective
26 portion. Should less than 50% of said increment of 3,000 votes be
27 cast in their respective portion, no additional assemblyman shall
28 be granted. Should more than 50% of 3,000 votes be cast in each
29 respective portion, an additional assemblyman shall be granted

1 such portion of the organized borough.

2 In cities where over 12,000 votes were cast, at the general
3 election of November, 1958, the same rule shall be followed as
4 in the preceding paragraph except that 5,000 shall be substituted
5 for 3,000.

6 After the results of the 1960 decennial census are made
7 public, borough representation shall be according to the formula
8 above set out but the classification shall be cities with popula-
9 tions in excess of 30,000 and cities with populations under 30,000
10 and the factor in the first instance shall be 9,000 votes cast at
11 the last general election and in the second instance, 15,000 votes
12 cast at the last general election.

13 The qualifications for electors at any borough election shall
14 be the same as the qualifications for electors in a state general
15 election except that in addition, a qualified elector must have
16 been a resident of the organized borough for at least 30 days
17 prior to the election.

18 Alternate method of determining number of initial borough
19 assemblyman:

20 (1) Boroughs where less than 12,000 votes were cast
21 at the November, 1958, general election; one assemblyman for each
22 voting precinct or major fraction in area of a voting precinct
23 within the organized borough perimeter.

24 (2) Boroughs where more than 12,000 votes were cast
25 in the general election of November, 1958; one for each three
26 adjacent election precincts within the organized borough perimeter.
27 the determination of adjacencies to be made by the Local Affairs
28 Agency.

29 Should an election precinct overlap the boundaries of an

1 organized borough, it shall be counted for the purpose of the
2 preceding paragraph if a major fraction of its area is included
3 within the organized borough perimeter.

4 (NOTE: Variations of the two above plans are unlimited.
5 A two step area formula - e.g. area in city...area outside
6 city but in borough may be more practical than the three
7 step breakdown suggested by adding the "presently ungoverned
8 area.")

9 Sec. 6. COMPOSITION OF ASSEMBLY: HOME RULE PROVISION.

10 After a period of five years has elapsed from the date of
11 organization of the government of an organized borough, the
12 organized borough shall, by ordinance approved by a majority of
13 its electors, determine the composition of its borough assembly.

14 Sec. 7. LOCAL AFFAIRS AGENCY TO ARRANGE FOR CONDUCT OF
15 FIRST BOROUGH ELECTIONS IN EACH ORGANIZED BOROUGH. The first
16 borough election in each organized borough shall be conducted by
17 the Local Affairs Agency and the sum of
18 dollars shall be appropriated to accomplish this purpose; the
19 amount expended for the conduct of each such borough election
20 shall be refunded to the state over a period of five years after
21 the date of organization of each organized borough.

22 Sec. 8. ORGANIZATIONAL MEETING AND ADMINISTRATIVE FUNCTIONS
23 OF ORGANIZED BOROUGH: HOME RULE AS TO ADMINISTRATIVE MATTERS.

24 Following its election, the members of the organized borough shall
25 forthwith meet and elect one of their members president and
26 thereupon they shall by ordinance provide for the administrative
27 functions of the borough and create such offices as may be
28 necessary from time to time to carry out the borough's powers and
29 functions. Borough members shall serve for terms of two years,
staggered so that not less than one-third of the assemblymen shall
retire from office biennially.

1 Boroughs shall by ordinance **prescribe their administration**
2 and the method of their management and **organization**.

3 Sec. 9. SERVICE AREAS WITHIN ORGANIZED BOROUGHES. The
4 borough assembly may provide by ordinance for the creation of
5 service areas within all or parts of organized boroughs. Service
6 areas shall exist for the purpose of providing special services
7 and improvements throughout the borough or segments thereof.
8 Service areas in segments of the borough shall be created after
9 petition and hearing and charges shall be levied for special
10 services by the borough assembly upon the residents of the part
11 of the borough benefiting from said special services. Special
12 services shall include services provided by snow removal, garbage,
13 fire, sewer, drainage and like districts. Services performed by
14 the creation of service districts may also, if of a general
15 benefit to the entire borough, (outside the limits of the city
16 or cities within the borough) be financed by the general borough
17 property tax, by charges, or by a combination of said charges
18 and property tax but collected only in the borough area outside
19 the boundaries of the city or cities within the borough. City
20 share of said services if the city desires to participate shall
21 be paid by contracts mutually agreed upon between borough and
22 city.

23 Sec. 10. LOCAL IMPROVEMENT DISTRICTS AND SPECIAL SERVICE
24 AREAS WITHIN UNORGANIZED BOROUGHES. The Local Affairs Agency
25 is hereby directed, in conjunction with the Legislative Council,
26 to enter upon and make studies of the possible creation in the
27 unorganized boroughs of local improvement districts, similar to
28 those presently authorized cities of the first class, and of
29 special service areas financed by charges. Said studies shall be

1 submitted to members of the legislature one month prior to the
2 beginning of the 1961 session.

3 Sec. 11. DELEGATION OF POWERS. Cities of the first class
4 and home rule charter cities shall have power to delegate any
5 of their powers to organized boroughs, or to the state government,
6 by mutual agreement entered into between the said contracting
7 agencies. Organized boroughs can likewise delegate any or all
8 of their powers to cities of the first or second class, or the
9 state, by contracts mutually agreed upon. Payment for performance
10 of powers so delegated shall be provided for in said contracts.

11 Sec. 12. PETITIONS FOR LOCAL BOUNDARY CHANGES. If five
12 per cent of the residents of an organized borough, as determined
13 by the last decennial census after the 1960 census is available,
14 or, if five per cent of the voters of a borough based on the
15 total vote cast at the last general election, petition for a
16 borough boundary change, it shall be mandatory upon the Local
17 Boundary Commission to study said proposed change and give a full
18 report in connection therewith to the legislature at its next
19 annual session. The report shall give full reasons for recommend-
20 ing approval, rejection or modification of the proposed change.
21 The proposed changes may be similarly initiated by 10% of the
22 residents of an area seeking exclusion from an organized borough
23 and similar report shall be furnished the legislature in connection
24 therewith.

25 Sec. 13. CREATION OF SPECIFIED ORGANIZED BOROUGHES. The
26 State of Alaska is divided into the following organized boroughs
27 with boundaries as prescribed in this section:

28 (1) Gastineau Channel-Auke Bay Borough, described by
29 geographical features as follows:

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(Insert description)

(This borough should encompass the Juneau-Douglas School District and the Auke Bay Utility District and should likely include all Douglas Island and be bounded by Taku on the south and Berners Bay on the north. This area has expressed a manifest need for local government because of its school district and PUD and represents a unified trading area and contains property values which will support borough government.)

(2) Revillagigedo Borough, described by geographical features as follows:

(Insert description)

(This area should certainly encompass, as a minimum, the Ketchikan School District with assessed valuations of nineteen million dollars outside of the city and should go further to encompass the immediate trading area of Ketchikan.)

(3) Prince of Wales Borough, described by geographical features as follows:

(Insert description)

(This area seems to have a common economic pattern and should probably be an organized borough. It might be on the borderline and be left unorganized.)

(4) Wrangell Borough, described by geographical features as follows:

(Insert description)

(The immediate trading area to Wrangell, encompassing somewhat more than the immediate Wrangell area.)

(5) Petersburg Borough, described by geographical features as follows:

(Insert description)

1 (Petersburg trading area plus its developing perimeter.)

2 (6) Sitka Borough, described by geographical features
3 as follows:

4 (Insert description)

5 (Something probably less extensive than election district number
6 4 and easily accessible to Sitka and its immediate trading area.)

7 (7) Haines-Skagway Borough, described by geographical
8 features as follows:

9 (Insert description)

10 (The Haines and Skagway trading area. Perhaps Yakutat and Hoonah,
11 which I believe are already contributing to the support of their
12 schools through property taxation should be left in unorganized
13 status.)

14 (8) Kenai-Seward-Homer Borough, described by geographi-
15 cal features as follows:

16 (Insert description)

17 (This borough should consist of that portion of election district
18 number 12 served by connecting roads leaving the western portion
19 or the area across Cook Inlet in unorganized status.)

20 (9) Greater Anchorage Borough, described by geographical
21 features as follows:

22 (Insert description)

23 (Election district number 10 with exclusion of area across Cook
24 Inlet and possible inclusion of Whittier.)

25 (10) Matanuska Borough including Palmer, Wasilla and
26 Talkeetna, described by geographical features as follows:

27 (Insert description)

28 (That portion of election district number 9 where land values that
29 could be profitably taxed exist because where such values exist,

1 people live with need for local government.)

2 (11) Kodiak Island Borough, described by geographical
3 features as follows:

4 (Insert description)

5 (Kodiak Island with eleven and three quarter million dollars of
6 property value in the city and one and one quarter million outside
7 the city but in the independent school district. This borough
8 should likely include the entire island as it all trades with
9 Kodiak.)

10 (12) Fairbanks Borough, described by geographical
11 features as follows:

12 (Insert description)

13 (This borough should extend from Summit on the highway on the
14 north to the Salcha River on the south and be bordered by the
15 Valley Hills to the east and west. Later the border could be
16 extended if it were economically feasible and the principle of
17 local government not violated. Big Delta and Tok should be left
18 in unorganized status as it is believed that values there would
19 not justify assumption of property tax burden.)

20 (13) Bristol Bay Borough, described by geographical
21 features as follows:

22 (Insert description)

23 (This borough is marginal but it is believed that Dillingham
24 Naknek trading area might have sufficient interest in common to
25 justify borough. This is a marginal borough as the principle of
26 local government is perhaps violated by physical separation of
27 the two principal towns.)

28 (14) Nome Borough, described by geographical features
29 as follows:

(Insert description)

(The immediate trading area around Nome that can be served with dispatch by a borough assembly located in the principal city of Nome.)

(NOTE: The rest of Alaska would be in unorganized status awaiting inclusion in organized boroughs that best serve their needs when the needs arise as evidenced by settlement of people, population growth, construction of permanent improvements and emergence from pioneer status. When new areas so develop adjacent organized boroughs might often be re-constituted as to their perimeters. This is a problem for continued study by the Local Boundary Commission and the Local Affairs Agency so that the perimeters of the organized boroughs can regularly and often be shifted to meet the economic growth of Alaska. Unorganized boroughs represent a limbo from which portions emerge as they grow, as need for services develops, as capacity to pay for services appears and as the duty to relieve the state from its presently assumed burdens for local government arises in the limbo area.)

Sec. 14. DEFINITIONS. As used in this Act, "city" means a first or second class city only as said terms are defined by state law in effect on the date of passage of this Act.

Sec. 15. EFFECTIVE DATE. This Act shall take effect upon its passage and approval or upon its becoming law without such approval.