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Referred: Local Government,
State Affairs and Finance

1 IN THE HOUSE

BY WHITTAKER

2 HOUSE BILL NO. 81

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the establishment of a Department
7 of Regional and Community Affairs and making certain
8 provisions for local government within boroughs; and
9 providing for an effective date."

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

11 * Section 1. AS 44 is amended by adding a new chapter to read:

12 CHAPTER 48. DEPARTMENT OF REGIONAL
13 AND COMMUNITY AFFAIRS.

14 Sec. 44.48.010. POLICY. The legislature declares that it is the
15 policy of the state to promote the general welfare and security of the
16 people by insuring the maximum extent of self government at the local
17 and regional level, in accordance with the mandate of Art. X of the
18 state constitution. In recognition of the need for economic stability
19 and adequate governmental forms in carrying out this purpose, it is
20 further declared to be the policy of the state to provide for the fair
21 sharing of the capital and natural resources of the state among all
22 local and regional governments for the benefit of all the people of the
23 state, who are the real owners of state resources. To carry out this
24 policy, the legislature finds that establishment of an executive depart-
25 ment is necessary and desirable to provide technical and financial
26 assistance to regional and local government, to assist the governor in
27 achieving maximum coordination of the various state and federal programs
28 available to such units of government, to encourage the solution of
29 problems at the lowest practicable level of government and to provide

1 for the study and consideration at the state level of the needs and
2 interests of the communities of this state and the people who live and
3 work in them.

4 Sec. 44.48.020. DEPARTMENT OF REGIONAL AND COMMUNITY AFFAIRS. The
5 principal executive officer of the Department of Regional and Community
6 Affairs is the commissioner of regional and community affairs.

7 Sec. 44.48.030. POWERS AND DUTIES OF DEPARTMENT. The department
8 shall exercise the powers, duties and functions of agencies transferred
9 to the department under sec. 2 of this Act and otherwise conferred in
10 this chapter. The department shall in addition seek to treat and
11 resolve problems arising in urban areas which result from migration of
12 rural persons to urban areas.

13 Sec. 44.48.040. ADMINISTRATIVE UNITS. The commissioner may, with
14 the approval of the governor, establish divisions or other adminis-
15 trative units in accordance with AS 44.17.020. However, to the extent
16 consistent with sound administrative practice, he shall preserve the
17 identity and staff of agencies transferred to the department under
18 sec. 2 of this Act.

19 Sec. 44.48.050. REGIONAL UNORGANIZED BOROUGHES. (a) The commis-
20 sioner shall, with the assistance of the agencies transferred to the
21 department under sec. 2 of this Act, draw tentative boundaries dividing
22 all areas of the state which are not within the boundaries of an organ-
23 ized borough into proposed regional unorganized boroughs. The commis-
24 sioner shall employ, for the purposes of further assisting in drawing
25 the tentative boundaries, specialists or experts in education, health,
26 economics, law, public finance, welfare, housing, communications, plan-
27 ning, transportation, poverty problems, and public and municipal admin-
28 istration. The tentative boundaries shall be controlled by the
29 standards and criteria set out in Art. X, Secs. 1 and 3, of the state

1 constitution. In addition, the commissioner shall consider the juris-
2 diction of existing Alaskan Native associations, economic units,
3 regional boards and corporations, election districts, land claims
4 settlement areas, and ethnic and fraternal groupings. The commissioner
5 shall also give consideration to the desires and wishes of the residents
6 of the proposed boroughs and hold public hearings in regions, communities,
7 or areas which might be included within two or more proposed boroughs.

8 (b) Within 180 days following the effective date of this Act, the
9 commissioner shall promulgate the tentative boundaries by order. He
10 shall insure the widest possible publication of the boundaries through
11 the use of public and private media, maps, and presentations and lec-
12 tures by department staff. The boundaries, portrayed in detail through
13 the use of maps and other documents, shall be transmitted to all news-
14 papers of general circulation in the state, and to all existing village
15 councils and local government units within the state.

16 (c) The boundaries proposed by the commissioner shall be final
17 90 days following the promulgation of the commissioner's order, except
18 as otherwise provided in this subsection. Upon receipt, within 120
19 days of the date of the order, of a petition signed by 25 per cent of
20 the registered voters residing within a tentative unorganized borough
21 as delineated by the commissioner, he may hold a referendum open to all
22 adult persons in the proposed borough for the purpose of determining
23 the will of the residents within the proposed borough. He may frame
24 the questions to be decided in the referendum and hold a referendum
25 in one or more proposed borough areas, as will enable him to gauge the
26 will of the residents. The commissioner shall abide by the results of
27 a referendum unless the result would have been inconclusive, arbitrary,
28 capricious, or inconsistent with the standards laid down in (a) of this
29 section were he to have described the tentative boundaries himself

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under (a) of this section.

Sec. 44.48.060. ELECTION. (a) At the first state general election following final determination of the boundaries of each regional unorganized borough, the following proposition shall be placed before the voters of the borough:

I. Shall the Regional Borough establish a Regional Council consisting of members to serve at staggered three-year terms for the purpose of supervising and coordinating the orderly development of this region?

II. If the above proposal is approved by a majority of those votes cast in the area, which of the following candidates do you wish to serve on the Regional Council?

(b) If the proposal to establish a regional council is not approved in its first general election, it may be placed on the ballot at any subsequent general election upon the submission of a petition signed by 10 per cent of the number of residents who voted in the last election on the question. The petition shall read as follows:

We, the undersigned, qualified voters of the Regional Borough do hereby petition that the following proposal be placed before the voters as provided by law:

(Proposition as in (a) of this section to be inserted)

(c) The number of councilors to serve in each borough shall be decided by the Rural Affairs Commission at least 90 days before the election, except that it shall be a number divisible by three.

(d) Candidates for seats on regional councils shall be qualified voters of the borough. They shall file declarations of candidacy with the commissioner at a time and in a manner prescribed by him. Their terms of office shall begin following certification of their election by the commissioner.

1 (e) Candidates first elected to regional councils under this
2 section shall draw lots for terms of one, two and three years respec-
3 tively. Candidates elected thereafter shall serve terms of three years.

4 (f) Subsequent elections for councilors under this section shall
5 be held annually on a date prescribed by the commissioner.

6 (g) Vacancies on a council shall be filled for the unexpired term
7 by a majority of the remaining councilors. Vacancies shall be declared
8 if a councilor ceases to be a qualified voter of the borough or upon
9 his death, resignation or recall from office as provided by law.

10 (h) The commissioner shall conduct elections under this section
11 in substantially the manner prescribed for borough elections under
12 AS 07.10.120(d). The department shall pay costs of the elections.

13 Sec. 44.48.070. FUNCTIONS OF REGIONAL COUNCIL. A regional council
14 shall

15 (1) prepare, review and approve the budget of the regional
16 unorganized borough; or review and approve the budget for the borough
17 prepared for it by the department as provided in sec. 80(e) of this
18 chapter;

19 (2) coordinate federal and state activities with regional
20 and local programs;

21 (3) review and approve all state agency plans which affect
22 the development and welfare of the borough;

23 (4) prepare and submit to the department the priorities and
24 needs of the communities and people living in the borough;

25 (5) employ and compensate necessary staff;

26 (6) have powers conferred under AS 07.05.020;

27 (7) have zoning authority for the purpose of AS 07.05.040.

28 Sec. 44.48.080. REGIONAL AND COMMUNITY AFFAIRS FUND. (a) There
29 is in the department a regional and community affairs fund consisting

1 of funds dedicated under this chapter.

2 (b) There is hereby dedicated to the fund for each fiscal year
3 40 per cent of all state revenues received during each fiscal year
4 from the sale, lease, or other disposition of a natural resource or
5 asset, except that no receipts from any state tax or license within
6 the meaning of Art. IX, Sec. 7 of the state constitution shall be dedi-
7 cated to the fund unless that section is repealed or amended. Revenues
8 dedicated under this section include any revenues received after
9 June 30, 1969. The legislature shall appropriate to the fund sums
10 dedicated under this subsection.

11 (c) The commissioner shall establish separate accounts for each
12 borough whether organized or unorganized. Half of the fund shall be
13 designated part A. The remaining half of the fund shall be designated
14 part B. The commissioner shall allocate a share of part A to each
15 borough in the proportion that the population of the borough bears to
16 the total population of the state. All of part A shall be so distri-
17 buted. Part B shall be allocated in the following manner: For each
18 borough where the average per capita income is less than the average
19 per capita income of the state, the income deficiency shall be calcu-
20 lated. The income deficiency shall be the amount by which the total
21 income earned in the borough is less than the total income that would
22 have been earned in the borough had the average per capita income in
23 the borough been equal to the average per capita income in the state.
24 If the sum of the income deficiencies of all boroughs having an income
25 deficiency is more than part B, then the whole of part B shall be
26 allocated to the accounts of the boroughs having income deficiencies
27 so that each shall receive an amount having the same ratio to part B
28 as the income deficiency of each borough has to the sum of the
29 deficiencies of all boroughs having income deficiencies. If the sum

1 of the income deficiencies is less than part B, then the commissioner
2 shall distribute to the account of each borough having an income de-
3 ficiency an amount equal to this deficiency. In that case, the
4 remainder of part B shall be distributed among all boroughs on the basis
5 of population in the same manner as prescribed in this subsection for
6 part A.

7 (d) The commissioner of health and welfare shall annually furnish
8 estimates of the population of boroughs established under this chapter,
9 and such estimates shall be used for calculating apportionments of
10 funds under this section.

11 (e) In the case of regional unorganized boroughs having a duly
12 elected regional council, the council may prepare a budget for the
13 expenditure of the money allocated to the account of the borough; in
14 the case of a borough which has no regional council, or in the case
15 of a council which elects not to prepare a budget, the department shall
16 prepare the budget and, if a council has been elected, submit it to
17 the council for approval. If no council has been elected, or a council
18 elects not to administer the budget, the department shall administer
19 the expenditure of money under the approved budget. There shall be a
20 separate budget for each calendar year.

21 (f) There shall be a reserve of 10 per cent of the amount in the
22 account allocated to each unorganized borough. The reserve shall be
23 paid to municipalities within the borough in proportion to their
24 respective populations at the same times as the money is paid to the
25 borough.

26 (g) The department shall pay, with the money in the account allo-
27 cated to each regional unorganized borough, administrative or organiza-
28 tional costs incurred in the development and preparation of boroughs,
29 regional councils, budgets, priorities and needs lists, and other

1 expenses related to the purposes of this chapter.

2 (h) In (c) and (f) of this section and sec. 90 of this chapter

3 (1) "income" means remuneration paid by an employer to an
4 employee which qualifies as insured wages under the Alaska Employment
5 Security Act, except that the term excludes income earned by persons
6 whose primary place of employment is a military installation or reserva-
7 tion, or a facility of the Atomic Energy Commission;

8 (2) "municipalities" means cities of any class, villages
9 having a council under the Federal Indian Reorganization Act, and all
10 other villages having a democratically-elected council or other body
11 which undertakes one or more governmental functions;

12 (3) "population" means the civilian (nonmilitary) popula-
13 tion as of June 30 of a given year.

14 Sec. 44.48.090. OTHER MONEY. Money appropriated to the fund
15 under this chapter shall be in addition to other state or federal pro-
16 grams of assistance which may be available on and after the effective
17 date of this Act to the residents of organized or unorganized boroughs.
18 The entitlement of boroughs, cities, municipalities, villages, or other
19 governmental entities to funds for the purposes of education, housing,
20 water and sewerage systems, or other programs of any nature whatsoever,
21 shall not be diminished or reduced by virtue of their entitlement to
22 money under this chapter.

23 Sec. 44.48.100. RIGHT TO LAND SELECTION. Regional unorganized
24 boroughs having a duly elected regional council may exercise the power
25 of land selection conferred on organized boroughs under AS 07.10.150.

26 Sec. 44.48.110. REGULATIONS. The department may promulgate
27 regulations to carry out the purposes of this chapter.

28 Sec. 44.48.120. DEFINITIONS. In this chapter, unless the context
29 requires otherwise,

1 (1) "commissioner" means the commissioner of regional and
2 community affairs;

3 (2) "department" means the Department of Regional and
4 Community Affairs;

5 (3) "fund" means the regional and community affairs fund.

6 * Sec. 2. (a) There is hereby transferred to the Department of Regional
7 and Community Affairs all the functions, powers, and duties of the Local
8 Affairs Agency (AS 44.19.180 - 44.19.240); the Rural Development Agency
9 (AS 44.19.580 - 44.19.620); the Alaska planning and research division
10 (AS 44.19.870 - 44.19.881); and the planning assistance authority of the
11 Alaska State Housing Authority specified in AS 18.55.970 - 18.55.990.

12 (b) The Rural Affairs Commission (AS 44.19.720 - 44.19.728) and the
13 Local Boundary Commission (AS 44.19.250 - 44.19.340) are assigned to the
14 department.

15 (c) Except as may be otherwise expressly provided in this chapter,
16 powers, duties and functions conferred by this chapter are cumulative, in
17 addition to, and not in derogation of, powers, duties and functions other-
18 wise existing or vested in agencies which are assigned, or whose powers,
19 duties, and functions are transferred to the department under this
20 section. All rules, regulations, orders, authorizations, delegations, or
21 other actions duly issued, made, or taken under applicable law, before the
22 effective date of this Act, by any agency, officer, or office with respect
23 to any of the functions, powers, and duties transferred by this section
24 shall continue in full force and effect until amended, modified, repealed
25 or rescinded by the commissioner or his authorized delegate as may be appro-
26 priate in accordance with existing law.

27 (d) Appropriations, records, equipment and other property of agencies
28 designated in (a) and (b) of this section are transferred to the department.

29 * Sec. 3. AS 07.05.010 is amended to read:

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Sec. 07.05.010. ESTABLISHMENT. All areas in the state which are not within the boundaries of an organized borough are established as regional unorganized boroughs in accordance with the provisions of AS 44.48 [CONSTITUTE A SINGLE UNORGANIZED BOROUGH].

* Sec. 4. AS 07.05.020 is repealed and re-enacted to read:

Sec. 07.05.020. SERVICE AREAS. The legislature authorizes the regional council of each regional unorganized borough, or the Department of Regional and Community Affairs in regional unorganized boroughs having no duly elected council, to establish, alter, or abolish service areas within the unorganized borough to provide special services, which may include but are not limited to, schools, utilities, land use regulations, and fire protection, but excludes power to assess, levy or collect taxes. A new service area shall not be established if the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city.

* Sec. 5. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.