1971-1972

HOUSE LOCAL GOVERNMENT

LIST OF FILES (PAGE 1)

STATUS REPORT (LIST OF BILLS REFERRED TO COMMITTEE)

HB 32

HB 43

HB 52

HB 58

HB 81

HB 86

HB 94

HB 96

HB 112

HB 119

HB 130

HB 135

HB 158

HB 161

HB 175

HB 182

HB 187

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HB 204

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HB 264

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HOUSE LOCAL GOVERNMENT

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HB 312

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HB 401

HB 402

HB 423

HB 429

HB 456

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HB 488

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HB 524

HB 552

HB 564

HB 582

HB 588

HB 596, HB 597, HB 598

HB 600

HB 615

HB 643

HB 644

HB 664

1971-1972

HOUSE LOCAL GOVERNMENT

LIST OF FILES (PAGE 3)

HB 716

HB 761

HB 785

HB 790

HB 802

HCR 4

HJR 59

SB 53

SB 82

SB 101

SB 113

SJR 20

HSE

LOCAL

GOV'T

STATUS
RPT.

BILL NO.	DATE	Journal PAGE	TITLE	SPONSOR	Committee FURTHER REFERRALS
HB 6	1/12/71	10	Local service roads	Colletta	Finance
HB 20	1/12/71	12	Business License Act	Orbeck	Finance
HB 31	1/12/71	14	Business License Act repeal	Harris,2D	Finance
HB 41	1/12/71	16	Tidelands acquisition	Banfield,2D	Res. Jud.
HB 43	1/13/71	21	Tax exemption/pollution	Colletta	Finance
HB 46	1/13/71	21	Business Lic. Act amending	Colletta	Finance
HB 81	1/19/71	58	Dept. Regional Com. Aff.	Whittaker	St.Aff. Fin.
HB 85	1/20/71	66	Business Lic. Act, amending	McVeigh,1D	Finance
HB 89	1/20/71	66	Flood control, Chena	Huber,7D,2R	St.Aff. Fin.
HB 92	1/22/71	81	Local service roads,trails	Kerttula	St.Aff Fin.
HB 93	1/22/71	81	DeptHwys.local roads,appro	Kerttula	St.Aff. Fin.
HB 95	1/22/71	81	Municipal Bond Auth. appro.	Whittaker	St.Aff. Fin.
HB 96	1/22/71	81	Rents, excluding sales tax	Whittaker	Finance
HB 112	1/28/71	113	Dept. Community Aff.estab.	Rules/LC	St.Aff. Fin.
HB 135	2/3/71	159	Senior citizens/tax exempt	Whittaker	Finance
HB 175	2/12/71	228	Local taxation,classifica.	Haugen/Req.	St.Aff. Jud.
HB 195	2/18/71	263	Fire fighting/outside tax a.	Bowman	--
HB 207	2/22/71	283	Pub.Utilities Comm Act.	Rose,7D	Commerce
HB 214	4/14/71	841	Powers/2nd,3rd boroughs	Huber	--
HB 257	3/4/71	368	Borough assemblies	Tillion/Req.	Judiciary
HB 261	3/4/71	368	Local Gov't.bonded debt	Randolph,4R,1D	Finance
HB 280	3/5/71	387	Property tax, limiting	Holm	Judiciary
HB 285	4/5/72	669	Tax exempting/certain foods	Whittaker	---
HB 286	4/3/72	652	Tax exempting/Low-income housing	Whittaker	---
HB 332	3/19/71	518	Municipal tax	Guess,1D	Judiciary
HB 401	4/7/71	725	Business license tax	Commerce Com.	--
HB 450	4/24/71	1007	Alcohol,hours sale	Harris	St.Aff.
HB 456	4/30/71	1099	Borough/planning, zoning	Specking/Req.	--

BILL NO.	DATE	PAGE	TITLE	SPONSOR	FURTHER REFERRALS
HB 460	5/4/71	1134	Tax oil & gas properties	Fink	Res. Fin.
HB 470	5/11/71	1248	Bonded indebt. payment	Huber	Finance
HB 474	1/10/72	10	Taxing real property	Kerttula,3D	Judiciary
HB 520	1/14/72	39	Local Aff. Anchorage, appro.	Rules/Gov.	Finance
HB 597	2/7/72	197	Property tax assessment etc.	Rules/Gov.	Finance
HB 615	2/10/72	244	Business License Tax	L.G.Comm.	Finance
HB 616	2/10/72	245	Annexing to cities	Rose	Judiciary
HB 641	2/14/72	276	Rural Dev/construction,repair and maint. of buildings	Moore,2D	Finance
HB 656	2/14/72	279	bond/multipurpose complexes	Moore,2D	Finance
HB 660	2/14/72	280	governance/unorganized boro	Fischer,1D	StateAffs.
HB 672	2/14/72	289	urban rehabilitation proj.	Bradner,2D	Finance
HB 673	2/14/72	289	Housing renewal etc.	Bradner,2D	Finance
HB 720	3/3/72	448	Boroughs/incorporation	State Aff.	St.Aff. Jud.
HB 746	3/20/72	541	Business lic fee/credit	Commerce	Finance
HB 752	3/22/72	559	Public Defender	Judiciary	Judiciary
HB 761	3/27/72	600	Tidelands/occupies	L.G.Comm.	---
HB 785	4/7/72	692	Lost River City	L.G.Comm./Req.	---
HB 786	4/7/72	692	Cities,development	Rules/Req.	---
HB 790	4/11/72	716	Boundaries/loc governments	Rules/Gov.	---
HB 791	4/11/72	717	Public ed. powers	Rules/Gov.	HWE

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HJR 94	1/28/72	126	Boundaries, Kotzebue	L.G.Comm.	--
HJR 97	1/28/72	126	Boundary/"Chena"	L.G.Comm.	--
HJR 98	1/28/72	126	Boundary/Barrow	L.G.Comm.	--
HJR 99	1/28/72	127	Boundary/Ambler	L.G.Comm.	--
HJR 110	2/10/72	244	Constitution/annexation	Rose	Judiciary
HJR 116	2/14/72	274	amend/state constitution	Fischer	State Affs.
			HOUSE CONCURRENT RESOLTUIONS		
HCR 3	1/12/72	15	Business Licens Tax, wholeslrs.	Colletta,1D	St.Aff.

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			SENATE BILLS		
SB 159	4/12/72	772	Municipal tax assessment review	Croft,1D,1R	---
SB 431am	5/12/72	1185	Tax exemption for prevention air and water pollution	S. L.G. Comm.	Fin.
SB 23	5/17/72	1249	Rural Development Agency	Hammond	---
			SENATE JOINT RESOLUTIONS		
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SCR 6	2/17/72	312	Re. state aid to local governments	Merdes	---

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			SENATE CONCURRENT RESOLUTIONS		
SCR 6	2/17/72	312	Re. state aid to local governments	Merdes	---

HB
32

Alaska State Legislature

House

JUNEAU ALASKA

June 9, 1972

Mr. Keith Stell
Route 2, Box 777
Juneau, Alaska 99801

Dear Keith:

Sometime ago you were good enough to write to me relative to House Bill 32, which I sponsored in conjunction with a number of other representatives. I am delighted to tell you that this bill -- which authorizes much-deserved longevity pay increases to long-time state employees stuck in Step F -- passed the House Wednesday by a very comfortable margin of 36 to 3. The bill is now in the Senate and I am optimistic for passage.

Again, many thanks for your concern and support.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

Alaska State Legislature

House

JUNEAU ALASKA

June 9, 1972

Mrs. Margaret Speer
Douglas, Alaska

Dear Mrs. Speer:

Sometime ago you were good enough to write to me relative to House Bill 32, which I sponsored in conjunction with a number of other representatives. I am delighted to tell you that this bill -- which authorizes much-deserved longevity pay increases to long-time state employees stuck in Step F -- passed the House Wednesday by a very comfortable margin of 36 to 3. The bill is now in the Senate and I am optimistic for passage.

Again, many thanks for your concern and support.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

Alaska State Legislature

House

JUNEAU ALASKA

June 9, 1972

Mr. Boyd A. Karrer
209 N. Franklin Street
Apt. #2
Juneau, Alaska 99801

Dear Boyd:

Sometime ago you were good enough to write to me relative to House Bill 32, which I sponsored in conjunction with a number of other representatives. I am delighted to tell you that this bill -- which authorizes much-deserved longevity pay increases to long-time state employees stuck in Step F -- passed the House Wednesday by a very comfortable margin of 36 to 3. The bill is now in the Senate and I am optimistic for passage.

Again, many thanks for your concern and support.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

Alaska State Legislature

House

JUNEAU ALASKA

June 9, 1972

Ms. Ruth M. Cryan
R.R. 4, Box 4545-15
Juneau, Alaska 99801

Dear Ms. Cryan:

Sometime ago you were good enough to write to me relative to House Bill 32, which I sponsored in conjunction with a number of other representatives. I am delighted to tell you that this bill -- which authorizes much-deserved longevity pay increases to long-time state employees stuck in Step F -- passed the House Wednesday by a very comfortable margin of 36 to 3. The bill is now in the Senate and I am optimistic for passage.

Again, many thanks for your concern and support.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

Alaska State Legislature

House

JUNEAU ALASKA

June 9, 1972

Mr. Ward Lamb
331 Gastineau #1
Juneau, Alaska 99801

Dear Mr. Lamb:

Sometime ago you were good enough to write to me relative to House Bill 32, which I sponsored in conjunction with a number of other representatives. I am delighted to tell you that this bill -- which authorizes much-deserved longevity pay increases to long-time state employees stuck in Step F -- passed the House Wednesday by a very comfortable margin of 36 to 3. The bill is now in the Senate and I am optimistic for passage.

Again, many thanks for your concern and support.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

Form 02-002
Formerly SA-2

STATE OF ALASKA
Inter-Department Route Slip

TO:
DEPT.: Legislature

ATTN.: Representative Mike Miller

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

From:
Dept.: Administration **Date** 1-25-73

By: Ed Bradley

The Legislature of the State of Alaska
FISCAL NOTE
Second Session -- Seventh State Legislature

I. REQUEST

Bill Identification: HB-32
Title: State Employee Pay Increments
Requested by: Legislative Finance Date: 1/11/72
Return Date Requested: 1/21/72
Agency: Budget and Management Program:

II. FISCAL DETAIL

Budget Request Unit(s) Affected:

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100	PERSONAL SERVICES	423.2	486.7	559.7	643.7	740.2	851.2
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	423.2	486.7	559.7	643.7	740.2	851.2

B. FUNDING: (Thousands of dollars)

GENERAL FUND	338.6	389.4	447.8	515.0	592.2	651.0
FEDERAL FUNDS	84.6	97.3	111.9	128.7	148.0	200.2
OTHER						

C. POSITIONS: -0-

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. ATTACHMENTS

Memorandum - R. W. Freer from M. R. Charney - January 22, 1971

V. DATE: January 25, 1972 PREPARED BY: M. R. Charney

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

MEMORANDUM State of Alaska

TO: Richard M. Freer, Deputy Commissioner
Department of Administration

DATE : January 22, 1971

FROM: K. R. Charney, Director
Division of Budget & Management
Department of Administration

SUBJECT: House Bill 32,
Pay Increments for Longevity
in State Service

ESTIMATED COSTS

The cost implications of HB 32 (Section 39.27.050. PAY INCREMENTS FOR LONGEVITY IN STATE SERVICE) are as follows:

TOTAL ESTIMATED COSTS

CURRENT Schedule 71-74

Fiscal Year	Current Salary Schedule	Proposed Salary Schedule (Annual Salary Survey)
FY 1971-72	$395,500	$423,200
FY 1972-73	454,800	486,700
FY 1973-74	523,000	559,700
FY 1974-75	601,500	643,700
FY 1975-76	691,700	740,200
76-77		851,200

GENERAL FUND REQUIREMENTS @ 70%

FY 1971-72	$316,400	$338,600
FY 1972-73	363,800	389,400
FY 1973-74	418,400	447,800
FY 1974-75	481,200	515,000
FY 1975-76	553,400	592,200
		681,000

ANALYTICAL PROCEDURES

1. The total number of state employees at Step "F" in December 1970 was determined based upon information received from the Division of Personnel.

2. The total number of "F" step employees in each salary schedule was determined. This was accomplished by prorating the number of "F" positions to each salary schedule based upon the actual FY 1970 distribution of total positions in each salary schedule. This procedure was necessary since the actual data is not presently available.

3. The total current cost for "F" step employees was computed.

4. The annual rate of increase in the number of employees at "F" step was determined. The information source drawn upon has only been available since July 1970, so a conservative estimate of 15% annual increase was used rather than the 19.2% increase indicated by the past six months.

5. The FY 1971-72 projected total cost for "F" step employees was computed (Current cost plus 15% annual increase).

6. The total estimated cost of the 3.75% longevity increment was computed based upon the present salary schedule. It was estimated by the Division of Personnel that 50% of "F" step employees would qualify for the increment in FY 1971-72.

7. The total estimated cost of the increment was also computed based upon the salary schedule proposed by the Annual Salary Survey.

8. General Fund requirements were computed at 80% of the total estimated cost.

It should be noted that this analysis is limited to cost implications only. There are personnel and salary schedule implications that should be considered. Among these are:

1. What are the implications in regards to the integrated salary schedule concept?

2. What are the implications for employees who began service in an advanced step?

3. What are the implications in relation to promotional policy, procedure, and cost?

For these and other reasons, it is suggested that an analysis of the personnel and salary schedule implications be conducted by the Division of Personnel.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

FISCAL ANALYSIS OF H.B. No. 32 — "PAY INCREMENTS FOR LONGEVITY IN STATE SERVICE"

ESTIMATED COSTS

APPENDIX — A.1

Step ③ PRESENT COSTS AT STEP "F"

							I	A	J	II	C	L	TOTAL
							71880	22856		7740	16056	8328	126360
							255420	16056	8328	8328		44820	332952
							511320	25700		26892	46500	48240	658372
							324416	9300		9645		41568	484929
							234163			20784	32364		487306
							519600	10748		55980	11616	24096	622040
							415730	34845		36144	75024	38916	600659
							502430	27512	12972	155664		13968	712546
							1795276	67320		321264	70480	150360	2336700
							623560	72480	30072	60144	93600	64152	944008
							1222660	109200		178068	50400	69696	1650024
							615144	50400		34848	54216	18744	773352
							1515828	70360	18744	187440		141288	1753720
							562820	19452		20184			602456
							1351408	20740			22836	23376	1318260
							479560			23376			502936
										20164			445932
													1509984
										22344			573168
										31404			201436
							453960						453960
													31404
													777740
							13295664	586132	70176	1,261416	447792	632152	16,773,072

STEP 4: Annual rate of increase for "F" step employees.

DATE	"F" STEP TOTAL
July 1970	1,031
December 1970	1,133
Six Month Increase	99 - 9.6%

Projected twelve month increase - 19.2%

Conservative estimate - 15%
(Reason: Relatively short period of time upon which calculations were based)

STEP 5: Projected costs "F" step FY 1971-72		Present Salary Schedule	Proposed Salary Schedule
Present cost at Step "F"	$16,377,072		
12% benefits	1,965,228		
Total present cost	$18,342,300		
Projected 15% increase in "F" step employees FY 1971-72	$ 2,751,300		
TOTAL COST "F" STEP FY 1971-72		$21,093,600	$22,570,200

STEPS 6 & 7: Total Estimated costs of 3.75% longevity increment

	Present Salary Schedule	Proposed Salary Schedule
Cost of 3.75% increment for all "F" step employees 1971-72	$ 791,000	$ 846,400
Less estimated 50% ineligible 1971-72	(395,500)	(423,200)
TOTAL ESTIMATED COST 3.75% increment 1971-72	$ 395,500	$ 423,200
PROJECTED INCREASED COSTS FOR FUTURE YEARS (@ 15% annual increase in number of employees eligible for 3.75% increment)		
FY 1972-73	$454,800	$486,700
FY 1973-74	523,000	559,700
FY 1974-75	601,500	643,700
FY 1975-76	691,700	740,200

STEP 3: Percent of General Fund classified positions that are federally funded.

DEPT.	CONTACT	FEDERAL FUNDS %	FEDERAL FUNDS AMOUNT
✓ Education	Nat Cole	35%	1,710,000
✓ State Operated Schools	Nat Cole	45%	10,470,000
✓ Health & Welfare	Roger Lange	15%	2,340,000
Labor	AC Gordon	80%	$ 1,500,000
Fish & Game	Vern Ratcliffe	5%	430,000
Military Affairs	Lois Richardson	60%	410,000
TOTAL GENERAL FUND PERSONAL SERVICES		16.8%	$ 20,590,000

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
March 11, 1971

Mr. Keith Stell
Route 2, Box 777
Juneau, Alaska 99801

Dear Keith:

Thanks so very much for your letter of March 9th and especially thank you for your support of House Bill 32.

Both the quality and quantity of your letters of February 23rd are superb and I am hopeful they will have a positive effect relative to the passage of this bill.

Again, many, many thanks and best personal regards.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

Mike write TU

March 9, 1971

Representative Mike Miller
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Mike,

Thank you for your introduction of House Bill No. 32. I appreciate the effort and thought and consideration you have given this bill.

I have sent personal letters to several Senators and Representatives with carbons to you concerning the bill for whatever good it will do. At any rate, I took the opportunity to put in my two cents as a State employee and I again thank you for your interest.

Sincerely,

Keith

Keith Stell

February 23, 1971

Senator Butrovich
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Butrovich:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of this recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

I am certain that we have some so called "dead wood" employees who have reached the F Step but I feel that by large the employees who are with us after six years are the dedicated, knowledgeable and experienced employees and they should be given recognition at least every two years for that fact. As for the "dead wood", if the bill becomes law we can say to them, "Say mister, how about getting to work and earning that two year increment that the State Legislature has thoughtfully provided you."

I believe that the psychology of this bill is sound and I believe that the State of Alaska should provide it's dedicated employees with goals and recognition to strive for in the remaining fourteen or fifteen years of service that they have with the State. To do otherwise is to almost forget about these employees and say to them that "you may go ahead and work but we are going to take it for granted that you will be here the remaining fourteen years."

Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Koslosky
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Koslosky:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of this recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

I am certain that we have some so called "dead wood" employees who have reached the F Step but I feel that by large the employees who are with us after six years are the dedicated, knowledgeable and experienced employees and they should be given recognition at least every two years for that fact. As for the "dead wood", if the bill becomes law we can say to them, "Say mister, how about getting to work and earning that two year increment that the State Legislature has thoughtfully provided you."

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Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Lewis
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Lewis:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of this recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Palmer
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Palmer:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of this recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Rettig
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Rettig:

This letter to you is for the express purpose of encouraging you to place youre legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of this recognition in the forms of the pay increment as set forth by Representative Miller would provide a positive impetus for their continue growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Hensley
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Hensley:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of this recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Ray
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Ray:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of the recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 8, 1972

Senator Thomas
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Thomas:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of the recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 8, 1971

Senator Groh
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Groh:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of the recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 8, 1971

Senator Merdes
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Merdes:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 8, 1971

Representative Holeman
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Holeman:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of the recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 9, 1971

Representative Degnan
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Dagnan:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 9, 1971

Representative Detman
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Detman:

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 9, 1971

Representative Warwick
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Warwick:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 9, 1971

Representative Wright
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Wright:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of the recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 9, 1971

Representative Fink
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Fink:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 9, 1971

Representative Haugen
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Haugen:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of the recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

Pouch V,
State Capitol
Juneau, Alaska
3/11/71

Mrs. Margaret Speer
Douglas, Alaska

Dear Mrs. Speer:

Your letter of March 1st is much appreciated as is your support for House Bill 32.

As I am sure you know, I am really anxious to see passage of this legislation and it will continue to receive my wholehearted support.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

Douglas, Alaska
March 1, 1971

The Honorable Mike Miller
Alaska State Represenative
State Affairs Committeeman
Pouch "Y"
State Capitol Building
Juneau, Alaska 99801

Dear Sir:

I refer to House Bill No. 32 which proposes a 3.75% increase in pay for those state employees who are in Step F. This increase to be effective every two years.

This plan represents an increase of but 1.87½% a year!

The adopted slogan of the Alaska State Employees is, "Merit must be the only Measure".

There cannot be any doubt that those employees "frozen" in Step F are in Step F due to the fact that they actually practiced this slogan, "Merit". Their daily performance is constantly "Measured" with integrity and diligence.

Recognition of MERIT please!

I cannot interpert Mr. Henri's statement. Quote -- "We do not -- until it's necessary to get on with the people's business". Is he asking for unrest - discontent - disinterest - the reverse of that of loyality and dedication?

I do hope you will continue to support House Bill No. 32 on behalf of the state employees in spite of all opposition. I am filled with remorse, that according to Mr. Henri, I must reverse my policy of dedication. In order to receive fair and honest regard, I must show unworthy characteristics that I may proove to Mr. Henri that a financial renumeration is necessary before I "get on with the people's business."

Sincerely,

Mrs. Margaret Speer

Mrs. Margaret Speer

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
March 29, 1971

Mr. Boyd A. Karrer
209 N. Franklin St.
Apt. #2
Juneau, Alaska,99801

Dear Mr. Karrer:

This is just a short note to acknowledge your letter of March 19th in which you present several thoughtful suggestions primarily in the area of state employee relations. As you are probably aware, I strongly support legislation which will give employees at least an 8% increase this year (and would have supported a higher amount if it had been possible to "sell" a higher percent in the House State Affairs committee).

In addition, I have sponsored House Bill 32, a copy of which is enclosed for your information. Again, many thanks for taking the trouble to acquaint me with your views.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

Enclosure:

1 copy of HB 32

March 19, 1971

State Representative Michael Reilly
State Senator Bill Ray.

This morning on the news report, I heard some recommendation regarding State Employee's pay raise, and I believe much, the recommendation was from the House Finance Committee.

One of the greatest fears many of us have in State employment is that experienced men will move in to take the place of the 45th. Have you considered the expenditures of this? I am sure not the same contract to over all of the employees. The classifications should be reviewed from top to bottom. This means eaton Rider positions with [illegible] to the new legislature where in progress, also to the point of some classifications being on strike pending further [illegible]. This would drastically create operating [illegible] department operations. If you think this is [illegible] I would like to talk with you. It's that way now in different departments, etc. [illegible]

I think a more effective plan that would be to eliminate the time and one half, which has created many problems. If the agencies were permitted to staff to a

reasonably functional call-back overtime abuse would be minimized again. 2nd shift differential is a necessity.

The thought of going to a 40 hour week isn't too likeable, but it may be practical.

Has any thought, serious thought, been given to raising the State income tax? I haven't seen any serious thought about it. This means everyone in the labor force would help pay the bills, not just the 9000 state employees who apparently are being used as political pawns.

In summary, if you want more decent labor practices in state government, let organized labor take over the state employees. They have done it in the past. Only the state of Alaska attempts to use them, not the legislature who controls the purse and economics of the 9000 state employees.

Frank A. Kaiser
209 N. Franklin, Apt 2
Juneau, 99801

March 31, 1972

Ms. Ruth M. Cryan
R.R. 4, Box 4545-15
Juneau, Alaska 99801

Dear Ms. Cryan:

I appreciate your letter of March 27 relative to HB 32. As sponsor of this bill, I certainly join you in feeling that this bill is not only the best interesteof long-term employees but in the best interest of the state as well.

At present this bill is under consideration by the House Finance Committee and we hope it will be available for consideration of the floor in the not-too-distance future.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

May 27, 1972
Rt 4 Box 4545-15
Juneau, Alaska 99801

Representative Mike Miller -

Dear Sir -

Please exert your influence to move bill HB 32 from the Finance Committee. Those of us interested in longevity pay are dedicated employees of the State of Alaska. Many of us are experts in this or that line of work. Passage of this bill would certainly be an incentive to us all.

Thank you.

Sincerely yours,
Pat McGuan, Dir. of Finance
Department of Administration

April 10, 1972

Mr. Ward Lamb
331 Gastineau #1
Juneau, Alaska 99801

Dear Mr. Lamb:

Thanks so much for your recent letter and your thoughts on HB 32. I was particularly interested in your statement that if there is a longevity pay bill passed, it should authorize longevity increases only for those employees whose work quality would ordinarily entitle them to merit increases. This provision is definitely a part of the bill that the House Finance Committee is considering.

You might be interested to know that about 20 per cent of all state employees are in Step F. The majority of these, because of educational and/or experience requirements, will not qualify for reclassification to higher graded jobs. Even under the terms of HB 32, they will not qualify for frequent longevity increases, but at least they will do so occasionally, which I believe should act as a continuing stimulus for meritorious work standards.

Incidently, the Dental Insurance Bill has been passed out of State Affairs Committee and is under consideration by the Finance Committee. Increased retirement benefits have also passed through State Affairs and are awaiting consideration by the Finance Committee. I am hopeful for passage of all of these bills.

Again, thank you for taking the time to advise me of your thoughts.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

3-28-72

Representative Mike Miller
Pouch V, Juneau

Dear Mr. Miller:

This is in response to your report on HB 32, longevity, in the ASEA legislative report.

Probably because I am a relative newcomer to Alaska State Service, level 20, step B, I cannot invest myself into the need for longevity pay & your concern for it. However, I will not proffer my dissent to the legislators that you suggest we write to encourage this bill. So, you can "cash can" this letter & be assured that I will be no damper to this initiative.

Only 2 of my staff of 15 (including me) are at the step F level, and I have gotten no indication from these two that they feel underpaid in relation to other, more recent hires in their class.

I was glad last year when the minimum State salary was raised, as I think those in lower salary ranges are the ones who need increases -- more increases. I though, I'll admitt that I made no effort to help them gain this.

And I encourage efforts to increase re-

tirement benefits. This, to me, is a better way to recognize long + faithful service.

Another way to put it is that one on my level in the first Step of #1466 probably doesn't have any less expenses than one in the top step of that level. And I do not think that one in his sixth or seventh year is necessarily more valuable than one in his 4th or fifth.

In essence I believe that if there is any longevity pay that it should be directly connected with merit -- unusual or superb performance.

At the same time I believe that one on the level & beginning step is more in need of financial upgrading than one on the top level of that step. Because that's a subsistance level salary.

Dental insurance is fine, especially for those on lower levels, who can ill-afford this expense from their own pockets. But I don't personally feel any need for it.

Sincerely yours,
Ward Fauble
331 Gastineau #1

HB
43

TELEGRAM

1972 APR 27 PM 6 26

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6540
JUNEAU, ALASKA 99801

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KODIAK ALASKA 27

HONORABLE MIKE MILLER, CHAIRMAN, LOCAL GOVERNMENT COMMITTEE

JUN 2606

I WOULD APPRECIATE VERY MUCH THE SETTING UP OF HEARINGS REGARDING HB43. THIS BILL IS OF GREAT INTEREST TO US.

THANK YOU.

BIX BONNEY, PRESIDENT, B AND B FISHERIES

HB43.

File

Producers of D[redacted]SOLVING PULP



KETCHIKAN PULP CO[redacted]NY

P.O. BOX 1619 KETCHIKAN, ALASKA 99901 U.S.A.

EDWARD W. BORGEN, Sr.
Legislative Representative

April 12, 1972

The Honorable Mike Miller
Chairman
Local Government Committee
Alaska State House of Representatives
Pouch V - State Capitol
Juneau, Alaska 99801

re: HB 43

Dear Representative Miller:

With increased activity in environmental control, both at the State and Federal levels, most of the extractive industries in Alaska are faced with the task of purchasing and installing expensive equipment in order to comply with anti-pollution regulations.

House Bill 43, "An Act relating to tax exemptions for the prevention of air and water pollution," may offer a means of so[redacted] financial relief in those cases where a council or assembly may choose to allow such exemption, and we trust that you, and your committee, will find merit in our suggestion.

We have discussed HB 43 with people acquainted with both the forestry and fisheries industries in Petersburg, Wrangell, Sitka and Kodiak, and the opinions expressed lead us to believe that others share our views on the matter. It would be sincerely appreciated if you could find time to schedule hearings on HB 43 so these views may be aired.

Respectfully yours,

KETCHIKAN PULP COMPANY

Edward W. Borgen

Edward W. Borgen, Sr.
Legislative Representative

EWB/kd

cc: Local Government Committee Members
Honorable Mike Colletta (Bill Sponsor)

FILE

March 9, 1971

Rep. Mike Colletta
House of Representatives
Senate Office Building
Juneau, Alaska.

cony to Mike C.

Dear Representative Colletta,

I am very much in favor of your bill, H.B. No. 43, which relates to tax exemptions for the prevention of air and water pollution. I would also favor the passage of your bill over the one proposed by Senator Josephson because your bill would challenge investigation and solution seeking on the part of possible large or small pollution offenders. It would help others to devise ways to solve their pollution problems. Senator Josephson's bill on the other hand is ready to wield a big stick over environmental offenders before we have even given everyone the option of at least making a choice to pollute or not to pollute.

If often offering tax exemptions, we find the environment is still being polluted, then perhaps Sen. Josephson's bill - to punish, - would

the appropriate!

Thank you

Mrs E. B Cuttenden (Kel)

1575 7 st

Cenebonge

Alaska.

Tax Incentives Don't Stop Pollution

by Arnold W. Reitze and Glenn Reitze

Federal and state tax incentives designed to help in the fight against pollution are fiscal carrots that don't work. They are expensive, and they are soft on pollution. Tax incentives fail because they do not give industry an incentive to invest in nonproductive facilities, they apply only to physical devices, they provide the public no gain to offset the revenue loss, they are of advantage only to wealthy firms, and they shift the burden of reducing pollution to the general public.

THE STICK is more effective than the carrot: No man will spend $10 to bring himself a benefit simply because the government promises to return $5. Tax incentives are fiscal carrots. They are extremely expensive, but soft on pollution.

Until now the state and federal pollution control programs have been a disappointment to those who seek some improvement in our air and water.[1] Nevertheless, several thousand bills pertaining to pollution control have been introduced in Congress and state legislatures during the past several years.[2] Many of them offer little to control pollution; rather they extend tax incentives as rewards to polluters.[3]

In theory, these rewards eliminate pollution. In practice, they are ineffective and in many cases even discourage pollution control by promoting expenditures for the wrong things at a substantial cost to the public. In addition, government agencies that should be enforcing current pollution control regulations must devote their energies to processing increasing quantities of tax incentive applications.[4]

The federal law containing the major specific tax incentive for pollution control was passed in 1969, when the Tax Reform Act added Section 169 to the Internal Revenue Code. That section permits rapid (sixty-month) depreciation allowances for pollution-control hardware.

The bill's predecessor, no longer in effect for new investments, was Section 38 of the Internal Revenue Code, added in 1962. This section permitted a deduction directly from a firm's taxes of 7 per cent of the expenditure for pollution-control equipment, subject to certain varying restrictions.[5]

According to one authority, by March, 1970, at least thirty-one states had placed antipollution incentive provisions in one or more of their principal revenue-producing laws.[6]

All these incentive provisions, state and federal, provide rapid depreciation or forgiveness from property, income, sales and use, or franchise taxes. Their one key effect is to shift the cost of compliance with government pollution limitations from individual polluters to the taxpayer.

In addition, there apparently is widespread misuse (permitted by lax or overworked government officials) of tax incentive laws to purchase equipment that does not serve to improve the environment. A substantial part of the

1. The federal air pollution program has been criticized in Reitze, *The Role of the Region in Air Pollution Control*, 20 CASE W. RES. L. REV. 809 (1969), and the federal water pollution program in *Wastes, Water, and Wishful Thinking: The Battle of Lake Erie*, 20 CASE W. RES. L. REV. 5 (1968) See also, Reitze, *Environmental Pollution Control, Why Has It Failed?* 55 A.B.A.J. 923 (1969).

2. Thirty-nine bills directly related to the environment were introduced in the House during the period January 23-30, 1969. Fifteen months later, during "Earth Week", forty-two bills were introduced between April 23 and 30, 1970.

3. Bills have been proposed and many have become law to give relief from sales and use taxes, property taxes (real and tangible personal), fuel taxes, franchise taxes and income taxes. Benefits include fast write-offs, tax credits, and exemption from taxation.

4. In Ohio, a typical industrial state, the number and monetary value of pollution control exemptions granted have been increasing substantially each year. In the three years between January, 1966, and the end of 1969, Ohio received 148 exemption applications for purchases listed at $64.7 million. In the first half of 1970, there were thirty-eight applications for purchases totalling $31.98 million.

5. This section was temporarily suspended from October 10, 1966, to March 9, 1967. Certain water and air pollution facilities were exempted. INT. REV. CODE OF 1954, § 48(h) (12).

6. McNulty, *State Tax Incentives To Fight Pollution*, 56 A.B.A.J. 747, 748 (1970).

pollution control equipment being sold today and receiving tax credit reportedly is used to clean water coming into a plant for use in manufacturing rather than for controlling waste discharges.[7]

Tax incentives of this sort—which reward rather than punish those receiving the incentive (the latter may be referred to as negative tax incentives or tax penalties)—obviously cut government revenue. The key to determining the value of positive tax incentives, therefore, lies in evaluating the benefits to be gained by the government (public) in return for revenue lost.

Benefits that would be gained regardless of the tax incentive clearly must be excluded from the list of benefits gained in exchange for the loss. Thus, pollution expenditures made to comply with federal, state and local health or pollution laws cannot be considered public benefits gained by granting tax incentives, although businesses received that aid. This clarification will permit many a tax incentive to be seen for what it is—a subsidy rather than an exchange of tax forgiveness for desired behavior.[8]

The potential cost of even the present federal tax incentive programs for pollution control, if maintained, is immense, but it is virtually impossible to estimate with precision. Government officials predict expenditures by industry in the next five years of $3.3 billion for water pollution control, another $2 billion for thermal pollution prevention and $2.6 billion for control of four major air pollutants in one hundred metropolitan areas.[9] Additional solid waste disposal expenditures can bring the total to $10 billion.

These estimates are comparatively conservative. Yet, even without additional federal tax incentive legislation of this sort, the Federal Government's revenue loss with those expenditures could be a billion dollars per year.[10] The loss to state governments, with their many similar laws, is not included. For example, the loss of revenue to Ohio from air pollution exemptions alone in 1970 is estimated to be $6.3 million, according to the Research and Statistics Section of the Ohio Department of Taxation.

Other estimates of industry expenditures for pollution control equipment during the next five years center around $32 billion.[11] Bank of America Senior Vice President Alan K. Brown recently put the figure at $80 billion to $95 billion.[12]

The public sector loss, even under the low ($1 billion annual) federal tax loss estimate, is about eleven times what the Department of Health, Education and Welfare spends on all its air pollution control programs ($94.2 million).[13]

Even if we accept the projected federal revenue loss of $115 million in 1974, as estimated by the Senate Finance Committee in its report to accompany the Tax Reform Act of 1969, we still have a considerable loss when compared with federal antipollution expenditures.[14] But this estimate is based on a level of expenditure that would never control pollution.

Despite their cost, tax incentives fail to control pollution. The most basic reasons are five:

1. Unprofitability. They fail to give an incentive to invest in nonproductive facilities regardless of the lessened cost of those facilities.

2. Badly Aimed. As used today, they give credit for physical devices that often are only a small part of pollution control (switching fuel can often be far more significant) and give credit for facilities regardless of their effectiveness in controlling pollution.

3. No Public Gain. They pay for pollution control facilities required by other laws, bringing no gain to the public in exchange for the tax loss and lessening funds for governmental pollution control, among other things.

4. Reverse Robin Hood. They increase general taxes through tax burden distribution and provide substantial tax write-offs to wealthy corporations having the least need of public assistance to eliminate their pollution. Yet they fail to aid small and medium-sized companies unable to purchase required pollution control equipment.

5. Pricing Quackery. Because pollutions costs are shifted to the general public, sales prices do not reflect a product's true cost to society. The sales price does not reflect the propensity for environmental harm during a product's manufacture, use or disposal. The true costs to society are masked.

The categories, of course, overlap considerably.

The existence of the philosophy of pollution control through rewards to polluters, moreover, gives rise to a convenient analogy, which may or may not be a key factor, for making additional rewards. An example is the charge in John Esposito's study on air pollution that, when Los Angeles sought more low-sulphur fuel oil, the political price was a change in federal oil import regulations to allow refiners who produce low-sulphur residual fuel oil to import an additional barrel of foreign crude oil for each barrel of low-sulphur residual oil produced. To the oil firms, this reportedly is worth about 90¢ a barrel, and the companies involved thereby gain between $20,000 and $50,000 a day in return for producing the low-sulphur residual fuel for the West Coast states. Slightly less than half this sum, the report added,

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7. BUSINESS WEEK, October 4, 1969, at 118.

8. For a criticism of tax exemptions in general, see Reitze, *Real Property Tax Exemptions in Ohio—Fiscal Absurdity*, 18 W. RES. L. REV. 64 (1966).

9. ENVIRONMENTAL QUALITY, FIRST ANNUAL REPORT OF THE COUNCIL ON ENVIRONMENTAL QUALITY 43, 72 (1970).

10. By contrast, the estimated federal funding for pollution control and abatement was $1,290,900,000 in fiscal year 1970 obligations. *Id.* at 320.

11. The Wall Street Journal, August 10, 1970, page 1.

12. B.N.A. Env. RPTR., August 28, 1970, at 467.

13. *Supra* note 9, at 320.

14. S. REP. No. 91-552, to accompany H.R. 13270, 91st Cong., 1st Sess. 646 (1969). Naturally those in favor of tax incentive legislation give lower estimates of tax losses. Section 169 has been estimated to have a maximum annual cost of only $120 million, an amount which could be reached by expenditures of one tenth of the amount needed for pollution control. See remarks of Senator Russell B. Long, 115 CONG. REC. S16206 (December 9, 1970).

goes to Union Oil of California and to Atlantic Richfield for doing precisely what they had been doing all along.[15]

Unprofitability of Pollution Control Affects Incentives

It is the inherent unprofitability of most pollution control that makes tax incentives meaningless as a method of stimulating investments in it. Labor relations, government regulatory actions, marketing considerations, antitrust problems and a host of other variables play their parts in investment decisions. But these variables should not obscure the fact that tax incentives give no incentive to invest in nonproductive facilities or operations.

For an investment with a productive potential, a tax incentive could reduce the cost so that the potential profit is realized. But very few pollution control investments have any profit potential, and therefore that possibility is remote.

The few profitable pollution control investments have received much publicity. Yet even this category of pollution-control investment often fails to be made. Company managers by and large seek the highest return on investment, and profitable pollution control investments are rarely the most profitable investment a firm can make.

While few pollution abatement controls will produce any profitable commodity, most tax incentive plans are drafted so that profitable abatement techniques will not qualify. For example, Section 169 (e) states that the federal certifying authority shall not certify any property under Section 169 (d) (1) (B) to the extent it appears that by reason of profits derived through recovery of wastes or otherwise in the operation of the property, its costs will be recovered over its actual useful life. In most states the statutory guideline for a tax benefit requires that the facility meet the test that its primary purpose be for pollution control or that it is used exclusively for pollution control purposes.

These tests have virtually nothing to do with developing a good pollution abatement program, for a good program is normally so closely related to the production process that very few expenditures will meet either the primary purpose or the exclusive use test.





Arnold W. Reitze (left) is professor of law and Director of the Environmental Law Program at the George Washington University National Law Center. He is a graduate of Fairleigh Dickinson University (B.A. 1960) and Rutgers University (J.D. 1962). His coauthor and brother, Glenn Reitze (right), is the managing editor of *The Environmental Law Reporter.* He obtained his B.A. degree at the University of Wisconsin in 1965.

It has been pointed out, moreover, that some of the largest companies—especially those in automobiles and oil—behave at times like independent political states rather than simple profit makers. Hence, there is all the more reason to attempt control through regulating behavior rather than by appeals to a profit-making sense through tax burden redistribution.[16]

Devices to protect the health and safety of workers also are usually unprofitable, but government, union and insurance company regulations force their purchase and use, to the general benefit. Devices for the health and safety of the public may be considered in the same category and be imposed by regulation.

The furor over mine safety demonstrates again that some businessmen will not protect their workers' safety and health voluntarily and adequately. Yet few governmental rewards are given for corporate health and safety expenditures. We recognize that inherently unprofitable investments will not be made merely because the government absorbs part of the cost.

If the desire is to encourage industry to use a specific abatement technique or produce some other beneficial response in pollution control, we should utilize a more forthright approach—direct subsidies. We could, at least, more easily review whether the social benefit achieved is worth the public cost.

Businessmen in general respond to this approach less enthusiastically, for the grants must appear in budgets and the cost to the public is made obvious. And happily for some businessmen, tax incentives tend to continue long after the reason for the program has disappeared.[17]

Tax Incentives Off Target; Their Value Is Nil

The imprecision of tax incentives makes their use for any purpose of

15. Esposito, Vanishing Air 248 (1970).

16. For a study of the oil industry as a political state, see Tugendhat, Oil: The Biggest Business (1969). Professor Kenneth Galbraith in *The New Industrial State* points to evidence that for the mature corporation, the profit motive is subordinate to the desire for reasonable growth and stability. Hence, it may be difficult to get even profit-making pollution abatement equipment installed.

17. Sometimes budgets become sacrosanct without a reason relating to public benefit. The federal gasoline tax enacted in 1932 was allocated to the highway trust fund in 1956 for highway construction. Now, with public mass transportation woefully underfinanced and highways proliferating everywhere, the highway lobby has convinced most legislators and much of the public that the gasoline tax is a sacred fund.

doubtful value; in the environmental area, their value appears to be nil. While they do not bring about pollution abatement, they do act to limit and hinder proper control programs for they encourage improper technical responses to pollution problems.

Pollution problems are usually an integral part of the production process. Their control requires a plan carefully integrated into the entire operation of the business. Nearly all industrial pollution can be controlled, and effective control is best managed if the production process is designed to minimize waste.

Some methods of control are to substitute fuels or power sources; substitute raw materials; use different production processes; change the design of the product; capture pollutants before they leave the plant; change disposal practices so as to encourage reclamation of waste products; and recycle either waste products or resources used in the productive process.[18]

The most drastic remedy for pollution would be to end production—a remedy that if applied to all pollution sources would have disastrous social and economic repercussions. However, a few products, when balanced against their capacity for environmental destruction, are so marginally useful to society that if they were priced to reflect these necessary pollution abatement costs, they would be priced out of the market. The use of products causing the release of heavy metals such as mercury might be limited by this approach.

Tax Incentives Have a Faulty Focus

The tax incentive program is harmful in its focus on capital costs of pollution control rather than the total cost, which includes, in many cases, substantial operating costs.

For example, an electric utility could substitute a cleaner-burning fuel at considerable expense and get no tax benefit except perhaps some small consideration for the costs of converting furnaces to burn a different fuel. However, a company that purchases a precipitator that has marginal total pollution control effectiveness can receive substantial tax benefits. To obtain a tax benefit, there is no legal requirement that an investment reduce pollution; the only requirement is that an investment be made.

Some common control equipment, such as electrostatic precipitators, are extraordinarily expensive. They can cost a million dollars, yet their operating costs are so high that many businesses would resist using them or turn them off in order to save on operating costs even if the Government paid the entire purchase price. This results in a situation in which companies that have spent the money for equipment required by law bypass the equipment at night, on holidays or between inspections in order to save on operating costs. In addition, a failure to make rapid repairs after a breakdown may result in an investment being inoperative much of the time.

The operating costs are such an important component of pollution control that any system of tax incentives must consider the total cost of abatement. By 1975, it is estimated, air pollution costs for operation, maintenance, depreciation and interest will run $1.9 billion.[19] These operating costs have always been tax deductible, yet this does not seem to have aided pollution control efforts.

A tax program that favors "hardware" expenditures encourages poor abatement responses from industry. By holding most of their expenditures not to be qualified for tax benefits, the program unfairly treats those industries that make a serious attempt at pollution control. In addition, there is the problem previously mentioned of possible widespread misuse of equipment purchased under tax exemptions to aid manufacturing, not to abate pollution.

The intimate relation of pollution control to the entire production process means that true pollution control cannot be separated from the total business operation. Here again the analogy to safety programs applies. Employee training, work layout, lighting, etc., is as important to safety as adding protective equipment to a machine.

Robin Hood Reversed; Rob the Poor To Help the Rich

The real financial problem in private sector pollution control is the inability of small or inefficient operations to obtain capital to pay for control. Tax incentives do not solve this problem; they benefit only those with capital to invest and income to be sheltered. The companies that can afford pollution controls will benefit.

For example, a $1 million expenditure for an electrostatic precipitator, even if subject to depreciation in sixty months, benefits fully only those businesses with $200,000 of spare income to shelter from taxes. Marginal enterprises get little benefit.

Thus, tax benefits aid the owners of large, successful businesses disproportionately, and their result will be to promote the elimination of small businesses as the cost of required pollution controls rise. A further obvious effect is the promotion of yet more control of our system by those who control the largest industries.

It is questionable whether large polluters need public financial assistance to meet their legal obligations to refrain from imposing pollution on others. But it is clear that the large polluters alone do account for a very large share of total pollution.

The Council on Environmental Quality reported this year:

> The more than 300,000 water-using factories in the United States discharge three to four times as much oxygen-demanding wastes as the sewered population of the United States. Moreover, many of the wastes discharged by industry are toxic.
>
> The output of industrial waste is growing several times faster than the volume of sanitary sewage. Although there is as yet no detailed inventory of industrial wastes, indications are that over half the volume discharged to water comes from four major industry

18. See NATIONAL RESEARCH COUNCIL, COMMITTEE, NATIONAL ACADEMY OF SCIENCES, WASTE MANAGEMENT AND CONTROL, No. 1400 (1966). Techniques and costs of air pollution equipment are discussed in 3 STERN, AIR POLLUTION (2d ed. 1969). Water pollution costs can be found in THE COST OF CLEAN WATER, a Federal Water Quality Administration publication which comes in multiple volumes, each devoted to a different industry.

19. *Supra* note 9, at 72.

groups—paper, organic chemicals, petroleum, and steel.[20]

In spite of the flood of publicity, little is spent by industry for pollution control when considered as a function of gross sales or profit.

Esposito, in *Vanishing Air*, explains:

> A February 1970 report by the National Industrial Conference Board indicates that the industry's 1969 capital appropriations for air and water pollution control dropped 56.9 percent below the 1968 appropriation. This reduction from 38 million in 1969, represents a drop in pollution control investments from less than four-tenths of 1 percent of 1968 gross revenues to something less than two-tenths of 1 percent for 1969.[21]

Republic Steel Corporation, the second largest industrial polluter of Lake Erie, according to the Federal Water Quality Administration,[22] in 1969 invested $28 million in pollution control from sales income of more than $1.5 billion created by property, plant and equipment valued at more than $2.25 billion.[23]

General Motors Corporation omitted its research budget for pollution control from its 1969 annual report, but the Esposito book on air pollution relates that G.M.'s official figure is $40 million annually since 1967, or about .17 of 1 per cent of gross sales. This figure is one sixth of G.M.'s annual advertising budget. It is just $13 million more than the $27 million G.M. is spending each year in a ten-year program to change signs at company dealerships.[24]

The justice of rewarding these large firms through tax incentives is at least questionable; nevertheless, it is of only peripheral interest. Rather than argue which tax benefit is "just" or proper, which is an approach that encourages the outpourings of public relations releases from corporations and trade associations, we should focus on the question of whether tax incentives create behavior that results in a reduction in pollution at a cost to the public that has a favorable cost to benefit ratio, judging, as William James taught, not by "first things, principles" but by the "last things, fruits, consequences, facts".[25]

Pricing Quackery Shifts Financial Burden to the Public

A basic reason for continued pollution is that the polluter shifts to the public, in terms of environmental destruction, the basic production costs that he avoids by not preventing pollution. Tax incentives augment that shift by placing the pollution control burden of business on the general public through tax burden redistribution.

To allow the general public (rather than the individual purchaser of a high pollution propensity product) to absorb pollution control costs is to thwart the function of the marketplace as a place of value exchange. To the extent a polluter can shift costs of control equipment to the general public, his products continue to avoid having their price reflect their pollution effect. Environmentally destructive products are enabled to compete with less harmful products without the market price reflecting their social costs. Because no incentive is provided in the marketplace to minimize pollution at the lowest cost per unit sold, the natural market competitiveness is not utilized to reward the producer who shifts the fewest negative social costs to the public.

Tax incentives such as those discussed also have the capacity to destroy state and local abatement programs. Most states require that the state pollution control board or its tax commission or revenue department, acting on the recommendation of the pollution control board, approve or certify the pollution control facility so as to qualify for the tax benefit,[26] as does the Federal Government.[27]

State agencies have been burdened with the obligation to process not only thousands of applications for exemptions to a variety of state taxes, but also by law they must provide businessmen with certification to meet exemption allowance requirements of Section 169 of the Internal Revenue Code. This results in either a reduction of the agency's other enforcement, monitoring and planning efforts or in cursory examinations of the exemption applications. Abuses of the exemption allowances, therefore, are no surprise. And the failure of state inspection programs allows federal as well as state benefits to flow to the businessman because of the Section 169 requirements.

Only a few cities in the United States have meaningful air pollution programs with adequate staff. Most state programs are smaller than that of their larger cities.[28] Fifty per cent of the state agencies have fewer than ten positions budgeted.[29] With an estimated 8,000 additional personnel needed to implement the Clean Air Act properly, one wonders whether industry is unaware that enforcement can be effectively prevented by imposing onerous time-consuming responsibilities for processing tax exemptions on the pollution planning and enforcement agencies. While the cost of tax incentive legislation can be calculated in terms of revenue losses to the public treasury, it is much more difficult to evaluate the financial and social costs of having state pollution control agencies bogged down in the relentless pushing of paper to get industry their tax benefits.

The point about all of these laws, and the many similar bills proposed, is that they reward a limited number of taxpayers for "pollution control" expenditures. Not, we must note, pollution control effectiveness or the simple elimination of pollution.

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20. *Supra* note 9, at 32.
21. *Supra* note 5, at 84.
22. LAKE ERIE REPORT, August, 1968, at 7.
23. 1969 Annual Report, at 3, 10, 12 and 28.
24. *Supra* note 17, at 29.
25. *What Pragmation Means*, in ESSAYS IN PRAGMATISM 148 (1948).
26. The tax practitioner must not only be familiar with tax law but also must search pollution law for applicable tax authority. For an illustration see, OHIO REV. CODE §§ 6111.31 and 6111.03(M).
27. INT. REV. CODE OF 1954, § 169 (D).
28. O'Fallon, *Deficiencies in the Air Quality Act of 1967*, 33 LAW & CONTEMP. PROB. 275, 293, (1963).
29. *Supra* note 9, at 85.

Introduced: 1/13/71
Referred: Local Government
and Finance

IN THE HOUSE BY COLLETTA

HOUSE BILL NO. 43

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to tax exemptions for the prevention of air and water pollution."

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

* Section 1. AS 29.10 is amended by adding a new section to read:

Sec. 29.10.344. EXEMPTION OF PROPERTY USED IN THE PREVENTION OF AIR OR WATER POLLUTION. In levying, assessing and collecting taxes for school and municipal purposes, the council or assembly may by ordinance classify and exempt from taxation for a period of seven years that property of a business used in the prevention of air or water pollution which is installed after the effective date of this section.

Hold for work session

HB
52

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
March 29, 1971

Mrs. Joan Jackson
8012 E. 4th Ave.,
Apt. #B
Anchorage, Alaska 99504

Dear Mrs. Jackson:

Thanks so much for your letter relative to House Bill 52. I certainly concur with you in the desirability of this legislation and it has had and will continue to have my support.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

8012 E. 4th Ave. Apt. #B
Anchorage, Alaska 99504

Mr. Mike Miller
Pouch V
Juneau, Alaska 99801

Dear Mr. Miller:

My family moved from Juneau to Anchorage in October of the last year. You had my earnest support throughout your campaign and I congratulate you on your success. As one of your recent constituents and an Alaska Methodist University senior I am writing to urge you to vote favorably for HB52. This bill has to do with tuition equalization for students at A.M.U. and Sheldon Jackson College. Provision for such was made by the previous legislature but no funds were appropriated.

With the law passed A.M.U. had every reasonable right to expect funds to follow and so to speak "went out on a limb". As you no doubt are aware the financial condition at A.M.U. is serious and passage of this bill would help immensely both now and in the future.

If A.M.U. were to close the University of Alaska would have a monopoly on higher education in Alaska. God forbid that Alaskan students be allowed no choice unless they wanted to go Outside.

I believe there is a question raised as to the function of the Government in relation to providing aid to private educational institutions. There is no precedent in Alaska for this. Alaska has made history before--if she'd based herself on precedent all these years where would we be today? Alaska has shown herself to be a progressive and modern state in many ways. I beleive this is another time to quit dragging our feet.

I have attended Alaska Methodist University since 1963; because of finances I could not go continually. My husband is a State employee at the Grade 17 level and his salary makes it difficult to pay out approximately $1800 a year for tuition and books. Yet, I would not go to the University of Alaska--Anchorage Branch, for my experience shows that A.M.U. offers a superior education. Not only because it is impossible for me, but also because I hate to leave my beloved Alaska; would I go to a University Outside.

I reiterate my belief in Alaska Methodist University and the State of Alaska and ask you to favorably support HB52. It is an investment in the future of the keenest type.

Thank you for your consideration.

Yours truly,

Joan Jackson

(Mrs.) Joan Jackson

HB
58

Original sponsor: Rules Committee by request of the Governor

Offered: 4/20/71
Referred: Rules

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 58

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act appropriating for the operating and capital expenses of all departments, offices and agencies of state government; and providing for an effective date."

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

* Section 1. The sum of $295,004,300 is hereby appropriated from the general fund and from the unreserved special accounts in the general fund for the period beginning July 1, 1971 to be apportioned according to the schedules in secs. 7, 8 and 9 of this Act.

Senate

General Fund	261,376,800	$283,134,900
Highway Fuel Tax Account	9,417,000	9,417,000
Aviation Fuel Tax Account	1,650,000	1,650,000
Watercraft Fuel Tax Account	2,485,000	802,400

* Sec. 2. The sum of $494,200 is appropriated from special fund reserve accounts in the general fund for the period beginning July 1, 1971, to be apportioned according to the schedules in secs. 7, 8 and 9 of this Act.

FICA Administration Fund Reserve Account	19,300	$ 19,700
Special Surplus Property Revolving Fund Reserve Account	138,500	139,400
Small Business Enterprise Revolving Fund Reserve Account	1,500	1,500
Second Injury Fund Reserve Account	120,000	120,000
Sick and Disabled Fisherman's Fund Reserve Account	213,600	213,600

* Sec. 3. The sum of $17,190,600 is appropriated from special funds of the state for the period beginning July 1, 1971 to be apportioned according to the schedules in secs. 7, 8 and 9 of this Act.

Public Employees' Retirement Fund	156,200	$ 159,700

			Senate
Rural Development	$	629,100	455,300
Public Defender		638,900	560,100
Criminal Justice		684,800	680,000
Center for Justice Administration		100,000	
Human Rights Commission		125,500	125,500
State Museum		230,300	230,000
Tokyo Office		68,000	68,000
Mansion		62,600	63,100
Boards & Commissions		372,500	571,800
Youth in Government		200,000	200,000
Contingency Fund		250,000	150,000
Total - Office of the Governor	$	6,122,000	5,639,300
Fund Source - General Fund		4,029,300	$ 4,565,000
Federal Program Receipts		1,610,000	1,557,000
Department of Administration			
Office of Commissioner	$	329,100	306,100
Personnel		744,900	704,700
Budget and Management		513,800	403,100
Finance		495,200	464,800
Supply		738,300	691,800
Data Processing		1,824,700	1,735,600
Pioneer Homes			
Sitka		1,022,400	1,012,500
Fairbanks		542,200	531,000
Palmer		454,400	448,100
Retirement Benefits		345,300	342,300
Surplus Property		139,400	138,500
Municipal Services - Revenue Sharing		6,500,000	
Total - Department of Administration	$	13,649,600	13,284,500

			Senate
	Administration	$ 791,900	749,600
	All Judicial Districts	5,415,200	5,362,400
	Commission on Judicial Qualifications	7,600	8,000
Total - Judicial Branch		$ 6,867,200	6,899,500
Fund Source - General Fund		6,899,500	$ 6,867,200
Legislative Branch			
	Legislative Council		
	Legislature	$ 1,420,100	2,000,000
	Legislative Affairs	493,500	
	Pipeline Impact Committee	102,000	50,000
	Legislative Budget & Audit Committee	453,600	450,000
Total - Legislative Branch		$ 2,469,200	2,500,000
Fund Source - General Fund		2,500,000	$ 2,469,200
	EDUCATION		
Department of Education			
	Administration		
	Board of Education	$ 28,800	24,100
	Office of Commissioner	152,600	142,200
	Advisory Commissions	85,600	68,400
	Scholarship Loans	2,500,000	250,000
	Planning & Research	207,600	203,700
	Staff Development	10,000	10,000
	Publications	85,400	78,800
	Educational Broadcast Commission	758,800	181,800
	Administrative Services		
	Director	104,400	104,300
	Budget & Accounting	188,900	185,000
	Support Services	88,100	86,900
	School Lunch	971,400	967,000

			Senate
Small Business Program	$	1,500	1,500
Rehabilitation Facilities Innov.		27,800	25,000
Training Grants		3,800	3,400
Rural Rehabilitation		222,200	222,200
Social Security Disability Rehab.		25,000	25,000
Social Security Determination		88,900	88,900
State Libraries		745,000	576,000
Total - Department of Education		$101,312,500	91,225,700
Fund Source - Federal Receipts		13,064,200	$ 13,268,200
Program Receipts		275,000	275,000
Inter-Agency Receipts		944,800	944,800
Special Funds			
Small Business Revolving		1,500	1,500
General Fund		76,940,200	86,823,000
State-Operated Schools			
District Office	$	1,046,200	1,044,800
Area Schools		26,698,900	23,842,800
Non-Resident Tuition		1,000,000	1,340,000
Special Education		509,100	509,100
Teacher Corps/Career Opportunity		1,168,200	1,076,200
Bilingual Aides		238,800	238,800
Rural Schools Project		150,000	150,000
Total - State-Operated Schools		$ 30,811,200	28,201,700
Fund Source - Federal Receipts		15,871,900	$ 16,045,900
General Fund		12,329,800	14,765,300
University of Alaska		$ 18,900,000	19,250,000
Fund Source - General Fund		19,250,000	$ 18,900,000

HEALTH AND WELFARE

Department of Health and Welfare

			Senate
	Administration	$ 508,400	446,200
	Community Health	744,500	512,800
	Laboratories	452,400	427,200
	Office of Alcoholism	428,100	404,300
	Child Health Service	914,300	969,300
	Public Health Nursing	1,827,600	1,658,100
	TB Control & Chest Diseases	402,900	439,400
	Corrections		
	Administration	1,330,700	1,232,500
	Care of Prisoners		
	Adult Camp	694,900	645,600
	Anchorage-SCRCI	608,200	537,200
	Juneau-SERCI	959,700	895,300
	Fairbanks-NCRI	916,900	820,700
	Ketchikan State Jail	339,200	305,500
	Prisoner Admin.-Other	796,500	801,200
	Care of Juveniles		
	Alcantra Youth Camp	374,400	329,000
	McLaughlin Youth Center	1,911,300	1,667,400
	Juvenile Admin.-Other	670,000	682,900
Total - Department of Health and Welfare		$ 49,568,700	47,439,500
Fund Source - Federal Receipts		8,428,800	$ 8,628,800
	Program Receipts	63,100	54,500
	Inter-Agency Receipts	52,300	52,300
	General Fund	38,895,300	40,833,100
	REGULATION		
Department of Labor			
Administration			
	Office of Commissioner	$ 290,100	284,100

			Senate
Banking, Securities, etc.	$ 262,300		249,500
Insurance	199,800		172,600
Weights & Measures	422,700		400,100
Occupational Licensing	261,200		238,300
Regulation of Public Service			
Utilities	620,500		591,500
Transportation	475,600		462,200
Veterans Loan Administration	264,300		264,300
Veterans Service Council	34,500		34,500
Total - Department of Commerce	$ 2,731,900		2,596,900
Fund Source - Special Funds			
Veterans Revolving Loan	264,300	$ 264,300	
General Fund	2,332,600	2,467,600	
PUBLIC PROTECTION			
Department of Military Affairs			
Alaska National Guard			
OTAG & State Armories	$ 619,300		551,500
Air National Guard	289,400		243,900
Army National Guard	82,700		63,600
Federal Scout Armories	165,300		158,700
Camp Carroll	34,700		31,700
Alaska Disaster Office			
Administrative Program	279,200		254,400
ADO Participants	45,000		45,000
Community Shelter	34,600		34,600
Radiological	31,100		31,100
Dusting Program	38,000		38,000
Civil Air Patrol	92,600		83,100
Total - Department of Military Affairs	$ 1,711,900		1,544,600

Senate

Geophysical Program	$ 500,000	← OOT	4,874,900
Total - Department of Natural Resources	$ 5,751,900		
Fund Source: Federal Receipts		299,400	$ 308,400
Inter-Agency Receipts		241,900	305,000
Special Fund			
Agricultural Revolving Loan		76,300	76,300
General Fund		4,257,300	5,062,200
Department of Fish and Game			
Administration			
Office of Commissioner	$ 273,900		228,900
Board of Fish & Game	70,400		31,100
Administration	846,000		837,300
Information & Education	110,100		101,600
Hatchery Services	188,100		253,400
Habitat	201,600		213,900
Commercial Fisheries			
Management	2,440,400		2,095,400
Research	1,014,600		1,022,400
Research & Development	394,800		363,300
Anadromous Fish	491,700		500,000
Test Fish	80,000		71,900
Game			
Management	230,500		217,700
Federal Aid	2,481,000		2,576,703
Sport Fish			
Management	573,800		523,300
Federal Aid	874,400		893,400
Sport Fish Stocking	60,700		60,700
Protection	2,375,400		2,064,800

Senate

Custodial	$ 472,800	410,400
Maintenance	3,747,900	3,091,000
Planning & Design	308,100	283,900
Construction	286,500	284,900
Communications	932,500	879,900
Marine Transportation		
Administration	1,330,500	1,322,500
Southeast Systems		
Operations	6,727,100	6,499,400
Steward	3,262,600	3,215,700
Southwest Systems		
Operations	1,962,800	1,879,800
Steward	483,800	458,000
Total - Department of Public Works	$ 31,504,000	29,122,700
Fund Source - Program Receipts	210,000	$ 210,000
Inter-Agency Receipts	3,163,400	3,139,900
Special Funds		
Int'l Airport Revenue	6,144,700	7,808,400
Aviation Fuel Tax	1,561,600	1,561,600
General Fund	18,643,000	18,784,100
Department of Highways		
Administration	$ 5,132,200	4,885,700
Maintenance	16,120,400	14,461,000
Total - Department of Highways	$ 21,252,600	19,346,700
Fund Source - Federal Receipts - Forest Highway		
Maintenance	200,000	$ 200,000
Program Receipts	117,500	117,500
Inter-Agency Receipts	282,600	282,600
Special Funds		

Senate

	Coverage Under Employment		
	Security Benefits	350,000 ~~Out~~	
	Fund Source - General Fund	→ Out	350,000
	TOTAL OPERATING BUDGET	$ 356,782,900 333,127,600	
	Fund Source - General Fund	252,817,700	$274,755,800
	Aviation Fuel Tax Account	1,561,600	1,561,600
	Highway Fuel Tax Account	9,417,000	9,417,000
	Federal Program Receipts	49,602,200	50,159,900
	Other Program Receipts	792,100	793,500
	1970 Highway Construction Fund	750,000	750,000
	Public Employees' Retirement Fund	156,200	159,700
	Teachers' Retirement Fund	166,900	169,200
	Veterans' Loan Fund	271,100	282,200
	Agricultural Revolving Loan Fund	78,800	79,800
	Fish and Game Fund	1,988,900	2,007,900
	International Airport Revenue Fund	8,103,500	9,867,300
	School Fund (Cigarette Tax)	381,000	387,000
	FICA Administration Fund Reserve Account	17,300	19,700
	Special Surplus Property Revolving Reserve Account	138,500	139,400
	Small Business Enterprise Revolving Fund Reserve Account	1,500	1,500
	Second Injury Fund Reserve Account	120,000	120,000
	Sick and Disabled Fishermen's Fund Reserve Account	213,600	213,600
	Inter-Agency Receipts	6,535,700	5,897,800

* Sec. 8. The following appropriations are made from taxes and revenues for the fiscal year beginning July 1, 1971 and ending June 30, 1972 to be distributed among the eligible political subdivisions of the state according

Total - Department of Administration	$ 320,000	
Fund Source - General Fund		$ 320,000
Department of Education		
Nenana High School, Multipurpose		
Facility	$ 850,000	
Nome Elementary School, Addition	1,553,000	
Total - Department of Education	$ 2,403,000	
Fund Source - General Fund		$ 2,403,000
Department of Health And Welfare		
Recreational Camp, Harborview		
Hospital, Valdez	$ 40,000	
Alaska Treatment Center for		
Crippled Children and Adults,		
Hospital Facility, Anchorage	150,000	
Total - Department of Health and Welfare	$ 190,000	
Fund Source - General Fund		$ 190,000
Department of Natural Resources		
Haines State Fair Building	$ 50,000	
Fund Source - General Fund		$ 50,000
Department of Public Works		
Municipal, Civic Convention and		
Community Recreation Center		
Planning (HOUSE BILL 119)	200,000	
International Trunk and Secondary		
Airport Projects	25,219,400	
State Building Projects:		
Site Improvements and Land		
Acquisition	600,000	
Renovation of Attorney General's		

Federal Program Receipts		$114,029,900
International Airport Revenue Fund		2,689,500

* Sec. 10. The sum of $8,093,000 is appropriated from working capital funds for the period beginning July 1, 1971 and ending June 30, 1972.

Department of Highways		
Equipment, Operation, and Maintenance	$ 6,514,500	
Equipment Purchase	1,578,500	
Total - Department of Highways	$ 8,093,000	
Fund Source - Equipment Working Capital Fund		$ 8,093,000

* Sec. 11. (a) Prior to the actual allocation of appropriations made by this Act, the Commissioner of Administration shall reduce the appropriated personal services category for agencies of the Executive Department according to the following schedule of vacant position reduction factors:

	Vacant Positions Reduction Factor	Budget Program Maintenance Level Personal Services	Approximate Vacancy Savings All Funds
Administration	2.49%	4,920,400	122,518
Law	8.05%	2,184,500	175,852
Revenue	1.98%	2,290,800	45,358
Education	6.79%	4,355,400	295,732
State Operated Schools - District Office	6.79%	701,700	47,645
Health & Welfare	7.73%	18,297,100	1,414,366
Labor	5.16%	5,131,000	264,760
Commerce	7.88%	2,077,500	163,707
Military Affairs	3.82%	1,029,200	39,315
Public Safety	2.89%	5,635,400	162,863

expenditure by a budget amendment approved by the governor and the Legislative Budget and Audit Committee. The governor shall report the budget amendments allowed under this section to the First Session of the Eighth Legislature.

* Sec. 14. If federal program receipts or other program receipts fall short of the estimates appropriated by this Act, the governor shall reduce the affected appropriation by the amount of the short fall in receipts.

* Sec. 15. Adjustments may be made in the appropriations from a working capital fund for the fiscal period covered by this Act, when necessitated by changes in requirements for services and supplies. The adjustments shall be approved by the governor and the Legislative Budget and Audit Committee.

* Sec. 16. Refunds may be made in the manner prescribed by law from any fund in any amount due.

* Sec. 17. This Act takes effect July 1, 1971.

Senate New Section 7

Liquor Licenses	$ 400,300	
Amusement and Gaming Devices Tax	53,000	
National Forest Receipts	284,500	
Cigarette Tax	1,548,000	
TOTAL, SHARED TAXES AND REVENUES	$ 5,831,500	
Fund Source - General Fund		$ 4,195,100
Aviation Fuel Tax Account		88,400
School Fund (Cigarette Tax)		1,548,000

* Sec. 9. The following appropriations are made for capital projects beginning July 1, 1971:

Office of the Governor	$ 191,000.	
Fund Source - General Fund		$ 191,000
Department of Administration	320,000	
Fund Source - General Fund		320,000
Department of Education	2,403,000	
Fund Source - General Fund		2,403,000
Department of Health and Welfare	190,000	
Fund Source - General Fund		190,000
Department of Natural Resources	50,000	
Fund Source - General Fund		50,000
Department of Fish and Game	180,000	
Fund Source - General Fund		180,000
Department of Public Works	28,734,400	
Fund Source - General Fund		1,030,000
Watercraft Fuel Tax Account		2,485,000
Federal Program Receipts		22,529,900
International Airport Revenue Fund		2,689,500
Department of Highways	91,500,000	
Fund Source - Federal Program Receipts		91,500,000

TOTAL - CAPITAL BUDGET	$123,568,400	
Fund Source - General Fund		$ 4,364,000
Watercraft Fuel Tax Account		2,485,000
Federal Program Receipts		114,029,900
International Airport Revenue Fund		2,689,500

* Sec. 10. The sum of $8,093,000 is appropriated from working capital funds for the period beginning July 1, 1971 and ending June 30, 1972.

Department of Highways		
Equipment, Operation, and Maintenance	$ 6,514,500	
Equipment Purchase	1,578,500	
Total - Department of Highways	$ 8,093,000	
Fund Source - Equipment Working Capital Fund		$ 8,093,000

* Sec. 11. If federal program receipts or other program receipts exceed the estimates appropriated by this Act and are appropriated to the affected program, the appropriation from state funds for the affected program shall be reduced by the amount of the excess provided the reductions are not inconsistent with applicable federal statutes. However, if the program receipts, other than federal receipts, support programs that provide services for all state agencies, they may be made available for expenditure by a budget amendment approved by the governor and the Legislative Budget and Audit Committee. The governor shall report the budget amendments allowed by this section to the Second Session of the Seventh Legislature.

* Sec. 12. If federal program receipts or other program receipts not appropriated by this Act and not requiring state matching money are received by a department, office or agency of the state during the fiscal period covered by this Act, they may be appropriated and made available for expenditure by a budget amendment approved by the governor and the Legislative Budget and Audit Committee. The governor shall report the budget amendments

allowed under this section to the First Session of the Eighth Legislature.

* Sec. 13. If federal program receipts or other program receipts fall short of the estimates appropriated by this Act, the governor shall reduce the affected appropriation by the amount of the short fall in receipts.

* Sec. 14. Adjustments may be made in the appropriations from a working capital fund for the fiscal period covered by this Act, when necessitated by changes in requirements for services and supplies. The adjustments shall be approved by the governor and the Legislative Budget and Audit Committee.

* Sec. 15. Refunds may be made in the manner prescribed by law from any fund in any amount due.

* Sec. 16. This Act takes effect July 1, 1971.

ANALYSIS OF CSHB 58 & SCSCS HB 58 - RECAP OF GOVERNOR' S ADDITIONS
INCREASES/(DECREASES) FROM GOVERNOR'S REVISED BUDGET

PROGRAM	GOVERNOR'S REVISED BUDGET	CSHB 58	INCREASE/ (DECREASE)	SCSHB 58	INCREASE/ (DECREASE)
Geophysical Program	$ 500,000	$ 500,000	$ -0-	$ -0-	$ (500,000)
Stream Clearing	750,000	-0-	(750,000)	750,000	-0-
Dept of Environmental Affairs	500,000	-0-	(500,000)	-0-	(500,000)
Salary Increases	4,500,000	-0-	(4,500,000)	4,500,000	-0-
Center for Admin. of Justice	100,000	100,000	-0-	-0-	(100,000)
Youth Involvement in Government	200,000	200,000	-0-	200,000	-0-
Consumer Protection	200,000	-0-	(200,000)	-0-	(200,000)
State Employees U.I. Coverage	900,000	-0-	(900,000)	-0-	(900,000)
Pipeline Construction Monitoring	500,000	-0-	(500,000)	-0-	(500,000)
TOTAL	$8,150,000	$ 800,000	$(7,350,000)	$5,450,000	$(2,700,000)

HB
81

TO: Mr. Miller, Chairman
House Local Government Committee

DATE: March 8, 1971

FROM: James B. Rhode
Administrative Assistant

SUBJECT: Local Government in the Unorganized Borough
HB 81, Introduced 1/19/71 by Whittaker
HB 161, Introduced 2/9/71 by Request of the Governor

Both of these bills establish quasi-municipal governments in the Unorganized Borough. They differ sharply on the boundaries, governing body, powers, and financing these new entities shall or may have.

Representative Whittaker's bill directs the commissioner of a new "[illegible] of Regional and Community Affairs" to divide the Unorganized Borough into "regional unorganized boroughs", although the residents of the proposed borough can petition for an election on the boundaries. The commissioner will abide by the result unless it would be "...inconclusive, arbitrary, capricious, or inconsistent with the standards laid down..." in the act. Under the Governor's bill, the boundaries of "regional service areas" will be drawn by the Director of the Local Affairs Agency, period. (The Local Boundary Commission is not mentioned in either bill.)

Under the Whittaker bill, each of the boroughs will vote on whether to have an elected "regional council" whose members will have staggered terms. Under the Governor's bill, each regional service area will have a "commission". The residents can have an elected commission through petition and referendum procedures or a commission will be appointed from among them.

As to the powers of these quasi-governments, there is, first, some doubt as to whether the Legislature is free, under Art. X, Sec. 6 of the State Constitution, to delegate any powers to them, as distinct from delegating administration of a power. Under Sec. 6, "Unorganized Boroughs. The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It [the legislature] may exercise any power or function which the assembly may exercise in an organized borough."

Regardless, both of these bills call on their quasi-governments to initiate projects to foster economic growth. The Whittaker bill expressly permits the regional boroughs the same functions as service areas have in an organized borough. The Governor's bill merely implies this.

As to other powers, the bills differ in that Whittaker authorizes his [illegible] to select lands as the organized boroughs do today and to zone. The Governor's bill omits these powers. Another difference is that Whittaker permits his councils to request the department he creates to prepare and/or administer council budgets subject to local approval. When a borough does not want a council the department, of course, will bear all responsibility for the budget. The Governor's commissioners on the other hand, will act on their own, though with State assistance.

Bills Pertaining to Local Government in the Unorganized Borough, CON'T

But the greatest difference in these bills is that Whittaker requires his councils to "review and approve [emphasis added] all state agency plans which affect the development and welfare of the borough". (Page 5, lines 21-22) This gives these councils a veto over virtually all state policy in their areas. This is a power without precedent in the history of local government in Alaska.

Finally, neither of these bills provides for these councils/commissions to sign agreements with the Federal Government. And there does not appear to be a simple way to do so. The legal status of these entities is not clear. Would the Federal Government have recourse against them or the State for breach of agreements, wrongdoing, and the mismanagement of Federal funds or property. The Committee is reminded that the Federal Government required villages wishing to participate in the rural REA program to become fourth class cities.

As for the revenues of these quasi-governments, both of these bills permit them to receive State aid. (No discussion will be offered here on the plan in the Whittaker bill to share 40% of all State revenues from natural resources, apart from taxes on such resources, between the Unorganized Borough and the organized boroughs and cities.) State aid for the Unorganized Borough raises two legal questions. First, are these new entities eligible for existing State aid to local governments? The answer would seem to be "No, except as these aid programs are amended." Secondly, could there be different amounts or kinds of aid to different regional boroughs/service areas? The answer would appear to be "Yes, so long as the differences are based on 'resonable distinctions' of need".

There remains the question as to whether these new entities can lay and collect taxes. The Whittaker bill forbids it; the Governor's bill is silent on this, although it might be construed as implying it. The State Constitution and the minutes of the Convention appear to be on the side of the Whittaker bill: "...The State may delegate taxing powers to organized boroughs and cities only..." Art. X, Sec 2. It would seem the Legislature can either lay taxes on the Unorganized Borough directly or have the Executive do so provided that some kind of limits are placed on the Executive. In short, the Legislature sits as the assembly of the Unorganized Borough, but no assembly is free to allow service areas to lay and collect taxes on their own.

HB
86

FORM 5A-18

MEMORANDUM

State of Alaska
OFFICE OF THE GOVERNOR

TO: Byron I. Mallott
Director
Local Affairs Agency

DATE : February 5, 1971

FROM: Alfred E. Widmark
Local Government Specialist
Local Affairs Agency

SUBJECT: Name change of a municipality

I have reviewed Title 29, Municipal Corporations, and Title 7, Boroughs, for provisions for setting up steps to be followed in making a change in the name of a city or borough and found no provisions that provided for a name change in either of the statutes.

I further checked via the phone with Bill Berrier, Borough Attorney. He stated he knew of no law that provided specifically for a name change of an incorporated city or borough.

AEW:pak

FORM 5A-2
1OOM 4-65

STATE OF ALAS[illegible]
Inter-Department Route Slip

TO:
DEPT.: Wtton-Thibe Miller
ATTN.: Alaska State Legislature

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☒ Your Information

Remarks:

From:
Dept.: [illegible] Date 2/5

By: [illegible]

M E M O R A N D U M

March 31, 1970

TO: Norman Banfield

FROM: Michael Holmes

SUBJECT: Town of Haines change of name

I considered three possible ways for changing the name of the Town of Haines: by City ordinance, by special legislation or by petition to the Superior Court.

I can find absolutely no authority for the City changing its own name by ordinance.

I am certain that the name of the town could be changed by special legislation.

The third alternative is not expressly authorized by statute but it appears that the Superior Court does have general jurisdiction regarding the names of first class cities. AS 29.10.006 generally provides for the incorporation of a first class city. Subsection (b) states that a petition for incorporation shall be presented to the judge of the Superior Court in the judicial district in which the community seeking incorporation is located. The petition must be signed by 100 adult bona fide residents of the community and shall among other things "state the name by which the city is to be known". AS 29.10,009(b) provides that the judge shall, after hearing "designate the name and the boundaries of the corporation and the time and place for an election to determine whether the people of the community desire to incorporate."

Under the circumstances I think that it would be within the court's power to entertain a petition to amend the original order fixing the name of the Town of Haines. However, there is no explicit statutory provision setting forth a procedure for changing the name of a city. Accordingly, there would be some question as to validity of the procedure for obtaining an amendment to the original order establishing the Town of Haines.

Under the circumstances, the best way to change the name of the Town of Haines is by special legislation. This, of course, could not be done until next year. If the City Council is in a hurry to have the named changed before the next legislature meets, we could probably obtain an order from the Superior Court stating that the name is changed but it probably should be confirmed by legislation in any event.

MMII

MMII:sh

HB
94

March 13, 1972

MEMORANDUM

TO: George Hohman, Chairman
Finance Committee

FROM: Mike Miller, Chairman
Local Government Committee

RE: HB 94

At the present time your committee is considering HB 402, dealing with the Alaska Municipal Authority. In reporting out HB 94, it was the House Local Government Committee's intention to provide the Finance Committee with some additional alternatives to consider. It is not the committee's intention to suggest that HB 94 totally represents a "better" approach. We do, however, think elements of HB 94 might well be considered in your discussions and deliberations.

Pouch V,
State Capitol
Juneau, Alaska 99801
March 11, 1971

Mr. Robert E. Sharp
City Manager,
City of Anchorage
P. O. Box 400
Anchorage, Alaska 99501

Dear Bob:

Just a short note to thank you for your letter of March 4th regarding House Bill 94 and others concerned with the establishment of an Alaskan Municipal Bond Authority.

This is certainly desireable legislation and I hope that ways and means can be found to meet the really critical bonding needs of Alaska's municipalities.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

cc: City Manager, City of Fairbanks

ALL-AMERICA CITY 1956 & 1965

CITY OF ANCHORAGE ALASKA

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POST OFFICE BOX 400
ANCHORAGE, ALASKA
99501

March 4, 1971

The Honorable Mike Miller
Chairman
House Local Government Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Miller:

The City Councils of Anchorage and Fairbanks met in a joint session at Anchorage on February 26, 1971. Among the pending legislation discussed was House Bill No. 94 and others concerned with the establishment of a Alaska Municipal Bond Authority. A motion was adopted approving the concept of an Alaska Municipal Bond Authority, including such funding as may be appropriate for the functioning of the Authority.

The purpose of this letter is to convey to you and your committee the action of the two City Councils and to urge you and your committee to develop and recommend for adoption legislation to establish an Alaska Municipal Bond Authority to assure a market at reasonable interest rates for Alaska municipal bonds.

Sincerely yours,

Robert E. Sharp
City Manager

RES:f
cc: Governor Egan
City Manager, City of Fairbanks

AIRMAIL IS FASTER

Proposed Alaska Municipal Bond Authority Act.

Preliminary Note

The proposed Act is patterned after a proposal presented to the Alaska Municipal League but incorporates certain additions and other changes. Besides form revision, various substantive additions have been made to the initial proposal. The additions are intended primarily to make the Act of substantial benefit to large as well as small political subdivisions of the state in marketing their bonds and notes (and other debt offerings)*, particularly when market conditions are not favorable.

The substantive additions relate primarily to

(1) authorizing a $50,000,000 appropriation to the bond authority for purchase of municipal bonds and notes (the authority is thus not limited to making such purchases with capital derived from issuance of its own bonds and notes only);

(2) requiring at least one-third of legislative appropriations to the fund to be used for purchase of bonds and notes of political subdivisions with population of 2,500 or less;

(3) requiring as a condition to state financing that municipal bonds and notes be offered for sale on the open bond market before purchase is undertaken by the authority;

(4) authorizing purchase of bonds and notes already issued by political subdivisions, as well as purchase of future local issues;

(5) providing in default situations for authority payment of installments due on municipal bonds and notes sold to purchasers other than the authority, with any payments made to be reimbursed to the authority from state appropriations payable to the political subdivisions on whose behalf payment was made.

Summary of Content by Section

Sec. 44.55.010. PURPOSE.

This section sets out the policy of the state underlying establishment of the Municipal Bond Authority, essentially to assist political subdivisions of the state in marketing bonds and notes at economically favorable rates of interest and thereby to encourage the initiation and completion of capital improvements by the political subdivisions.

Sec. 44.55.020. ALASKA MUNICIPAL BOND AUTHORITY.

This section establishes the authority as a public corporation and instrumentality of the state within the Local Affairs Agency.

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* In this analyses the term "bonds and notes" or "bonds or notes", if used with reference to municipal debt offerings, is intended to include bonds, notes and any other evidence of indebtedness which a political subdivision may issue.

it provides for a five-man board of directors for the authority, to consist of the director of the local affairs agency, and one director each appointed by the governor, the president of the state senate, the speaker of the state house of representatives, and the board of directors of the Alaska Municipal League. All appointees excepting the director of the local affairs agency are subject to confirmation as directors by the legislature. Appointment of the initial board is required to be made within 10 days after the Act takes effect. Directors have four-year terms and are eligible for reappointment.

The director of the local affairs agency is designated executive officer of the authority. Selection of a chairman and other officers is by the authority; the chairman and vice chairman must be directors. Also provided for in the section is the filling of vacancies, quorum requirements, and compensation of directors for actual expenses incurred in discharge of their duties.

Provision is made for the appointment of a financial consultant and attorney, who must have their principal place of business within the state, and for the compensation of these officials on an independent contract basis. Retention and compensation of other staff personnel is authorized. Officers, employees or agents of the authority are prohibited from having a direct or indirect financial interest in any contract for services with the authority (other than their contract of employment). Holding office or employment with the state or a political subdivision of the state, or with a private banking or financial business or enterprise, is declared by the section not to be a disqualifying interest per se. The restrictions on financial interest are declared inapplicable to persons providing services on an independent contract basis.

Sec. 44.55.030. POWERS OF AUTHORITY.

This section recites the powers of the authority as a public corporation to implement the policies of sec. 10; a number of the powers are developed further in other provisions of the Act.

Sec. 44.55.040. LIMITATIONS.

This section recites limitations on the powers of the authority as a public corporation.

Sec. 44.55.050. BONDS AND EXPENSES.

This section sets out the authority's principal purpose, to lend money to political subdivisions through authority purchase of bonds and notes of the political subdivision. A specific condition is attached, namely that bonds or notes purchased by the authority from a political subdivision must before purchase be offered by the political subdivision for public or private sale to investors other than the authority. The section also authorizes purchase of municipal bonds and notes already issued. It further provides for authority purchase of its own bonds and notes and declares that authority bonds and notes are not a debt of the state or a pledge of the full faith, credit and taxing power of the state. The section provides that the authority is not authorized to incur indebtedness on behalf of the state or a political subdivision of the state.

Sec. 44.55.060. ISSUANCE OF AUTHORITY BONDS AND NOTES.

This section authorizes issuance of authority bonds or notes in amounts as the authority deems necessary to provide funds for its corporate purposes. Bonds and notes are to be general obligations payable out of the revenues of funds of the authority, except as the authority determines otherwise or agreements of the authority require otherwise. Bonds or notes of the authority are declared to be fully negotiable within the meaning of the Uniform Commercial

Code. The authority may prescribe the form, and the manner of issuing and securing, its bonds and notes. The section requires public sale of authority bonds or notes at a price the authority determines. Bonds are required to be paid not later than 50 years from date of issuance and notes not later than five years from date of issuance. Authority to issue notes payable from the proceeds of bonds or of other notes is also accorded in the section.

Sec. 44.65.070. CONTENTS OF BOND RESOLUTION, TRUST AGREEMENT OR TRUST INDENTURE.

This section recites the various covenants with bond and note holders which may be made by the authority in issuing its bonds and notes.

Sec. 44.55.080. PLEDGE OF REVENUES OR OTHER MONEY.

This section prescribes the legal effect of a pledge of revenues by the authority in connection with the issuance of its own bonds and notes.

Secs. 44.55.090. ALASKA MUNICIPAL BOND AUTHORITY RESERVE FUND.

44.55.100. AUTHORITY GENERAL FUND.

44.55.110. ALASKA MUNICIPAL BOND GUARANTEE FUND.

44.55.120. PERMANENT CAPITAL FUND.

These sections establish the funds in the authority for specific purposes. The reserve fund, established in sec. 90, is to insure payment of the principal and interest of outstanding authority bonds and notes. An amount sufficient to meet each succeeding calendar year's payments must be maintained in the fund, otherwise the authority may not issue further bonds and notes. Appropriations by the legislature are authorized to maintain the fund at the necessary amount.

The authority chairman is directed to certify to the governor annually any sum necessary to maintain this amount for guarantee of payment of authority bonds. Money in excess of the reserve may be transferred to another fund or invested.

The general fund of the authority, established in sec. 100, may be utilized for all purposes of the authority, including operating expenses and payment of principal and interest on authority bonds. Subject to contracts between the authority and holders of its bonds and notes, money may be transferred from the general fund to the reserve fund provided for in sec. 90. Money not transferred is to be used for payment of principal and interest on authority bonds and notes, and in addition may be used for purchase of municipal bonds and for all other authority purposes.

The Alaska Municipal Bond Guarantee Fund, provided for in sec. 110, is intended to improve bond marketing prospects for political subdivisions by ensuring payment of installments of bonds and notes on which a political subdivision may default. The authority is directed to make payment if necessary to avoid a default. Repayment of the amount paid by the authority is required from funds appropriated by the state for allocation to the political subdivision. An exception is made in the case of an existing dedicated tax (such as the tobacco tax dedicated for school construction), so to avoid a legal question of possible loss of the dedication through change of purpose to which the tax might be applied. The authority is also authorized to require that covenants of the debt instrument on which payment was made on behalf of the political subdivision be fully implemented to prevent future default situations from arising.

Money in the guarantee fund which exceeds five per cent of the total bonded debt of all political subdivisions outstanding as of the prior calendar year may be transferred by the authority to another fund or account. The section further provides for investment and valuation of investment of fund money, authorizes legislative appropriations to the fund and requires certification by the authority chairman to the governor of whatever amount is necessary to restore the fund to an amount equal to five per cent of the total bonded debt of all political subdivisions outstanding as of the prior calendar year.

The permanent capital fund, established in sec. 120, calls for an initial appropriation of $50 million to be used for the purchase by bid or negotiation of municipal bonds or notes; the amount would be in addition to proceeds from the sale of authority bonds and notes which the authority may use for such purchases. At least one-third of legislative appropriations to the fund are required to be used for purchase of bonds and notes offered by political subdivisions with a population of 2,500 or less.

Purchases from fund money must be at six per cent interest or at a rate no lower than 25 basis points (i.e. 1/4 of one per cent) below the going market value as shown in the Bond Buyer's Index for 20 Bonds, whichever is the lower rate. The section also provides that the amount required for the guarantee fund under sec. 110 (an amount equal to five per cent of the total bonded debt of all political subdivisions outstanding as of the prior calendar year) may be advanced from the permanent capital fund to the guarantee fund, if that amount has not been appropriated to the guarantee fund by the legislature. Reimbursement to the permanent capital fund from any subsequent legislative appropriations is required.

The section further provides for interest earnings derived from bonds purchased and from the permanent capital fund itself to be used for operating expenses of the authority, costs of debt service on authority bonds, reserve commitments, and increase of capital in the permanent capital fund, in that order.

Sec. 44.55.130. ADDITIONAL FUNDS OR ACCOUNTS.

This section authorizes establishment of additional funds and accounts or reserves.

Sec. 44.55.140. NO LIABILITY ON BONDS OR NOTES.

This section provides that neither members of the authority nor any person executing bonds or notes issued under the chapter shall be liable personally on the bonds or notes by reason of their issuance.

Sec. 44.55.150. PLEDGE OF STATE.

This section makes a pledge to holder of bonds or notes issued under authority of the Act that the state will not alter the powers vested in the authority as to municipal bonds and its own bonds and notes before the bonds and notes are fully paid and any actions or proceedings in connection with them are fully discharged. A pledge is also made with respect to preservation of authority power to meet its expenses.

Sec. 44.55.160. LEGAL INVESTMENTS.

This section declares authority bonds to be legal investments for the state, political subdivisions, agencies of the state, banks, other financial institutions, insurance enterprises, and fiduciaries. The bonds are also declared to be legal security for public deposits. Provision is specifically made for state funds deposited in a bank

to be secured by authority bonds or notes or bonds or notes of a political subdivision. The aggregate value of such bonds or notes deposited as security must equal at least 50 per cent of the funds deposited.

Sec. 44.55.170. TAX EXEMPTION.

This section provides that all property of the authority is exempt from state or local taxes and special assessments. Interest and income on authority bonds and notes, as well as money pledged or available to pay or secure their payment, is declared exempt from taxation, except for transfer, inheritance and estate taxes.

Sec. 44.55.180. EXEMPTION FROM LEVY.

This section exempts authority property from levy and sale by execution and from execution or other judicial process and provides that a judgment against the authority may not be a lien on its property. These provisions are declared not applicable to rights of holders of bonds or notes to enforce a pledge or lien given by the authority on its revenues or other money.

Sec. 44.55.190. FEDERAL INSURANCE OR GUARANTY.

This section provides that the authority may obtain available federal insurance or guaranty on its bonds or on municipal bonds purchased or held by it.

Sec. 44.55.200. ACT TO CONTROL.

This section declares to the Act to control in case of inconsistency or conflict or inconsistency with other laws.

Sec. 44.55.210. ANNUAL REPORT AND AUDIT.

This section requires an annual authority report and audit to be presented to the governor and to the legislature.

Sec. 44.55.220. ANNUAL AUTHORITY BUDGET.

This section provides for the authority to file a preliminary budget with the governor annually and for adoption of the annual budget by the authority. Adoption is to become effective only after the annual budget is filed with the governor and the legislative auditor. The section further provides that if the authority does not adopt a budget by June 1, the preliminary budget filed takes effect if approved by the governor, or otherwise the preceding year's budget takes effect. The authority budget may be amended during the year in which effective, but only if the amended budget is approved by the governor as reasonable and necessary and is filed with the governor and the legislative auditor.

Sec. 44.55.230. TECHNICAL SERVICES BY LOCAL AFFAIRS AGENCY.

This section authorizes the local affairs agency to provide technical services to the authority upon request. Costs are to be met by the authority.

Sec. 44.55.240. SECURITY FOR CONTRACTS.

This section provides for the authority to contract with banks or other financial institutions for the care, custody or safekeeping of municipal bonds or other investments of the authority, payment or collections of principal and interest amounts due the authority, and delivery to it of municipal bonds or other investments purchased or sold by the authority.

Sec. 44.55.250. ESTOPPEL AS TO BONDS OR NOTES.

This section estops legal challenge to authorization, sale, issuance, execution or delivery of authority bonds or notes once they are issued.

Sec. 44.55.260. AUTHORITY FINANCIAL ADVISORY SERVICES.

This section provides for authority to render financial advisory services to a political subdivision in connection with any public or private sale of its bonds, such as advice as to improving its credit rating, methods of offering bonds for sale, and preparation of a sale prospectus. Charges for services are required, and services may not include rendering of accounting, architectural, engineering, legal or other professional services or advice.

Sec. 44.55.270. DEFINITIONS.

Among terms defined in the section are

"municipal bonds", defined as a "bond or note or evidence of indebtedness which a political subdivision is empowered to issue, including but not limited to general obligation and revenue bonds", and

"political subdivision", defined as a "city or organized borough of any class, whether home rule or otherwise, including but not limited to a unified municipality organized under AS 29.85."

Sec. 44.55.280. SHORT TITLE.

The Act is to be cited as the Alaska Municipal Bond Authority Act.

HB
96

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FAIRBANKS ALASKA 8

REPRESENTATIVE MIKE MILLER CHAIRMAN LOCAL GOVT COMMITTEE

JUN

THE FAIRBANKS NORTH STAR BOROUGH AND CITIES OF FAIRBANKS AND NORTH POLE TAX RENTAL BUT EXEMPT RENTALS OF REAL PROPERTY IF RENTAL IS ON A MONTHLY BASIS OR FOR A LONGER PERIOD THIS LEAVES TAXATION ON HOTEL AND MOTEL ROOMS EQUIPMENT AND OTHER SHORT TERM RENTALS HOUSE BILL 96 WOULD PREVENT THIS TAZATION LOSS OF THESE REVENUES WOULD HAVE TO BE ABSORBED BY INCREASE IN REAL PROPERTY TAXES WE WOULD OPPOSE PASSAGE OF HOUSE BILL 96 AS PRSENTLY WRITTEN

JOHN A CARLSON CHAIRMAN FAIRBANKS NORTH STAR BOROUGH

96 96.

CITY OF KETCHIKAN

334 FRONT STREET P. O. BOX 1110 – KETCHIKAN, ALASKA 99901 TELEPHONE 907-225-3111

February 18, 1971

Representative Mike Miller
Chairman Local Government Committee
Pouch V - State Capitol
Juneau, Alaska 99801

Dear Mike:

Attached is a copy of a resolution pertaining to HB 96 regarding exclusion of rents as a source of sales tax revenue. This resolution was passed and approved by the City Council at their official meeting on February 17, and copies are being forwarded to Senator Ziegler, Representative Whittaker, and Don Berry. As you are well aware, legislation such as this is an example of further erosion of the Home Rule concept of the State Constitution.

Your support of the City of Ketchikan's stand would be appreciated.

Sincerely,

James R. Eide
City Manager

cc: Don Berry

RESOLUTION NO. 935

A RESOLUTION PROTESTING ALASKA HOUSE BILL NO. 96 DESIGNED TO EXCLUDE RENTS AS A SOURCE OF SALES TAX LEVY BY CITIES AND ORGANIZED BOROUGHS.

WHEREAS approximately 10 per cent of the sales tax revenue of the City of Ketchikan is derived from tax on rentals, and

WHEREAS the sales tax on rentals is levied not only on residential but on office, commercial and industrial units, and

WHEREAS the sales tax ordinance was approved in a special referendum election by the voters of the City of Ketchikan, and only the citizens of the City of Ketchikan are paying the sales tax on rents on the above units, and

WHEREAS the removal of rents from sales tax may necessitate an increase in property tax and, as such, would result in an increase in rental rates, and

WHEREAS the sales tax funds for the City of Ketchikan are earmarked for capital improvement projects or the debt service on the improvements, and

WHEREAS recently a two and one-half million dollar ($2,500,000) bond issue was authorized and sold for a major street improvement project, and

WHEREAS the citizens of the City of Ketchikan approved said project with the use of the proceeds of the sales tax for the debt service rather than a special assessment program, and

WHEREAS if the special assessment program would have been used, the rental cost of property would have increased more than the 2½ per cent collected from sales tax on rental property, and

WHEREAS the sales tax on rents as paid by the citizens of the City of Ketchikan is a matter of local concern which the voters of the City of Ketchikan have approved in a special referendum election.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska:

That the Council of the City of Ketchikan hereby voices its strong disapproval and protest to House Bill 96 which would, if passed, exclude rents as a source of sales tax levy by cities and organized boroughs.

PASSED AND APPROVED at Ketchikan, Alaska, this 17 day of February, 1971.

/s/ William F. Hamilton

William F. Hamilton, Mayor

ATTEST:

/s/ Mary McKinley

HB

112

02-0018

STATE of ALASKA

MEMORANDUM

TO: Mike Miller, Chairman
Local Government Committee
House of Representatives
Alaska State Legislature

DATE : February 24, 1972

FROM: M. R. Charney, Director
Division of Budget & Management
Department of Administration

SUBJECT: House Bill 112 - Department of Community Affairs

Shown below is the funding breakdown for the Department of Community Affairs contained in House Bill No. 112.

Proposed Department of Community Affairs (HB-112)

1. Costs proposed in the FY 73 budget that would be transferred into the new Department

Planning & Research Division	$ 1,031.2	(326.1 GF)
Local Affairs/Rural Development Agencies	1,381.2	(556.7 GF)
Rural Affairs Commission	29.9	(29.9 GF)
Local Boundary Commission	36.9	(36.9 GF)
Shared National Forest Receipts	364.3	(364.3 GF)
Municipal Services Revenue Sharing	7,100.0	(7,100.0 GF)
Shared Taxes	4,458.6	(4,458.6 GF)
Neighborhood Youth Corps	1,838.9	(-0- GF)
Sub Total	$16,241.0	$12,872.5

2. Additional Costs

Office of the Commissioner	226.2	(226.2 GF)
Administrative Services Section	105.7	(105.7 GF)
Advisory Council	5.0	(5.0 GF)
Sub Total	$ 336.9	$ 336.9
Department of Community Affairs Total	$16,577.9	$13,209.4

cc: R. F. Schroeder

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
April 22, 1971

The Honorable William A. Egan
Governor of Alaska
Pouch A,
State Capitol Bldg.
Juneau, Alaska 99801

Dear Governor Egan:

As you are undoubtedly aware, the Legislative Council proposed legislation (House Bill 112) this year, which would have the effect of creating a Department of Community Affairs. The purpose of this letter is to advise you that the House Local Government Committee is very much inclined to favor legislation along these lines.

In your State of the State speech, we noted your own statements of intent for such a Department.

With this common goal in mind, the House Local Government Committee respectfully requests that your office submit proposed legislation to the Legislature at the beginning of the second session.

The Committee, of course, would be delighted to cooperate with you, Byron Mallot or other members of your office in formulating a legislative proposal and I hope you will feel free to call on us for any assistance we can offer.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

HB 112

TO: Representative Mike Miller, Chairman
House Local Government Committee

April 13, 1971

FROM: James B. Rhode
AA House Local Government Committee

SUBJECT: Comparison of the Provisions of HB 112 and HB 81 Relating to Creation of a Department of Community Affairs

HB 112, introduced by request of the Legislative Council, and HB 81, introduced by Whittaker, would create a "Department of Community Affairs" and a "Department of Regional and Community Affairs", respectively. The Council bill was drafted after study of the statutes used by eight states to create such departments. The major differences between the Council and Whittaker bills is that the Council bill places the Alaska State Housing Authority in a different relationship to the new department, provides more of the mechanics of creating the department (based on the act setting up the Department of Economic Development), and gives the department more powers and states them in more detail. Finally, the Council bill alone sets up an advisory council for the department.

Both bills establish a department by combining the Planning and Research Division and the Local Affairs Agency of the Governor's Office with the Rural Development Agency of the Department of Economic Development. Both bills also assign the housekeeping for the Rural Affairs Commission and the Local Boundary Commission to the depart. The bills differ, however, on the place of the Alaska State Housing Authority in the department. The Council bill assigns ASHA to it while the Whittaker bill transfers the "planning assistance authority" of ASHA to it. In view of the planning role which the Council bill has for the department, it appears to be inconsistent when it fails to transfer the ASHA planning authority to the new department. On the other hand, the Committee may choose to have ASHA and the department responsible for different types of planning.

The Council bill provides for all legal aspects of forming the department and gives its commissioner the same power to organize the department that other commissioners enjoy, apart from requiring three specific divisions be set up. The Whittaker bill omits a number of legal matters: power to issue regulations; the status of suits, petitions, and hearings pending at the time the department is created; references to the laws modified by the creation of the department. Further, the Whittaker bill directs the commissioner to "...preserve the identity and staff of agencies transferred to the department" in so far as that is "...consistent with sound administrative practice..." This might not allow the commissioner the organizational freedom he has under the Council bill.

In regard to powers, Whittaker's department is to provide technical and financial assistance to all local governments, to assist the governor in coordinating all state and federal programs available to local governments, "...to encourage..." the solution of problems at the lowest practical level, and to study and voice the needs of local governments and their residents. The Council bill goes further and has the department "supervise" all state financial aid to local governments (shared revenues, federal aid to localities via the state) except for the Public School Foundation Program and disaster relief. The department would "supervise" and "...cooperate with..." other state agencies in preparing "...statewide plans relating to housing, redevelopment and renewal, human resources development, public works..." and others (page 2, line 29 and page 3, lines 1-4). It also is to coordinate state and local planning in other matters. Actually, the language on page 3, lines 22-23

might be changed to clarify the intent of the Council to have the department coordinate, not dictate, local planning outside the scope of statewide planning. Further, the department would also assist the governor in administering disaster aid, "...provide direct consultative services to local governments upon request..." (extraordinary costs to be reimbursed), and offer planning assistance on any matter to localities and to state and other planning agencies (non-state agencies will bear all costs not covered by federal grants). It should be noted here that planning assistance by the Planning Division in the Governor's Office is presently limited to "...areas in the state not represented by local governments..." and only "...where such planning...is necessary for the receipt of federal, state, or other funds..." (AS 44.19.880 (a)(5), repealed and reenacted in 1970). The Council bill also calls for regular training programs for local officials, including the exchange of personnel between governments. Uniform budget forms and auditing standards will be prepared for local governments. Presumably, the language of this provision would permit special, simplified budget forms for use by the smaller communities. Anyway, we may assume the Committee would choose to provide that fourth class cities may submit a statement of income and expenditures in lieu of an audit, as it did in the proposed revision of the Municipal Code. It is well to note that the purpose of the uniform budget forms and auditing standards is to make it easier for the Legislature, the Administration, bond houses, and the communities involved to evaluate spending patterns and fiscal conditions at the local level. The bill further permits the department, on request, to contract for "...line or staff..." functions in local governments to be performed by other departments or by the Department of Community Affairs. State contracting with localities is today limited and decentralized, e.g. State Troopers, Health & Welfare Sanitary Engineers.

RECOMMENDATION: That HB 112 be the basis of any bill to create a department.

# # #

HB
119

HOUSE BILL 119

CONVENTION BUREAUS

The average conventioneer spends between $50 and $60 per day on food, hotel accomodations, entertainment, etc. To illustrate the potential of convention spending: in October, 1970, 3900 people attended conventions in Anchorage, spent an average of 4 days in Anchorage, and thus contributed $858,000 (excluding transportation costs) to the economy of Anchorage and the State of Alaska.

The potential for developing this market in Alaska is unlimited. The Travel Division's program to develop the convention trade is but a year old, but it has already proved that Alaska has tremendous appeal to organizations for sites of their conventions. To date we have received firm committments from over 40 organizations to hold conventions in Alaska during the years 1971 through 1974. This should benefit the state in direct spending from $8 to $10 million. We expect committments from twice this number of organizations in 1971.

Thus far, however, the Travel Division has been unable to tap the total resources that the "convention business" has to offer. The reason is that most communities in Alaska do not have the facilities necessary to service large groups. Our convention director is limited

to recruiting groups that meet in the off-season of tourism and groups that number less than 1500. Obviously, we are losing a good portion of the market before we start.

Conventions require only three essential ingredients: Enough first class bed space, adequate meeting rooms, and banquet facilities for the whole group. At present, there are some new hotels being built or planned for Alaska. However, there are no plans for expanding meeting and banquet facilities. Two of the three essentials are lacking.

The majority of the parts that make up the Alaska Travel Industry is growing and becoming more sophisticated. Air service, tour operation, and the number and quality of hotel rooms are examples of this maturation. There is a gap, however, in the growth of meeting and banquet facilities.

The growth rate of the Alaska convention trade is limited only by the state's willingness to participate financially with communities to develop facilities to handle this highly beneficial resource. The passage of House Bill 119 would help tremendously in solving the Travel Divisions's problems in selling the convention trade and benefitting Alaska's economy.

SUMMARY SHEET OF THE GROWTH OF ALASKA TOURISM

Tourism in Alaska is experiencing a healthy growth rate - as illustrated by the chart below:

NUMBER OF TOURISTS ENTERING ALASKA
BY
MODE OF TRANSPORTATION

Year	Cruise	Ferry	Airline	Highway	Total
1964	11,000	11,650	13,250	23,300	59,200
1965	11,700	14,400	15,100	28,400	69,000
1966	12,400	17,300	16,250	27,150	73,100
1967	13,200	18,950	20,600	33,950	86,700
1968	15,000	18,000	25,000	34,000	90,000
1969	21,000	20,000	26,000	40,000	107,000
1970	29,000	20,000	30,000	44,000	120,000

EXPENDITURES

The average tourist spends approximately $35 per day - considerably less than the daily expenditure of the conventioneer. Total tourist expenditures, however, are substantial amounts. The total figures for 1964, 1967, and 1970 are as follows:

1964	1967	1970
$18,200,000	$29,000,000	$41,000,000

ALASKA TOURISM RELATED EMPLOYMENT

1970

NUMBER OF TOURISTS	120,000
PRIMARY EMPLOYMENT*	2350
PRIMARY WAGES*	$14,500,000

*Excludes wholesale and suppliers, etc., employees estimated at 1000 in 1970, which provided an additional 7 million dollars in wages in 1970.

TYPICAL TOURIST PROFILE

A typical visitor to Alaska would be a middle aged (about 50 years of age) physician with his wife, travelling from California. They might take a cruiseship coming and return by airplan, or perhaps drive one way and return via marine highway. They spend about two weeks in the state, visiting Juneau, Anchorage, and Fairbanks, plus numerous side trips - to Mt. McKinley National Park, the Arctic, region, etc. Excluding transportation costs, they spend from $500 to $700 in Alaska.

In 1968, a rather discriminating study was accomplished, and published, concerning the tourist or visitor, potential for the State of Alaska. Among other things, it indicated that 1970 would see 125,000 tourists in Alaska.

According to all available figures, and some very conservative estimates, there were indeed close to 125,000 visitors in Alaska during 1970.

That same study indicated an anticipated 185,000 visitors to the state in 1975 -- the final year for projections.

At this poirt, it seems safe to say that the 1975 projection will be surpassed, and that the year 1980 will see 302,000 visitors in Alaska, and that they will spend in excess of 136 million dollars during their tours.

A number of factors now present or about to make their presense felt, contribute to the new projections:

- A comprehensive state program to secure convention traffic,
- Planned improvements to the Alaska Marine Highway ferry system,
- An increased effort to lure the foreign visitor, particularly the Japanese,
- The advent of sea/air cruises, giving the visitor more time in Alaska, as opposed to skirting the edges of the state,
- Canadian efforts to get their part of the Alaska Highway paved.

The convention program will have the greatest impact during the off-season period -- that nine month period of the year when tour operators have little business and many hotels either close down or go on limited operations.

A prime target in this market is the major insurance company. Several of these firms exist, and they hold upwards of 200 small conventions, or sales meetings each year. They require adequate accommodations, and prefer those located in a somewhat closed environment -- an area not overloaded with outside attractions that would tend to reduce attendance.

Alaska Convention Coordinator R. A. "Dutch" Derr has already started to tap this vast potential, and his contributions will show major gains within three years.

At that same time Derr has not neglected other convention possibilities. The current log shows 14 conventions set for Alaska in 1971 with a total of 6,610 delegates....6 more sessions in 1972 with 1,860 delegates, and 2 conventions in 1973 with an anticipated attendance of 3,400. Since the effort has only been underway for the past 20 months, and bookings beyond 1973 are already firm, it is reasonable to expect that convention delegates by 1980 will increase the number of Alaska visitors by 15,000 each year. And, using current spending ratios, that amounts to more than three million dollars yearly.

And those figures do not reflect the conventions that are secured by the individual cities in Alaska -- only those secured through Mr. Derr's aid.

Improvements to the Marine Highway System, notably the lengthening of the three "Blue Canoe" sisterships and the construction of a new deep water ocean vessel, will add capacity and scheduling capabilities far beyond present limits. The addition of new craft for schedules off the main line will also help extend visitor activities away from the major population centers.

The Department of Economic Development is currently working out a program, with Federal participation, that will vastly increase the foreign tourists. Success in this area is almost assured, as the Japanese have shown increasingly strong interest in Alaska as a place to see. Skiers are appearing on our slopes in greater numbers, photographers are taking advantage of Alaska scenery and wildlife, and businessmen are stopping off in Alaska cities to relax and recharge before and/or after trips to Seattle, Los Angeles, Chicago, and New York.

With greater emphasis on promotion of Alaska in Japan, this small trickle can become a flood of visitors.

The sea/air cruise, one way by sea and the return trip by air, is becoming a popular item with travel agents around the nation. Alaskan tour operators are anxious to participate, because such a package usually means that the visitor has more time in Alaska, he spends more for food and lodging, and he has an opportunity to do some discriminating shopping for quality items. Such combination tours also open up the possibility of side trips to selected lodges for two or three days. Unlike a cruise ship tour, the combination sea/air trip can accommodate interruptions during the transitional phase. It is easy to catch a plane two days later, or two days earlier, while a cruise ship -- once departed -- isn't available for boarding for ten days or two weeks.

Perhaps the single most important possibility for increasing the number of visitors to Alaska is completion of paving on the Alaska Highway. Statistics have shown that more than 15% of the visitors checking through Tok have been to Alaska at least once before, and generally by way of that single road link to the South 48. A smooth all-weather highway from the Midwest to Fairbanks, Anchorage, and beyond would send our yearly visitor tallies skyrocketing.

These five factors, four of which are now in progress or in planning, were not considered during the study of 1967-68. In all probability they will, when combined with existing programs, send the real figures well over the projected numbers.

Beyond current planning, but certainly before 1980, are some innovations that will create an even greater flow of visitors through our state.

The tourist season can be logically extended, especially in the major population centers. The "Spring Up" and "Septober" campaigns can be, and will be, enlarged while winter offerings will be developed throughout the State.

Customized package tours will be developed for the independent traveller. The fishing enthusiast will join a planeload of ardent anglers and fly north to spend a week or two weeks in one, two, three, or more different lodges -- trying his luck against upwards of a half-dozen species of fish. The photographer will be able to join a tour specializing in scenic areas, or wildlife centers. Beachcombers, gem and mineral collectors, and even birdwatchers will probably have customized Alaska tour packages. It should be obvious that Alaska has more to offer in more specialized areas than just about any other state.

The most exciting innovation would be the creation of a bush visitor program, a network of travel patterns leading outward from each of the population centers to the various villages, resorts, lodges, and camps that are scattered through this Great Land. This network alone would increase our capacity to accommodate visitors. Imagine a summer day in Fairbanks, when every hotel and motel space is booked...the existing capacity has been achieved. The potential for additional tourism would be absolute zero under such conditions today. Consider that same situation with a bush network in operation. The same number of hotel or motel rooms would be filled, but perhaps 100 or even 200 additional visitors would be out in the bush spending two or three days at this lodge, that fishing camp, or a small village -- all as part of a tour. Such a concept would necessarily deal with a high-volume, fast turnover, package. But it can work, and depending upon the strength of the bush network, it could effectively increase visitor capacity by 20, 30, 50, or even 100 percent. And don't scoff, these are not figures plucked out of a hat. Ketchikan, for example, with the huge number of lodges in the area, could easily double the number of visitors now accommodated in every available hotel and motel space in the community. What's more, given a progressive operation, it would lead to a consistently high level of activity as opposed to the normal pattern of one week of feast and two weeks of famine.

An adjunct to this bush network might well be utilization of schools during the summer tour months. Boarding schools now exist in some communities, and they could easily be transformed into visitor accommodations during that three month period when school is out. New schools could be designed with such summer activity in mind, at an increased cost, of course, but one which would be repaid with interest over a comparatively short time. And, in the case of the smaller villages, the transformation of the schools to visitor centers during the summer would have the additional value of bringing the business to the source of craftsmanship, or bringing the Native into the mainstream of the visitor industry without requiring him to leave home.

Finally, we anticipate the creation of a more sophisticated and coordinated visitor information operation. Colorful, complete and clearly-marked Alaska Visitor Information booths should be established at every point of mainline departure; Seattle, Prince Rupert, Victoria, Vancouver, and at the Alaska-Canada border. Additional booths should also be set up at the international airports in Anchorage and Fairbanks. And every community should give serious thought to establishment of their own community information centers in their own airports -- at least those with a visitor industry worthy of the name. It is impossible to sell someone on the idea of going somewhere and doing something unless you first let him know where that somewhere is, and what it is he'll be doing.

The possibilities for expanding the visitor industry in Alaska are unlimited, contained only by the lack of imagination, working capital, and concrete. Imagination, applied now, can create the working capital in a few short years, followed by the pouring of concrete and the creation of a vibrant new future for the visitor industry.

There is a general feeling that oil is the big item in Alaska's economic future. Many of us feel this is not so, that the visitor will be the big item in the day-to-day economy of most Alaska communities. By 1980, the average visitor will be spending well above his current 50-dollar-per-day average. He will probably be staying for a period in excess of two weeks. And he, along with the other 301,999 visitors now projected, will be spending more than that $136,000,000 we now predict.

We can't prove it. But check the figures at the end of 19).

HB
130

File

BE IT ENACTED, etc.....

Section 1. AS 04.10 is amended by adding new sections to read:

ARTICLE 6. MUNICIPAL LIQUOR LICENSES

Sec. 04.10.500. CITY LIQUOR LICENSE. (a) A city which does not prohibit sale of intoxicating liquor under the local option election provisions of sec. 430 of this chapter or AS 29.25 380 - 29.25.410 may obtain any liquor license authorized to be issued under this chapter for the sale of intoxicating liquor within the city's boundaries.

(b) Before a license may be issued under this section, certification must be submitted to the board that at the last city election a majority of the qualified voters in the city voted affirmatively on the question, "Shall the incorporated city of .....obtain.....(number and type or types of license) for the sale of intoxicating liquor?" The question shall be submitted to a vote within 30 days after the city council receives a petition signed by 25 per cent or more of the total number of qualified voters who voted at the last regular city election and request a vote on the question.

(c) Upon receipt of a petition, the council shall notify the board, which shall withhold issuance of an available license requested in the petition pending the election.

(d) The council shall conduct the election under this section in the same manner as other regular or special city elections and shall forward notice of the result of a vote on the question immediately to the board. Other provisions of law governing eligibility for licenses notwithstanding, if a majority of the qualified voters at the election favor the sale of intoxicating bevergaes by the city, the board shall issue the license or licenses and

thereafter for the term of the license or reissued license deny all applications from other parties for licenses to sell liquor within the city and within 10 miles of a boundary of the city, unless the council determines otherwise as to licenses available for issuance under secs. 210 or 400 of this chapter. This subsection shall not operate, however, to preclude the subsequent transfer of a license from a city to a corporation organized and certified under the Alaska Nonprofit Corporation Act (AS 10.20.005 - 10.20.725) to conduct and manage the sale of liquor on behalf of the council.

(e) A city obtaining a liquor license under this section may obtain reissuance of the license without presenting the question to the municipal voters, if a petition requesting the election is not presented to the council at least 40 days before the expiration date of the valid existing license. Otherwise, the election requirements of this section shall apply as in the case of the issuance of the license.

(f) After issuance or reissuance of a liquor license under this section, no petition for a vote on the question of the city license may be filed with the council until at least nine months have elapsed from the date the license was issued or renewed.

(g) A license for the sale of intoxicating liquor issued or reissued to a city before the effective date of this Act and in effect on the effective date of this Act shall be a valid license for the duration of the license term and thereafter may be renewed in accordance with the provisions of this section.

(h) No member of a city council or director or officer of a corporation organized under the Alaska Nonprofit Corporation Act to conduct and manage the sale of liquor in behalf of the

council may hold any interest in another operation licensed under this ~~section~~ chapter, nor shall he receive any fee or remuneration for procuring or furnishing quarters, or supplying equipment, furnishings, stock, or inventory in order to conduct business under a license issued under the terms of this section.

Sec. 04.10.510. APPLICATION OF CERTAIN SECTIONS. Secs. 190(a)(5) and 270 of this chapter do not apply to licensure of a city under secs. 500 - 520 of this chapter.

Sec. 04.10.520. DEFINITIONS. In secs. 500 - 520 of this chapter

(1) "city" means a municipality of the first, second, or fourth class not within an incorporated borough with a population of 3500 or less ~~within the unincorporated area~~ according to the most recent United States census or other reliable data;

(2) "council" means the council or other governing body of a city.

Section 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

Walker's Package Store

FINE LIQUORS
P.O. BOX 57
KOTZEBUE, ALASKA 99752

Feburary 22, 1971

Honorable M. Miller, Chairman
Local Government Committee
House of Representives
State Of Alaska
Pouch V
Juneau, Alaska 99801

Dear Mr. Miller:

This letter is in reference to House Bill 130 giving small villages authority to operate a liquor store.

First of all I am not against village ownership and operating liquor stores, or the operating of a liquor store by the City of Kotzebue.

The part that I am protesting is that it would prohibit liquor stores from operating that have not been in business before January 1, 1970.

I was issued a liquor license in January of 1971, for a Retail Liquor store, my wife and I invested practically all of our life savings in this liquor store, if the present bill went thru as written it would leave us destitute.

I have been a bush Pilot in Northwest Alaska for over 22 years and have give this community faithful service, I am getting too old to fly. I have Eight children, am married to an Eskimo woman, our oldest daughter, Virginia Walker is Miss Alaska, she too has give the State of Alaska a year of faithful service by acting as Official hostess for the State, at present I am sending her thru college in Anchorage to become a nurse. The rest of my 7 children attend the local school here at Kotzebue.

Like I say I have put all my money into my Liquor store and expected to depend on it for my livelihood. Anything that you can do to help me stay in business would be greatly appreciated.

Most Sincerely,

Nelson Walker

Nelson Walker

CC - Committee Members

COMMUNITY LIQUOR SALES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 1967

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HEDLA & SHERWOOD
CERTIFIED PUBLIC ACCOUNTANTS
ANCHORAGE, ALASKA

The Board of Trustees
Community Liquor Sales, Inc.
Bethel, Alaska

We have examined the balance sheet of Community Liquor Sales, Inc. as of December 31, 1967, and the related statements of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except as noted in the following paragraph.

Due to the remote location of this store, we did not observe the physical inventory count as of December 31, 1967.

In our opinion, subject to the above exception, the accompanying balance sheet and statement of income and retained earnings present fairly the financial position of Community Liquor Sales, Inc. at December 31, 1967, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

HEDLA & SHERWOOD
Certified Public Accountants

February 3, 1968

COMMUNITY LIQUOR SALES, INC.

BALANCE SHEET — DECEMBER 31, 1967

ASSETS

Current Assets:		
Cash		$ 53,238
Accounts receivable		630
Inventory		9,531
Prepaid expenses		1,733
Total current assets		65,132
Fixed Assets (at cost):		
Leasehold improvements	$ 575	
Store and office equipment	1,594	
	2,169	
Less - Accumulated depreciation	733	1,436
		$ 66,568

LIABILITIES

Current Liabilities:	
Accounts payable	11,574
Accrued payments to City of Bethel (Note A)	18,115
Taxes other than taxes on income	2,692
Federal and Alaska taxes on income	10,990
Total current liabilities	43,371
Equity:	
Retained earnings	23,197
	$ 66,568

The accompanying notes are an integral part of this statement.

COMMUNITY LIQUOR SALES, INC.

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1967

	Amount		Percent to Sales
Sales		$465,574	100.00
Cost of sales:			
Inventory at beginning	$ -0-		
Merchandise purchases	281,199		
Freight	31,284		
Salaries and wages	17,132		
Supplies	284		
	329,899		
Inventory at end	9,053		
		320,846	68.91
Gross profit		144,728	31.09
Administrative and general expenses			
Liquor license (Note A)	46,557		10.00
Rent (Note A)	46,557		10.00
Operating taxes and licenses	3,625		.79
Professional services	3,571		.77
Disposal (Note B.)	3,000		.64
Utilities	1,833		.39
Payroll taxes	1,258		.27
Insurance	1,128		.24
Depreciation	733		.16
Travel	252		.05
Donations (Note C)	1,800		.39
Cash variation	(61)		(.01)
Repairs and maintenance	46		.01
Other expenses	177		.04
		110,476	23.74
		34,252	7.35
Other expense:			
Interest		65	.01
Income before provision for taxes on income		34,187	7.34
Federal and Alaska taxes on income		10,990	2.36
Net income		23,197	4.98
RETAINED EARNINGS			
Balance at beginning of year		-0-	
Balance at end of year		$ 23,197	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTE:

A. Payments due the City of Bethel are in compliance with agreements for the sub-lease of the building in which business is conducted and for the permit to operate the liquor license within the boundaries of the City. These agreements call for payment of 10% of the gross sales for the sub-lease and 10% of the gross sales as a permit fee.

B. Under an agreement with the City of Bethel the City disposes of all refuse for a fee of $250 per month.

C. Amount includes a donation to the City of Bethel of $1,750.

ORGANIZATION AND OPERATIONS

Community Liquor Sales, Inc.was incorporated under Alaska law in December of 1966 and is a City controlled retail liquor distributor in Bethel, Alaska.

The corporation was organized without issuance of capital stock. The operations are controlled by a Board of Trustees. The Corporation has entered into a rental lease and permit fee arrangement with the City of Bethel for operation of the only liquor store in the area. The primary purpose of the corporation is to curtail bootlegging operations in the area by establishing a local retail outlet for the sale of alcoholic beverages.

The Board of Trustees, who serve without remuneration are as follows:

Kevin Murphy

John Snodgrass

Dave Swanson

CITY OF BETHEL

AUDIT REPORT

JUNE 30, 1970

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HEDLA, SHERWOOD & CO.
MERGED WITH
ARTHUR YOUNG & COMPANY

730 "I" STREET
ANCHORAGE, ALASKA 99501
(907) 277-7613

Honorable Mayor and
Members of Council
City of Bethel
Bethel, Alaska

We have examined the balance sheets of the various funds as of June 30, 1970, and the related statements of revenue and expenditures and fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances except that we did not independently confirm amounts due from the State of Alaska as to which we were able to satisfy ourselves by other procedures.

The City of Bethel has not established any continuing property records, therefore our examination relating to fixed assets was limited to expenditures during the current year.

The City of Bethel may be contingently liable for any deficiency which may be determined by the Internal Revenue Service as a result of a pending audit of Bethel Sales, Inc. as mentioned in Note A to the financial statements.

In our opinion, with the exceptions stated in the preceding paragraphs, the accompanying balance sheets, statements of revenue and expenditures and statement of fund balances present fairly the financial position of the various funds of the City of Bethel at June 30, 1970 and the results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with the preceding year.

Arthur Young & Company
ARTHUR YOUNG & COMPANY
Certified Public Accountant

October 2, 1970

CITY OF BETHEL
GENERAL FUND

BALANCE SHEET — JUNE 30, 1970

ASSETS

Cash:			
Cash on hand			$ 50
Cash in bank - checking			72,606
Cash in bank - certificates of deposit			145,000
Total cash			217,656
Receivables:			
Sales tax receivable		$23,720	
Community Liquor Sales, Inc.		57,858	
State of Alaska:			
Reimbursement of prisoner care	$ 2,000		
Business license refund	10,186	12,186	
Sanitation accounts receivable	10,519		
Less: Allowance for uncollectible accounts	4,446	6,073	
Accrued interest receivable		2,544	
Due from Capital Projects Fund		2,034	104,415
Restricted Assets:			
Cash - Rural Development Project - construction account			1,964
Other Assets:			
Deposit on fire truck lease		1,883	
Deposit		200	
Prepaid insurance		3,962	6,045
Total assets			$330,080

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	$ 20,716
Accrued and withheld payroll taxes	7,969
	28,685
Contingent Liabilities (Note A)	
Fund Balance	301,395
Total liabilities and fund balance	$330,080

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BETHEL
GENERAL FUND

STATEMENT OF CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 1970

Fund balance - July 1, 1969	$269,470
Add: Excess of revenues over expenditures for the fiscal year ended June 30, 1970	31,925
Fund balance - June 30, 1970	$301,395

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BETHEL
GENERAL FUND

STATEMENT OF REVENUE AND EXPENDITURES - BUDGETED AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1970

	Budget	Actual	Over (Under) Budget
Revenues: - Operating			
Sales tax	$ 70,000	$ 92,627	$ 22,627
Penalties and interest	1,500	126	(1,374)
Interest - savings	500	5,894	5,394
Fines	4,500	9,510	5,010
State prisoner care	15,000	24,938	9,938
Business license refund	9,000	11,112	2,112
Sanitation and garbage	20,000	28,393	8,393
City building rental	3,500	3,576	76
Prematernal home	2,000	1,552	(448)
Community liquor sales	75,000	139,666	64,666
Licenses and permits	250	172	(78)
State revenue sharing	11,000	24,150	13,150
Factory rental	13,800	-0-	(13,800)
Miscellaneous	500	559	59
Revenue from sale of equipment		604	604
Total operating revenues	226,550	342,879	116,329
Other Revenues:			
Neighborhood facilities:			
Federal share	265,720	-0-	(265,720)
City savings account	95,000	-0-	(95,000)
Total other revenues	360,720	-0-	(360,720)
Total revenues	$587,270	$342,879	($244,391)
Operating Expenditures:			
General government:			
Office expense	$ 3,000	$ 4,716	$ 1,716
Office supplies	1,500	1,887	387
Office salaries	30,000	33,221	3,221
Legal and audit	4,500	6,509	2,009
Insurance	4,000	5,303	1,303
Payroll taxes	7,500	11,094	3,594
Elections	100	157	57
Travel and entertainment	4,000	3,573	(427)
Legal and audit expenditures for capital projects	-0-	5,098	5,098
Total general government	54,600	71,558	16,958

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BETHEL
GENERAL FUND

STATEMENT OF REVENUE AND EXPENDITURES - BUDGETED AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1970
(Continued)

	Budget	Actual	Over (Under) Budget
Public Safety:			
Police salaries	$ 17,800	$ 26,437	$ 8,637
State Police	7,200	5,400	(1,800)
Police operating costs	1,500	2,128	628
Jail salaries	36,000	38,551	2,551
Jail operating costs	5,700	4,840	(860)
Prisoner feeding	12,000	18,691	6,691
Fire Department	3,000	7,644	4,644
Total public safety	83,200	103,691	20,491
Community Projects:			
Library	1,000	678	(322)
City buildings	3,000	2,601	(399)
Museum	500	167	(333)
Artifacts	500	195	(305)
Prematernal home	2,500	2,079	(421)
Newspaper	6,300	6,068	(232)
Dog control	750	675	(75)
Mosquito control	1,000	-0-	(1,000)
City garage	3,000	2,665	(335)
Community Liquor	3,000	2,875	(125)
Community Center	5,000	-0-	(5,000)
Miscellaneous	3,600	2,285	(1,315)
Total community projects	30,150	20,288	(9,862)
Public Works:			
Sanitation salaries	34,000	28,323	(5,677)
Dump maintenance	1,500	1,424	(76)
Vehicle maintenance	5,000	1,427	(3,573)
Sanitation and garbage	4,000	15,871	11,871
Provision for uncollectible sanitation and garbage accounts		1,000	1,000
Road construction and repair	25,000	10,931	(14,069)
Street lights	5,000	1,581	(3,419)
Water front	12,000	149	(11,851)
Parks and recreation	22,000	5,736	(16,264)
Parks and recreation salaries		10,613	10,613
	108,500	77,055	(31,445)

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BETHEL
GENERAL FUND

STATEMENT OF REVENUE AND EXPENDITURES - BUDGETED AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1970
(Continued)

	Budget	Actual	Over (Under) Budget
Other Expenditures:			
Neighborhood facilities:			
Federal share	$265,720	$ -0-	($265,720)
City share	95,000	450	(94,550)
Total neighborhood facilities	360,720	450	(360,270)
Capital Outlays:			
Community projects	19,000		
Sanitation trucks and tank		23,516	
Police van		4,129	
Office equipment		1,950	
Jail improvements		989	
Playground equipment		1,571	
Library equipment		2,056	
Street lights		1,186	
City garage improvements		2,062	
City building improvements		453	
Total capital outlay	19,000	37,912	18,912
Total expenditures	656,170	310,954	(345,216)
Excess of revenues over expenditures	($ 68,900)	$ 31,925	$100,825

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BETHEL
GENERAL FUND

NOTES TO FINANCIAL STATEMENTS

Note:

1. An audit of Bethel Sales, Inc., a City controlled retail liquor outlet, is in progress by the Internal Revenue Service relating to certain payments made to the City covering a period of operations from March 1964 through December 1965. Should the findings of the Internal Revenue Service be unfavorable, the City may be required, as transferee, to assume the liability for any deficiency that may be determined.

CITY OF BETHEL
GENERAL FUND

SUPPLEMENTARY COMMENTS

Cash — $217,656

Cash balances at June 30, 1970 were:

Cash in bank - general checking	$ 72,606
Cash in bank - time savings certificates	145,000
Cash on hand	50
	$217,656

Cash in bank was confirmed directly with the depositary, Kuskokwim Branch, The First National Bank of Anchorage, at Bethel, Alaska and reconciled to the City's records. The time certificates bear interest at 4 to 5% per annum.

Sales Tax Receivable — $ 23,720

This amount represents City sales taxes collected by local business entities and due the City at June 30, 1970.

State of Alaska - Prisoner Care — $ 2,000

This amount is due from the State of Alaska for care of State prisoners in the Bethel City Jail through June 30, 1970.

State of Alaska - Business License Refund — $ 10,186

Represents the share due the City of Bethel for business license taxes collected by the State of Alaska through June 30, 1970.

Sanitation Accounts Receivable — $ 10,519

This amount is due from sanitation customers at June 30, 1970. The reserve for uncollectible accounts of $4,446 was determined to be adequate.

Restricted Assets - Rural Development Project — $ 1,964

This amount is the unexpended balance of a $5,000 grant from the State of Alaska. The grant is for the purpose of improvements to the river front.

SUPPLEMENTARY COMMENTS
(Continued)

Deposit on Fire Truck Lease	$ 1,883

The City of Bethel has entered into a lease contract with option to purchase a fire truck. The $1,883 deposit is for the fiscal year ended June 30, 1971. Subsequent year payments are due July 1, of each year from 1971 to 1974. If payments are made annually, the total amount paid will be $18,698 for the full term of the lease.

Liabilities

All known liabilities have been accrued and made a part of this report.

GENERAL COMMENTS

The City carries standard workmen's compensation, public liability, and accident insurance on volunteer firemen.

A fidelity bond in the amount of $50,000 is carried on the City Treasurer.

CITY OF BETHEL
CAPITAL PROJECTS FUND

MULTI-PURPOSE COMMUNITY CENTER

BALANCE SHEET — JUNE 30, 1970

ASSETS

Cash on hand	$ 2,869
Receivable - Economic Development Administration	6,150
Total assets	$ 9,019

LIABILITIES AND FUND BALANCE

Liabilities:	
Contract payable - retainage	16,736
Due - General Fund	2,034
	18,770
Fund balance	(9,751)
Total liabilities and fund balance	$ 9,019

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BETHEL
CAPITAL PROJECTS FUND

STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1970

Expenditures:	
Sinking Fund deposit	$ 5,100
Interest expense	6,486
Total	$11,586
Excess of expenditures over revenues	$11,586

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BETHEL
CAPITAL PROJECTS FUND

STATEMENT OF CHANGES IN FUND BALANCE
JUNE 30, 1970

Fund balance - June 30, 1969	$ 1,835
Less:	
Excess of expenditures over revenues	11,586
Fund balance - June 30, 1970	($ 9,751)

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BETHEL
BOND SINKING FUND

BALANCE SHEET — JUNE 30, 1970

ASSETS

Cash in bank	$ 5,283
Accounts receivable	27,852
	33,135
Amount to be provided in future years	119,000
Total assets	$152,135

LIABILITIES AND FUND BALANCE

Liabilities:	
Interest payable	$ 2,529
Bond payable	119,000
Fund balance	30,606
Total liabilities and fund balance	$152,135

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BETHEL
BOND SINKING FUND

STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1970

Revenues:	
Rental income	$10,800
Royalty income	17,052
Contributions from Capital Projects Fund	5,100
	32,952
Expenditures:	
Interest	2,346
Excess of revenues over expenditures	$30,606

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BETHEL
BOND SINKING FUND

NOTES TO BALANCE SHEET

Note:

1. The City of Bethel has entered into a loan and grant agreement with the Economic Development Administration of the United States Department of Commerce. Under the terms of this agreement, a multi-purpose community and training center was financed by an EDA grant in the amount of $467,450 and a loan in the amount of $119,000 to the City of Bethel. The loan was made by the purchase of City of Bethel revenue bonds. The Economic Development Administration has purchased these revenue bonds issued in denominations of $1,000, with interest of 4-1/4% payable semi-annually. The revenue bonds have a maturity date of July 1, 1980; the City has reserved the right to redeem any or all of the bonds outstanding in whole or in part in inverse numerical order on any interest payment date. The City of Bethel is to receive an annual lease rental for the use of the project facilities of not less than $5,400 and a royalty of $84 on each pre-fabricated housing unit sold to the Alaska State Housing Authority. The lease agreement has been approved by the Economic Development Administration and all revenues from the project facility are pledged to the retirement of the revenue bonds.

2. Accounts Receivable $27,852

Equipment rent due from Braund, Inc.	$10,800
Royalties due from Braund, Inc.	17,052
Total	$27,852

The above accounts receivable have been accrued for the period ended June 30, 1970. The royalties due from Braund, Inc. for 203 houses at $84 each is disputed by Braund, Inc. but legal counsel is of the opinion that the royalties are due the City of Bethel. The amounts receivable for rent and royalties are pledged to bond retirement. Legal counsel for the City of Bethel reports that efforts will be made to obtain satisfaction from the contractor's bonding company in the event of default by the contractor.

Bethel, Alaska is the economic, social, transportation and communication hub for approximately sixty villages spread over an area of 100,000 square miles.

Lacking a stable economic base, and strained by rapidly increasing demands for educational facilities, health care, law enforcement, sanitation, water supply, transportation, recreation and other imperative services, Bethel struggled to meet obligations far beyond the scope of its resources.

Relief came in the form of an unusual community enterprise. Bethel Community Liquor Sales — a corporation with a "package" liquor retail license which produces half of Bethel's city income.

Bethel fully realizes it must develop a broader, sounder, more versatile economic base. Meanwhile, Community Liquor Sales Inc. provides the bridge between an outmoded subsistence economy and a mature community equipped to cope with 20th century problems and needs.

COMMUNITY LIQUOR SALES INC. WAS APPROVED BY BETHEL VOTERS IN 1966 AS A NON-PROFIT ENTERPRISE DESIGNED, IN GREAT PART, TO ELIMINATE UNCONTROLLED SALES OF BOOTLEG LIQUOR. THE ARTICLES OF INCORPORATION SPECIFY THAT THE CORPORATION OPERATE ON PREMISES RENTED FROM THE CITY, AND THAT ALL INCOME OVER OPERATING EXPENSES BE DONATED TO THE GENERAL FUND OF THE CITY OF BETHEL.

MEMBERSHIP IS STRICTLY LIMITED TO PERSONS APPOINTED ANNUALLY BY THE BETHEL CITY COUNCIL. THE BOARD OF TRUSTEES IS ELECTED BY ANNUAL MEMBERSHIP MEETINGS, AND VACANCIES ARE FILLED BETWEEN MEETINGS BY CITY COUNCIL APPOINTMENT.

THE BY-LAWS REQUIRE AN ANNUAL AUDIT BY "THE SAME AUDITOR AS IS UTILIZED BY THE CITY OF BETHEL". THESE AUDIT REPORTS ARE, OF COURSE, AVAILABLE FOR INSPECTION BY BETHEL RESIDENTS OR BY ANY PARTIES OR AGENCIES WITH AN OFFICIAL INTEREST IN THE OPERATION OF THE CORPORATION.

1 COLOR ART PRINTING

A BRIDGE TO THE FUTURE

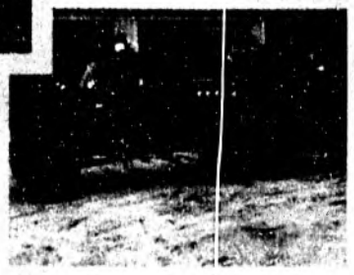
The Story Of COMMUNITY LIQUOR SALES CORPORATION Of Bethel



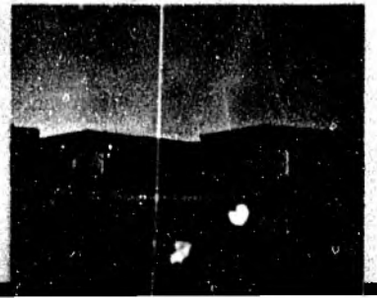












EDUCATION IS A BASIC AND URGENT NEED AMONG BETHEL'S PEOPLE — AND THEIR GREATEST HOPE. THE DAY CARE CENTER MAKES IT POSSIBLE FOR MOTHERS OF YOUNG CHILDREN TO ATTEND ADULT EDUCATION CLASSES, AND OFFERS A PRE-SCHOOL EDUCATIONAL PROGRAM WHICH AUGMENTS GENERAL HEALTH CARE AND RENDERS PROFESSIONAL GUIDANCE TO YOUNGSTERS WHO WOULD OTHERWISE BE WITHOUT PROPER SUPERVISION. MANNED BY A TRAINED STAFF, THE DAY CARE CENTER VIVIDLY ILLUSTRATES BETHEL'S PROGRESSIVE APPROACH TOWARD SOLVING ITS MONUMENTAL SOCIAL AND ECONOMIC PROBLEMS.

UNTIL ADVENT OF THIS PRE-MATERNAL HOME IN 1967, THE BETHEL AREA HAD HIGHEST MATERNAL MORTALITY RATE, AND HIGHEST INFANT MORTALITY RATE, ON THE NORTH AMERICAN CONTINENT. 70% OF BABIES WERE BORN IN THE "BUSH". NOW 80% ARE BORN IN BETHEL HOSPITAL, AND MORTALITY RATES HAVE BEEN SUBSTANTIALLY REDUCED.

BETHEL'S MUCH NEEDED NEW FIRE FIGHTING EQUIPMENT WAS MADE POSSIBLE BY COMMUNITY LIQUOR SALES INC. NEW SANITATION VEHICLES, ADEQUATE GARBAGE DISPOSAL AND ADDITIONS TO LAW ENFORCEMENT FACILITIES ARE OTHER IMPROVEMENTS BY WHICH BETHEL, THROUGH CLS, IS OVERCOMING SUBSTANDARD PUBLIC HEALTH AND SAFETY CONDITIONS OF THE PAST.

NEW RECREATIONAL FACILITIES STRUCTURES (BOTTOM LEFT) WILL PROVIDE A FOCAL POINT FOR A NUMBER OF SOCIAL, ECONOMIC, EDUCATIONAL AND RECREATIONAL PROGRAMS DEMANDED BY RAPIDLY EXPANDING POPULATION. BETHEL'S PROGRESSIVE PLANS ALSO INCLUDE ACQUISITION OF THIS WAREHOUSE (BOTTOM RIGHT) FOR DEVELOPMENT AS A MULTI-PURPOSE COMMUNITY CENTER. CURRENTLY ONE HALF OF THE BUILDING IS UTILIZED AS A TEMPORARY SCHOOL CLASSROOM WHICH ELIMINATES THE NEED FOR DOUBLE SHIFTING IN THE FORESEEABLE FUTURE.

As a 4th class city, Bethel's revenue sources are limited to a sales tax and to state or federal matching fund programs. It is Community Liquor Sales Inc. which has enabled Bethel to produce its share of matching funds for urgently needed projects. And without CLS the sales tax income, basically inadequate in itself, would shrink even further.

Community Liquor Sales Inc. has given Bethel a desperately needed toehold on the future. It enables the city to provide vital current services, and to develop an economic base capable of meeting the tremendous needs looming in the future.

Thanks to Community Liquor Sales, a small boat harbor has become feasible. Plans are in gear for a new library, a multi-purpose Community Center, and a public safety building and jail. Road construction and property surveys — essential keys to an expanded tax base, long blocked for lack of funding — are now within the scope of Bethel city planning.

Without Community Liquor Sales, all this forward motion would quickly die. And even the current level of minimum services — sanitation, fire protection, garbage disposal, police protection and recreational programs — would be drastically curtailed.

Bethel knows no practical alternative to Community Liquor Sales today. But it is CLS itself which provides hope for those alternatives tomorrow.

FEDERAL FIELD COMMITTEE FOR
DEVELOPMENT PLANNING IN ALASKA
SUITE 400, 632 SIXTH AVENUE
ANCHORAGE, ALASKA 99501

File

February 24, 1971

Honorable Mike Miller
Chairman, House Local Government Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Representative Miller:

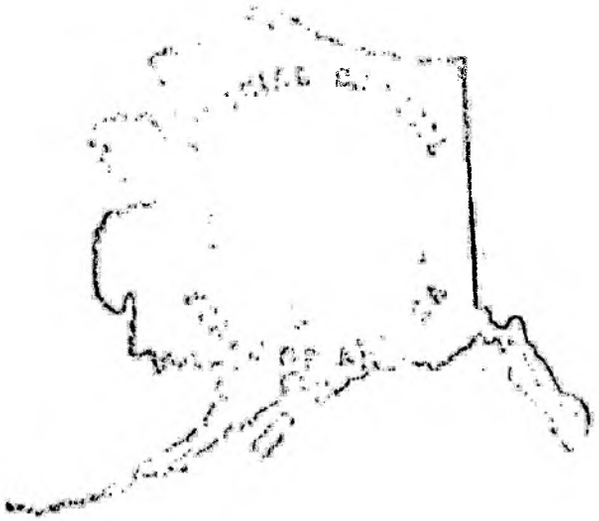
I am writing to urge support for House Bill 130, which would permit fourth-class cities to form non-profit liquor sales corporations. In my work with the fourth-class cities, I am increasingly aware of the financial limitations of these communities caused by lack of tax base and inability to issue bonds. Many communities cannot take advantage of federal programs because they cannot furnish the local matching funds. Some have difficulty in providing minimum essential services. The community liquor sales approach has worked very well in Bethel, where it has permitted the city to provide many services it would otherwise be unable to do.

I am aware that the liquor industry fears HB 130 because they feel it may lead to publicly owned or state operated liquor stores. I can see no reason why the state or the larger cities would have any such interest, and I feel that the privilege should be logically confined to the fourth-class cities where the power to tax real property is absent.

Sincerely,

Bernard L. Marsh
Community Development Coordinator

cc: Mr. David Webb
City Manager
Bethel, Alaska



JUSTICE.

6. AS EACH COMMUNITY SHOULD HAVE BETTER CONTROL OF ITS AFFAIRS, LEGISLATION SHOULD BE ENACTED TO AUTHORIZE THE ISSUANCE OF PACKAGE AND BY-THE-DRINK LIQUOR LICENSES TO CORPORATIONS WHOLLY OWNED BY MUNICIPAL CORPORATIONS OR ORGANIZED COMMUNITIES.

7. THIS CONFERENCE RECOMMENDS THAT ANOTHER JUSTICE IN THE BUSH CONFERENCE BE HELD SOMEWHERE IN A RURAL COMMUNITY.

HB
135

Form SA 1

MEMORANDUM

State of Alaska
OFFICE OF THE GOVERNOR

TO: The Honorable Mike Miller
Chairman, Local Government Committee
Alaska State House of Representatives

DATE: April 2, 1971

FROM: Byron I. Mallott
Director
Local Affairs Agency

SUBJECT: Comments on S.B. 159, H.B. 135 and H.B. 296

I am attaching for your information copies of staff memoranda concerning local government legislation.

I am, of course, available to discuss these matters with you at your convenience.

BIM:pak

attachments

[illegible]

[illegible]

[illegible]

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
March 29, 1971

Miss Mary E. Ross
Rt. 2, Box 1050
Juneau, Alaska 99801

Dear Miss Ross:

This is just a short note to acknowledge your letter of March 22nd.

The problems you discussed are certainly real ones and are a real concern to me. I am hopeful that something can be done. The committee of which I am Chairman, incidentally, is working on the bills which will give local tax relief to persons over 65. Again my thanks for your letter.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

Rt. 2, Box 1050
Juneau, Alaska 99801
March 22, 1971

Representative Mike Miller
Pouch V
State Capitol Building
Juneau, Alaska 99801

Dear Representative Miller:

With all the pressure groups and lobbyists clamoring for your attention, there is one group, less able financially, and perhaps less articulate, who deserve your attention. This group can not and should not have to wait, because, for them, TIME IS RUNNING OUT. This group includes our older people, about to retire, or already retired.

For many of them, the situation is not only critical, it is desperate. Many of them who have literally carved homes out of the wilderness, worked long and hard, are now forced to sell their homes, leave Alaska where they had hoped to spend their remaining years, go south (or to the Pioneers Home) start a new life in strange surroundings--the hopes and dreams of life---smashed and broken--because of high real property taxes. A sizable tax reduction or exemption should be hastily enacted on the homes of these people---NOW.

We need two things for that group:

Real estate tax relief or exemption on their homes.
A pension, divorced from welfare and relief.

Helen Fischer's bill for tax relief deserves your support. I do not have the number of the bill. Clem Tillion's bill for a pension for the elderly is worthy, too.

In past times the Eskimos put the elderly on ice floes or in ice huts to perish. This seems an affront to our modern conscience. And yet --- is our society treating the elderly any better? All too often we are <u>putting them away.</u> In a different way, of course. But is it any more civilized? We are not killing them physically; but we may be killing them emotionally, by forcing them out of the land they love.

Please give this matter your immediate and wholehearted attention, either through support of above bills or by introduction of new bills.

Can we not have quite a few elderly attend the "Legislative Seminar" before they leave Juneau? Some can stay at the Pioneers Home, telling the State more than a few exemptions on homes were made for elderly --- and saving untold heartbreak.

Sincerely yours,
Mary E. Ross

[illegible]

[illegible]

[illegible]

Form SA-1

MEMORANDUM

State of Alaska
OFFICE OF THE GOVERNOR

TO: Byron I. Mallott
Director
Local Affairs Agency

DATE: March 31, 1971

FROM: S. Robert Dozier
State Assessor

SUBJECT: House Bills 135 and 296

I concur with the comments of Sigvald Strandberg as stated in his memorandum through you to Representative Mike Miller dated March 25, 1971.

In prior years, numerous bills have been introduced concerning assistance to senior citizens. Enactment has failed due to the cumbersome and costly formulae.

There is little justification for saddling the various sophisticated levels of Alaska Local Government with the administration of any formulae which requires access to state income tax records. This is not a compatible arrangement under the borough form of government.

Consider for a moment that it is difficult for senior citizens with limited incomes to retain Fi Alaska. Not only those who own property but those who rent a place to live are hurt.

A formula based on residency, age, and income could be administered properly and economically at the state level. Payments then received by qualifying senior citizens could be used as credits

[illegible]

MEMORANDUM

State of Alaska

OFFICE OF THE GOVERNOR

TO: The Honorable Mike Miller
Chairman, Local Government Committee
Alaska State House of Representatives

Thru: Mr. Byron I. Mallott
Director, Local Affairs Agency

FROM: Sigvald J. Strandberg
Local Government Specialist

DATE: March 25, 1971

SUBJECT: House Bill 135 and House Bill 296

The agency has reviewed House Bills 135 and 296 both of which relate to partial or complete exemption from city and borough taxation of the homesteads of senior citizens of limited incomes. It is our conclusion, after careful and thorough consideration that both bills, while addressing themselves to the growing problems of our senior citizens, do not represent measures which would be in the best interests of the state or local governments.

We fully recognize that the sponsors of the bills are seeking to remedy the situation that a growing number of state citizens at age 65 and over are facing, i.e., increasing property taxes due to appreciating values in real property coupled with the effects of the inflationary spiral of living costs in the face of rather static personal incomes. But to compel our municipalities to shoulder the additional local revenue needs which would result from exemption of senior citizens from property taxation will only act to further erode the financial base of local governments.

While senior citizen tax exemptions are not presently mandatory, a number of Alaska cities and boroughs are providing for such exemptions at their own option.

It has been suggested that both House Bills 135 and 296 might be amended to provide for the State to reimburse local governments to the extent that senior citizen property tax exemptions are granted. Prior to enactment of such a bill, it will be necessary to determine the cost to the State. A study of this nature for all municipal property taxing jurisdictions could not be immediately done because neither the local governments nor the office of the State Assessor have available the statistics to go along with property tax assessment rolls. As a consequence, a fiscal note on either H. B. 135 or H. B. 296 would be quite difficult to prepare.

As a further note, it is the agency's judgment that legislative approval to broaden the exemptions to property taxation will likely encourage further exemptions during subsequent legislative sessions.

In conclusion, it is the feeling of the agency that House Bills 135 and 296 should not be acted upon until such time that the actual costs of these measures, both to the local governments and to the State, can be ascertained.

SJS:jp

HB
158

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-7477
JUNEAU, ALASKA 99801

1971 MAR 16 AM 11 35

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WRANGELL ALASKA 16

STATE REPRESENTATIVE E J HAUGEN

JUNEAU

THE CITY OF WRANGELL OPPOSES HOUSE BILL 158 AS IT IS NOT IN OUR OPINION A BILL DESIGNED FOR GOOD LOCAL GOVERNMENT

E J HOUSE, MAYOR

158.

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-7477
JUNEAU, ALASKA 99801

1971 MAR 16 AM 11 32

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WRANGELL ALASKA 16

STATE REPRESENTATIVE MIKE MILLER

JUNEAU 1083

THE CITY OF WRANGELL OPPOSES HOUSE BILL 158 AS IT IS NOT IN OUR OPINION A BILL DESIGNED FOR GOOD LOCAL GOVERNMENT

D J HOUSE, MAYOR

158.

March 29, 1971

Mrs. Wilda Hudson
President,
Greater Anchorage Area
Borough Assembly
1542 E. 27th Ave.
Anchorage, Alaska 99504

Dear Wilda:

As I believe you understand, your letter regarding municipal garbage collection, House Bill 158, arrived here after the House completed action on it.

Accordingly, I am sending your letter to Senator Rader for consideration by the Senate Local Government Committee.

Best personal regards,

Mike Miller, Representative
Election District Four, (Juneau)

GREATER ANCHORAGE AREA BOROUGH
104 NORTHERN LIGHTS BOULEVARD
ANCHORAGE, ALASKA 99503

March 8, 1971

ASSEMBLY
1542 E. 27th Ave.
Anchorage, Alaska
99504

Honorable Mike Miller, Chairman
Local Government Committee
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Representative Miller;

Unsuccessfully, I attempted to reach you by telephone on Monday evening, March 1st and Tuesday, March 2nd, prior to the hearing by your Local Government Committee on HB 158 entitled "An Act relating to municipal garbage collection and disposal service in annexed areas". I am assuming that it is still timely to pass my thoughts on to you concerning this bill.

I see nothing objectionable to the amendments proposed in HB 158, however, it appears to me that the proposed revisions, dated February 19th, would be a bit more acceptable than HB 158 as originally written, which drops the proviso that cities not charge less than a common carrier holding a permit. I feel strongly that municipalities should have to play by the same rules as private enterprise for like services rendered. After all, if private enterprise has built up a public service business prior to municipal government desiring to, or being in a position to, offer that service than the government has no right to move in and provide it or duplicate that service without due consideration and compensation for the businessman that was there first.

The question does come to my mind whether or not the same restrictions would apply to boroughs if a new service area is formed as now applies to newly annexed areas to the city. I am assuming that it would. Perhaps this would be worthy of note, for likewise the same rules should apply to boroughs that apply to cities in such cases.

Originally it was my thought that refuse collection might more properly be regulated as a utility under the Public Utility Commission rather than under the Alaska Transportation Commission. However, after discussing this matter with Mr. Don Hall, Executive Director of the Public Utility Commission, apparently there is good argument on both sides as to whether refuse collection should be regulated by the PUC or the ATC.

I would offer this comment for consideration by your Committee, that serious consideration be given to combining the functions of the PUC and the ATC into one regulatory body. It would appear to me that there is merit and justification to combining these two Commissions and continuing under the concepts set forth last legislative session in the passing of the strong PUC bill with full time commissioners. In this manner the need would be eliminated ~~to~~ continually having to amend sections of the general law municipal code to accommodate special needs and/or interests as is the case with HB 158. It has been brought to my attention that in those states where there is a public regulatory commission that only Alaska and three other states have separate regulatory bodies. All of the remaining states have a combined commission as a regulatory body.

I would point out that the opinions expressed in this letter are those of mine as an individual assembly member and not those of the Greater Anchorage Area Borough Assembly as a whole.

Sincerely,

Wilda G. Hudson

Wilda G. Hudson
President,
Greater Anchorage Area Borough Assembly

WGH: mc

cc: Representative Eugene Guess,
Speaker of the House

P.S. Sorry this is even later but the typist has just not had time to transcribe my letters while

Alaska State Legislature

House of Representatives

February 19, 1971

Mr. Robert Rocker
Chairman
Alaska Transportation Commission
74 McKay Building,
338 Denali Street,
Anchorage, Alaska 99501

Dear Mr. Rocker:

The House Local Government Committee has been considering the enclosed House Bill 158 which was introduced by the House Commerce Committee.

Following discussion with representatives of the refuse collection industry, the Local Government Committee is also considering the revised version which is enclosed.

We would appreciate your reviewing these proposals and submitting any suggestions that you may have before 9 a.m. Tuesday, March 2nd, at which time the Committee will again be taking up the matter.

Sincerely,

Mike Miller, Representative
District 4, (Juneau)

Enclosures:

HB 158
HB 158 suggested revision

Same letter to: Mr. Don Berry, Executive Director, Alaska Municipal League; Mr. Chet Strohmeyer, Juneau; and Mr. Robert Rocker, Chairman, Alaska Transportation Commission, Anchorage.

REPRESENTATIVE MIKE MILLER

COMMITTEES
CHAIRMAN, LOCAL GOVERNMENT COMMITTEE
MEMBER, RULES AND STATE AFFAIRS COMMITTEE

Alaska State Legislature

House of Representatives

February 19, 1971

Mr. Jack J. Greene
Manager,
City of Homer
Box 335
Homer, Alaska 99603

Dear Mr. Greene:

The House Local Government Committee has been considering the enclosed House Bill 158 which was introduced by the House Commerce Committee.

Following discussion with representatives of the refuse collection industry, the Local Government Committee is also considering the revised version which is enclosed.

We would appreciate your reviewing these proposals and submitting any suggestion that you may have before 9 a.m. Tuesday, March 2nd, at which time the Committee will again be taking up the matter. Assuming you may be in Juneau for the City Manager's meeting, we would, of course, be pleased to hear personal testimony.

Sincerely,

Mike Miller, Representative
District 4, (Juneau)

Enclosures:

HB 158
HB 158 suggested revision

Same letter to: Hon. Les, Shepard, Mayor, Sitka; Mr. Wm.E. Curtis, Manager, City of Palmer; Mr. Wallis C. Droz, Manager, City of Fairbanks; Mr. Robert E. Sharp, Manager, City of Anchorage; Mr. Ronald L. Usher, Manager, City and Borough of Juneau; Mr. James R. Eide, Manager, City of Ketchikan; and Mr. Jack J. Greene, Manager, City of Homer

REPRESENTATIVE MIKE MILLER

COMMITTEES
CHAIRMAN, LOCAL GOVERNMENT COMMITTEE
MEMBER, RULES AND STATE AFFAIRS COMMITTEE

F-1-88

Sitka, Alaska
March 4, 1971

Rep. Mike Miller
Alaska State Legislature
Juneau, Alaska 99801

Dear Rep. Miller

I am writing in regards to HB 158 and would like to go on record as endorsing and heartily supporting passage of this bill. I understand a petition supporting this bill has been presented to you and would like my name added to it through This letter. Thank you for your consideration and in closing I remain

Respectfully Yours

Herbert Martin Jr.
dba
Martin's Sitka Disposal Service
Box 865
Sitka, Alaska 99835

Pursued out

As Revised

2-19-71

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to municipal garbage collection and disposal services in annexed areas."

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

*Section 1. AS 29.10.156(b) is amended to read:

(b) The council may not prohibit a person holding a valid permit from the Alaska Transportation Commission from collecting and disposing of Garbage and providing other related services in an area annexed by the city if the permit authorized the collection and disposal of garbage and the providing of other services in the area annexed by the city and the permit was originally issued before the area was annexed by the city. A city is prohibited from providing for a garbage collection and disposal system in an area annexed after the effective date of this Act, which is within the scope of operating authority of a person possessing a valid permit from the Alaska Transportation Commission authorizing him to provide for garbage collection and disposal services in the annexed area. This section does not prohibit the operation of a sanitary land fill by

the city within the annexed areas. If a city provides for a garbage collection and disposal system in an area annexed prior to the effective date of this Act wherein such services are offered by a person holding a valid permit from the Alaska Transportation Commission to provide such services, the city may not charge less than the rate set for garbage collection and disposal by the Alaska Transportation Commission for common carriers.

Sec. 2. AS 29.10.156(c) is amended to read:

(c) If the council determines that it is not in the public interest for the city to provide garbage collection and disposal and related services under the restrictions of part (b) of this section, it may negotiate for and purchase or exercise the power of eminent domain to acquire, at the fair market value, from the person providing the services, that portion of the operating authority representing the services in the city. The "fair market value" shall be the amount a willing buyer would pay and a willing seller accept as the purchase price without threat of eminent domain or other compulsion with the premise that the refuse service would be continued for a reasonable period of time in the future. If an eminent domain proceeding is instituted, the person holding a valid permit may continue

operating under the authority of such permit until final judgment has been rendered and compensation has been paid to the person from whom the operating authority is to be acquired and the city shall not furnish service in such area until the compensation has been paid to the permit holder.

PETITION FOR NEW LEGISLATION

We, the undersigned, being State Certificated garbage collection and disposal operators with significant investments in routes and facilities in geographical areas adjacent to municipalities which have the power to annex these areas or which have already started to annex these areas, hereby petition the Legislature to adopt the proposed legislation attached hereto.

We believe that this legislation is essential in order to preserve the existing State certificated garbage collection and disposal industry from losing the value of the investment it has made through the years in areas adjacent to these municipalities, and even the destruction of the industry itself.

The purpose of the legislation is to permit us to continue to serve our customers as we have in the past when home rule cities and boroughs did not serve the general public in these areas.

NAME	COMPANY	LOCATION
Leonard E Lewis	Seward Service	Seward Alaska
Thomas R Cuchon	Anchorage Refuse	Anchorage
Byron A Anderson	Anderson Garbage Service	Palmer
Bernard Kopf	For North Summit Inc	Tok Cut Off
Robert E Cooper	Homer Transfer Inc	Homer
Chester A Strohmeyer	Acme Disposal Service	Juneau

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-7477
JUNEAU, ALASKA 99801

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1971 MAR 2 AM 7 12

ANCHORAGE ALASKA 1

HONORABLE MIKE MILLER, HOUSE OF REPRESENTATIVES

ALASKA LEGISLATURE JUN

THIS IS IN RESPONSE TO YOUR INQUIRY CONCERNING HB NO 158. THE CITY OF ANCHORAGE IS OPPOSED TO THIS BILL

IN OUR VIEW THE ALASKA TRANSPORTATION COMMISSION IS NOT THE PROPER REGULATORY AGENCY TO CONTROL GARBAGE COLLECTION AND DISPOSAL. WE FEEL THE REGULATION OF THIS SERVICE SHOULD BE VESTED IN THE APPLICABLE LOCAL GOVERNMENT UNIT. CERTAINLY IF THE STATE IS TO REGULATE IN THIS FIELD, THE ALASKA PUBLIC UTILITY COMMISSION WOULD BE THE MORE APPROPRIATE REGULATORY AGENCY.

IF THE CITY AND/OR BOROUGH IN THIS AREA DID NOT OPERATE SANITARY LAND FILLS AND ALLOW USE BY SUCH PRIVATE GARBAGE COLLECTION FIRMS, I DOUBT VERY SERIOUSLY AND OF THESE FIRMS WOULD BE IN BUSINESS.

THE CITY OF ANCHORAGE RECOGNIZES THAT WHERE A PRIVATE FIRM HAS A ROUTE IN A NEWLY ANNEXED AREA THAT A CITY SHOULD BEFORE SERVING THE AREA, ACQUIRE THE EQUIPMENT AND FACILITIES EMPLOYED BY THE PRIVATE FIRM IN SERVING THE AREA. HOWEVER, WE FEEL STRONGLY THAT CITIES SHOULD NOT BE PROHIBITED FROM PROVIDING GARBAGE COLLECTION AND DISPOSAL SERVICE TO ANY OF ITS RESIDENTS

I PLAN TO BE IN JUNEAU LATER THIS WEEK AND HOPE WE MAY FURTHER DISCUSS THIS BILL THEN.

ROBERT E SHARP, CITY MANAGER CITY OF ANCHORAGE

HB 158.

155 SOUTH SEWARD ST.
JUNEAU, ALASKA 99801

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA

586-3300

February 26, 1971

Mike Miller, Representative
District 4, (Juneau)
Alaska State Legislature
House of Representatives
Juneau, Alaska 99801

Subject: HB 158

Dear Mike:

Thank you for inviting me to submit comments on House Bill 158 and the suggested revision.

In my view, both of these bills are undesirable. Although it is customary for municipalities to provide garbage collection and disposal services through contracts, these services nevertheless are basically public necessities. Any legislation which inhibits the ability of local government to provide a necessary public service is disadvantageous.

House Bill 158 restricts the ability of a city to provide garbage collection and disposal services in annexed areas. The suggested revision to House Bill 158 has the same effect of keeping the City from furnishing service pending settlement with the prior permitee. Additionally, the suggested revision provides for a disadvantageous use of Eminent Domain authority, in my opinion.

It seems to me that the basic consideration here is the purpose for which the garbage collection and disposal service is provided. Obviously, in urban areas it is deemed a public necessity for health and sanitation reasons. Therefore, service to the public by its responsible local government must be considered of primary concern, overriding the issue of protection of private businesses that contract to perform this work.

Very truly yours,

Ronald L. Usher
City-Borough Manager

RLU:pw

Introduced: 2/8/71
Referred: Local Government

IN THE HOUSE BY THE COMMERCE COMMITTEE

HOUSE BILL NO. 158

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to municipal garbage collection and disposal services in annexed areas."

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

* Section 1. AS 29.10.156(b) is amended to read:

(b) The council may not prohibit a person holding a valid permit from the Alaska Transportation Commission from continuing to collect and dispose of garbage and provide other related services in an area annexed by the city if the permit authorizes the collection and disposal of garbage and the providing of other services in the area annexed by the city and the permit was originally issued before the area was annexed by the city. A city is prohibited from providing for a garbage collection and disposal system in an annexed area which is within the scope of operating authority of a person possessing a valid permit from the Alaska Transportation Commission authorizing him to provide for garbage collection and disposal services in the annexed area. This section does not prohibit the operation of a sanitary land fill by the city within the annexed areas [IF A CITY PROVIDES FOR A GARBAGE COLLECTION AND DISPOSAL SYSTEM IN AN ANNEXED AREA ALREADY SERVICED BY A PERSON ALLOWED TO CONTINUE UNDER THIS SUBSECTION, THE CITY MAY NOT CHARGE LESS THAN THE RATE SET FOR GARBAGE COLLECTION AND DISPOSAL BY THE ALASKA TRANSPORTATION COMMISSION FOR COMMON CARRIERS].

* Sec. 2. AS 29.10.156(c) is amended to read:

(c) If the council determines that it is not in the public

Rep. Whittaker

MEMORANDUM IN SUPPORT OF AMENDMENT
TO AS 10.29.156

Purpose of this Memorandum. This memorandum is prepared in support of an Amendment to AS 29.10.156. This statute presently provides for the acquisition of the business of a private refuse carrier through the exercise of eminent domain power. It would appear that in its present form, the statute is ambiguous in that it does not clearly provide for the fair measure of damages intended by the Legislature. It is submitted that this section can be amended in a manner that will more clearly effectuate the intention of the Legislature to adequately compensate a private carrier whose operating authority is condemned.

Background. In recent years the rapid growth of populated areas in Alaska has created a need for modern and effective refuse collection services. This need has been met by private carriers operating within the free enterprise system who now operate under permits issued in accordance with the Alaska Motor Freight Carrier Act (AS 42.10.010-430).

These private carriers have invested considerable amounts of capital and their own time and effort in developing an efficient refuse collection service designed to protect the public health and serve the public convenience. As in many other businesses, these men suffered considerable initial losses before before becoming well established. This is particularly true because a private carrier must commit himself to serve an area and obtain a permit to serve it at an early point in its development. This means that trucks may be run over a large

LAW OFFICES
HUGHES, THORSNESS, LOWE, GANTZ & CLARK
807 G STREET
PHONE 276-4522
ANCHORAGE, ALASKA

area of underpopulated territory at an initial loss and that the operation only becomes profitable in ensuing years as the population increases.

The particular concern of these private businessmen in recent years has been the rapid growth, by annexation, of certain cities such as Anchorage and Fairbanks. In some cities refuse collection is for all practical purposes a municipal monopoly within the city limits. For example, in Anchorage there is a tie-in arrangement whereby residents within the city limits must subscribe to the city telephone, electricity, water system, sewerage and refuse system and must pay for all of these services in order to receive any of them. Therefore, once an area is annexed by a city, the private refuse collector is shut out and the business which he has developed at great expenditure of time, effort and capital is totally lost.

Present Statute and Applicable Case Law. In recognition of this injustice to the private businessman, the Alaska Legislature in its last session passed certain amendments to AS 29.10.156 which were intended to protect the private carrier. These amendments provided that a private carrier could continue to operate within the city limits and the city would have to charge the same rates as the private carrier and it further provided that if the city chose to exclude the private carrier then it could only do so by an exercise of the power of eminent domain which would provide just compensation to him. Unfortunately, the tie-in arrangement such as is practiced in Anchorage has meant that a private carrier cannot hope to compete with the city.

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HUGHES, THORSNESS, LOWE, GANTZ & CLARK
807 G STREET
PHONE 278-4522
ANCHORAGE, ALASKA

It is, therefore, submitted that this competition provision be eliminated from the statute and that it simply be provided that if a city wishes to service an annexed area, then it must condemn the private carrier's operating authority and compensate him for his loss.

However, even if the city or other local authority is obliged to exercise the power of eminent domain, it would appear that the present statute is ambiguous in that it might not provide for an adequate measure of damages. It is clear that the legislature intended that the private carrier receive "the fair market value" of the operating authority taken from him. However, the peculiar nature of the applicable case law and the special situation of the refuse collection business makes it doubtful that a court would carry out the clear intent of the Legislature.

The special problem is that what the private carrier loses is his authority to operate within a given area. He does not lose, in most cases, his equipment or physical plant. Nevertheless, it is perfectly clear that the private carrier has a large investment of his personal time, effort and money in having developed his business within that area. Unfortunately, there are numerous judicial decisions which indicate that courts will not look to anything other than physical assets in determining the value of condemned property. For example, in a Nevada Case where a private businessman had a certificate to provide water to a particular area, he was held to be entitled to no compensation when the city forced him out of business despite the fact that he had made a large investment in developing business goodwill and lost considerable amounts of future profit. Las Vegas Water Valley Dist. v. Michelas, 360 P.2d 1041.

LAW OFFICES
HUGHES, THORSNESS, LOWE, GANTZ & CLARK
807 G STREET
PHONE 278-4522
ANCHORAGE, ALASKA

With very few exceptions, the case law supports the conclusion that the loss of an established business franchise or license is not compensable in an eminent domain proceeding. Knoxville Water Co. v. Knoxville, 200 U.S. 22; Volunteer Elec. Coop. v. TVA, 139 F.Supp. 27. See 68 A.L.R.2d 392 for summary of cases to similar effect. A few cases have taken a more enlightened view toward the businessman who has put vast effort and investment into developing a business route. For example, the U.S. Supreme Court held that a laundry company which had been condemned could include in its damages the value of the established laundry service route. Kimball Laundry Co. v. U.S. 338, U.S. 1. However, even in the Kimball Case, the value of the route was only used in computing the value of the physical assets taken.

As can be redily seen, the private refuse carriers of Alaska can take little comfort even in so enlightened an opinion as the Kimball Decision. Kimball merely used the value of the lost trade route to help compute the value of the physical laundry plant which was condemned. It is unlikely that any local government unit will ever exercise power of eminent domain over the physical assets of a refuse collection company, since such physical assets consist primarily of equipment such as trucks and compacters and perhaps a refuse disposal area. Nevertheless, it is obvious that such physical facilities and equipment are useless if the operating authority of the refuse collector is taken from him.

Proposed Amendment. The proposed amendment supported by this memorandum would merely clarify the statute so as to insure that the intent of the Legislature is realized. It would prohibit a local governmental unit from unfairly competing with a private carrier by annexing the areas servied by him and require that

LAW OFFICES
HUGHES, THORSNESS, LOWE, GANTZ & CLARK
807 G STREET
PHONE 279-4522
ANCHORAGE, ALASKA

adequate compensation be paid to the private carrier if his authority is condemned. In computing damages, the statute would require that the court explicitly consider such losses as goodwill, business relocation and future profits. These are the very areas which other courts under similar statutes have refused to recognize. Roberts v. New York, 295 U.S. 264; United States v. Boston C.C.& N.Y. Canal Co., 271 F. 877; Calcasieu Sanitation Serv., Inc. v. City of Lake Charles, 118 S.2d 179; Kennebec Water Dist. v. Waterville, 44 Atl. 6.

Such cases as those mentioned above are clearly wrong in that they do not permit a fair measure of damages to the condemned property owner. They have been widely criticized by the most distinguished commentators in this are of the law. See 48 Va. L.R. 437; 67 Yale L.J. 61. It would be hoped that even under the present statute the Alaska courts would not follow the restrictive and old-fashioned holdings of these cases. For example, the Alaska Supreme Court has apparently recognized that the operating authority of an electric company does have real value that should be recognized by the courts. City of Fairbanks v. Elec. Dist. Sys. 413 P.2d 166.

However, the considerable body of case law in other states and the fact that this would be a case of first impression in the State of Alaska raises unnecessary hazards for the private refuse collectors. These hazards can be readily eliminated by enacting the proposed amendment to AS 29.10.156.

The measure of damages established by the proposed amendment is in no way unfair or unreasonable from the point of view of the condmening authority. The clear intent of the statute is that such authority should pay the fair market value

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HUGHES, THORSNESS, LOWE, GANTZ & CLARK
507 G STREET
PHONE 279-4522
ANCHORAGE, ALASKA

of the condemned property. A consideration of future profits and business growth would be the primary criterion used by a private businessman who wished to purchase a refuse collection business. The fair market value, as between a willing buyer and seller, has been followed in a few states and should be explicitly adopted in Alaska. See City of Jackson v. Creston Hills, Inc., 1970 So.2d 2150. A capitalization of earnings, making due allowance for future growth of the business, is precisely the correct manner to evaluate a private business of this nature.

Obviously, future earnings must be discounted to present value and one would not expect the court simply to take present earnings and multiply by 20 or some other arbitrary figure. But a court seeking to determine the fair market value of the operating authority should consider present earnings and the likely future growth of those earnings with the probable increase in population and business for a considerable period into the future and then determine the fair present price of the operation. A period of 20 years has been suggested in order that there be some limit to the range of factors for the court to consider. However, it is believed that consideration of future profits and growth for a reasonable period would be satisfactory so long as the condemning authority considered the full worth of the operation as a private buyer would do. It should be clear that if a sparsely populated area with great growth potential is annexed, then the refuse carrier should be compensated for the lost future profits he could reasonably anticipate.

LAW OFFICES
HUGHES, THORSNESS, LOWE, GANTZ & CLARK
807 G STREET
PHONE 278-4522
ANCHORAGE, ALASKA

It is, therefore, submitted that the statutory amendment proposed is completely fair to both local government units and to private carriers. To leave the statute in its present ambiguous state would simply add an unnecessary degree of risk and uncertainty to a business of considerable public importance, which is already highly risky. It would be contrary to the public interest and would discourage the continued development of sound refuse collection to leave the law in its present form. The ambiguities of the present statute also invite expensive and drawn out litigation which would have a detrimental effect on both private carriers and local government authorities. The Legislature is therefore urged to amend the statute to provide the maximum possible clarity and fairness.

Respectfully submitted,

HUGHES, THORSNESS, LOWE, GANTZ & CLARK

By
Robert C. Lowe

LAW OFFICES
HUGHES, THORSNESS, LOWE, GANTZ & CLARK
807 G STREET
PHONE 279-4522
ANCHORAGE, ALASKA

EXPLANATION OF DRAFT LEGISLATION

The purpose of the legislation is to protect pre-existing state certificated garbage collection and disposal carriers from losing the value of the investment they have made in geographical areas adjacent to municipalities which may be or have been annexed by the municipality.

If large sections of the areas currently served by the State certificated carrier are annexed and municipal garbage disposal services are furnished in those annexed areas, the result is a continuing financial loss, perhaps a fatal financial loss, to the permit holder each time a new area is annexed.

Therefore, in order to avoid this problem which will lead inevitably to the eventual death of the State certificated carriers furnishing garbage collection and disposal services in these areas, the private State certificated garbage collection and disposal industry is submitting this proposed legislation to prohibit the annexing municipality from furnishing garbage collection and disposal services to the residents of the annexed areas.

This legislation would have no adverse effect on the service to the customers in those areas adjacent to the annexing municipality as the quality and quantity of service would not change but would continue to be provided by the State certificated carriers. In addition, the existing permit holders are regulated by the Alaska Transportation Commission as to the rates charged and the quality of their services. Therefore, adequate protection exists for the individuals and businesses requiring garbage collection and disposal services in these areas.

The private refuse collection industry cannot compete against a municipally operated refuse collection service because the municipal service is financed on a tax base and is exempt from income taxes, weight fees, license fees, excise taxes, and other costs of operation which the private refuse collectors must incur.

This legislation will also permit the private refuse collection industry to continue paying its fair share of State taxes.

As Revised

2-19-71

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to municipal garbage collection and disposal services in annexed areas."

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

*Section 1. AS 29.10.156(b) is amended to read:

(b) The council may not prohibit a person holding a valid permit from the Alaska Transportation Commission from collecting and disposing of Garbage and providing other related services in an area annexed by the city if the permit authorized the collection and disposal of garbage and the providing of other services in the area annexed by the city and the permit was originally issued before the area was annexed by the city. A city is prohibited from providing for a garbage collection and disposal system in an area annexed after the effective date of this Act, which is within the scope of operating authority of a person possessing a valid permit from the Alaska Transportation Commission authorizing him to provide for garbage collection and disposal services in the annexed area. This section does not prohibit the operation of a sanitary land fill by

the city within the annexed areas. If a city provides for a garbage collection and disposal system in an area annexed prior to the effective date of this Act wherein such services are offered by a person holding a valid permit from the Alaska Transportation Commissic to provide such services, the city may not charge less than the rate set for garbage collection and disposal by the Alaska Transportation Commission for common carriers.

Sec. 2. AS 29.10.156(c) is amended to read:

(c) If the council determines that it is not in the public interest for the city to provide garbage collection and disposal and related services under the restrictions of part (b) of this section, it may negotiate for and purchase or exercise the power of eminent domain to acquire, at the fair market value, from the person providing the services, that portion of the operating authority representing the services in the city. The "fair market value" shall be the amount a willing buyer would pay and a willing seller accept as the purchase price without threat of eminent domain or other compulsion with the premise that the refuse service would be continued for a reasonable period of time in the future. If an eminent domain proceeding is instituted, the person holding a valid permit may continue

operating under the authority of such permit until final judgment has been rendered and compensation has been paid to the person from whom the operating authority is to be acquired and shall not furnish service in such area until the compensation has been paid to the permit holder.

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years after commencement of the eminent domain proceeding. If an eminent domain proceeding is instituted, the person holding a valid permit may continue operating under the authority of such permit until final judgment has been rendered and compensation has been paid to the person from whom the operating authority is to be acquired and shall not furnish service in such area until the compensation has been paid to the permit holder.

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operating under the authority of such permit until final judgment has been rendered and compensation has been paid to the person from whom the operating authority is to be acquired and the city shall not furnish service in such area until the compensation has been paid to the permit holder.

PROPOSED AMENDMENT TO ALASKA STATUTE

29.10.156(b)

Alaska Statute 29.10.156(b) is amended to read:

(b) Except as provided in (c) of this section, the Council may not prohibit a person holding a valid permit from the Alaska Transportation Commission from continuing to collect and dispose of garbage and provide other related services in an area annexed by the City if the permit authorizes the collection and disposal of garbage and the providing of other services in the area annexed by the City and the permit was originally issued before the area was annexed by the City. [If a City provides for a garbage collection and disposal system in an annexed area already serviced by a person allowed to continue under this subsection, the City may not charge less than the rates set for garbage collection and disposal by the Alaska Transportation Commission for common carriers.] A City is prohibited from providing for a garbage and disposal system in an annexed area which is within the scope of the operating authority of a person possessing a valid permit from the Alaska Transportation Commission authorizing him to provide for garbage collection and disposal services in the annexed area. A City shall terminate such services in any area annexed after the date of issuance of a valid permit even though the annexation occurred prior to the date of this statute. This section does not prohibit the operation of a sanitary land fill by the City within the annexed area.

LAW OFFICES
HUGHES, THORSNESS, LOWE, GANTZ & CLARK
507 G STREET
PHONE 279-4522
ANCHORAGE, ALASKA

PROPOSED AMENDMENT TO ALASKA STATUTE
29.10.156(c)

Alaska Statute 29.10.156(c) is amended to read:

(c) If the Council determines that it is [not] in the public interest [for the City to provide garbage collection and disposal and related services under the restrictions of (b) of this section] to prohibit a person otherwise protected by (b) of this section from servicing an annexed area, it may exercise the power of eminent domain to acquire, at the fair market value, from the person providing the services, that portion of the operating authority representing the services in the City. The fair market value shall be based on the economic loss to the permit holder[.], including incidental losses such as good will, business relocation and future profits. The value of future profits shall be determined by assuming continuous operation by the permit holder and any potential for future growth of the business for a period of twenty years. If an eminent domain proceeding is instituted, the Council may [exercise the power through the filing of a declaration of taking with the complaint or at any time after the filing of the complaint but before judgment.] not exercise the power to take the operating authority through the filing of a declaration of taking with a complaint or at any time after the filing of a complaint, but only after judgment has been rendered and compensation has been paid to the person from whom the operating authority has been acquired. The furnishing of garbage collection, disposal and related services by the City in the annexed area is prohibited until compensation has been paid to the permit holder.

LAW OFFICES
HUGHES, THORSNESS, LOWE, GANTZ & CLARK
907 G STREET
PHONE 276-4331
ANCHORAGE, ALASKA

HB
161

TO: Mr. Miller, Chairman
House Local Government Committee

DATE: March 6, 1971

FROM: James B. Rhode
Administrative Assistant

SUBJECT: Local Government in the Unorganized Borough
HB 61, Introduced 1/19/71 by Whittaker
HB 161, Introduced 2/9/71 by Request of the Governor

Both of these bills establish quasi-municipal governments in the Unorganized Borough. They differ sharply on the boundaries, governing body, powers, and financing these new entities shall or may have.

Representative Whittaker's bill directs the commissioner of a new "Department of Regional and Community Affairs" to divide the Unorganized Borough into "regional unorganized boroughs", although the residents of the proposed boroughs may petition for an election on the boundaries. The commissioner will abide by the petition unless it would be "...inconclusive, arbitrary, capricious, or inconsistent with the standards laid down..." in the act. Under the Governor's bill, the boundaries of "regional service areas" will be drawn by the Director of the Local Affairs Agency, period. (The Local Boundary Commission is not mentioned in either bill.)

Under the Whittaker bill, each of the boroughs will vote on whether to have an elected "regional council" whose members will have staggered terms. Under the Governor's bill, each regional service area will have a "commission". The residents can have an elected commission through petition and referendum procedures or a commission will be appointed from among them.

As to the powers of these quasi-governments, there is, first, some doubt as to whether the legislature is free, under Art. X, Sec. 6 of the State Constitution, to delegate any powers to them, as distinct from delegating administration of a power. Under Sec. 6, "Unorganized Boroughs. The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It [the legislature] may exercise any power or function which the assembly may exercise in an organized borough."

Regardless, both of these bills call on their quasi-governments to initiate projects to foster economic growth. The Whittaker bill expressly permits the regional boroughs the same functions as service areas have in an organized borough. The Governor's bill merely implies this.

As to other powers, the bills differ in that Whittaker authorizes the boroughs to collect taxes on land as the organized boroughs do today and to zone. The Governor's bill omits these powers. Another difference is that Whittaker permits his boroughs to create the department he creates to prepare and/or administer council budgets subject to local approval. When a borough does not want a council the department, of course, will bear all responsibility for the budget. The Governor's councils, on the other hand, will act on their own, though with State assistance.

Bills Pertaining to Local Government in the Unorganized Borough, CON'T

But the greatest difference in these bills is that Whittaker requires his councils to "review and approve [emphasis added] all state agency plans which affect the development and welfare of the borough". (Page 5, lines 21-22) This gives these councils a veto over virtually all state policy in their areas. This is a power without precedent in the history of local government in Alaska.

Finally, neither of these bills provides for these councils/commissions to sign agreements with the Federal Government. And there does not appear to be a simple way to do so. The legal status of these entities is not clear. Would the Federal Government have recourse against them or the State for breach of agreements, wrongdoing, and the mismanagement of Federal funds or property. The Committee is reminded that the Federal Government required villages wishing to participate in the rural REA program to become fourth class cities.

As for the revenues of these quasi-governments, both of these bills permit them to receive State aid. (No discussion will be offered here on the plan in the Whittaker bill to share 40% of all State revenues from natural resources, apart from taxes on such resources, between the Unorganized Borough and the organized boroughs and cities.) State aid for the Unorganized Borough raises two legal questions. First, are these new entities eligible for existing State aid to local governments? The answer would seem to be "No, except as these aid programs are amended." Secondly, could there be different amounts or kinds of aid to different regional boroughs/service areas? The answer would appear to be "Yes, so long as the differences are based on 'resonable distinctions' of need".

There remains the question as to whether these new entities can lay and collect taxes. The Whittaker bill forbids it; the Governor's bill is silent on this, although it might be construed as implying it. The State Constitution and the minutes of the Convention appear to be on the side of the Whittaker bill: "...The State may delegate taxing powers to organized boroughs and cities only..." Art. X, Sec 2. It would seem the Legislature can either lay taxes on the Unorganized Borough directly or have the Executive do so provided that some kind of limits are placed on the Executive. In short, the Legislature sits as the assembly of the Unorganized Borough, but no assembly is free to allow service areas to lay and collect taxes on their own.

HB
L75

COPY OF STRAIGHT WIRE SENT APRIL 12, 1971 TO:

MR. JOHN E. LONGWORTH
PETERSBURG, ALASKA
PHONE NO. 772-4623

The Municipal Code was reported out of committee Saturday which clears our decks to consider additional worthwhile legislation. If you wish to appear before Local Government committee Thursday or Friday, we'll be happy to consider HB 175 at that time. Please advise.

Representative Mike Miller

Charged to 586-5460
House Local Government Committee

FORM SA-18

MEMORANDUM State of Alaska

TO: The Honorable Mike Miller
Chairman, House Local Government Committee
Alaska State Legislator

DATE : April 16, 1971

FROM: S. Robert Dozier
State Assessor
Local Affairs Agency

SUBJECT: Comments on H. B. 175, introduced by E. J. Haugen 1/12/71

Enables boroughs and cities to establish on a voluntary basis separate rates of levy for land, improvements and personal property and permits a city of any class to exempt personal property, land or improvements from taxation. Alaska Statutes permits home rule cities to classify and exempt from taxation any class or all personal property. Alaska Statutes does not permit a borough or a city of any class to classify and exempt from taxation land or improvements.

H. B. 175 may be considered superfluous and unnecessary because of the apparent passage of C S for House Bill 208, a Revision of the Municipal Code Title 29. This Bill passed the House by a wide majority and is now before the Senate for approval.

C S For H. B. 208 permits municipalities to establish differential Tax Zones according to the various levels of services provided by the municipality.

For example: The Boat Harbor including all boats and vessels generally receives a different level of service and may be taxed at a different rate than that of other areas of the municipality.

There has been considerable research on the pro's and con's of the graded tax plan concept. Graded tax plan theory is to encourage residential and commercial development within a community through manipulation of the property tax rate.

There is no doubt that a high rate of tax on land will force land owners to put it to a higher use if possible, however, when a number of voters within a pilot city are adversely affected, as would be the case of ownership in open space tracts of land, legislators will be under pressure to exempt from general taxation certain classes of real property; homesteads, homesites, farms, grazing land, and privately owned open space holdings of important individuals and organizations.

As the property tax is reserved for use by municipalities for extracting local revenue and for balancing the budget, the tax base should not be further restricted by general law. Senate Bill 79 introduced 1/28/71 by the Legislative Council is an example of an attempt to further restrict the tax base of boroughs and cities by exempting business inventories from general taxation. The effect of this exemption, depending upon the definition could exclude as much as 30% of a borough or cities tax base.

The property tax is a major factor when considering a real estate investment. Changing the ground rules by lowering the tax rate on improvements and raising the tax rate on land may upset the established balance of existing financing.

A community will usually develop in proportion to the economic demand for facilities. Changing the ground rules may result in increased development of property which should be developed. On the other hand the owner of vacant or underdeveloped property which is not economically feasible, at the time, to develop, may be forced to sell at a loss or loose it for taxes. The owner must:

1. Pray for open space exemption.
2. Develop normal residential improvements.
3. Develop income producing improvements.
4. Sell to land speculators with substantial capital reserves.
5. Let the property revert to the municipality through foreclosure.

Highly developed properties usually demand the highest degree of municipal services and are in a better position to pay taxes, than is vacant or underdeveloped properties. It would seem that the graded tax plan is a legal method for large land holding companies to increase their tax loss open space holdings.

The following example is intended to point out the effect of a one mill decrease on improvement value compensated with an appropriate mill rate increase on land to produce the same amount of revenue.

Example 1, Petersburg: Petersburg has an overall land to building ratio of one (1) to five (5). A one mill decrease in the mill rate on buildings must be compensated by a five mill rate increase on land value to produce the same amount of revenue.

A. A typical new single family home has a one (1) to five (5) land to building ratio. Therefore, the tax bill will remain unchanged.

B. An older single family home with a land to building ratio of one (1) to two (2), the tax bill will increase 3%.

C. A special use or under improved property with a land to building ratio of seven (7) to one (1), the tax bill will increase 24%.

D. On vacant unimproved property, the tax rate would increase 28.5%.

SRD:cen

March 4, 1971

MEMORANDUM

TO: Joseph A. McLean - Mayor

FROM: Billy G. Bernier - Attorney

RE: Amendment to Municipal Code (SB 113) Allowing Classification For Property For Tax Purposes.

You have requested that I prepare a suggested amendment to the revised Municipal Code (Senate Bill 113) to make it possible to tax land and improvements at different rates should the assembly decide it was good public policy to do so. You also pointed out that the 3% levy limitation applied to each class would [illegible] substantially restrict the policy alternatives available to the assembly. In order to accomplish these goals, I would suggest the following amendments:

1. Add language to 29.53.010 allowing three classes for purposes of taxation. Such section would then read:

Sec. 29.53.010. GENERAL PROPERTY TAX. Home rule and general law boroughs may levy (1) an areawide property tax for areawide functions, and (2) a property tax limited to the area outside cities for functions limited to the area outside cities. A property tax it levied must be assessed, levied and collected on real and personal property as provided in this chapter. The assembly or council may establish three classes of property for purposes of taxation: land, buildings and fixtures permanently affixed to the land, and personal property. The council may establish a separate rate of taxation for each class. Each class may be taxed at any rate, subject to the restriction on total amount of levy provided in AS 29.53.050. All property within each class must be taxed at the same rate.

2. Add language to 29.53.050 making the 3% limitation applicable only to the aggregate but not to each of the classes. Such section to read:

Sec. 29.53.050. TAX LIMITATION. Home rule and general law municipalities may levy property taxes to pay or secure the payment of principal and interest on general obligation bonds without limitation as to rate or amount. They may not levy property taxes

for other purposes in excess of 3% of the assessed property valuation but if property is classified for purposes of taxation the levy on any class may exceed 3% of the assessed valuation for that class provided the aggregate levy does not exceed 3% of the total assessed valuation for all classes.

March 4, 1971

MEMORANDUM

TO: Joseph A. McLean - Mayor

FROM: Billy G. Berrier & Attorney

RE: Amendment to Municipal Code (SB 113) Allowing Classification For Property For Tax Purposes.

You have requested that I prepare a suggested amendment to the revised Municipal Code (Senate Bill 113) to make it possible to tax land and improvements at different rates should the assembly decide it was good public policy to do so. You also pointed out that the 3% levy limitation applied to each class would seriously and unnecessarily restrict the policy alternatives available to the assembly. In order to accomplish these goals, I would suggest the following amendments:

1. Add language to 29.53.010 allowing three classes for purposes of taxation. Such section would then read:

Sec. 29.53.010. GENERAL PROPERTY TAX. Home rule and general law boroughs may levy (1) an areawide property tax for areawide functions, and (2) a property tax limited to the area outside cities for functions limited to the area outside cities. A property tax if levied must be assessed, levied and collected on real and personal property as provided in this chapter. The assembly or council may establish three classes of property for purposes of taxation: land, buildings and fixtures permanently affixed to the land, and personal property. The council may establish a separate rate of taxation for each class. Each class may be taxed at any rate, subject to the restriction on total amount of levy provided in AS 29.53.050. All property within each class must be taxed at the same rate.

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other purposes in excess of 3% of the assessed property valuation but if property is classified for purposes of taxation the levy on any class may exceed 3% of the assessed valuation for that class provided the aggregate levy does not exceed 3% of the total assessed valuation for all classes.

March 4, 1971

MEMORANDUM

TO: Joseph A. McLean - Mayor

FROM: Billy G. Berrier - Attorney

RE: Amendment to Municipal Code (SB 113) Allowing Classification For Property For Tax Purposes.

You have requested that I prepare a suggested amendment to the revised Municipal Code (Senate Bill 113) to make it possible to tax land and improvements at different rates should the assembly decide it was good public policy to do so. You also pointed out that the 5% levy limitation applied to each class would seriously and unnecessarily restrict the policy alternatives available to the assembly. In order to accomplish these goals, I would suggest the following amendments:

1. Add language to 29.53.010 allowing three classes for purposes of taxation. Such section would then read:

Sec. 29.53.010. GENERAL PROPERTY TAX. Home rule and general law boroughs may levy (1) an areawide property tax for areawide functions, and (2) a property tax limited to the area outside cities for functions limited to the area outside cities. A property tax is levied must be assessed, levied and collected on real and personal property as provided in this chapter. The assembly or council may establish three classes of property for purposes of taxation: land, buildings and fixtures permanently affixed to the land, and personal property. The council may establish a separate rate of taxation for each class. Each class may be taxed at any rate, subject to the restriction on total amount of levy provided in AS 29.53.050. All property within each class must be taxed at the same rate.

2. Add language to 29.53.050 making the 5% limitation applicable only to the aggregate but not to each of the classes. Such section to read:

Sec. 29.53.050. TAX LIMITATION. Home rule and general law municipalities may levy property taxes to pay or secure the payment of principal and interest on general obligation bonds without limitation as to rate or amount. They may not levy property taxes

for other purposes in excess of 3% of the assessed property valuation but if property is classified for purposes of taxation the levy on any class may exceed 3% of the assessed valuation for that class provided the aggregate levy does not exceed 3% of the total assessed valuation for all classes.

C O P Y of straight wire sent to Mr. John Longworth, Petersburg
4/16/71

John - have scheduled House Bill 175 for consideration tomorrow. If you wish to appear but tomorrow inconvenient, let me know and I'll reschedule.

Regards,

Mike

HB
182

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
March 29, 1971

Miss Marion Kempf
Box 503,
Kenai, Alaska

Dear Miss Kempf:

Just a short note to thank you for your letter of March 17th supporting House Bill 182. I hope that you advised your Kenai Peninsula legislators of your support of this bill.

Again, thanks so much for writing.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)



Kenai Art
~~ARTISANS~~ GUILD

BOX 1387
KENAI, ALASKA

Box 503
Kenai Ak.
March 17, 71

Mike Miller
Jenau 99801

Dear Mr. Miller;

As an actuie member of several Art oriented groups I appreciate your introduction of H.B. 152. This is an important piece of legislation for the Arts in Alaska.

Thank you

Marion Kempf

Pouch V
Juneau,Alaska 99801
March 1, 1971

Mrs. Mary Hale, Chairman
Council on the Arts
2533 Providence Ave.
Anchorage, Alaska 99504

Dear Mary:

As you are no doubt aware, I introduced legislation on February 17, 1971, which would dedicate a specified percentage of public building costs to the creation of visual art in such buildings.

I am sending a number of copies of this bill (co-sponsored, incidentally, by Banfield, Bradner, Chance, Colletta, Farrell, Guess, Kerttula, McVeigh, Meland, Moore, Naughton, Peratrovich, Specking, Swanson and Whittaker) with the thought that you may wish to provide copies to interested groups around the state.

The bill has been assigned to the House State Affairs Committee (Dick McVeigh, Chairman) after which it will also come under the jurisdiction of the House Finance Committee (George Hohman, Chairman).

Any suggestions or assistance you can provide will be greatly appreciated.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

Enclosures:

6 copies of HB 182

ALASKA STATE COUNCIL ON THE ARTS

STATE OF ALASKA
OFFICE OF THE GOVERNOR
WILLIAM A. EGAN, GOVERNOR
2533 PROVIDENCE AVENUE
ANCHORAGE, ALASKA 99504

File

4 March 1971

The Honorable Mike Miller
Alaska State Legislature
House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Mike:

Many thanks for your letter of March 1 and the enclosed copies of HB 182. I am delighted to know that this legislation has now been introduced, and I anticipate its support from a majority of legislator .

Today we are sending copies of this bill to community arts councils, arts committees and liason people in 25 communities throughout the State, with the request that they and their membership write to Dick McVeigh, Chairman of the House State Affairs Committee, and to George Hohman, Chairman of the House Finance Committee. We are also listing for them the co-sponsors of the Bill and asking that they drop a note of thanks to their particular representative for his support of this important legislation. We are also supplying each of our Council members with a copy of this bill and asking them also to express their support in writing to Dick and to George.

If there is any other move which I should make in support of this legislation, please let me know right away. You may be sure of my personal gratitude for your action in regard to this legislation at this time.

Sincerely,

Mary Hale

Mary Hale, Chairman

MH:df

alaskan arts & crafts
incorporated
Box 863 Juneau, Alaska 99801

March 4, 1971

Representative Mike Miller
House Representative
State Capitol
Juneau, Alaska

F-lb

Dear Mr. Miller:

In reference to your House Bill 182. Alaska Arts and Crafts is in favor and would be pleased to aid the passage of this bill in any way possible.

Yours truly,

Bryan Grove
President, A.A.C., Inc.

HB

187

FJ

FAIRBANKS NORTH STAR BOROUGH

Box 1267, Fairbanks, Alaska 99701

March 11, 1971

The Honorable Mike Miller
Chairman
House Local Government
Pouch "V" State Capitol Building
Juneau, Alaska 99801

Re: House Bill No. 187

Dear Mike:

AS Sec. 07.15.330 provides that each organized borough shall establish, maintain and operate a system of public schools on an areawide basis.

The Fairbanks North Star Borough is fortunate in that an excellent working relationship exists between the borough administration and the school administration. Our joint treasury allows flexibility in investments of funds to the greatest advantage. As we are presently looking forward to increased cooperation and, possibly, a unification of local governments resulting in better coordination and a less expensive operation, passage of House Bill No. 187 would be a step backward to an autonomous school district.

I can only oppose this bill as presently written.

Very truly yours,

John A. Carlson

John A. Carlson
Chairman

JAC/gml

cc: Mr. Don Berry
Members of Fairbanks legislative delegation

HB
191

RESOURCES COMMITTEE REPORT ON
HOUSE BILL 191

The committee has heard testimony from representatives of the Department of Fish and Game and the Department of Revenue, and has determined under the present law, the ability of individuals to acquire commercial fishing gear licenses by mail, without appearing in person, has impede the efficient and effective regulation and management of the fishery resource.

The existing law has allowed for more gear to be licensed in each fishing area than is actually utilized during each fishing season. This creates difficulties for the Department of Fish and Game in estimating the fishing effort expected in various registration areas of the state. The requirement that individuals appear in person to obtain gear licenses would make the actual number of licenses issued a useful tool in gaging the fishing effort to be expected in registration areas, and thus assist the Department of Fish and Game in its efforts to match (by field regulation) the fishing effort with the optimum allowable catch.

In addition, the committee believes it may be desireable to ascertain at a time of issuing a gear license, whether or not the individual acquiring such license is capable of efficiently and safely operating such gear.

Finally, it has come to the committee's attention that certain individuals may have fraudently obtained licenses for gear under assumed names in order to avoid prosecution for fish and game offenses committed in previous years. It is expected that the requiring an applicant to appear in person will substantially reduce the possibility of such fraud.

HB

204

Alaska State Legislature

Senate

JUNEAU ALASKA

February 11, 1972

Eric E. Wohlforth, Commissioner
Department of Revenue
Pouch S
Juneau, Alaska 99801

Dear Commissioner Wohlforth:

Enclosed is a copy of HB 204 relating to conflicts of interest of financial advisors to public bodies.

Per your earlier request to be informed, this letter is to advise you that the Senate Local Government Committee has scheduled a hearing on the bill for March 7, at 1:30 P.M., Room 5, Capitol Building. You are invited to appear at that time and place, in person or through a representative, and submit oral or written testimony, comments or opinions, as you deem appropriate.

Because this bill may affect relations of the state and local governments with their financial advisors, we are very anxious to have the opinions of all concerned before taking action on the measure.

Sincerely,

John L. Rader,
Senator

JLR:gw
Enc. 1

cc: Gov. Wm. A. Egan
Rep. Mike Miller
Dick Sassara
Rep. Gene Guess

Alaska State Legislature

House

JUNEAU ALASKA

March 9, 1971

Mr. Byron Mallott
Director,
Local Affairs Agency
Goldstein Building
Juneau, Alaska 99801

Dear Mr. Mallott:

The House Local Government Committee has passed out House Bill 204, which prohibits fiscal advisers from bidding or negotiating governmental bonds for which they have rendered advice.

It is the feeling of the committee that the smaller communities of Alaska will suffer hardship under this bill unless the Local Affairs Agency is able to render fiscal advice and assistance as the bond advisers have been doing.

The Committee understands that your budget has been severely trimmed and there is no provision for a fiscal adviser position in the Agency at this time. It is the Committee's opinion that there should be and this is badly needed.

The Committee has requested that you appear before it at your earliest convenience to discuss this matter with the committee and we would appreciate you contacting the Committee Chairman in regard to a convenient time.

Sincerely,

Rep. Richard Whittaker
Vice Chairman
House Local Government
Committee

RW:kp

Copy to Hon. Gene Guess,
Speaker
House of Representatives

HB
207

CITY OF CORDOVA

Box 938
CORDOVA, ALASKA 99574
"The Friendly City"

Phone GA 4-3237
or GA 4-3238

March 11, 1971

The Honorable Mike Rose
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99801

Re: HB 207

Dear Mike:

On February 22, 1971, you, along with co-sponsors Barber, Bowman, Bradner, Ferguson, Fischer, Hillstrand and Huber, introduced House Bill No. 207 which removes the present exemption of public utilities, in non-competing jurisdictions, from regulation by the Public Utilities Commission of the State of Alaska.

The City of Cordova, through the Cordova Public Utilities, supplies citizens both in and outside the City of Cordova, with water, electricity, and telephone service. The City does not compete with any other public or private operator and it appears that it would be many years before any other public or private utility would be interested in setting up competition with the City of Cordova.

The citizens of Cordova elect annually members of the Cordova Public Utility Board which, along with the City Council, establishes rates, receives complaints, and takes actions upon those complaints. As added protection to the utility consumer, the full range of local and state wide courts are available should his particular complaint not be resolved to his satisfaction by the locally elected Board or Council.

There is no defensible argument to the concept that local non-competing public utilities should be regulated by a state Public Utilities Commission. The idea of the State interfering in the affairs of a local government, where that local government is not in conflict with any other local government or private utility, is completely contrary to the concept of "Home Rule" government. Further, regulation by the Alaska Public Utilities Commission can only provide an additional financial burden upon the local utility consumer -- a burden which is totally unnecessary.

We urgently solicit your reconsideration of this bill and can only strongly encourage that its makers quit attempting to solve problems relating to competing jurisdictions by placing additional hardships upon local non-competing public utilities.

Sincerely,

Arthur P. Knight
Mayor

APK/d

cc: City Council
Local Government Committee, House of Representatives
Local Government Committee, Senate
The Honorable Robert H. Ziegler, Sr.
The Honorable Jan Koslosky, Alaska State Senate
The Honorable Robert Ditman, House of Representatives

HB

224

DEPARTMENT OF HEALTH AND WELFARE

POSITION PAPER ON HOUSE BILL 224

The Department of Health and Welfare has reviewed Committee Substitute for House Bill 224 and supports the concept of providing legislation which would stimulate local planning for the delivery of social services at the local level.

There is some question concerning the relationship between grants which would be awarded under Article 1 of the Bill and the purchase of services from local corporations by the Department. Section 47.41.010(a)(2) provides for grants to meet the cost of first-year operations while (3) provides for grants to meet continuing costs of providing selected services.

In Article 2, Section 47.41.040(b) there are provisions for the purchase of services under the provisions of AS 47.40. This statute provides that when the Department purchases services for persons for whom the State has assumed responsibility it shall pay all expenses related directly to the full cost of services. The items listed in the statute which may be excluded from the full cost determination do not suggest the exclusion of the grants contemplated by House Bill 224. It is not considered that it is intended that this legislation provide on the one hand grants to meet the cost of first-year operation and/or grants for continuing costs of operation while on the other hand requiring purchase of services by the State based upon the full cost concept outlined in AS 47.40.

This Department would suggest that Section 47.41.040(b) be amended by adding language substantially as follows:

> "except that full cost of services determined under 47.40.040 shall be reduced by an amount equal to the total amount of grants awarded under 47.41.010(2) and (3) for the year or years that the grant is effective."

It is understood that no attempt will be made to fund this legislation during this session; therefore, a fiscal note is not appropriate. If the legislation is enacted, a realistic cost appraisal could be developed for consideration in the next session, based upon planning and grant proposals which are developed in the coming year.

HB
2229

Pouch V,
State Capitol
Juneau, Alaska 99801
March 11, 1971

Miss Claudia Mullen
#27 Channel Apts.
Juneau, Alaska

Dear Miss Mullen:

Thanks so much for your letter of March 4th relative to House Bill 229. I appreciate not only your interest in this bill but your willingness to support it as well with letters to various legislators.

It is difficult so far to determine exactly who the dissenters will be. Rather than writing to the dissenter, in any case, it might be more useful to write to the members of the committees to which this bill has been assigned - namely, the House Resources and Judiciary Committees.

The Chairman of the House Resources Committee is Rep. Marty Farrell, (D-Anchorage) and Resource Committee members include: Rep. Joe McGill, (D-Dillingham) Vice Chairman; Rep. John Huber, (D-Fairbanks); Rep. Pete Meland, (D-Sitka); Rep. Martin Moore, (D-Emmonak); Rep. Ed Naughton, (D-Kodiak); Rep. Frank Peratrovich, (D-Klawock); Rep. Morgan Reed, (D-Skagway); Rep. L. E. Swanson, (D-Nenana); Rep. Mike Colletta, (R-Anchorage); Rep. John Holm, (R-Fairbanks); Rep. Keith Specking, (R-Hope) and Rep. Clem Tillion, (R-Halibut Cove).

The Chairman of the House Judiciary Committee is Rep. Wm. Moran, (D-Anchorage); Rep. Mike Rose, (D-Anchorage) Vice Chairman; Rep. Ed Barbar, (D-Anchorage); Rep. Earl Hillstrand, (D-Anchorage); Rep. Pete Meland, (D-Sitka); Rep. Mildred Banfield, (R-Juneau) and Rep. Jess Harris, (R-Anchorage).

I think letters from constituents to these members might prove very beneficial. Again, many thanks.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

March 4, 1971

State Representative
Mike Miller
State Capitol Bldg.
Juneau, Ak.

Dear Sir:

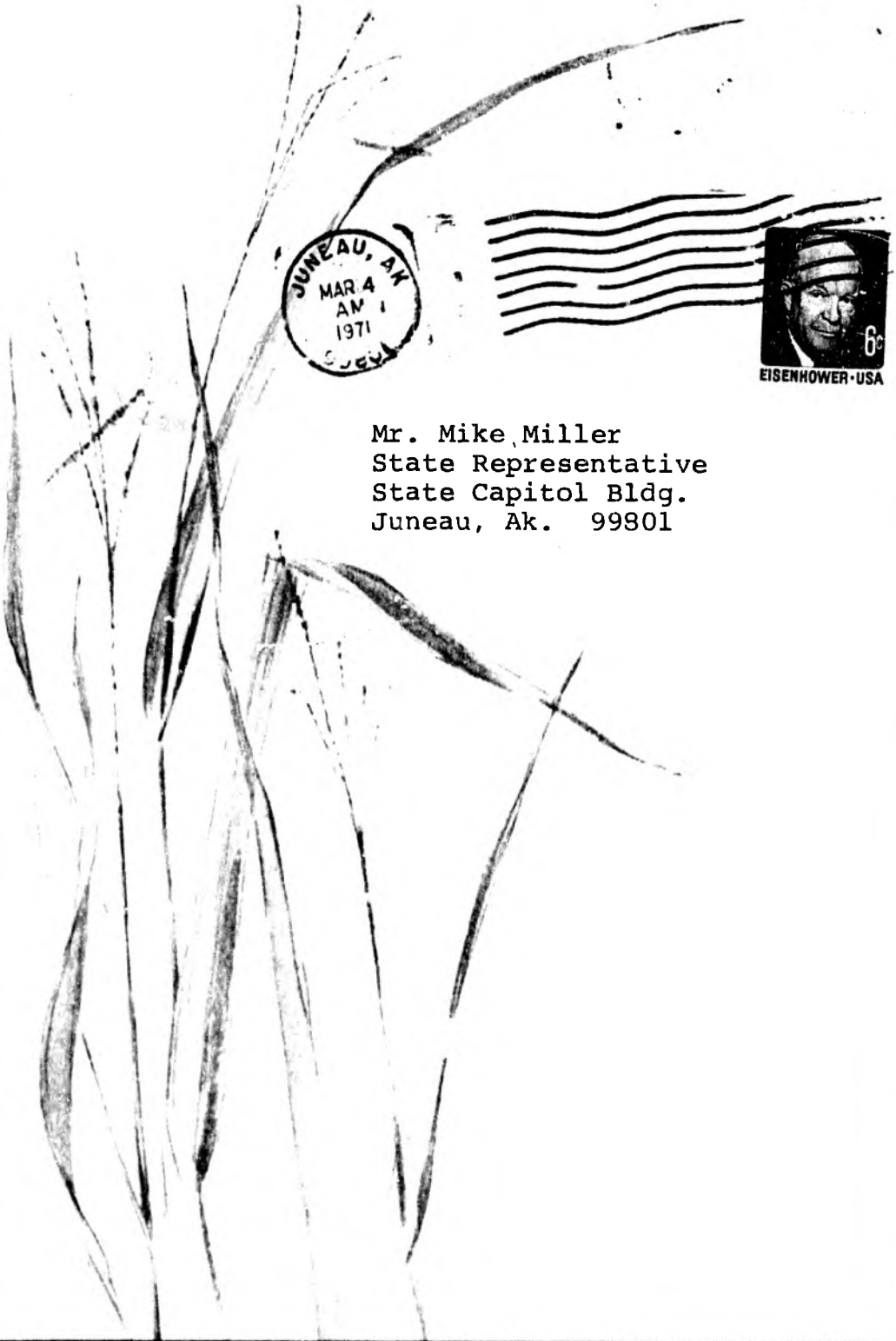
I was one of those in attendance the discussion last night at the museum. I was particularily interested in your "pesticide bill" # 229 (?). As this issue has for some time been of particular interest to me I would like to do what I can to lend support to your views on this vital matter.

Would you please send me a list of those legeslators who are dissenting, and their districts? I plan to bring the bill and/or issue to the attention of the people within the various districts with a request that they write a letter to their representatives in government which indicates their desire for the approval of the bill.

Thank you for your time both in coming to the museum to participate in what I'm sure was a stimulating evening for all those in attendance and, in advance, for answering this letter.

Sincerely,

Claudia Mullen
27 Channel Apts.
Juneau, Ak. 99801



Mr. Mike Miller
State Representative
State Capitol Bldg.
Juneau, Ak. 99801

HB
241

Alaska State Legislature

REP. MARTY FARRELL
POUCH V, STATE CAPITOL
JUNEAU, ALASKA 99801

542 SECOND AVENUE
ANCHORAGE, ALASKA 99501

CHAIRMAN:
NATURAL RESOURCES COMMITTEE

House of Representatives

M E M O R A N D U M

TO: Representative Miller

FROM: HOUSE NATURAL RESOURCES COMMITTEE

We are holding hearings on HB 241 on Wed., March 29. As sponsor of this bill, you may wish to supply testimony. Please notify this office (6-6794) prior to the hearings for scheduling purposes.

******

Marty -

I would like to make a brief presentation on this proposal. Thank you.

Mike

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
April 6, 1971

Mr. Warren C. Christianson
Attorney at Law
Sitka, Alaska 835

Dear Chris:

Thanks so much for your letter of April 2nd and, in particular, thank you for your support for House Bill 241, "an Act relating to damages for oil pollution".

The other bills you mentioned, House Bill 240 and House Bill 315, certainly reflect my own thinking and I am happy to support them in committee and on the floor.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

PLEASE REPLY BY AIR MAIL

WARREN C. CHRISTIANSON
ATTORNEY AT LAW
SITKA, ALASKA 99835

POST OFFICE BOX 4
TELEPHONE 747-3558
NATIONAL BANK OF ALASKA BLDG.

April 2, 1971

The Honorable N.A. Mike Miller
House State Affairs Committee
Pouch V
Juneau, Alaska 99801

Re: HB 241, 240 and 315

Dear Mr. Miller:

Congratulations on your introduction of HB 241 - "An Act relating to damages for oil pollution". I heartily approve and have this date written to all members of the Resources Committee and Judiciary Committee asking for their support.

I would very much appreciate it if you would give your support to HB 240 - "An Act relating to subdivisions introduced by Helen M. Fischer and HB 315 - "An Act relating to parks and open spaces introduced by Mike Rose.

Very truly yours

Warren C. Christianson

WCC/dw

HB

264

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
March 29, 1971

Mrs. Carol Jean Bottomley
P. O. Box 437
Juneau, Alaska 99801

Dear Mrs. Bottomley:

Thanks so much for your letter of March 20th and for your very thoughtful discussion of House Bill 264. I support this bill and, as a matter of fact, the committee of which I am Chairman passed this bill out of committee with a majority "Do Pass" recommendation. Mine was certainly one of the "Do Pass" votes.

Again, many thanks for taking the time to write. I appreciate the opportunity to hear from you.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

March 20, 1971

Representative Mike Miller
Capitol Building
Juneau

Dear Mr. Miller;

I would urge you to support House Bill 264, which would limit the class size in the public schools of Alaska. As both a parent and a teacher I am concerned about the growing class size. The need for Special Education classes could be reduced greatly simply by giving each teacher fewer pupils in his room. The teacher then would have more time to devote to each child. Consequently, the "discipline" and the reading problems would not compound, and the needs of the borderline children could be met with a positive approach much more effectively.

I do hope that Alaska will be able to take a big step for education by limiting class size with the passage of House Bill 264.

Sincerely yours,

Carol Jean Bottomley

Mrs. Carol Jean Bottomley
P.O. Box 437
Juneau

Pouch V,
State Capitol Bldg.
Juneau, Alask 99801
March 29, 1971

Mr. Jim Carroll
President,
Greater Juneau Education Assoc.
1250 Glacier Avenue
Juneau, Alaska 99801

Dear Jim:

Thanks so much for your letter of March 24th relative to House Bill 264. You certainly may look forward to my continued support of this legislation.

Best personal regards,

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

Greater Juneau Education Association

1250 GLACIER AVENUE
JUNEAU, ALASKA 99801

March 24, 1971

Mr. Mike Miller
Mile 9, Glacier Highway
Juneau, Alaska 99801

Dear Mr. Miller:

The Greater Juneau Education Association would like to thank you for your support of House Bill 264. We will look forward to your continued support of this bill.

Sincerely,

Jim Carroll

Jim Carroll
President, GJEA

JC/klt

HB
267

TELEGRAM

ALASKA COMMUNICATIONS, INC.
536-7477
JUNEAU, ALASKA 99801

#V

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1971 APR 15 AM 7 52

ANCHORAGE ALASKA 14

REP MIKE MILLER **1986**

JUN

WE STRONGLY ENDORSE HOUSE LOCAL GOVERNMENT COMMITTEE
AMENDMENTS TO HOUSE BILL 208 CSB113 AND URGE
THE SENATE TO ADOPT THE SAME WE FURTHER STRONGLY
RECOMMEND YOU ADD TO THE PROVISIONS PROVIDED UNDER
LIMITATION AS 29. 33. 050 OF HOME RULE POWERS

RICHARD GAY PRESIDENT ANCHORAGE BOROUGH SCHOOL BOARD
JOE MONTGOMERY SUPT ANCHORAGE BOROUGH SCHOOL DIST

208 CSB113 29 33 050.

February 11, 1971

MEMORANDUM TO:

Mr. John Elliott
Director,
Legislative Affairs Agency

FROM:

Representative Mike Miller

SUBJECT:

Proposed legislation

The Division of Sport Fisheries advises me that the widows of deceased department employees - killed in performance of "hazardous duties" - are facing exceedingly long delays in receiving the $10,000 hazardous duty insurance to which they are qualified.

An idea to help remedy this situation by legislation would be to authorize the state to issue no-interest loans to survivors immediately after determination by the state that such survivors do indeed qualify for this insurance. The loan should be in the amount of $10,000 and be repayable to the state immediately upon receipt of payment from the insurance company.

For background on the difficulties and delays presently being experienced, I suggest you contact Mr. Rupe Andrews, Director of the Division of Sport Fisheries.

Gene Miller advised me of one potential hazard to avoid. He says that unless the legislation was carefully worded, the payment of these monies to survivors by the state might cancel the insurance carrier's obligation to do so. I don't know if this is a big problem or not but thought you should be aware of it.

MM/kp

11B267 File

DAWSON & CO.-McLEAN • INSURANCE
230 SEWARD STREET, JUNEAU, ALASKA 99801 TELEPHONE: 586-1530 CABLE: "MACKRIS"

March 22, 1971

The Honorable Mike Miller
Alaska State House
Chairman Local Affairs Committee
Juneau, Alaska 99801

Re: Special Hazard Insurance
Alaska Department of Fish & Game

Dear Mike:

Since the matter of claim payments in connection with two recent accidents involving employees of the Department of Fish & Game have come to the attention of your committee, I felt it advisable to explain some of the aspects of this insurance.

Section 16.05.050 empowered the Commissioner to procure special insurance for employees "against injury or death occasioned by special hazards in connection with their duties." This $10,000 principal amount coverage has been provided through the Underwriters at Lloyd's for the past eight years. Each year upon renewal bids are solicited from all of the major companies writing this form of insurance, but because of the special language required, none of the domestic companies have yet submitted a bid. Moreover, there have been eight death claims presented which has given the underwriting picture a rather high loss ratio.

Because of the language "in connection with their duties", one of the requirements before benefits can be paid is an establishment of the accident having occurred in connection with the employee's duties, and this can only be determined by the Alaska Workmen's Compensation Board. This usually is done promptly in accordance with the provisions of the Workmen's Compensation Law, and within three months, our claim to the beneficiary gets paid, based on this determination and also after the legal beneficiary is determined, which also takes a little time.

Apparently, a question came to you in the House in connection with the deaths of Rex Thomas and Peter Winslow, who disappeared in the Arctic at the mouth of the Colville River sometime about August 16, 1969. An extensive search was made, but it was not until April 1, 1970, that death certificates were issued. Thereafter, it was not until October 6, 1970, that the Workmen's Compensation Board issued its order establishing that death was in connection with their duties, after which our insurance adjuster

compiled the necessary claim papers and presented the matter to the Underwriters for payments. Unfortunately, due to the mail strike in London, there was about a month's delay and payments were not received by the beneficiaries until around March 1, 1971.

The requirement for determination of employment by the Alaska Workmen's Compensation Board is important as was borne out in an airplane accident in 1967 which killed both the pilot and the passenger, both of whom were listed on the Special Hazard Policy. Claims were presented, but it turned out the Board ruled that the pilot had died from a heart attack not in connection with his employment, which in turn voided the claim so far as he was concerned.

Rest assured that as Servicing Agents for the Alaska Association of Independent Insurance Agents, we want to provide the broadest form of coverage and do everything possible to expedite the claims when presented.

Respectfully yours,

DAWSON & CO. - McLEAN
Servicing Agents
ALASKA ASSOCIATION OF INDEPENDENT
INSURANCE AGENTS, INC.

By/ Joe McLean

JAM:slh

cc: All Board Members
Director, Division of Supply
Rupe Andrews - Dept. of Fish & Game

HB
285

HB 286 - Sales tax exemption for low income housing

ASHA - Talked with Ken Dunn from Anchorage + he stated:

1. Federal govt does not allow for collection of sales tax
2. approx. 1,000 units in Alaska + average monthly rent is $60.00
3. Each city signs a cooperation agreement with the fed. govt. — At present Cordova is in violation - they have approx. 12-14 units — Legal aid will probably go in to solve this.
4. Cities have to sign agreement before ASHA can go in + build

HB 285 - Sales tax exemption of food stamps coupons

Attn: Joe Paser for Monday Hearing

Food Stamp total Sales and Collections January 1972

District	total Value Food Coupon Books Issued	Participant Payment	Bonus	$38/per person Number of Female Persons
Juneau	41,288.00	6,001.50	35,286.50	1,085
Sitka	7,382.00	2,892.25	44,089.75	194
Ketchikan	26,236.00	8,465.75	27,770.25	953
Petersburg	21,138.00	3,432.75	17,705.25	556
Anchorage	211,993.00	30,951.95	181,041.95	5518
Valdez	7,386.00	1,310.75	6,075.25	194
Dillingham	34,648.00	4,786.25	29,861.75	911
Seward	10,672.00	1,295.00	9,377.00	280
Kodiak	31,284.00	2,765.25	28,518.75	823
Kenai	40,607.00	4,807.50	35,799.50	1,033
Tok	10,262.00	1,120.00	9,142.00	270
Fairbanks	132,422.00	11,535.50	120,886.50	3,418
Northern Regional (Kotzebue and Barrow)	35,503.00	4,727.75	31,075.25	942
Ft. Yukon	28,508.00	938.00	27,570.00	852
Nome	28,936.00	7,333.25	21,602.75	161
Kotzebue	39,395.00	6,316.00	33,079.00	4,03
Bethel	248,948.00	16,669.00	232,279.00	6,551

~~Palmer~~ ~~[redacted]~~

* Dist. Palmer for this month is included in Anchorage

** Unalakleet included in Nome

Food Stamp total Sales and Collections February 1972

District	total Value Food Coupon Books Issued	Participant Payment	Bonus	Number of Participants
Juneau	47,487.00 ~~4744~~	8,752.75	38,734.25	1,249
Sitka	7,840.00	3,348.75	4,491.25	206
Ketchikan	38,262.00	10,389.00	27,873.00	1,006
Petersburg	24,589.00	4,831.25	19,757.75	647
Anchorage	217,085.00	34,366.00	182,719.00	5,712
Valdez	7,988.00	1,778.00	6,210.00	210
Dillingham	33,660.00	5,452.00	28,208.00	885
Seward	11,632.00	2,374.00	9,258.00	306
Kodiak	37,149.00	4,092.50	33,056.50	977
Kenai	44,330.00	6,897.00	37,433.00	1,166
Palmer	23,890.00	3,254.50	20,635.50	628
Tok	10,834.00	1,405.00	9,429.00	285
Fairbanks	136,653.00	16,208.25	120,444.75	3,596
Northern Regional (Barrow & Barrow)	36,409.00	4,728.50	31,680.50	958
Ft. Yukon	27,851.00	1,024.00	26,827.00	732
Nome	34,561.00	9,675.00	24,886.00	907
Kotzebue	40,976.00	8,223.00	32,753.00	1,078
Bethel	224,478.00	15,528.00	208,950.00	5,907
Unalakleet	2,360.00	543.00	1,817.00	62

Food Stamp total Sales and Collections March 1972

District	total Value Food Coupon Books Issued	Participant Payment	Bonus	Number of ~~Families~~ Persons
[illegible]	47,748.00	10,560.00	37,188.00	- 1,256
Sitka	7,376.00	3,345.00	4,031.00	- 194
Ketchikan	38,948.00	12,104.50	26,843.50	- 1,024
Petersburg	27,669.00	5,751.50	21,917.50	- 728
Anchorage	242,404.00	38,554.00	203,850.00	- 6,379
Valley	8,664.00	1,441.00	7,223.00	- 235
Dillingham	35,452.00	5,910.00	29,542.00	- 932
Seward	12,990.00	2,701.50	10,288.50	- 341
Kodiak	45,581.00	6,517.75	39,063.25	- 1,199
Kenai	45,290.00	8,736.00	36,554.00	- 1,191
Palmer	30,435.00	4,326.00	26,109.00	- 800
Toke	8,146.00	1,390.00	6,756.00	- 214
Fairbanks	133,166.00	19,274.00	113,892.00	- 3,504
Northern Regional Nulato + Barrow	38,800.00	4,458.00	34,342.00	- 1,021
Ft. Yukon	25,715.00	827.00	24,888.00	- 676
Noorvik	36,989.00	12,108.00	24,881.00	- 973
Kotzebue	42,530.00	9,057.00	33,473.00	- 1,119
Bethel	206,279.00	30,319.00	175,960.00	- 5,428
Unalakleet	3,684.00	877.00	2,807.00	- 96

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES
TABULATION OF THE NUMBER OF NATIVE AND NON-NATIVE RECIPIENTS ON PUBLIC ASSISTANCE:
OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AND AID TO DEPENDENT CHILDREN
BY CASELOAD AND WELFARE DISTRICT
OCTOBER 1971

OAA	NUMBER OF CASES			AMOUNT PAID		
	Native	Non-Native	Total*	Native	Non-Native	Total*
CENTRAL OFFICE	6	8	14	150	200	350
District 21 - Juneau	115	55	172	13,350	6,625	20,299
District 22 - Sitka	22	6	28	2,148	508	2,656
District 23 - Ketchikan	73	69	142	6,949	6,253	13,202
District 24 - Petersburg	37	24	66	3,166	2,157	5,856
District 31 - Anchorage	106	209	359	12,322	19,920	37,159
District 32 - Valdez	31	11	42	4,264	1,152	5,416
District 33 - Dillingham	55	4	59	7,891	297	8,188
District 34 - Seward	5	16	21	266	882	1,148
District 35 - Kodiak	26	9	35	2,705	766	3,471
District 36 - Bethel	310	3	314	54,276	415	54,805
District 37 - Kenai	11	19	31	1,438	2,357	3,797
District 41 - Fairbanks	59	75	134	9,743	10,229	19,972
District 42 - Tanana	68	---	68	10,666	---	10,666
District 43 - Fort Yukon	44	---	44	8,218	---	8,218
District 44 - Tok	36	3	39	5,275	400	5,675
District 45 - Barrow	54	---	54	6,843	---	6,843
District 46 - Nome	152	4	156	20,238	361	20,599
District 47 - Kotzebue	141	2	143	19,547	104	19,651
State Total - Number	1,351	517	1,921	189,455	52,626	247,971
Percent of Total	70.3	26.9	100.0	76.4	21.2	100.0

* Includes race unknown

ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

TABULATION OF THE NUMBER OF NATIVE AND NON-NATIVE RECIPIENTS ON PUBLIC ASSISTANCE: OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AND AID TO DEPENDENT CHILDREN BY CASELOAD AND WELFARE DISTRICT
OCTOBER 1971

AB	NUMBER OF CASES			AMOUNT PAID		
	Native	Non-Native	Total*	Native	Non-Native	Total*
CENTRAL OFFICE	---	---	---	---	---	---
District 21 - Juneau	7	---	7	1,119	---	1,119
District 22 - Sitka	1	---	1	185	---	185
District 23 - Ketchikan	5	---	5	605	---	605
District 24 - Petersburg	---	---	---	---	---	---
District 31 - Anchorage	10	6	16	1,233	837	2,070
District 32 - Valdez	2	---	2	435	---	435
District 33 - Dillingham	4	---	4	805	---	805
District 34 - Seward	---	1	1	---	185	185
District 35 - Kodiak	3	---	3	488	---	488
District 36 - Bethel	15	---	15	3,035	---	3,035
District 37 - Kenai	2	1	3	289	177	466
District 41 - Fairbanks	4	1	5	856	150	1,006
District 42 - Tanana	4	---	4	805	---	805
District 43 - Fort Yukon	---	---	---	---	---	---
District 44 - Tok	1	---	1	185	---	185
District 45 - Barrow	1	---	1	103	---	103
District 46 - Nome	14	---	14	2,441	---	2,441
District 47 - Kotzebue	4	---	4	655	---	655
State Total - Number	77	9	86	13,239	1,349	14,588
Percent of Total	89.5	10.5	100.0	90.8	9.2	100.0

* Includes race unknown

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES
TABULATION OF THE NUMBER OF NATIVE AND NON-NATIVE RECIPIENTS ON PUBLIC ASSISTANCE:
OLD AGE ASSISTANCE, AID TO THF BLIND, AID TO DISABLED, AND AID TO DEPENDENT CHILDREN
BY CASELOAD AND WELFARE DISTRICT
OCTOBER 1971

AD	NUMBER OF CASES			AMOUNT PAID		
	Native	Non-Native	Total*	Native	Non-Native	Total*
CENTRAL OFFICE	2	5	7	50	125	175
District 21 - Juneau	28	19	47	4,983	3,931	8,914
District 22 - Sitka	6	6	12	931	940	1,871
District 23 - Ketchikan	41	27	69	,387	4,376	11,013
District 24 - Petersburg	9	5	14	1,174	735	1,909
District 31 - Anchorage	150	185	364	26,886	29,734	61,729
District 32 - Valdez	8	4	12	1,378	565	1,943
District 33 - Dillingham	25	---	26	4 307	---	4,492
District 34 - Seward	15	11	26	1,172	1,027	2,199
District 35 - Kodiak	12	7	19	1,984	1,093	3,077
District 36 - Bethel	160	1	162	29,969	185	30,404
District 37 - Kenai	8	14	22	1,339	2,430	3,769
District 41 - Fairbanks	50	103	156	9,357	19,693	29,661
District 42 - Tanana	22	---	22	3,865	---	3,865
District 43 - Fort Yukon	28	1	29	5,415	250	5,665
District 44 - Tok	18	---	18	3,296	---	3,296
District 45 - Barrow	15	---	15	1,648	---	1,648
District 46 - Nome	81	1	83	13,242	185	13,612
District 47 - Kotzebue	39	---	39	6,081	---	6,081
State Total - Number	717	389	1,142	123,464	65,269	195,323
Percent of Total	62.8	34.1	100.0	63.2	33.4	100.0

* Includes race unknown

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

TABULATION OF THE NUMBER OF NATIVE AND NON-NATIVE RECIPIENTS ON PUBLIC ASSISTANCE:
OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AND AID TO DEPENDENT CHILDREN
BY CASELOAD AND WELFARE DISTRICT
OCTOBER 1971

AFDC	NUMBER OF CASES			NUMBER OF CHILDREN			AMOUNT PAID		
	Native	Non-Native	Total*	Native	Non-Native	Total*	Native	Non-Native	Total*
CENTRAL OFFICE	--	--	--	--	--	--	--	--	--
District 21 - Juneau	97	41	138	267	101	368	21,195	8,788	29,983
District 22 - Sitka	28	18	47	78	33	116	5,577	2,625	8,577
District 23 - Ketchikan	121	51	173	294	102	398	25,692	9,759	35,651
District 24 - Petersburg	26	16	46	84	35	130	6,448	2,943	10,366
District 31 - Anchorage	306	596	1,046	666	1,314	2,276	60,625	121,223	208,824
District 32 - Valdez	22	5	27	66	13	79	5,138	1,061	6,199
District 33 - Dillingham	71	4	75	190	10	200	17,496	906	18,402
District 34 - Seward	4	16	20	5	28	33	457	2,526	2,983
District 35 - Kodiak	44	22	66	124	52	176	10,449	4,432	14,881
District 36 - Bethel	451	3	454	1,309	7	1,316	123,566	601	124,167
District 37 - Kenai	11	57	68	32	140	172	2,620	12,353	14,973
District 41 - Fairbanks	129	194	329	299	454	761	27,597	42,415	70,912
District 42 - Tanana	69	---	69	188	---	138	14,254	---	14,254
District 43 - Fort Yukon	65	2	67	186	2	188	18,261	175	18,436
District 44 - Tok	43	---	44	111	---	112	10,291	---	10,391
District 45 - Barrow	70	---	70	144	---	144	14,039	---	14,039
District 46 - Nome	228	---	231	590	---	594	50,634	---	50,918
District 47 - Kotzebue	165	1	166	357	1	358	32,719	150	32,869
State Total - Number	1,950	1,026	3,136	4,990	2,292	7,609	447,058	209,957	686,825
Percent of Total	62.2	32.7	100.0	65.6	30.1	100.0	65.1	30.6	100.0

* Includes race unknown

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
CENTRAL OFFICE	14	--	7	--	21	350	--	175	--	525
DISTRICT 21	172	7	47	138	364	20,299	1,119	8,914	29,983	60,315
DISTRICT 22	28	1	12	47	88	2,656	185	1,871	8,577	13,289
DISTRICT 23	142	5	69	173	389	13,202	605	11,013	35,651	60,471
DISTRICT 24	66	--	14	46	126	5,856	--	1,909	10,366	18,131
DISTRICT 31	359	16	364	1,046	1,785	37,159	2,070	61,729	208,824	309,782
DISTRICT 32	42	2	12	27	83	5,416	435	1,943	6,199	13,993
DISTRICT 33	59	4	26	75	164	8,188	805	4,492	18,402	31,887
DISTRICT 34	21	1	26	20	68	1,148	185	2,199	2,983	6,515
DISTRICT 35	35	3	19	66	123	3,471	488	3,077	14,881	21,917
DISTRICT 36	314	15	162	454	945	54,805	3,035	30,404	124,167	212,411
DISTRICT 37	31	3	22	68	124	3,797	466	3,709	14,973	23,005
DISTRICT 41	134	5	156	329	624	19,972	1,006	29,661	70,912	121,551
DISTRICT 42	68	4	22	69	163	10,666	805	3,865	14,254	29,590
DISTRICT 43	44	--	29	67	140	8,218	--	5,665	18,436	32,319
DISTRICT 44	39	1	18	44	102	5,675	185	3,296	10,391	19,547
DISTRICT 45	54	1	15	70	140	6,843	103	1,648	14,039	22,633
DISTRICT 46	156	14	83	231	484	20,599	2,441	13,612	50,918	87,570
DISTRICT 47	143	4	39	166	352	19,651	655	6,081	32,869	59,256
STATE TOTALS	1,921	86	1,142	3,136	6,285	247,971	14,588	195,323	686,825	1,144,707

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
CENTRAL OFFICE	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
OUTSIDE ALASKA	14	--	7	--	21	350	--	175	--	525
TOTAL	14	--	7	--	21	350	--	175	--	525

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
DISTRICT 21 - JUNEAU										
ANGOON	21	1	1	7	30	2,020	141	185	1,754	4,100
DOUGLAS	2	--	---	1	3	169	--	--	400	569
ELFIN COVE	3	--	--	--	3	301	--	--	--	301
HAINES	23	--	3	6	32	3,724	--	426	1,949	6,099
HAWK INLET	--	--	--	1	1	--	--	--	175	175
HOONAH	22	2	5	9	38	1,888	328	782	2,135	5,133
JUNEAU	69	2	35	107	213	8,868	380	6,933	22,320	38,501
KLUKWAN	12	1	--	1	14	1,135	185	--	150	1,470
PELICAN	2	--	1	--	3	209	--	250	--	459
SKAGWAY	--	--	1	3	4	--	--	250	700	950
TENAKEE	4	1	1	--	6	399	85	88	--	572
YAKUTAT	14	--	--	3	17	1,586	--	--	400	1,986
TOTAL	172	7	47	138	364	20,299	1,119	8,914	29,983	60,315
DISTRICT 22 - SITKA										
SITKA	28	1	12	47	88	2,656	185	1,871	8,577	13,289
TOTAL	28	1	12	47	88	2,656	185	1,871	8,577	13,289

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
DISTRICT 23 - KETCHIKAN										
CRAIG	10	1	3	4	18	771	185	298	825	2,079
HYDABURG	15	--	4	12	31	1,219	--	416	1,894	3,529
HYDER	--	--	--	1	1	--	--	--	75	75
KETCHIKAN	100	2	54	138	294	9,451	100	9,076	29,778	48,405
KLAWOCK	5	2	2	3	12	579	320	362	590	1,851
METLAKATLA	8	--	4	15	27	689	--	539	2,489	3,717
MYERS CHUCK	2	--	--	--	2	224	--	--	--	224
POINT BAKER	--	--	2	--	2	--	--	322	--	322
WARD COVE	2	--	--	--	2	269	--	--	--	269
TOTAL	142	5	69	173	389	13,202	605	11,013	35,651	60,471
DISTRICT 24 - PETERSBURG										
KAKE	15	--	3	5	23	1,289	--	320	410	2,019
PETERSBURG	37	--	8	31	76	3,145	--	1,174	7,288	11,607
WRANGELL	14	--	3	10	27	1,422	--	415	2,668	4,505
TOTAL	66	--	14	46	126	5,856	--	1,909	10,366	18,131

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

DISTRICT 31 - ANCHORAGE	NUMBER OF CASES					DOLLAR PAYMENTS				
	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
AKUTAN	1	--	--	2	3	185	--	--	543	728
ANCHORAGE	259	11	306	907	1,483	23,901	1,336	50,959	178,223	254,419
ATKA	2	--	1	3	6	371	--	185	625	1,181
BELKOFSKI	2	--	--	--	2	243	--	--	--	243
BIG LAKE	1	--	--	--	1	106	--	--	--	106
CHIGNIK	--	--	--	2	2	--	--	--	1,075	1,075
CHIGNIK LAGOON	2	--	--	--	2	259	--	--	--	259
CHIGNIK LAKE	4	--	1	--	5	644	--	24	--	668
CHUGIAK	6	--	1	6	13	667	--	167	1,174	2,008
EAGLE RIVER	4	--	3	22	29	245	--	462	4,755	5,462
FALSE PASS	--	1	--	1	2	--	203	--	450	653
GIRDWOOD	--	--	--	2	2	--	--	--	250	250
IVANOFF BAY	1	--	--	--	1	124	--	--	--	124
KING COVE	2	--	--	--	2	275	--	--	--	275
MOUNTAIN VIEW	6	--	--	4	10	664	--	--	925	1,589
NIKOLSKI	4	--	--	1	5	424	--	--	175	599
PALMER	34	--	27	21	82	5,062	--	5,713	4,423	15,198
PAULOFF HARBOR	1	--	--	--	1	25	--	--	--	25
PERRYVILLE	2	--	2	3	7	333	--	435	875	1,643
PORT MOLLER	--	--	--	1	1	--	--	--	97	97
SAND POINT	2	--	--	3	5	384	--	--	875	1,259
SPENARD	4	1	6	24	35	393	250	1,298	5,772	7,713
ST. GEORGE ISLAND	--	--	--	1	1	--	--	--	175	175
ST. PAUL ISLAND	3	--	2	10	15	305	--	210	2,037	2,552
SUTTON	--	2	1	4	7	--	220	250	750	1,220
TALKEETNA	3	--	--	3	6	402	--	--	746	1,148
TYONEK	5	--	1	14	20	622	--	185	2,423	3,230
UNALASKA	3	1	2	1	7	447	61	370	125	1,003
WASILLA	5	--	3	4	12	837	--	281	900	2,018
WILLOW	2	--	2	3	7	216	--	500	775	1,491

(Continued next page)

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

Continued

	NUMBER OF CASES					DOLLAR PAYMENT				
DISTRICT 31 ANCHORAGE	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
OUTSIDE DISTRICT										
BETHEL	--	--	2	----	2	---	--	50	----	50
FAIRBANKS	--	--	1	----	1	---	--	25	----	25
HOLY CROSS	--	--	--	1	1	---	--	--	125	125
HOMER	--	--	--	1	1	---	--	--	231	231
KENAI	1	--	--	1	2	25	--	--	175	200
KOTLIK	--	--	1	----	1	---	--	185	----	185
NOME	--	--	2	----	2	---	--	430	----	430
SHAKTOOLIK	--	--	--	1	1	---	--	--	125	125
TOTAL	359	16	364	1046	1785	37,159	2,070	61,729	208,824	309,782

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

DISTRICT 32 - VALDEZ	NUMBER OF CASES					DOLLAR PAYMENT				
	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
CHISTOCHINA	2	--	--	----	2	236	--	--	----	236
CHITINA	2	--	--	2	4	289	--	--	650	939
COPPER CENTER	9	--	3	8	20	1370	--	425	1822	3617
CORDOVA	15	--	2	9	26	1297	--	275	1818	3390
GAKONA	8	1	3	3	15	1085	250	438	627	2400
GLENNALLEN	1	1	--	----	2	185	185	--	----	370
KENNY LAKE	1	--	1	----	2	242	--	185	----	427
TATITLEK	1	--	1	----	2	92	--	185	----	277
VALDEZ	3	--	1	5	9	620	--	185	1282	2087
OUTSIDE DISTRICT										
PALMER	--	--	1	----	1	---	--	250	----	250
TOTAL	42	2	12	27	83	5416	435	1943	6199	13993

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
DISTRICT 33 - DILLINGHAM	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
ALEKNAGIK	1	--	3	2	6	214	--	555	450	1219
CLARKS POINT	1	--	1	4	6	115		58	709	882
DILLINGHAM	8	--	8	18	34	879		1388	3950	6217
EGIGIK	---	--	1	4	5	---	--	185	1449	1634
EKUK	1	--	--	1	2	118	--	--	501	619
EKWOK	3	--	2	3	8	482	--	435	500	1417
IGUIGIG	1	--	--	1	2	121	--	--	325	446
ILIAMNA	3	1	--	4	8	305	185	--	748	1238
KOKHANOK	--	--	--	2	2	---	--	--	450	450
KOLIGANEK	2	--	3	3	8	285	--	620	811	1716
LEVELOCK	3	--	1	----	4	207	--	140	----	347
MANAKOTAK	4	--	1	4	9	676	--	99	1225	2000
NAKNEK	1	--	--	2	3	115	--	--	300	415
NEW STUYAHOK	6	--	1	3	10	1013	--	185	734	1932
NONDALTON	7	1	3	8	19	1154	185	457	1826	3622
OHGSENAKALE	2	--	1	5	8	384	--	185	1383	1952
PEDRO BAY	1	--	--	----	1	178	--	--	----	178
PILOT POINT	1	--	--	1	2	250	--	--	175	425
PORT HEIDEN	3	--	--	1	4	274	--	--	125	399
SOUTH NAKNEK	3	1	--	2	6	349	250	--	470	1069
TOGIAK	8	1	1	7	17	1069	185	185	2271	3710
TOTAL	59	4	26	75	164	8188	805	4492	18402	31887

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
DISTRICT 34 - SEWARD	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
HOPE	1	--	--	1	2	102	--	--	175	277
SEWARD	20	1	26	19	66	1,046	185	2,199	2,808	6,238
TOTAL	21	1	26	20	68	1,148	185	2,199	2,983	6,515
DISTRICT 35 - KODIAK										
AKHIOK	1	--	1	2	4	96	--	147	519	762
KARLUK	1	--	--	6	7	84	--	--	780	864
KODIAK	17	--	13	46	76	1,828	--	2,273	10,965	15,066
LARSEN BAY	4	--	1	6	11	426	--	185	1,000	1,611
OLD HARBOR	5	--	1	5	11	373	--	12	1,017	1,402
OUZINKIE	2	1	1	1	5	218	100	90	600	1,008
PORT LIONS	5	2	2	--	9	446	388	370	-----	1,204
TOTAL	35	3	19	66	123	3,471	488	3,077	14,881	21,917

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
DISTRICT 36 - BETHEL	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
AKIACHUK	10	--	6	13	29	1,765	--	1,050	3,997	6,812
AKIAK	5	2	4	7	18	825	435	690	1,625	3,573
ALAKANUK	10	--	4	10	24	1,483	--	696	2,403	4,582
ANIAK	6	--	6	10	22	851	--	1,240	2,916	5,007
ANVIK	1	--	2	3	6	215	--	435	1,500	2,150
BETHEL	33	2	33	85	153	5,860	435	6,321	23,286	35,902
CHEFORNAK	3	--	3	3	9	685	--	555	1,225	2,465
CHEVAK	4	--	6	18	28	653	--	1,025	7,019	8,697
CROOKED CREEK	2	--	--	8	10	370	--	---	2,233	2,603
EEK	10	--	1	4	15	1,915	--	127	900	2,942
EMMONAK	8	--	4	9	21	1,657	--	740	2,231	4,628
FORTUNA LEDGE	5	1	4	5	15	965	250	935	1,019	3,169
GOODNEWS BAY	4	1	4	9	18	740	185	740	2,095	3,760
GRAYLING	6	--	--	6	12	947	--	---	1,919	2,866
HOLY CROSS	7	--	2	4	13	963	--	370	1,025	2,358
HOOPER BAY	14	--	4	18	36	2,432	--	740	4,287	7,459
KALSKAG	--	--	2	4	6	---	--	370	775	1,145
KASIGLUK	9	1	3	10	23	2,022	185	620	2,923	5,750
KIPNUK	5	1	7	11	24	990	185	1,295	3,875	6,345
KONGIGIAK	2	--	--	4	6	435	--	---	850	1,285
KOTLIK	6	--	3	2	11	938	--	555	525	2,018
KWETHLUK	9	2	7	17	35	1,795	370	1,245	4,635	8,045
KWINGILLINGOK	4	--	--	4	8	840	--	---	925	1,765
LOWER KALSKAG	6	--	3	11	20	897	--	555	3,069	4,521
MCGRATH	7	--	2	4	13	1,048	--	370	667	2,085

(Continued)
(next page)

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

DISTRICT 36 BETHEL (Continued)	NUMBER OF CASES					DOLLAR PAYMENTS				
	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
MEDFRA	---	--	--	1	1	---	--	--	125	125
MEKORYUK	10	--	--	10	20	1,625	--	--	2,826	4,452
MOUNTAIN VILLAGE	11	--	3	11	25	2,000	--	555	2,833	5,388
NAPAKIAK	4	--	8	17	29	805	--	1,340	3,926	6,071
NAPASKIAK	10	1	3	7	21	1,715	185	620	1,853	4,373
NEWTOK	---	--	1	3	4	---	--	185	1,150	1,335
NIGHTMUTE	5	1	--	4	10	1,055	185	--	1,150	2,390
NIKOLAI	4	--	2	3	9	740	--	370	1,000	2,110
NUNAPITCHUK	13	--	3	7	23	2,433	--	685	1,414	4,582
OSCARVILLE	---	--	1	1	2	---	--	185	75	260
PILOT STATION	10	--	2	6	18	1,329	--	260	2,060	3,649
PITKAS POINT	3	--	--	2	5	470	--	--	650	1,120
PLATINUM	1	--	--	2	3	120	--	--	398	518
QUINHAGAK	5	--	3	2	10	952	--	525	490	1,767
RED DEVIL	1	--	1	2	4	56	--	185	775	1,016
RUSSIAN MISSION (KUSKOKWIM)	2	--	2	1	5	305	--	370	175	850
SCAMMON BAY	10	--	--	8	18	1,607	--	--	1,475	3,082
SHAGELUK	8	1	2	8	19	1,469	185	370	2,100	4,124
SHELDON POINT	2	--	1	3	6	305	--	185	750	1,240
SLEETMUTE	3	--	--	9	12	440	--	--	1,947	2,387
ST. MARYS	12	1	1	15	29	1 824	250	250	3 906	6,230
STONY RIVER	4	--	--	9	13	585	--	--	2,275	2,860
TAKOTNA	--	--	--	1	1	---	--	--	225	225
TOKSOOK BAY	3	--	10	17	30	685	--	1,850	5,321	7,856
TULUKSAK	7	--	1	6	14	1,360	--	250	1,400	3,010
TUNTUTULIAK	2	--	4	8	14	348	--	805	2,346	3,499
TUNUNAK	8	1	4	12	25	1,437	185	740	3,598	5,960
TOTAL	314	15	162	454	945	54,805	3,035	30,404	124,167	212,411

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
DISTRICT 37 - KENAI	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
ANCHOR POINT	3	--	2	3	8	474	--	230	1,025	1,729
CLAM GULCH	2	--	--	----	2	243	--	--	----	243
ENGLISH BAY	1	--	--	2	3	114	--	--	325	439
HOMER	2	1	2	5	10	266	185	311	1,075	1,837
KASILOF	1	--	1	----	2	56	--	185	----	241
KENAI	5	2	7	32	46	471	281	1,310	6,273	8,335
NINILCHIK	2	--	1	2	5	303	--	185	950	1,438
PORT GRAHAM	4	--	2	1	7	549	--	223	240	1,012
PORT LIONS	--	--	1	----	1	---	--	250	----	250
SELDOVIA	3	--	--	4	7	310	--	--	556	866
SOLDOTNA	7	--	6	18	31	894	--	1,075	4,304	6,273
STERLING	1	--	--	1	2	117	--	--	225	342
TOTAL	31	3	22	68	124	3,797	466	3,769	14,973	23,005

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
DISTRICT 41 - FAIRBANKS										
CANTWELL	1	--	1	1	3	185	--	185	100	470
CENTRAL	1	--	--	2	3	132	--	--	450	582
CIRCLE	--	--	2	2	4	---	--	301	678	979
CLEAR	1	--	--	1	2	188	--	--	100	288
COLLEGE	--	--	--	1	1	---	--	--	1	1
DELTA JUNCTION	2	--	3	8	13	356	--	593	1,270	2,219
FAIRBANKS	101	4	135	289	529	14,452	821	25,886	62,093	103,252
HEALY	1	--	--	---	1	109	--	--	----	109
MINTO	14	1	2	13	30	2,488	185	210	3,209	6,092
NENANA	9	--	9	9	27	1,257	--	1,655	1,986	4,898
NORTH POLE	1	--	3	2	6	250	--	646	875	1,771
RAMPART	1	--	--	---	1	185	--	--	----	185
DISTRICT 41 - FAIRBANKS										
OUTSIDE DISTRICT										
ANCHORAGE	--	--	---	1	1	---	--	---	150	150
FORT YUKON	1	--	1	---	2	185	--	185	----	370
VENETIE	1	--	---	---	1	185	--	---	----	185
TOTAL	134	5	156	329	624	19,972	1,006	29,661	70,912	121,551

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
DISTRICT 42 - TANANA										
ALLAKAKET	5	--	1	2	8	630	--	250	316	1,196
ANAKTUVAK PASS	4	--	1	3	8	890	--	185	399	1,474
BETTLES	1	--	--	--	1	185	--	---	----	185
GALENA	9	--	5	11	25	1,043	--	840	2,074	3,957
HUGHES	1	--	1	1	3	140	--	135	408	683
HUSLIA	8	1	2	9	20	1,280	185	370	1,414	3,249
KALTAG	9	1	3	12	25	1,389	185	564	2,558	4,696
KOYOKUK	3	--	3	4	10	535	--	494	1,425	2,454
NULATO	11	--	3	13	27	1,662	--	472	2,709	4,843
RUBY	6	1	2	6	15	1,124	185	370	1,100	2,779
TANANA	11	1	1	8	21	1,788	250	185	1,851	4,074
TOTAL	68	4	22	69	163	10,666	805	3,865	14,254	29,590
DISTRICT 43 - FORT YUKON										
ARCTIC VILLAGE	2	--	4	5	11	435	--	805	1,350	2,590
BEAVER	4	--	3	6	13	701	--	620	1,783	3,104
BIRCH CREEK	--	--	--	1	1	---	--	---	650	650
CHALKYITSIT	5	--	1	5	11	865	--	185	1,125	2,175
FORT YUKON	23	--	16	36	75	4,387	--	3,149	9,478	17,014
STEVENS VILLAGE	3	--	--	5	8	620	--	---	1,450	2,070
VENETIE	7	--	5	9	21	1,210	--	906	2,600	4,716
TOTAL	44	--	29	67	140	8,218	--	5,665	18,436	32,319

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
DISTRICT 44 - TOK										
DOT LAKE	2	--	--	1	3	284	--	--	150	434
EAGLE	5	1	--	5	11	695	185	--	970	1,850
MENTASTA LAKE	--	--	4	5	9	---	---	740	1,671	2,411
NORTHWAY	12	--	5	14	31	2,031	---	990	3,750	6,771
TANACROSS	8	--	2	7	17	755	---	235	975	1,965
TETLIN	7	--	6	11	24	1,106	---	1,081	2,775	4,962
TOK	4	--	1	1	6	619	---	250	100	969
OUTSIDE DISTRICT										
HUGHES	1	--	--	--	1	185	---	---	----	185
TOTAL	39	1	18	44	102	5,675	185	3,296	10,391	19,547
DISTRICT 45 - BARROW										
BARROW	41	1	10	55	107	5,137	103	1,054	10,764	17,058
BARTER ISLAND	1	--	--	1	2	93	---	---	175	268
KAKTOVIK	1	--	1	1	3	185	---	85	175	445
WAINWRIGHT	11	--	2	11	24	1,428	---	300	2,225	3,953
OUTSIDE DISTRICT										
ANCHORAGE	--	--	1	--	1	---	---	24	----	24
FAIRBANKS	--	--	1	2	3	---	---	185	700	885
TOTAL	54	1	15	70	140	6,843	103	1,648	14,039	22,633

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - NOVEMBER 1971

	NUMBER OF CASES					DOLLAR PAYMENTS				
	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
DISTRICT 46 - NOME										
BREVIG MISSION	4	--	2	8	14	514	--	309	2,301	3,124
COUNCIL	2	--	--	----	2	123	--	---	----	123
DIOMEDE	2	--	1	1	4	306	--	231	406	943
ELIM	9	1	1	13	24	923	185	185	1,973	3,266
GAMBELL	22	1	4	11	38	3,264	117	690	2,782	6,853
GOLOVIN	3	--	--	6	9	361	--	---	1,273	1,634
HAYCOCK	--	--	1	----	1	---	--	185	----	185
KOYUK	5	1	4	11	21	763	185	690	2,991	4,629
NOME	54	2	30	82	168	7,089	370	4,842	17,639	29,940
SAVOONGA	10	1	5	9	25	1,441	143	925	2,256	4,765
SHAKTOOLIK	5	--	1	6	12	687	--	185	1,354	2,226
SHISHMAREF	9	3	8	23	43	1,393	469	1,437	5,444	8,743
SOLOMON	--	--	1	--	1	---	--	185	----	185
ST. MICHAEL	4	--	5	7	16	420	--	852	2,325	3,597
STEBBINS	2	3	4	20	29	320	555	740	4,287	5,902
TELLER	7	2	7	8	24	987	417	1,070	1,654	4,128
UNALAKLEET	15	--	3	18	36	1,578	--	330	2,464	4,372
WALES	3	--	2	1	6	430	--	87	47	564
WHITE MOUNTAIN	--	--	4	6	10	---	--	669	1,597	2,266
OUTSIDE DISTRICT										
NULATO	--	--	--	1	1	---	--	---	125	125
TOTAL	156	14	83	231	484	20,599	2,441	13,612	50,918	87,570

ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF FAMILY AND CHILDREN SERVICES

LOCATION AND TOTAL AMOUNTS OF ASSISTANCE OF ACTIVE CASES, IN OLD AGE ASSISTANCE, AID TO THE BLIND, AID TO DISABLED, AID TO DEPENDENT CHILDREN PROGRAMS - OCTOBER 1967

	NUMBER OF CASES					DOLLAR PAYMENTS				
	OAA	AB	AD	AFDC	TOTAL	OAA	AB	AD	AFDC	TOTAL
DISTRICT 47 - KOTZEBUE										
AMBLER	5	--	--	8	13	702	--	--	1,575	2,277
BUCKLAND	4	--	1	5	10	481	--	140	1,324	1,945
CANDLE	1	--	--	1	2	49	--	--	200	249
DEERING	3	--	1	4	8	312	--	18	1,108	1,438
KIANA	13	--	1	14	28	1,674	--	185	2,961	4,820
KIVALINA	6	--	--	4	10	1,025	--	--	509	1,534
KOBUK	3	--	--	2	5	319	--	--	300	619
KOTZEBUE	38	2	19	54	113	4,893	370	2,593	10,730	18,586
NOATAK	15	--	2	12	29	1,96	--	370	2,425	4,762
NOORVIK	17	--	2	24	43	2,226	--	435	3,630	6,291
POINT HOPE	11	--	5	11	27	1,618	--	905	2,225	4,748
SELAWIK	21	2	7	17	47	3,470	285	1,250	4,032	9,037
SHUNGNAK	6	--	1	10	17	915	--	185	1,850	2,950
TOTAL	143	4	39	166	352	19,651	655	6,081	32,869	59,256

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

OFFICE OF THE GOVERNOR

LOCAL AFFAIRS AGENCY / POUCH AB — JUNEAU 99801

BOROUGH AND CITY PROPERTY AND SALES TAX RATES

1969 - 1970 - 1971

ALASKA LOCAL GOVERNMENT

VOLUME X, No. 3 December 31, 1971

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FOREWORD

The Local Affairs Agency is frequently asked for information on the property tax or sales tax rates of cities and organized boroughs. To accommodate the many requests, this issue of Alaska Local Government lists the 1969, 1970 and 1971 property and sales tax rates for all of the State's organized boroughs and cities.

The first section includes rates for organized boroughs and for the cities within them. The second section lists rates for cities which are situated outside organized boroughs. The sales tax rates of fourth class cities appear in a final section. A fourth class city may levy a sales tax subject to referendum, but it has no statutory authority to levy a property tax.

I.
ORGANIZED BOROUGHS AND CITIES WITHIN ORGANIZED BOROUGHS

A. HOME RULE BOROUGHS

MUNICIPALITY	PROPERTY TAX 1969	1970	1971	SALES TAX 1969	1970	1971
CITY AND BOROUGH OF JUNEAU						
Juneau (SA)*	10.50	8.90	7.40		2.0	2.0
Administration	3.88	6.10	11.50	2.0		
Schools	4.44	3.80				1.0
Debt Service	1.11				1.0	
TOTAL	19.93	18.80	18.90	3.0	3.0	3.0
Douglas (SA)	11.33	8.50	5.40	2.0	2.0	2.0
Administration	3.88	6.10	11.50			
Schools	4.44	3.80		1.0	1.0	1.0
Debt Service	1.11					
TOTAL	20.76	18.40	16.90	3.0	3.0	3.0
Auke Bay (SA)	97	1.90	.40			
Administration	3.88	6.10	11.50			
Schools	4.44	3.80		1.0	1.0	1.0
Debt Service	1.11					
TOTAL	10.40	11.80	11.90	1.0	1.0	1.0
North Douglas (SA)	.99	1.40	.40			
Administration	3.88	6.10	11.50			
Schools	4.44	3.80		1.0	1.0	1.0
Debt Service	1.11					
TOTAL	10.42	11.30	11.90	1.0	1.0	1.0
Glacier Valley (SA)	3.45	3.50	2.60			
Administration	3.88	6.10	11.50			
Schools	4.44	3.80		1.0	1.0	1.0
Debt Service	1.11					
TOTAL	12.88	13.40	14.10	1.0	1.0	1.0
Other Area (SA)	.59	.70				
Administration	3.88	6.10	11.50			
Schools	4.44	3.80		1.0	1.0	1.0
Debt Service	1.11					
TOTAL	10.02	10.60	11.50	1.0	1.0	1.0

* Service Area

MUNICIPALITY	PROPERTY TAX 1969	1970	1971	SALES TAX 1969	1970	1971
CITY AND BOROUGH OF SITKA						
Sitka (SA)	9.5	7.5	7.9	2.0	2.0	2.0
Administration	2.5	4.0	4.5	2.0		
Schools	3.0	—	—	—	2.0	2.0
TOTAL	15.0	11.5	12.4	4.0	4.0	4.0
Service Area #1	.5	.5	.5	1.0	1.0	1.0
Administration	2.5	4.0	4.5	2.0		
Schools	3.0	—	—	—	2.0	2.0
TOTAL	6.0	4.5	5.0	3.0	3.0	3.0
Port Alexander (SA)	10.0	10.0	10.0			1.0
Administration	2.5	4.0	4.5	2.0		
Schools	3.0	—	—	—	2.0	2.0
TOTAL	15.5	14.0	14.5	2.0	2.0	3.0
Other Area (SA)						
Administration	2.5	4.0	4.5	2.0	2.0	
Schools	3.0	—	—	—	—	2.0
TOTAL	5.5	4.0	4.5	2.0	2.0	2.0
B. SECOND CLASS BOROUGHS						
BRISTOL BAY BOROUGH						
Administration	5.3	4.02	2.3			
Schools	—	7.98	8.8	—	—	—
TOTAL	5.3	12.00	11.1		- None -	
FAIRBANKS NORTH STAR BOROUGH						
Fairbanks (HR)*	9.6	10.0	10.0	3.0	3.0	3.0
Administration	1.3	1.1	.5	2.0	2.0	2.0
Schools	15.2	8.9	4.5	—	—	—
TOTAL	26.1	20.0	15.0	5.0	5.0	5.0
North Pole (1st)	12.0	6.0	6.0	2.0	2.0	2.0
Administration	1.3	1.1	.5	2.0	2.0	2.0
Schools	15.3	8.9	4.5	—	—	—
TOTAL	28.5	16.0	11.0	4.0	4.0	4.0

* Home Rule

MUNICIPALITY	PROPERTY TAX 1969	1970	1971	SALES TAX 1969	1970	1971
Musk Ox (SA)	10.0	6.0	6.0			
Improvements Only	3.0	1.0	1.0			
Administration	1.3	1.1	.5	2.0	2.0	2.0
Schools	15.2	8.9	4.5			
TOTAL	29.5	17.0	12.0	2.0	2.0	2.0
Scenic Heights (SA)	6.0	8.0				
Improvements Only			4.0			
Land			5.0			
Administration	1.3	1.1	.5	2.0	2.0	2.0
Schools	15.2	8.9	4.5			
TOTAL	22.5	18.0	14.0	2.0	2.0	2.0
Other Area (SA)						
Administration	1.3	1.1	.5	2.0	2.0	2.0
Schools	15.2	8.9	4.5			
TOTAL	16.5	10.0	5.0	2.0	2.0	2.0
GREATER ANCHORAGE AREA BOROUGH						
Anchorage (HR)	10.0	9.50	9.30			
Administration	2.10	2.21	2.57			
Schools	10.58	10.27	6.77			
Sewer			.60			
TOTAL	22.68	21.98	19.24		- None -	
Spenard (SA)	4.66	4.17	4.30			
Administration	2.10	2.21	2.57			
Schools	10.58	10.27	6.77			
Library	.28	.29	.24			
Sewer			.60			
TOTAL	17.62	16.94	14.48		- None -	
Girdwood (3rd)	1.0	1.0	1.0			
Administration	2.10	2.21	2.57			
Schools	10.58	10.27	6.77			
TOTAL	13.68	13.48	10.34		- None -	
Glen Alps (3rd)	5.0	3.0	3.0			
Administration	2.1	2.21	2.57			
Schools	10.58	10.27	6.77			
Sewer			.60			
TOTAL	17.68	15.48	12.94		- None -	

MUNICIPALITY	PROPERTY TAX 1969	1970	1971	SALES TAX 1969	1970	1971
Richardson Vista *	10.0	9.5	9.30			
Administration		2.21	2.57			
Sewer			.60			
TOTAL	10.0	11.71	12.47		-None-	
Basher (3rd)						
Administration	2.10	2.21	2.57			
Schools	10.58	10.27	6.77			
TOTAL	12.68	12.48	9.34		-None-	
Sand Lake (SA)	4.17	5.44	5.60			
Administration	2.10	2.21	2.57			
Schools	10.58	10.27	6.77			
Library	.28	.29	.24			
Sewer			.60			
TOTAL	17.13	18.21	15.78		-None-	
Muldoon (SA)	4.0	3.77	4.00			
Administration	2.10	2.21	2.57			
Schools	10.58	10.27	6.77			
Library	.28	.29	.24			
Sewer			.60			
TOTAL	16.96	16.54	14.18		-None-	
Rabbit Creek (SA)	1.44	1.44	1.36			
Administration	2.10	2.21	2.57			
Schools	10.58	10.27	6.77			
Library	.28	.29	.24			
Sewer			.60			
TOTAL	14.40	14.21	14.21		-None-	
Eagle River (SA)	.33	.18	.85			
Administration	2.10	2.21	2.57			
Schools	10.58	10.27	6.77			
Library	.28	.29	.24			
TOTAL	13.29	12.95	10.43		-None-	
Chugiak (SA)	.26	.07	.50			
Administration	2.10	2.21	2.57			
Schools	10.58	10.27	6.77			
Library	.28	.29	.24			
1968 Service area	.50					
TOTAL	13.72	12.84	10.08		-None-	

* Situated within Elmendorf Air Force Base

MUNICIPALITY	PROPERTY TAX 1969	1970	1971	SALES TAX 1969	1970	1971
Other Area						
Administration	2.10	2.21	2.57			
Schools	10.58	10.27	6.77			
Library	.28	.29	.24	—	—	—
TOTAL	12.96	12.77	10.18		-None-	
KENAI PENINSULA BOROUGH						
Homer (1st)	12.0	13.0	13.0			
Administration	5.0	1.5	1.5			
Schools	—	3.5	3.5	3.0	3.0	3.0
TOTAL	17.0	18.0	18.0	3.0	3.0	3.0
Kachemak (3rd)						
Administration	5.0	1.5	1.5			
Schools	—	3.5	3.5	3.0	3.0	3.0
TOTAL	5.0	5.0	5.0	3.0	3.0	3.0
Kenai (HR)	10.0	8.0	7.0			1.0
Administration	5.0	1.5	1.5			
Schools	—	3.5	3.5	3.0	3.0	3.0
TOTAL	15.0	13.0	12.0	3.0	3.0	4.0
Seldovia (1st)	15.5	13.5	13.5			
Administration	5.0	1.5	1.5			
Schools	—	3.5	3.5	3.0	3.0	3.0
TOTAL	20.5	18.5	18.5	3.0	3.0	3.0
Seward (HR)	20.0	20.0	20.0			
Administration	5.0	1.5	1.5			
Schools	—	3.5	3.5	3.0	3.0	3.0
TOTAL	25.0	25.0	25.0	3.0	3.0	3.0
Soldotna (1st)	6.0	6.0	6.0			
Administration	5.0	1.5	1.5			
Schools	—	3.5	3.5	3.0	3.0	3.0
TOTAL	11.0	11.0	11.0	3.0	3.0	3.0
Central Hospital District	1.5	1.9	1.6			
Administration	5.0	1.5	1.5			
Schools	—	3.5	3.5	3.0	3.0	3.0
TOTAL	6.5	6.9	6.6	3.0	3.0	3.0

MUNICIPALITY	PROPERTY TAX 1969	1970	1971	SALES TAX 1969	1970	1971
South Hospital District	1.5	1.7	1.7			
Administration	5.0	1.5	1.5			
Schools		3.5	3.5	3.0	3.0	3.0
TOTAL	6.5	6.7	6.7	3.0	3.0	3.0
North Kenai Fire District		1.4	1.4			
Administration		1.5	1.5			
Schools		3.5	3.5		3.0	3.0
TOTAL		6.4	6.4		3.0	3.0
Other Area						
Administration	5.0	1.5	1.5			
Schools		3.5	3.5	3.0	3.0	3.0
TOTAL	5.0	5.0	5.0	3.0	3.0	3.0
KETCHIKAN GATEWAY BOROUGH						
Ketchikan (HR)	12.1	10.00	10.00	2.5	2.5	2.5
Administration	5.2	2.38	4.27	1.5	.89	1.07
Schools		1.62	1.73		.61	.43
TOTAL	17.3	14.00	16.00	4.0	4.0	4.0
Saxman (2nd)						
Administration	5.2	2.38	4.27	1.5	.89	1.07
Schools		1.62	1.73		.61	.43
TOTAL	5.2	4.00	6.00	1.5	1.50	1.50
Shoreline (SA)		2.73				
Administration		2.38	4.27		.89	1.07
Schools		1.62	1.73		.69	.43
TOTAL		6.73	6.00		1.50	1.50
Mountain Point (SA)	3.08	3.08				
Administration		2.38	4.27	1.5	.89	1.07
Schools	5.2	1.62	1.73		.61	.43
TOTAL	8.28	7.08	6.00	1.5	1.50	1.50
Other Area						
Administration	5.2	2.38	4.27	1.5	.89	1.07
Schools		1.62	1.73		.61	.43
TOTAL	5.2	4.0	6.0	1.5	1.50	1.50

MUNICIPALITY	PROPERTY TAX 1969	1970	1971	SALES TAX 1969	1970	1971
KODIAK ISLAND BOROUGH						
Kodiak (HR)	11.00	7.00	8.50	3.0	3.0	3.0
Administration	3.44	4.27	.58			
Schools	3.05	2.73	4.30	___	___	___
TOTAL	17.49	14.00	13.38	3.0	3.0	3.0
Fire District (SA)	3.75	2.0	1.18			
Administration	3.44	4.27	.58			
Schools	3.05	2.73	4.30	___	___	___
TOTAL	10.24	9.00	6.06		- None -	
Other Area						
Administration	3.44	4.27	.58			
Schools	3.05	2.73	4.30	___	___	___
TOTAL	6.49	7.00	4.88		- None -	
MATANUSKA-SUSITNA BOROUGH						
Palmer (HR)	4.5	4.5	4.5	2.0	2.0	2.0
Administration	13.0	7.0	2.0			
Schools	___	7.00	12.00	___	___	___
TOTAL	17.5	18.5	18.5	2.0	2.0	2.0
Bay City (3rd)						
Administration	13.0	7.0	2.0			
Schools	___	7.0	12.0	___	___	___
TOTAL	13.0	14.0	14.0		- None -	
Houston (3rd)						
Administration	13.0	7.0	2.0			
Schools	___	7.0	12.0	___	___	___
TOTAL	13.0	14.0	14.0		- None -	
Long Island (3rd)						
Administration	13.0	7.0	2.0			
Schools	___	7.0	12.0	___	___	___
TOTAL	13.0	14.0	14.0		- None -	
Butte (SA)	1.0	1.5	1.5			
Administration	13.0	7.0	2.0			
Schools	___	7.0	12.0	___	___	___
TOTAL	14.0	15.5	15.5		- None -	

MUNICIPALITY	PROPERTY TAX 1969	1970	1971	SALES TAX 1969	1970	1971
Greater Palmer (SA)	1.0	1.5	1.0			
Administration	13.0	7.0	2.0			
Schools	____	7.0	12.0	___	___	___
TOTAL	14.0	15.5	15.0		- None -	
Sutton (SA)						
Administration	13.0	7.0	2.0			
Schools	____	7.0	12.0	___	___	___
TOTAL	13.0	14.0	14.0		- None -	
Wasilla (SA)	1.5	1.5	1.5			
Administration	13.0	7.0	2.0			
Schools	____	7.0	12.0	___	___	___
TOTAL	14.5	15.5	15.5		- None -	
Other Area						
Administration	13.0	7.0	2.0			
Schools	____	7.0	12.0	___	___	___
TOTAL	13.0	14.0	14.0		- None -	
C. THIRD CLASS BOROUGHS						
HAINES BOROUGH						
Haines (1st)	8.5	7.0	6.0	3.0	3.0	3.0
Administration	1.5	1.5	1.0			
Schools	6.5	5.0	3.5	___	___	___
TOTAL	16.5	13.5	10.5	3.0	3.0	3.0
Port Chilkoot (2nd)*	10.0					
Administration	1.5					
Schools	6.5	___	___	___	___	___
TOTAL	18.0					
Other Area						
Administration	1.5	1.5	1.0			
Schools	6.5	5.0	3.5	___	___	___
TOTAL	8.0	6.5	4.5		- None -	

* Port Chilkoot annexed into City of Haines on March 8, 1970

II.
CITIES OUTSIDE ORGANIZED BOROUGHS

A. HOME RULE CITIES

MUNICIPALITY	PROPERTY TAX 1969	1970	1971	SALES TAX 1969	1970	1971
Cordova						
Administration	7.7	4.0	4.0	3.0	3.0	2.5
Schools	10.3	10.0	10.0	1.0	1.0	1.0
Hospital	___	___	4.0	___	___	.5
TOTAL	18.0	14.0	18.0	4.0	4.0	4.0
Petersburg						
Administration	17.0	14.0	14.0	5.0	5.0	5.0
TOTAL	17.0	14.0	14.0	5.0	5.0	5.0
Valdez						
Administration	7.75	5.3	2.663	4.0	4.0	4.0
Schools	7.25	9.7	5.50			
Other	___	___	6.837	___	___	___
TOTAL	15.00	15.0	15.000	4.0	4.0	4.0
Wrangell						
Administration	20.0	18.0	18.0	1.0	4.0	4.0
Schools	___	___	___	2.0	___	___
TOTAL	20.0	18.0	18.0	3.0	4.0	4.0

B. FIRST CLASS CITIES

Eagle						
Administration	10.0	10.0	10.0	___	___	___
TOTAL	10.0	10.0	10.0	- None -		
Hoonah						
Administration				1.0	2.0	2.0
Schools	___	___	___	1.0	___	___
TOTAL	- None -			2.0	2.0	2.0
Kake						
Administration	___	___	___	3.0	3.0	3.0
TOTAL	- None -			3.0	3.0	3.0

MUNICIPALITY	PROPERTY TAX 1969	1970	1971	SALES TAX 1969	1970	1971
Klawock						
Administration	—	—	—	2.0	2.0	2.0
TOTAL		- None -		2.0	2.0	2.0
Nenana						
Administration	10.0	10.0	2.0	2.0		
Schools	—	—	8.0	—	2.0	2.0
TOTAL	10.0	10.0	10.0	2.0	2.0	2.0
Nome						
Administration	9.7	16.7	17.7	3.0	3.0	3.0
Schools	12.3	5.3	6.3	—	—	—
TOTAL	22.0	22.0	24.0	3.0	3.0	3.0
Skagway						
Administration	20.0	11.20	15.0	3.0	3.0	3.0
Schools	—	3.80	—	—	—	—
TOTAL	20.0	15.0	15.0	3.0	3.0	3.0
Unalaska						
Administration	20.0	6.1	9.3		1.5	2.0
Schools	—	2.0	—	2.0	.5	—
TOTAL	20.0	8.1	9.3	2.0	2.0	2.0
C. SECOND CLASS CITIES						
Craig						
Administration	15.0	14.0	14.0	1.0	1.0	1.0
Schools	—	—	—	1.0	1.0	1.0
TOTAL	15.0	14.0	14.0	2.0	2.0	2.0
Dillingham						
Administration	16.0	18.5	17.0			
Schools	5.0	1.0	.5	2.0	2.0	2.0
Debt Service	—	—	1.0	—	—	—
TOTAL	21.0	19.5	18.5	2.0	2.0	2.0
Hydaburg						
Administration	—	—	—	3.0	3.0	3.0
TOTAL		- None -		3.0	3.0	3.0

MUNICIPALITY	PROPERTY TAX 1969	1970	1971	SALES TAX 1969	1970	1971
King Cove						
Administration	10.0	10.0	10.0	2.0	2.0	2.0
TOTAL	10.0	10.0	10.0	2.0	2.0	2.0
Pelican						
Administration	15.4	15.4	15.4	2.0	2.0	2.0
TOTAL	15.4	15.4	15.4	2.0	2.0	2.0
Saint Mary's						
Administration	—	—	—	—	—	—
		- None -			- None -	
Yakutat						
Administration	13.0	5.0	5.0	2.0	.5	2.0
Schools	—	10.0	10.0	—	1.5	—
TOTAL	13.0	15.0	15.0	2.0	2.0	2.0

D. FOURTH CLASS CITIES

CITY	SALES TAX (1971)
Akiak	NA *
Akolmiut	None
Alakanuk	None
Ambler	NA
Anaktuvik Pass	None
Anderson	3%
Angoon	2%
Anvik	None
Barrow	3%
Bethel	2%
Brevig Mission	NA
Buckland	1.5%
Chevak	2%
Clark's Point	NA
Deering	4%
Delta Junction	None
Donnelly	None
Eek	NA
Elim	2%
Emmonak	2%
Fort Yukon	2%
Fortuna Ledge	NA
Galena	NA
Gambell	None

* No information available as of publication date

CITY	SALES TAX (1971)
Golovin	NA
Goodnews Bay	2%
Grayling	None
Holy Cross	None
Hooper Bay	2%
Huslia	None
Kaktovik	NA
Kaltag	None
Kiana	None
Kivalina	2%
Kotlik	2%
Kotzebue	2%
Koyuk	2%
Little Diomede	NA
Lower Kalskag	None
Manokotak	2%
Mekoryuk	1%
Mountain Village	2%
Napakiak	NA
Napaskiak	NA
Newhalen	NA
Nickolai	NA
Noorvik	2%
Nulato	2%
Old Harbor **	None
Ouzinkie **	3%
Pilot Station	None
Point Hope	2%
Port Lions **	None
Russian Mission	NA
Saint Michael	None
Sand Point	3%
Savoonga	3%
Scammon Bay	2%
Selawik	1%
Shageluk	NA
Shaktoolik	2%
Shishmaref	1%
Shungnak	2%
Stebbins	1%
Tanana	1%
Teller	3%
Tenakee Springs	NA
The Aleut Community of Saint Paul Island	NA
Togiak	None
Tuluksak	3%
Wainwright	2%
Wales	1%
White Mountain	1%
Whittier	None

** Situated within Kodiak Island Borough

CITY OF VALDEZ

P. O. BOX 506
PHONE: 835-4313

April 6, 1972

Mike Miller, Representative
State House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Mike:

Both of the subject bills are a further deterioration of the municipal tax base. All citizens benefit equally from the public investment. "Poor" people. i.e., "low income people" make equal demand for public water, sewer, city streets, police, fire, library, etcetera, as the other more fortunate members of our society who are willing to work. These more fortunate persons are already paying a lion's share of everything from the Federal Government to local municipalities. They pay for the welfare, the food stamps, the public education, etc., etc,. etc.

The cost of administering these bills by the retail merchants will be fantastic. The merchant already resents having to collect and keep records of taxable sales. Municipalities experience great difficulty in verifying sales tax returns due to the multiplicity of accounting procedures.

In a small city such as Valdez, the cost of trying to account for the exemptions will cost more than the funds lost.

Once again, it appears that our "Welfare State" is trying to go overboard to benefit the least productive members of our community to the detriment of the productive citizens.

I urge you to oppose both House Bill 285 and 286.

Very truly yours,

Herbert W. Lehfeldt
City Manager

HWL/my

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC
PHONE: 586-6440
JUNEAU, ALASKA 99801

BQA059 NL PDF

1972 APR 15 AM 7 59

IDAN DILLINGHAM ALASKA 14

REP MIKE MILLER

JUN

PASSAGE OF HB235 FOOD SALES EXEMPTION AND HB236 RENTAL TAX EXEMPTION WOULD RESULT IN APPROXIMATELY $0,100 LOSS IN REVENUE ANNUALLY DILLINGHAM URGES YOUR DEFEAT OF THESE BILLS.

ROLAND D LYNN CITY MANAGER CITY OF DILLINGHAM

HB235 HB236 $0,100.

HB
290

STATEMENTS SUPPORTING

THE PLANNING ASSOCIATION OF ALASKA POSITION PAPER ON HB 290

House Bill 290 was introduced during the first session of the Seventh Alaska Legislature by the House Commerce Committee. The proposed bill is "an Act relating to land subdivision." The basic content of HB 290 redefines the term "subdivision".

The major differences between the existing definition of subdivision and that provided in HB 290 is that the proposed definition excludes certain types of land division from governmental regulations -- regulations that are necessary if Southeastern Alaska is to develop its urban areas in an orderly and economic manner.

The following portion of proposed HB 290 definies those types of land division that would be exempt from local governmental examination:

> ". . ., land that is divided into four or fewer parcels, tracts, lots or other divisions which have access to a public highway or street, provides street and utility easements to all contiguous parcels and can be described by aliquot parts description, is not a subdivision."

It is the feeling of this planning department that problems concerning the division of land should be handled at the local level. The vast differences in the physical characteristics throughout Alaska warrant that local governments deal with the problem. Legislation of this type at the State level would require such refinement and detail that the end result would be comparable to subdivision regulations adopted by many local governments. If such a bill was to be initiated at the State level, it would be necessary to first conduct extensive studies of the various regions throughout Alaska. No one bill could be reasonable for the various regions unless that bill took into consideration the physical and economic problems of land division for each individual region.

The Ketchikan Gateway Borough has attempted to solve the problems of land division by developing and adopting Ordinance No. 100 (An Ordinance of The Assembly of the Ketchikan Gateway Borough Adopting Subdivision and Resubdivision Regulations for the Ketchikan Gateway Borough.)

These locally adopted regulations are designed to solve the specific land division problems of the Ketchikan Gateway Borough. They take into consideration not only the physical characteristics of the area but also the economics involved with land division and growth patterns. There are built-in flexibilities which provide economic advantages to the developer as well as local governments.

The Ketchikan Gateway Borough recognizes the high cost of developing land in Southeastern Alaska. It is also aware of the necessity for local government to review and approve land divisions so as to avoid unnecessary costs to the public in the future. As a result of this knowledge, the following sections and subsections were incorporated into Ordinance 100 to provide flexibility to the developer as well as other individuals.

Section 49.20.030 c. Exceptions The provisions of this ordinance shall not apply to:

1. The sale or exchange of parcels of land between owners of adjoining property if additional lots are not thereby created and the lots resulting are not reduced below the minimum sizes required by this ordinance or other applicable laws or ordinances.

Section 49.20.040 Platting Procedures and Requirements

c. Preliminary Plat:

1.d. Plats of less than three (3) lots may have topographic features, at 10' contours or spot elevations, included on subdivision map. All other plats are required to submit at least one (1) separate topographic map of contours at 5' intervals.

Section 49.20.070. Subdivision Created by Successive Divisions

A. Successive Divisions

1. Assessor's Plat: Where it is not practical to require that a final plat of subdivision created by successive divisions be filed in accordance with this ordinance, the Borough may, in lieu thereof, order an assessor's plat to be made and may assess the cost thereof as provided in the Borough Ordinances, or to the subdivider.

Section 49.20.100 Variances

When in the judgment of the Platting Board, it would be a detriment to future growth and development, or in opposition to sound planning principals to apply literally a provision of this chapter because extraordinary hardship would result, the Borough Assembly, after recommendation from the Platting Board, may waive or vary such provisions so that substantial justice may be done and the public interest secured, provided that in no event shall the requirement of filing and recording the plat or survey be waived, except as provided by Alaska Statutes 40.15.110.

In making its findings, as required herein below, the Platting Board shall take into account the nature of the proposed use of land and the existing use of land in the vicinity, the number of persons to reside or work in the proposed subdivision and the probable effect of the proposed subdivision upon traffic

in the vicinity. No variance shall be granted unless the Platting Board finds:

1. That there are special physical circumstances or conditions affecting said property.
2. That the strict application of the provisions of this ordinance would deprive the applicant of the reasonable use of his land.

In conjunction with the Subdivision Regulations, the Borough Planning Department and City Engineering Department are developing an ordinance to present to the Borough Assembly and the City Council. Said Ordinance will define and provide measures to protect the natural drainage areas within the populated areas of the Borough.

The adoption of Subdivision Regulations by the Ketchikan Gateway Borough has also lessened the problem of errors in property descriptions. References to approved plats rather than metes and bounds descriptions on deeds has contributed to the lessening of these types of errors. In the Ketchikan area, approximately one out of every five deeds reviewed by the planning department, contained some error in the legal description. The reviewing process has practically eliminated errors of this type.

In conclusion, the Ketchikan Gateway Borough Planning Department is in complete support of the position taken by P.A.A. It further urges that HB 290, as proposed, not be approved for the above-stated reasons.

Lawrence H. Kimball
Planning Director
Ketchikan Gateway Borough

IN OPPOSITION TO HOUSE BILL 290

PLANNING ASSOCIATION OF ALASKA

PLANNING ASSOCIATION OF ALASKA

PAA

February 3, 1972

The Honorable Mike Miller
Chairman
Local Government Committee
House of Representatives
Box 1494
Juneau, Alaska 99801

Re: House Bill 290

Dear Chairman Miller:

On behalf of the Planning Association of Alaska, we would like to present to the Local Government Committee the attached paper outlining the PAA's opposition to House Bill 290. We are also sending copies to all the members of your Committee, and to other state and local officials.

We understand that there will be a Public Hearing on this proposed House Bill in Juneau, on Thursday, February 10. We anticipate that the following members of the Planning Association will be in Juneau to testify on the Bill: Ralph Darbyshire, Planning Director, Kenai Penninsula Borough; Tom Graham, Planning Director, Matanuska-Susitna Borough; Don Gilmer, Planning Director, Fairbanks-North Star Borough; Vern Wiggins, Planning Director, Greater Anchorage Area Borough; and myself. We would appreciate being notified of the exact time and place of the Hearing.

We hope the information provided in this paper will be of assistance to your Committee. Should you or any other members have any questions or require further information on this subject, please do not hesitate to contact me or any of the others mentioned above.

Very truly yours,

Michael R. Gallagher
President
Planning Association of Alaska

MRG:md

PLEASE REPLY TO

c/o Tryck, Nyman & Hayes
740 I Street
Anchorage, Alaska 99501

PREFACE

During the First Session of the Seventh Alaska Legislature, the House Commerce Committee introduced HB 290, An Act Redefining the Term "Subdivision" as follows:

> "Subdivision means the division of land into two or more parcels, tracts, lots, or other divisions and includes resubdivision; however, land that is divided into four or fewer parcels, tracts, or lots or other divisions which have access to a public highway or street, provides street and utility easements to all contiguous parcels and can be described by aliquot parts description, is not a subdivision."

HB 290 was subsequently referred to the House Commerce and House Local Government Committees. The House Commerce Committee has reported a do-pass on the bill and the House Local Government Committee has held the bill over for public hearing during the Second Session of the Seventh Legislature.

In recognition of the pending hearings on this proposal and the nearly unanimous opposition to this bill by local governmental officials, planning commissioners and professional planners, the PAA has prepared the following position paper in opposition to the passage of HB 290. It is the PAA's hope that the problems inherent in HB 290 and outlined in this paper, will provide the information necessary to convince the legislature to defeat this bill.

SUMMARY

Land subdivision is the chief process through which the physical development of communities and demand patterns for public services are established. The subdivision regulatory authority is based on the proposition that the community, through the democratic institutions of government, has the right and responsibility to insure that the subdivision and development within its boundaries is carried out in a manner that will insure the health, safety and economic welfare of its population, both now and in the foreseeable future.

Historically, the lack of control over the land subdivision process has resulted in unnecessary problems that have cost taxpayers millions of dollars to correct. This lack of control has resulted, in part, from statutory definitions of subdivision which have exempted many land divisions from the review of local platting authorities. To correct this situation, most states have moved, or are moving, to amend their respective definitions of subdivision, and to give to platting authorities the needed control over the land subdivision process in their communities.

The Alaska Statutes now provide local platting authorities with the power to review all subdivision activities. HB 290 proposes to remove certain land subdivisions from the review of those platting

authorities. Thus, if passed, the bill would place the State of Alaska in the unique position of moving away from the level of public protection other states are striving to achieve.

The redefinition of subdivision as contained in House Bill 290 is destructive of all the values both to the public and to the purchasers which platting regulations serve. Specifically, HB 290 would permit the following:

- -- Pre-emption of local government authority to govern the subdivision of all land within its boundaries
- -- Hinderance of local platting authorities from providing for the normal and continued extension of streets and utilities to serve the growth and development of the community
- -- Creation of a loophole which encourages evasion of subdivision regulations
- -- Reduction in the level of local protection to the unwary land purchaser
- -- Discrimination against those who must plat their subdivision as a requirement for financing, insurance, etc.
- -- Reduction in the capability of local platting authorities to enforce their own regulations
- -- Continued subdivision and resubdivision of land with no minimum lot size
- -- Creation of physically land-locked subdivisions, arbitrary lot alignments, subdivision of flood plains or geologically hazardous areas, and subdivision without regard for topography, drainage or use.

The PAA believes that the problems which brought about this bill should be resolved by respective platting authorities at the local

level, through the use of state and local waiver provisions. The primary advantage of the waiver section (AS 40.15.110), in comparison with the intent of HB 290, is that it places the platting authority in a position to review all subdivision activity, and to deny waivers which do not comply with the limitations set out in the exemption.

PURPOSE OF SUBDIVISION REGULATION

As land is subdivided, provisions for streets, water, sewer, electric and other utilities must be made; space for schools, parks and other public facilities must be provided; and a host of existing and future service obligations such as police and fire protection and street maintenance are initiated. The permanence of these improvements and the financial liabilities assumed by cities and boroughs providing these improvements and services has a definite and lasting impact on a community.

The purpose of the platting authority and subdivision regulations are to allow local governments to review all proposed land divisions and assure that adequate street and utility right-of-ways are provided, lots are created which are suitable for the sanitary operation of sewage disposal facilities and generally accepted subdivision design standards are met. Furthermore, subdivision regulations provide the means to assure that accurate

property descriptions are recorded and subsequent court disputes avoided. In other words, the objective of subdivision regulation is to assure that subdivided land and the resultant improvements and service requirements constitute a permanent asset to a community and provide a maximum degree of health safety and convenience consistent with true economy.

HISTORY OF SUBDIVISION CONTROL

Any attempt to trace the contemporary impetus towards subdivision regulation leads back to the early 1920's when speculation in the development and sale of land reached its apex in California and Florida. Not only were land prices beyond reason during this period but the subdivisions were usually poorly designed and lots were being sold in unbuildable flood plains and steep slope areas. When the boom died, hundreds of subdivisions, some devoid of improvements, remained as evidence of poor subdivision practices. Assessment districts, which had been formed to pay for improvements, defaulted on their bonds creating tremendous financial burdens on municipalities responsible for such. Furthermore, in subsequently correcting mistakes, the public has spent millions of dollars to widen and straighten out street right-of-ways, provide water and sewer systems to undersized lots and otherwise overcome the handicaps of poor subdivision design practices.

A few states, through legislative authorization restricting the control of subdivision, continue to permit a great deal of subdivision activity beyond the purview of local governments. This is usually accomplished by defining a subdivision as the division of property into more than three or four parcels of land and continues to precipitate urbanization problems and expenses for existing and future generations. Fortunately, during recent years, more and more of these states have moved to rectify the situation be redefining the term subdivision much as presently defined by Alaska law.

HB 290

The basic differences between the existing definition of subdivision and that provided in HB 290 is the exemption of the following types of land divisions from local governmental scrutiny:

> "..., land that is divided into four or fewer parcels tracts, lots or other divisions which have access to a public highway or street, provides street and utility easements to all contiguous parcels and can be described by aliquot parts description, is not a subdivision."

If such proposal is adopted, the State of Alaska will find itself in the curious position of moving away from the level of subdivision control other states have and are moving toward. Furthermore, there can be no doubt that local governments in Alaska can expect to be forced into financing the solution to many urbanization problems which could otherwise have been prevented.

Specifically, some of the more obvious problems with the proposed bill are described as follows:

The chief defect of the bill is inherent in the approach taken by redefining subdivision. To put it simply, if a division of land is not a subdivision within the meaning of the Act, there is no requirement that the platting authority be informed so that it may determine whether the requirements of the exemption have been complied with. In effect, this means that whatever restrictions are written into such an exemption from subdivision are unenforceable as a practical matter.

The most direct impact is on the purchaser of improperly subdivided land, since he directly suffers from inadequate access or access which creates a traffic safety hazard, from lack of acceptable provision of utilities, from arbitrary lot alignments because of arbitrary descriptions that conform only to a map not to the ground and from the frequent conveyancing errors which inevitably arise in the absence of meaningful regulations.

By removing the approval authority from local governments, land could be subdivided and development initiated on known flood plains or geologically hazardous areas. Furthermore, the means to assure accurate property descriptions are recorded and subsequent court disputes avoided would be seriously impaired.

The purchaser has no reasonable methods of determining, for example, whether the Deed he is to receive is to the land he thinks he is buying, or if it is the first, the third, or the twenty fifth subdivision of a given parcel of land. Since the conveyances come to the attention of the platting authority, if at all, only after a very substantial time lapse when they are picked up on the Assessor's records, the platting authority has no method of enforcing compliance other than a slap on the wrist.

This definition gives the subdivider whose only interest may be in disposing of land regardless of consequences, a substantial financial advantage over a subdivider who is concerned with developing land to best utilize its topography

with due regard to traffic, lot sizes, street layouts, and the other essentials of a good subdivision. It strongly encourages what is probably the worst form of land subdivision, that is, haphazard, random sales of lots located within a larger parcel simply as buyers become available, with no thought for orderly development of the parcel. There is no limitation to preclude repeated subdivisio f the same parcel of property. Under this circumstance it would be quite legal to divide one parcel of land not into just four lots but into 16, 64, etc.

The language "access to a public highway" is unclear. It could be interpreted to mean either fronting on, or, indirect access by some other means, regardless of distance or type. The provision totally ignores the public's interest and the purchaser's interest in streets laid out in such a pattern and in such width that reasonable traffic safety may be obtained. Any easement, regardless of its adequacy, which is labled "for street and utility purposes" complies with the requirement for exemption.

The statement "provides street and utility easements to all contiguous parcels" doesn't delineate any minimum size or locational standards. This is precisely the situation that has required huge and unnecessary state and local governmental expenditures in condemnation proceedings to gain the required easements in the right location. In addition, this language makes it unclear that parcels cut off from the street will be insured access.

The phrase, "...can be described by aliquot parts description..." is totally meaningless as a limitation. Any given one-foot by one-foot piece of land which lies within the government system of rectangular surveys, U.S. surveys, mineral surveys, previously platted lots, or any other previously recorded subdivision of land can be described with an aliquot parts description. Although the most frequent fractions used in aliquot parts descriptions are quarters and halves, there is no implication within the term "aliquot parts" that these are the only fractions usable. Thirds, tenths, and fifths, are frequently used and any other fraction which may be usable to arrive at the parcel of land desired would be permissible.

Land could and would, by nature of the aliquot parts provision, be subdivided without consideration to the physical or topographic characteristics of the property involved.

There is no doubt that some of the problems cited above could be resolved by adjusting the language of the bill. To thoroughly resolve such problems, however, would require the adoption of a law as detailed and restrictive as the subdivision ordinances adopted by local governments.

The question arises as to whether the situations which generated this bill are of such significance and so universal that the State must step in and resolve the matter with such all encompassing wording as has been proposed. It is understood that HB 290 has been generated in part by the desire to provide relief from expensive survey requirements experienced in certain parts of the State. There can be no doubt that this is a legitimate concern and adjustment should be made under such circumstances. However, problems such as this do not support the magnitude of the effect of HB 290. They are local problems, isolated in instance, and can be handled on the local level by the appropriate platting authority.

The means to remedy these problem situations presently exists in both State and local legislative enactments. Furthermore, most, if not all, local platting authorities in the State already recognize the problems and act accordingly.

AS 40.15.110 (Waiver in certain case) provides that:

> "The platting authority may in individual cases waive the preparation, submission for approval and recording of a plat upon satisfactory evidence that a conveyance of part of a larger tract is not made for the purpose of, or in connection with, a present or projected subdivision development, and constitutes an isolated transaction which doesn't fall within the general intent of this chapter, and that no dedication of a street, alley, thoroughfare, park, or other public area is involved or required."

This provision is quite useful and has been used in many instances throughout the State.

Even more useful in assisting the public in subdividing property where unreasonable survey costs or special considerations exist are the exception provisions contained in most subdivision ordinances. Generally, these provisions provide that the platting authority (planning commission) may grant exceptions to any requirements set forth in a subdivision ordinance provided: Special circumstances or conditions affect the property; the exception is necessary for the preservation and enjoyment of a substantial property right; and the granting of the exception will not be detrimental to the public welfare or injurious to other property in the area.

In conclusion, it is the PAA's position that the passage of HB 290 would be an unnecessary pre-emption by the State of one of the most important powers of local government; that local

government has the power and means through existing state and local legislation to resolve their own subdivision problems, and should be allowed to continue to do so; and, finally, that the problems and concomitant taxpayer costs which would result from the passage of HB 290 far outweigh any benefits HB 290 might offer. As such, if the State of Alaska is to grow in a rational manner and avoid expenditures in the solution of unnecessary problems, HB 290 must be defeated.

Contributors

Ralph Darbyshire, Planning Director, Kenai Peninsula Borough
Tom Graham, Planning Director, Matanuska-Susitna Borough
Billy Berrier, City Attorney, City and Borough of Juneau
Mike Gallagher, President, Planning Association of Alaska

MEMORANDUM

State of Alaska

OFFICE OF THE GOVERNOR

Re: HB 290

TO: The Honorable Barry W. Jackson, Chairman
House Judiciary Committee
Alaska State House of Representatives

DATE : April 7, 1970

FROM: Sigvald J. Strandberg
Acting Director
Local Affairs Agency

SUBJECT: House Bill No. 740

F-16

Mrs. Mason, Secretary to your committee, recently advised the agency of your interest in the agency's analysis of House Bill No. 740. It is my understanding that this bill has been moved out of your committee with a majority signing "No Recommendation."

House Bill No. 740 amends AS 40.15.190(2) to allow a limited amount of land subdivision to be accomplished without subjection to the control of a local government platting authority. This proposed amendment would enable a land owner to divide a piece of property into four or fewer parcels, each of which is required to be five or more acres in size, without the approval of the platting authority The bill provides that such parcels must be amenable to aliquot parts description.

Apparently the primary purpose of House Bill No. 740 is to relax local subdivision control in order to permit property owners of a municipality to perform a limited amount of subdivision without having to comply with that municipality's subdivision regulations. In addition, exemption from compliance with local subdivision regulations to the extent afforded in House Bill No. 740 would afford the land owner with the opportunity to avoid engineering and surveying expenses through the use of aliquot parts method of property description.

It is the opinion of the agency, after having reviewed House Bill No. 740 and a similar measure in the Senate (Senate Bill No. 164), that the current definition of subdivision as expressed in AS 40.15.190(2) should be retained in the statutes. Control of subdivision by city and borough platting authorities is an extremely important tool in regulating the land usages and general patterns of community development. Exemption from compliance from local subdivision ordinances, even to the extent proposed in House Bill No. 740, introduces a potential for disorderly patterns of land use and attendent future problems in the location of roads and public utilities. Even though House Bill No. 740 provides that the land which is to be divided into four or fewer tracts must have access to a public highway or street, this is not adequate assurance that such land division will harmonize with established land use patterns. Aliquot parts division tends to minimize rights-of-way difficulties as does restriction of the size of the divided parcels to units of five acres or more. However, the salient objections would still exist: establishment of land use patterns not in concert with the overall principles set forth in a Comprehensive Community Development Plan, loss of control of population densities, future difficulties in integrating road networks and utility extensions and future engineering problems with respect to varying topographies.

In light of the above potential difficulties, it is our opinion that local planning, platting, and zoning authorities should continue to have the same subdivision authority as they now are accorded under the definition of subdivision contained in AS 40.15.190.

I am attaching the comments of the Greater Anchorage Area Borough Planning and Zoning Commission relative to their opposition to House Bill No. 740.

SJS:lk

Attachments

FORM SA-2
10OM 6-66

STATE OF ALAS
Inter-Department Route Slip

TO:
DEPT.: House of Representatives

ATTN.: Mike Miller

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks: The attached draft of subdivision guidelines which the agency is having prepared. You may find it of use in adding on to "the Bill proposing redefinition of the word subdivision.

From:
Dept.: Local Affairs Agency **Date** 4/7/71

Sig Strandberg

Draft
Text only

DESIGN OF SUBDIVISIONS

SOME BASIC RULES

Prepared by the
Alaska State Housing Authority
Planning and Technical Department

in cooperation with

The Local Affairs Agency

Office of the Governor

William A. Egan
Governor

State of Alaska

December, 1970

The preparation of this report was financed in part through a comprehensive planning grant from the Department of Housing and Urban Development.

The State of the Art

INTRODUCTION

The pattern of land divisions created when a subdivision is finalized and recorded influences the quality of the environment for literally hundreds of years. Once land is sold and divided among separate owners, the basic pattern of the subdivision is rarely changed. This pattern, in turn, shapes people's lives, affecting contact and communication among neighbors, the safety of children, traffic conditions, community appearance, as well as the cost and effectiveness of public utilities and services. The series of effects created by land subdivision reaches far beyond the initial subdivider or developer, influencing the welfare of the community in obvious and subtle ways for an indefinite length of time.

Over the years, concepts of subdivision design have been evolving radically. Initial patterns of townships and sections created under the federal Homestead Act in the 19th century were founded on the simple principle that the easiest way to divide land is by using straight lines. This system of land division begins with townships and ranges measured from meridians. Each township is divided into thirty-six (36) square miles which are called sections. Sections, in turn, are broken down into squares and rectangular chunks which in the midwest are called "forties" and "eighties", referring to their acreages, and creating what, from the air, looks like a giant checkerboard design. This system is carried further and further, and in some areas, subdivision plats are not required for anything which can be described by aliquot parts, even down to one and a quarter acres.

Such a pattern has utility in a flat agricultural area, but it is poorly suited as a means of subdividing uneven terrain or land which is used for residential purposes. When a rigidly rectangular pattern such as the township system is superimposed on uneven land, roads are often forced to run up and down hills, making them too steep to be passable; streams and lakes are subdivided and sold rather than preserved as public recreation areas; natural drainage patterns are ignored and land is often wasted or poorly used. But in the early days, square subdividing was readily accepted because it simplified the process of land survey and description. It was a game that anybody could play. It enabled a rapid division and disposal of land, but the less direct costs of this method of subdivision will be with us for many years.

We have come a long way from those early days. We've learned that structures and roads should be located to accord with the slope of the land, the drainage, the way the sun hits and the wind blows. We have learned that man is affected by his environment. His senses notice whether it is attractive, pleasant, and convenient, whether it is noisy or quiet. He objects to dodging cars at intersections placed too close together.

Subdivisions which are designed with the comfort and convenience of their residents as a prime consideration are a relatively new phenomenon, but a great many good examples of successful subdivisions are now available. When the convenience and comfort of the resident is the prime consideration, the subdivider must abandon adherence to straight lines. Often such subdivisions cost more initially in terms of surveyors' time and engineers' calculations. They do pay off later, however, in the attractiveness, safety and convenience of the residential community. The public saves money if the placement of the utilities is considered ahead of time; if drainage easements are provided; and if the pattern of lots and roads is designed to provide adequate access with a minimum amount of land devoted to roads, which over the long run, require public funds for paving and maintenance.

Clearly, present and future generations have a large stake in the quality of today's subdivisions. In recognition of this fact, Alaska's laws give cities and boroughs the power of subdivision regulation. Under this power, municipalities have the right to require changes and to approve or disapprove subdivisions for recording. A copy of this State legislation is attached as Appendix II of this report.

The guidelines contained in this report are designed to assist communities and their engineers in designing subdivisions which will be attractive and pleasant far into the future. Too often in subdividing, we look for immediate savings and financial gain and forget about the accumulated costs of poor subdivision design on future generations. The mistakes of the past subdivision are evident in most of our Alaskan communities, but new and improved methods are available. We don't have to repeat the same mistakes.

Design of Subdivisions

Some Basic Rules

1. Avoid a grid-iron pattern.

On flat land, where commercial development is contemplated, a grid system works well, provided the blocks are large enough. But for residential areas a grid is an extremely poor design. This pattern is wasteful of land, monotonous and dangerous. Every street has the potential of being a through street and every intersection a collision corner. On flat land a more interesting living area can be developed by the introduction of curves and cul-de-sacs. On land with varied topography, grid patterns are especially bad because they ignore the visual advantages which gradual grade changes can lend to the neighborhood.

2. Avoid double access.

No lot needs more than one access street. Double access is wasteful of land and improvements. (Alleys should be provided only in commercial areas.)

Exception:

Residential lots can back up on a collector street provided no access from the lot is permitted to such street, and provided screening is required. Lots backing on the collector should be deeper to allow for screening (trees, hedges, bushes, fences, etc.).

3. Conserve land.

Devote as little acreage as is reasonably possible to streets. Excessive street area is wasteful of land and adds unnecessary expense to street maintenance, utility installation and paving. (Even in small communities, paving will be done eventually.)

4. Accommodate the contours.

Where the terrain is steep, roads should cut across contour lines obliquely. Street grades should not exceed 6% ideally, but in no case should they exceed 12%. 6% is a six foot rise in 100 feet of travel. 12% is a twelve foot rise in 100 feet of travel.

5. Avoid mixing curves and hills.

Curved roads on hills are dangerous and the designer should avoid the combination of horizontal and vertical curves. Where this is not possible, cut and fill to flatten the hills where a curve is necessary, and make the curve as gradual as possible.

6. Design a residential subdivision to be uninviting to through traffic.

Every subdivision should have an easy-flowing collector, but it should not provide a direct nor easy short cut for other outside traffic. It should be possible to get through the subdivision, but the route should not be too easy. The collector streets should not have sharp corners nor abrupt curves.

7. Design 3-way or "T" intersections. Avoid 4-way intersections.

The major street should form the top of the "T" with the minor street being the upright of the "T".

Design to avoid cross-traffic. Four-way intersections have been found to have 18 times the accidents of 3-way intersections.

8. Design intersections a safe distance apart.

Where minor streets enter from opposite sides of the major street the intersections should be as far apart as reasonably possible. At least 150' center to center is a good rule of thumb.

9. Provide traffic control where collectors must cross.

Major intersections should be as few as possible. Where it is necessary that collectors cross, a 4-way, perpendicular, controlled intersection is best.

10. Avoid oblique intersections.

Where streets meet, the intersections should be as close to right angles as is possible, but never more than 20° from perpendicular. "Y" intersections should be avoided. It should be clear at all times from all directions, which street is the major street. It should be the one that is straight with the minor one entering at a right angle.

11. Avoid blind intersections.

As much as possible, in hilly terrain, provide sight distances at intersections great enough to avoid accidents.

12. Avoid entering a major street on a curve.

To the extent possible, intersections should occur at a straight portion of the major street. The minor street as well should be at right angles and straight for at least 100 feet. (If the minor street moves into a large radius curve of 300' or more, the straight portion of road at the intersection can be reduced somewhat.)

13. Avoid "broken-back" curves.

Two curves in the same direction separated by a short tangent could better be developed as a single curve. Broken curves are awkward to drive, and they look awkward.

14. Avoid sharp "S" curves.

Sharp curves in opposite directions should be separated by tangents of 100 feet or more. Gentle curves, joined without tangents are better.

15. Think about snow.

In flat windy country, streets can be oriented so that the wind serves to clean the snow from the streets. In areas where over 18 inches of snow commonly accumulates on the ground, the right-of-way widths should be wide enough to accommodate the snow berms that develop when the streets are plowed.

16. Avoid overly wide streets.

Street rights-of-way should be only as wide as absolutely necessary. Parking should be off-street.

Collector street rights-of-way can be 60 to 80 feet wide. This should not be all devoted to road bed however. Residential streets need not be more than 50 feet. In some cases, such as cul-de-sacs, 40 feet is sufficient.

17. Design cul-de-sacs, the safest of all residential streets.

Some authorities say cul-de-sacs should not be over 600 feet long; but longer ones, up to 1000 feet, are permissible. Lot frontage on the turn-around can be increased by a large radius. A diameter larger than 90 feet can have a park/planter area in the center. The turn-around can be one-way and the driving lane quite narrow.

Cul-de-sacs need not all end in symetrical circular drives. They can be oval or square and sometimes off-set to one side or the other depending on circumstances.

Snow removal may be initially more difficult, but you are designing for people, not machines. A poorly designed subdivision is sometimes around for hundreds of years. Technology conceivably can develop a more versatile snow plow, if necessary.

18. Avoid excessively large and excessively small lots.

If utility installation is years away, lots will have to be large enough to accommodate private water and sewerage facilities. Where public utilities are available, small lots can accommodate more people, while at the same time avoiding waste from excessively long utility runs.

Generally speaking it is better to subdivide with utility installation in mind; and where utilities are not installed, to develop only every other lot. A good minimum lot size would be 6,000 square feet.

19. Design well proportioned lots.

A lot should generally be about two-thirds as wide as it is deep. On a narrow street, provide slightly deeper lots so that houses can be set back farther without sacrifice of a rear yard. Corner lots should be large enough to allow set-backs from both streets. Where shallow lots are necessary, they should be wider. Depth should not fall below 85 feet.

20. Vary lot sizes.

More interesting neighborhoods result from variety in lot size. Accommodate individual differences and allow for freedom of choice.

21. Design side lot lines to be perpendicular to streets.

Lot lines need not be parallel, but they should be perpendicular to streets. On curved streets, the side lines should be radial to the curve.

22. Design curvilinear streets.

Though curves are harder to survey, the resulting subdivision is much more interesting, more livable, and will maintain the value as a good neighborhood for a much longer period of time. Initial investment in a well designed subdivision will pay for itself many times over.

23. Remember to provide drainage.

Storm water must drain away from the houses. Anticipate a suitable path and avoid puddles and water traps. Provide drainage swales to carry the runoff and include drainage easements in the subdivision design, if the grade of the land indicates they are needed.

24. Keep in mind utility lines, including telephone and electric lines.

Provide easements along rear lot lines, extending to the streets at logical spots. They need not be perfectly straight, but avoid 90° off-sets as much as possible.

25. Provide large radius corners on blocks. (15' to 25' radii)

The narrower the street, the larger the radius should be on the property corners. Large radii facilitate the exiting of traffic from the collector into the minor street.

26. Accommodate major highways.

In cases where the route of a major State or Federal highway is known but not firmly established, subdivisions should be designed to allow ample undeveloped buffer space between the future highway and between the houses in the subdivision. Lots backing up to the highway should have extra depth and right-of-way should be wide enough to include a buffer zone. Through these measures homes can be protected from the noise and pollution of heavy highway traffic.

27. Design for convenient access.

Make it easy for people to travel to the main points of traffic generation.

28. Provide public areas.

In large subdivisions provide public areas for schools, parks or community centers.

Alaska Society of Professional Land Surveyors

Stephen D. Brown, Jr., L.S.
Secretary
723 W. 6th Ave.
Anchorage, Alaska 99501
272-5451

ANCHORAGE, ALASKA 99501

February 28, 1972

The Honorable Mike Miller
Chairman
Local Government Committee
House of Representatives
Box 1494
Juneau, Alaska 99801

Re: House Bill No. 290

Dear Representative Miller,

At the annual meeting of the Alaska Society of Professional Land Surveyors this last February 1st, both the Board of Directors and the society membership voted overwhelmingly to again oppose House Bill No. 290, An Act Redefining the Term "Subdivision".

The various reasons for objection by our membership is well summarized by the position paper being presented to your committee by the Planning Association of Alaska. Our membership, by the way, represents Land Surveyors in government at Municipal, Borough and State level as well as those in private practice.

In conclusion, we solicit your opposition to this bill while it is in your committee and again if the bill reaches the floor of the House.

If you have any questions or need additional information from our society, please call.

Very truly yours,

John Herring

John Herring, L.S. - President
Alaska Society of Professional Land Surveyors
740 I Street
Anchorage, Alaska 99501
279-0543

155 SOUTH SEWARD ST.
JUNEAU, ALASKA 99801

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA

586-3300

May 3, 1971

MEMORANDUM

TO: Don Berry, Executive Director
Alaska Municipal League

FROM: Billy G. Berrier, Attorney
City and Borough of Juneau

RE: Definition of subdivision as contained in House Bill 290

The purpose of subdivision regulation is to promote orderly and planned growth of undeveloped areas within a municipality, both physically and economically. The haphazard development of subdivisions creates and accentuates municipal problems relating to a demand for streets, water, and sanitary services that have a direct relation to traffic safety and public health. The most direct impact is on the purchaser of improperly subdivided land, since he directly suffers from inadequate access or access which creates a traffic safety hazard, from lack of acceptable provision of utilities, from arbitrary lot alignments because of arbitrary descriptions that conform only to a map not to the ground and from the frequent conveyancing errors which inevitably arise in the absence of meaningful regulations.

The redefinition of subdivision as contained in House Bill 290 is destructive of all the values both to the public and to the purchasers which platting regulations serve.

The chief defect of the Bill is inherent in the approach taken by redefining subdivision. To put it simply, if a division of land is not a subdivision within the meaning of the Act, there is no requirement that the platting authority be informed so that it may determine whether the requirements of the exemption have been complied with. In effect, this means that whatever restrictions are written into such an exemption from subdivision are unenforceable as a practical matter. The purchaser has no reasonable methods of determining, for example, whether the Deed he is to receive is the first, the third, or the twenty-fifth subdivision of a given parcel of land. Since the conveyances come to the attention of the platting authority, if at all, only after a very substantial time lapse when they are picked up on the Assessor's records, the platting authority has no method of enforcing compliance other than a slap on the wrist fine to the subdivider or the Draconian remedy of voiding all conveyances long after the transaction has taken place, the consideration been paid, and in many instances, the property actually improved.

As to the merits of the limitations of the exemption contained in the Bill, each of the limitations has substantial defects. As pointed out, where there is no central reviewing authority, it is virtually impossible to tell whether a given subdivision falls within the limitation of four or fewer parcels taken from the same original tract. Unwary sellers themselves frequently fall into the trap of subdividing over a period of time into more than four parcels.

The provision that access to a public highway or street or provision for street and utility easements must be made totally ignores the public's interest and the purchaser's interest in streets laid out in such a pattern and in such width that reasonable traffic safety may be obtained. Any easement, regardless of its adequacy, which is labled "for street and utility purposes" complies with the requirement for exemption.

The phrase in the Bill, "... can be described by aliquot parts description ..." is totally meaningless as a limitation. Any given one-foot by one-foot piece of land which lies within the government system of rectangular surveys, U. S. surveys, mineral surveys, previously platted lots, or any other previously recorded subdivision of land can be described with an aliquot parts description. Although the most frequent fractions used in aliquot parts descriptions are quarters and halves, there is no implication within the term "aliquot parts" that these are the only fractions usable. Thirds, tenths, and fifths, are frequently used and any other fraction which may be usable to arrive at the parcel of land desired would be permissible.

Adoption of this definition could only injure the public interest in traffic safety and health, place an unsophisticated purchaser in situations both expensive and hazardous to overcome, lead an unwary seller into traps, and give the subdivider whose only interest is to dispose of land regardless of consequences, a substantial financial advantage over a subdivider who is concerned with developing land to best utilize its topography with due regard to traffic, lot sizes, street layouts, and the other essentials of a good subdivision. It strongly encourages what is probably the worst form of land subdivision, that is, haphazard, random sales of lots located within a larger parcel simply as buyers become available, with no thought for orderly development of the parcel.

As I have suggested earlier, the objections raised to the current subdivision statute can be met by rewriting the waiver section. The advantage of this approach is that the platting authority is in a position ot deny waivers which do not comply with the limitations set out in the exemption from

full platting and in many instances to aid the subdivider by suggestions and information concerning projected street layouts, zoning controls, and other matters.

The time element in requiring review by the platting board exists, of course, but the plain fact is that land transactions involving division of an existing parcel of property very seldom, if ever, have such stringent time limitations that this review would be unduly burdensome.

BGB/nk

155 SOUTH SEWARD ST.
JUNEAU, ALASKA 99801

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA

586-3300

March 24, 1971

The Honorable Jalmer M. Kerttula
Chairman
House Commerce Committee
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99801

Dear Representative Kerttula:

As you have requested we have prepared a suggested revision of the waiver provision of AS 40.15.110 to accomplish what appears to be the objective of the supporters of HB290.

This suggestion has been discussed with our planning staff who do not find mandatory waivers under the conditions as set out objectionable. The following permissive waivers in other instances is required so that platting will not be necessary in certain circumstances, for example: correcting or straightening lot lines, where a requirement of platting would not bear a relationship to good subdivision control.

This has not been submitted to any other municipality or their planning staff. We are therefore not able to say what the reaction would be.

Very truly yours,

Billy G. Berrier
City-Borough Attorney

BGB/llb

Enclosure

HB 290

FAIRBANKS NORTH STAR BOROUGH

Box 1267, Fairbanks, Alaska 99701

February 3, 1972

Mr. Don Berry
Director
Alaska Municipal League
Municipal League Building
204 Franklin Street
Juneau, Alaska 99801

Dear Don:

Just a brief comment on House Bill #290 - Land Subdivision. The Fairbanks North Star Borough Assembly, in its packet of legislative priorities which will be submitted to our area legislators shortly, opposes House Bill #290 as presently written and recommends that it be amended to include a minimum size for parcels, tracts or lots. In discussions with the Borough Planning Director, I have been informed that the Planning Association of Alaska will be there to testify and that our Planning Commission has passed a resolution supporting the PAA position.

Very truly yours,

John A. Carlson
Borough Chairman

JAC:rlf

FAIRBANKS NORTH STAR BOROUGH
Box 1267, Fairbanks, Alaska 99701

March 25, 1971

Mr. Don Berry
Executive Director
Alaska Municipal League
210 Admiral Way
Juneau, Alaska 99801

Dear Don:

This is in response to your Bulletin No. 71-14. I would like to make the following comments on the two proposed bills.

House Bill No. 240. Dedication of park or open space is commendable; however, consideration should also be given to the availability of land for future school site. We have found that rapidly developing subdivisions generate enough students to demand a school, and it would be wise to consider this at the initial development stage.

House Bill No. 290. I can foresee some problems in allowing subdivision of property as provided in this bill. Past experience indicates that lack of notification of land sales to the Assessing office creates problems in record keeping and billing, problems which sometimes take years to straighten out. We found that people neglect to record deeds and, for some reason or other, it invariably happens more frequently with this type of land division than when property is subdivided by due process. Also, the lack of provisions for streets and utility easements would not become evident until the deeds were recorded and at that time, who would be responsible to check this and take corrective action? Quite often we find that property buyers are not completely familiar with the laws and consequently would not be alert to the need for easement or access requirement provisions. For proper development of any area, we need clear and precise subdivision requirements.

Very truly yours,

John A. Carlson
Chairman

JAC/gml

cc: Representative John Holm
Representative John Huber
Representative Eugene Miller

January 31, 1972

Don Berry, Executive Director
Alaska Municipal League
204 Franklin Street
Juneau, Alaska

Dear Don:

Please be advised that the City and Borough of Sitka oppose HB 290, Land Subdivisions. This municipality has gone to a great expense to find out who owns what, where.

It is our belief that subdividing a lot under whatever they wish to call it should come before the Planning and Zoning Commission in order that our comprehensive plan be upheld.

If HB 290 were allowed to pass, it would exclude it from the provisior of Sec. 40.15.010 through Sec. 40.15.180 inclusive. This would certainly put the burden on the communities and especially the assessor. Perhaps some communities favor the bill; if so, let the Commerce Committee amend the bill to make it permissive instead of mandatory legislation.

Sincerely,

Fermin Gutierrez,
Acting Administrator

FG:mb

cc: Senator Ma1and
Representative Flynn

GREATER ANCHORAGE AREA BOROUGH

3500 TUDOR ROAD
POUCH 6-650
ANCHORAGE, ALASKA 99502

PLANNING DEPARTMENT

February 4, 1972

Gentlemen:

As the Greater Anchorage Area Borough Planning and Zoning Commission will not have personal representation at the February 10th Local Government Committee public hearing on HB 290, through this letter and attached Planning and Zoning Commission Resolution No. 17-72, we urge you to oppose passage of House Bill 290.

Thank you for your assistance and consideration.

Sincerely,

Errol R. Simmons, Chairman
GREATER ANCHORAGE AREA BOROUGH
PLANNING AND ZONING COMMISSION

ERS:PC:vc

GREATER ANCHORAGE AREA BOROUGH

PLANNING AND ZONING COMMISSION RESOLUTION NO. 17-72

RESOLUTION OPPOSING PASSAGE OF HOUSE BILL NO. 290

WHEREAS, subdivision control is necessary to promote the public health, safety and general welfare, and

WHEREAS, the orderly planned growth of areas within a municipality is best promoted through statutes regulating land subdivision, and

WHEREAS, the development of subdivision has a profound effect on the growth of a community through the installation of streets, utilities, parks and other open spaces, and through the changes that the said development occasions in the pattern of population density, and

WHEREAS, AS 40.15.190 (2) which describes the meaning of subdivision is at present inadequate and should not be further weakened, and

WHEREAS, the Greater Anchorage Area Borough would be grievously damaged if the responsibility and duty of providing public protection through duly enacted subdivision regulations was to be removed from the public control, and

WHEREAS, the Greater Anchorage Area Borough Assembly and the Greater Anchorage Area Borough Planning and Zoning Commission have passed and approved Resolutions urging the State Legislature to amend AS 40.15.190 (2) to eliminate the ambiguities existing in the statutory reference to the definition of subdivision.

NOW, THEREFORE, BE IT RESOLVED by the Greater Anchorage Area Borough Planning and Zoning Commission, sitting as the Greater Anchorage Area Platting Board, that this body go on record as being inalterably opposed to the passage of House Bill No. 290, currently before the Seventh Legislature, Second Session, in the Legislature of the State of Alaska.

BE IT FURTHER RESOLVED that the true and correct copies of this resolution be forthwith addressed to the Borough Assembly, the Borough Chairman and the Borough Attorney of the Greater Anchorage Area Borough, the Chairman of the Local Government Committees of the Alaska House and Alaska Senate and other interested parties.

PASSED AND ADOPTED this 2nd day of February, 1972, by the Greater Anchorage Area Borough Planning and Zoning Commission.

Recorded Vote:

Crow	Yes
Evans	Yes
Gay	Yes
Kallenberg	Yes
Matthews	Yes
Simmons	Yes
Sturgulewski	Yes
Wiley	Yes

William H. Beaty
Acting Secretary

Errol R. Simmons
Chairman

GREATER ANCHORAGE AREA BOROUGH, ALASKA

RESOLUTION NO. R89-71(J)

A RESOLUTION SUPPORTING LEGISLATION PREPARED BY THE GREATER ANCHORAGE AREA BOROUGH ADMINISTRATION

WHEREAS, the Greater Anchorage Area Borough Assembly has reviewed certain suggested legislation; and

WHEREAS, that legislation cited in this Resolution is found of great interest and significant importance to the citizens of this community; and

WHEREAS, we the elected officials of the Greater Anchorage Area Borough feel that an indication of the individual and collective opinions of this body may be of assistance to the Legislature, it is therefore

RESOLVED that the Greater Anchorage Area Borough Assembly approves and supports in essentially its current form item 7(a) of the Legislative Program offered by the Borough Administration, which item is titled Clarification of Definition of Subdivision.

PASSED AND APPROVED by the Greater Anchorage Area Borough Assembly this 24th day of January, 1972

Recorded Vote:

Garrigues	Aye
Marsh	Aye
Campbell	—
Graham	Nay
Lang	Aye
Leonard	Nay
Norene	Aye
Parker	Aye
Rose	Aye
Silberer	Aye
Willis	Aye

/s/ James M Garrigues
Presiding Officer

ATTEST:

Mary Nicholson
Borough Clerk

APPROVED this 31st day of January, 1972

/s/ John M Agpalsuak
Borough Chairman

CLARIFICATION OF DEFINITION OF SUBDIVISION

To eliminate ambiguity in the existing Statutes, we recommend deletion of the emphasized phrase from the definition of subdivision in AS 40.15.190 (2):

> "Subdivision" means the division of a tract or parcel of land into two or more lots, sites, or other divisions FOR THE PURPOSES WHETHER IMMEDIATE OR FUTURE, OF SALE OR BUILDING DEVELOPMENT, and includes resubdivision and, when appropriate to the context, relates to the process of subdividing or to the land or areas subdivided.

GREATER ANCHORAGE AREA BOROUGH

PLANNING AND ZONING COMMISSION RESOLUTION NO. 9-71

A RESOLUTION URGING AMENDMENT OF AS 40.15.190(2) TO ELIMINATE CERTAIN AMBIGUITIES IN THE EXISTING STATUTE-REFERENCE TO THE DEFINITION OF SUBDIVISION

WHEREAS. the existing wording of AS 40.15.190(2) as it relates to definition of the word "subdivision" is to a certain extent ambiguous and,

WHEREAS, said ambiguity has from time to time caused serious problems for local platting authorities due to the various and different interpretations of the intent of the present definition, and

WHEREAS, it is the opinion of the Greater Anchorage Area Borough Planning Commission that said ambiguity can and should be clarified,

NOW, THEREFORE, BE IT RESOLVED that the Greater Anchorage Area Borough Planning Commission urges the Seventh State Legislature of the State of Alaska to amend AS 40.15.190(2) to read as follows:

> "Subdivision" means the division of a tract or parcel of land into two or more lots, sites, or other divisions for the purpose of sale, lease, conveyance, or building development, and includes resubdivision and, when appropriate to the context, relates to the process of subdividing or to the land or areas to be subdivided.

PASSED AND APPROVED by the Greater Anchorage Area Borough Planning and Zoning Commission this 3rd day of February, 1971.

S/ Vernon R. Wiggins,
Vernon R. Wiggins, Secretary

S/Arliss Sturgulewski
Arliss Sturgulewski, Chairman

Introduced:
Referred:

IN THE_____ BY_____

_____BILL NO. ____

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to clarification of the definition of subdivisions."

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

* Section 1. AS 40.15.190 (2) is amended to read:

(2) "subdivision" means the division of a tract or parcel of land into two or more lots, sites, or other divisions for the purpose, (WHETHER IMMEDIATE OR FUTURE) of sale, lease, conveyance or building development, and includes resubdivision and, when appropriate to the context, relates to the process of subdividing or to the land or areas to be subdivided.

* Section 2. Effective date.

GREATER ANCHORAGE AREA BOROUGH

PLANNING AND ZONING COMMISSION RESOLUTION NO. 27 - 72

A RESOLUTION REAFFIRMING THE OPPOSITION OF THE GREATER ANCHORAGE AREA BOROUGH PLANNING COMMISSION TO H.B. 290

WHEREAS, legislation known as House Bill Number 290 has been introduced to the Alaska State Legislature, and

WHEREAS, said legislation, by changing the definition of "subdivision" would seriously weaken the ability of local planning commissions, sitting as platting authorities, to guide and control the subdivision of land areas within their jurisdiction, and

WHEREAS, said legislation is not, in the opinion of this commission, in the best interest of the people of the Anchorage community and in general not in the best interest of all the people in the State of Alaska.

NOW, THEREFORE, BE IT RESOLVED, that the Greater Anchorage Area Borough Planning Commission hereby reaffirms its opposition to House Bill No. 290 and urges the Alaska State Legislature not to pass House Bill No. 290.

PASSED AND APPROVED by the Greater Anchorage Area Borough Planning Commission this 1st day of March, 1972.

Vernon R Wiggins

Vernon R. Wiggins
Secretary

Arliss Sturgulewski

Arliss Sturgulewski
Chairman

HB 290

ALL-AMERICAN CITY 1956 & 1965

CITY OF ANCHORAGE ALASKA

ANCHORAGE, ALASKA NOV. 23, 1920

International
Polar air crossroads of the world

POST OFFICE BOX 400
ANCHORAGE, ALASKA
99501

January 24, 1972

Mr. Don Berry, Executive Director
Alaska Municipal League
204 Franklin
Juneau, Alaska 99801

Dear Don:

Re: House Bill 290, relating to Land Subdivision

This bill is one of the worst pieces of legislation I have ever seen. As you well know, Don, last year the City of Anchorage and Greater Anchorage Area Borough violently opposed this same proposition.

I can't understand how anyone could give serious consideration to this type of legislation. The subject bill would enable a person to subdivide and sell real property without surveys or plats and would eliminate the subdivision control of the Cities and Borough Planning Commissions throughout the State.

The "four or less" rule contained in this proposal could be carried out indefinitely with countless variations at the pleasure of the subdivider with NO consideration as to easements, rights-of-way, etc. necessary for proper planning and development.

I believe this is the fourth year that we have been faced with this same proposition.

Once again the City of Anchorage would like to go on record as being completely opposed to this bill and all that it implies.

If further assistance is needed, please call me.

Yours very truly,

Robert E. Sharp

Robert E. Sharp
City Manager

RES:hh

cc: City Attorney
Director, Public Works

AIRMAIL IS FASTER

CITY OF ANCHORAGE ALASKA

ALL-AMERICA CITY 1956 & 1965

International
Polar air crossroads of the world

POST OFFICE BOX 400
ANCHORAGE, ALASKA
99501

March 23, 1971

Mr. Don Berry, Executive Director
Alaska Municipal League
210 Admiral Way
Juneau, Alaska 99801

Dear Don:

RE: House Bill No. 290, relating to Land Subdivision

The City of Anchorage is opposed to passage of House Bill No. 290.

I am enclosing a copy of a memorandum, dated March 19, 1971, to the Director of Public Works from the City Surveyor, City of Anchorage. This memorandum explains that, under House Bill No. 290, there would be almost complete loss of subdivision control which is necessary in the public interest.

We therefore urge that the League oppose this bill.

If further assistance is needed, please call me.

Sincerely yours,

Robert E. Sharp
City Manager

RES:f
Enclosure: a/s

cc: Chairman, Greater Anchorage Area Borough

AIRMAIL IS FASTER

City of Anchorage

MEMORANDUM

TO: Director of Public Works

DATE: March 19, 1971

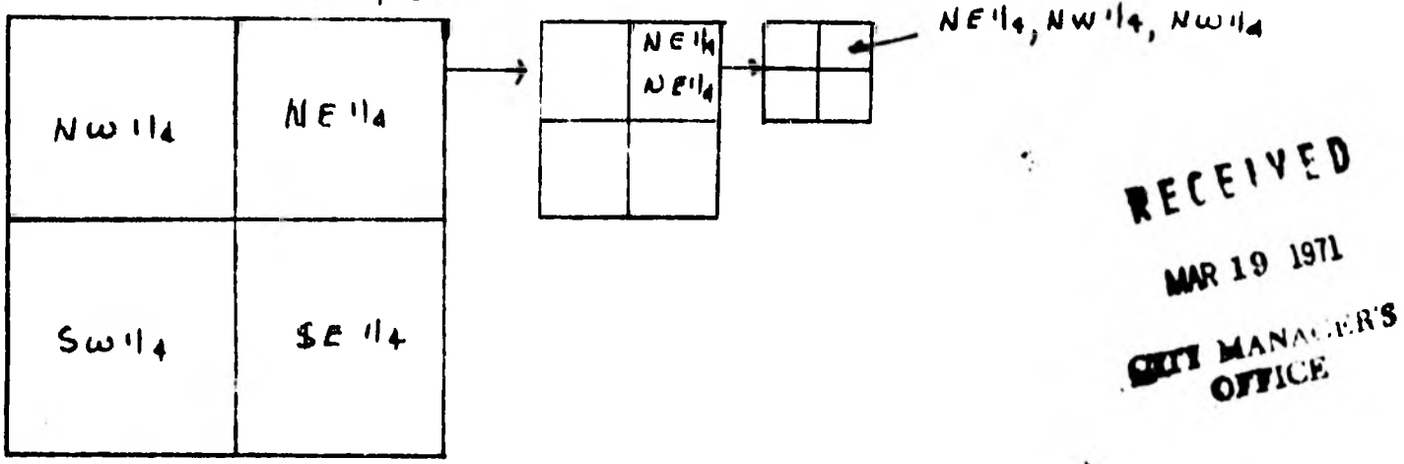
FROM: City Surveyor

SUBJECT: House Bill No. 290

The subject bill will enable a person to sell portions of his property without surveys or plats and would virtually eliminate the subdivision control of cities and borough planning commissions throughout the State.

By changing the "definition" of subdivision as per H.B. 290 a seller or his agent can divide his proerty into four or less parts and describe them by aliquot parts without any restrictions or control by any governmental agency, also it would leave the determination of what easements etc. to the sellers discretion without consulting or review of the requiring agencies of government.

Example -



RECEIVED
MAR 19 1971
CITY MANAGER'S OFFICE

As you can see from the above the rule of "four or less" parcels can be carried out indefinitely.

The above is only an example, there could be countless variations such as 1/3 or 1/8 or 1/16 or the east 50 feet of the NW 1/4 of the E 1/3 etc. and could be applied to existing subdivisions, as well as sectionalized lands. In the end we would have complete breakdown and chaos in land subdivision in all developed areas in Alaska.

As a final comment, the subject bill is sponsored by the Board of Realtors and has been introduced in each session for the last three years and as far as I know, the Borough, City, Professional Land Surveyors, Engineers, and Local Engineering Firms have indicated that this bill does not serve the best interests of the people of Alaska in any way.

A.W. Lahnum
City Surveyor

AWL/bmm



KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

September 17, 1971

Mr. Don M. Berry
Executive Director
Alaska Municipal League
210 Admiral Way
Municipal Building
Juneau, Alaska 99801

Dear Mr. Berry:

I wish to thank you for the invitation to participate in the 21st annual Local Government Conference in October. I would be happy to contribute whatever I can.

I understand the rest of the Planning Commission received the materials you sent me and we will discuss House Bill 290 and the comments of the Juneau City and Borough Attorney, Billy G. Berrier at the next Planning Commission meeting on September 21. My own opinions have already been formulated and I concur with Mr. Berrier.

I am also furnishing Mr. Lawrence H. Kimball, Ketchikan Gateway Borough Planning Director, with a copy of the memorandum. Mr. Kimball is a professional planner and I am sure his comments will be most valuable. (I believe you may have previously corresponded with Mr. Kimball regarding HB 290).

I am looking forward to the conference and to meeting with you again.

Very truly yours,

W. E. Fisher, Chairman
Planning and Zoning Commission

cc: Borough Chairman
Planning Director

Matanuska-Susitna Borough, Inc.

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

PLANNING-ZONING COMMISSION

January 12, 1972

The Honorable Mike Miller
Chairman
Local Government Committee
House of Representatives
Box 1494
Juneau, Alaska 99801

Re: House Bill No. 290

Dear Mr. Miller:

The proposed House Bill 290, which would waive review of small subdivisions, is in direct conflict with the trend toward more efficient development of the Matanuska-Susitna Borough. The bill was initiated in this borough specifically to accomodate one individual in attemps to circumvent subdivision regulations and platting procedures. There seems to be little support for the concept of this bill locally.

The Borough presently finds itself in the midst of a speculative boom in paper plats. Spotty settlement is taking place, creating demands for far-flung services and utilities which will be nearly impossible to provide. No reasonable collector road system emerges from a composite of the plats being recorded. A large volume of trade in unbuildable lots is resulting in an increasingly unstable tax base.

Developers are providing almost no public improvements, leaving such things as road construction and drainage to unsuspecting purchasers. The responsibility for these improvements will eventually fall upon the local government. Meanwhile, many properties are being foreclosed and permanently removed from the tax rolls.

The Borough, in an attempt to reverse this trend of unwieldy development, has established a planning department, charged with the duty of implementing the comprehensive development plan. The priority item of the implementation phase is the drafting of detailed subdivision regulations. The provisions of Bill 290 would negate much of the planning effort and subject the Borough to the problems faced by other communities fifty years ago.

The Matanuska-Susitna Borough presently has the most liberal policy of granting platting waivers, causing problems in both long-range planning and administrative procedures. Bill 290 comes at a time when it is necessary to review all land severances, rather than exempting a large portion of land divisions from public knowledge.

Waiver was originally granted in special cases for single transactions because the market price for parcels severed from homesteads did not warrant costly surveys.

This situation has now changed. Land values are enormously higher and the need for, and usefulness of waiver has been outlived. It is generally accepted that purchasers should be afforded the protection of having their properties relate to a known point.

It is the position of the Planning Director that owners wishing to sever any property should not be required to go through waiver procedure, but should adequately describe the property and should submit a sketch of the ultimate development of the entire tract.

When subdivision is desired, the plat should adhere generally to the original sketch. This, among other benefits, will allow the Borough to plan for a collector road system. It should be recognized that an aliquot part description is of little use if the original survey was inaccurate or if no reference point can be found in the field.

Revision of the waiver provisions will be likely, as a part of the new subdivision regulations being drafted. The Borough Administration and Planning Commission feel that the passage of House Bill 290 would be extremely detrimental to this Borough and all developing regions of the State. In behalf of the Borough, I urge you to oppose its passage.

Sincerely yours,

Thomas Graham
Planning Director
Matanuska-Susitna Borough

TG:vs

C.C. Bob Pavitt, Director, Planning and Research
Honorable John Rader, Senate
Honorable Jan Koslosky, Senate
Mike Gallagher, Tryck, Nymen and Hayes
Don Berry, Executive Director, Alaska Municipal League
Ralph Darbyshire, Planning Director, Kenai Pen. Borough

HB 290

CITY AND BOROUGH
OF
SITKA

BOX 79 · SITKA, ALASKA · 99835

January 31, 1972

Don Berry, Executive Director
Alaska Municipal League
204 Franklin Street
Juneau, Alaska

Dear Don:

Please be advised that the City and Borough of Sitka oppose HB 290, Land Subdivisions. This municipality has gone to a great expense to find out who owns what, where.

It is our belief that subdividing a lot under whatever they wish to call it should come before the Planning and Zoning Commission in order that our comprehensive plan be upheld.

If HB 290 were allowed to pass, it would exclude it from the provisions of Sec. 40.15.010 through Sec. 40.15.180 inclusive. This would certainly put the burden on the communities and especially the assessor. Perhaps some communities favor the bill; if so, let the Commerce Committee ammend the bill to make it permissive instead of mandatory legislation.

Sincerely,

Fermin Gutierrez,
Acting Administrator

FG:mb

cc: Senator Meland
Representative Flynn

DAILY NEWS

Lawrence S. Fanning
Editor & Publisher, 1967 to 1971

Katherine Fanning, President

Stan Abbott
Executive Editor

David L. Sachs
General Manager

Tom Brown
Editorial Page Editor

Gary Sivec
Circulation Manager

Tom Gibboney
Managing Editor

Founded in 1946 by Norman C. Brown
Alaska's Only Morning and Sunday Newspaper

Our views

Those subdivisions

A man's house may be his castle, but in Anchorage he'd better doublecheck where he plans to build it.

That's the distressing word from the borough Planning Commission, which warns that the sale of illegal subdivision land is widespread. It appears that a number of subdividers are selling land with only preliminary subdivision approval, though final approval is required before a lot can be built upon.

AS A RESULT, a person who buys such land runs the risk of finding he will not be allowed to build because his lot does not meet minimum standards for borough sewer and water service. And there may be no way for him to retrieve his money from the seller.

The borough so far has no firm figure on the number of subdivisions affected and has not named any of the alleged offenders.

This is a sorry situation — one which deserves a full investigation and legal action where indicated.

ONE OF THE ESSENTIALS of a stable, successful community is the availability of decent housing. Many people want to build their own homes and they must have confidence that land deals are legal and aboveboard. To ensure that confidence, borough officials should take whatever action is necessary to halt shady deals.

In addition to protecting the buyer, such action would clear the many honest land dealers in the Anchorage area, whose integrity has been called into question by the activities of unscrupulous colleagues. Area realtors have made great progress in recent years in policing their industry. They deserve to have this cloud lifted.

Alaska State Legislature

House

JUNEAU ALASKA

* Section 1. AS 40.15.190(2) is repealed and re-enacted to read:

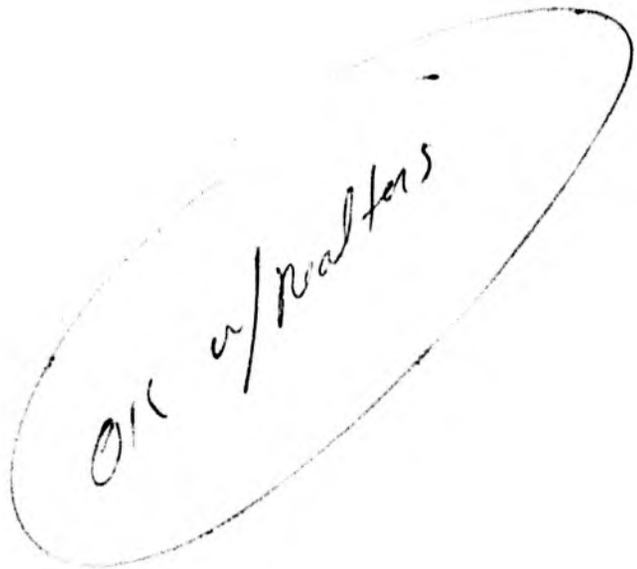
(2) "subdivision means the division of land into more than two parcels, tracts, lots or other divisions, and includes resubdivision; however, land that is divided into four or fewer parcels, tracts, lots or other divisions none of which is smaller than 5 acres which have access to a public highway or street, provides street and utility easements to all contiguous parcels and can be described by aliquot parts description, is not a subdivision.

HB 290

JUNEAU ALASKA

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Introduced: 3/9/71
Referred: Commerce & L.G.

IN THE HOUSE BY THE COMMERCE COMMITTEE

HOUSE BILL NO. 290

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to land subdivision."

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

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Subdivision means the division of a tract or parcel of land into two or more lots, sites or other division for the purpose whether immediate or future, of sale or building development and includes re-subdivision and when appropriate to the context relates to the process of subdividing or to the land or areas subdivided.

February 10, 1972

James A. Cottrell, Jr.
St. Rt. A Box 222
Palmer, Alaska 99645

Dear Mr. Cottrell:

I wrote to you last July for information on land prices and the dividing of land. You replied with a very informative letter and information packet from the Borough. Thank you so very much. Enclosed is one dollar ($1.00) to help defray your cost on that. We surely appreciated your efforts and the prompt reply. After reading through a few of the pages and scanning the rest-- I decided it is all a terrific lot of red tape!

What I really had in mind--and did not make clear in my letter to you, is that we would be interested in selling a portion of our land and wondered if we could sell it as it is divided on our deed without the red tape of subdividing?

As an example, we purchased a small acreage near here, checked through the court house, and found out we can divide this piece 4 times without surveying or subdividing as long as there is at least 65 feet on a county road. This was the type of dividing I was referring to.

In other words, we have sold part of parcel 3 or that portion of the NE¼ of NE¼, Sec. 14, Twnsp. 18 N, R. 1 E. S.m. lying N.E. of the old Fishhook Road--which is approx. 10 acres.---Now, what I want to know is....Can we sell the remaining 30 acres in this parcel without re-surveying and without a lot of red tape?

Or.....we have Parcel 2--NW¼ of NW¼, Sec. 13, twnsp. 18 N., R.1E, S.M. containing 40 acres more or less. Can we sell this by itself?

Or....Parcel 1--as it is described legally on our deed which contains 160 acres. Can we sell just that Parcel?

If we listed our property, or a portion, with you, how much per acre do you think you could sell it for this Spring? How much is your commission for selling?

You mentioned in your letter that you felt this land would be good for development of small acreages at this time....Why is that?? How much would you have to have for the development of this land(or a portion)? and how much per acre do you think you would be able to sell this for if it were subdivided this way?

It sounded as if, when the proposed causeway is built that land in the Fishhook area would increase in value. I understand the NEW Fishhook Road is now paved!

We are interested to hear your views on which way would be best to sell some of this land this Spring.....by parcel, if possible, or by subdividing as you suggested in the previous letter? Perhaps you could drop us a line if you are at all interested.

Thank you again for the information and your informative letter.

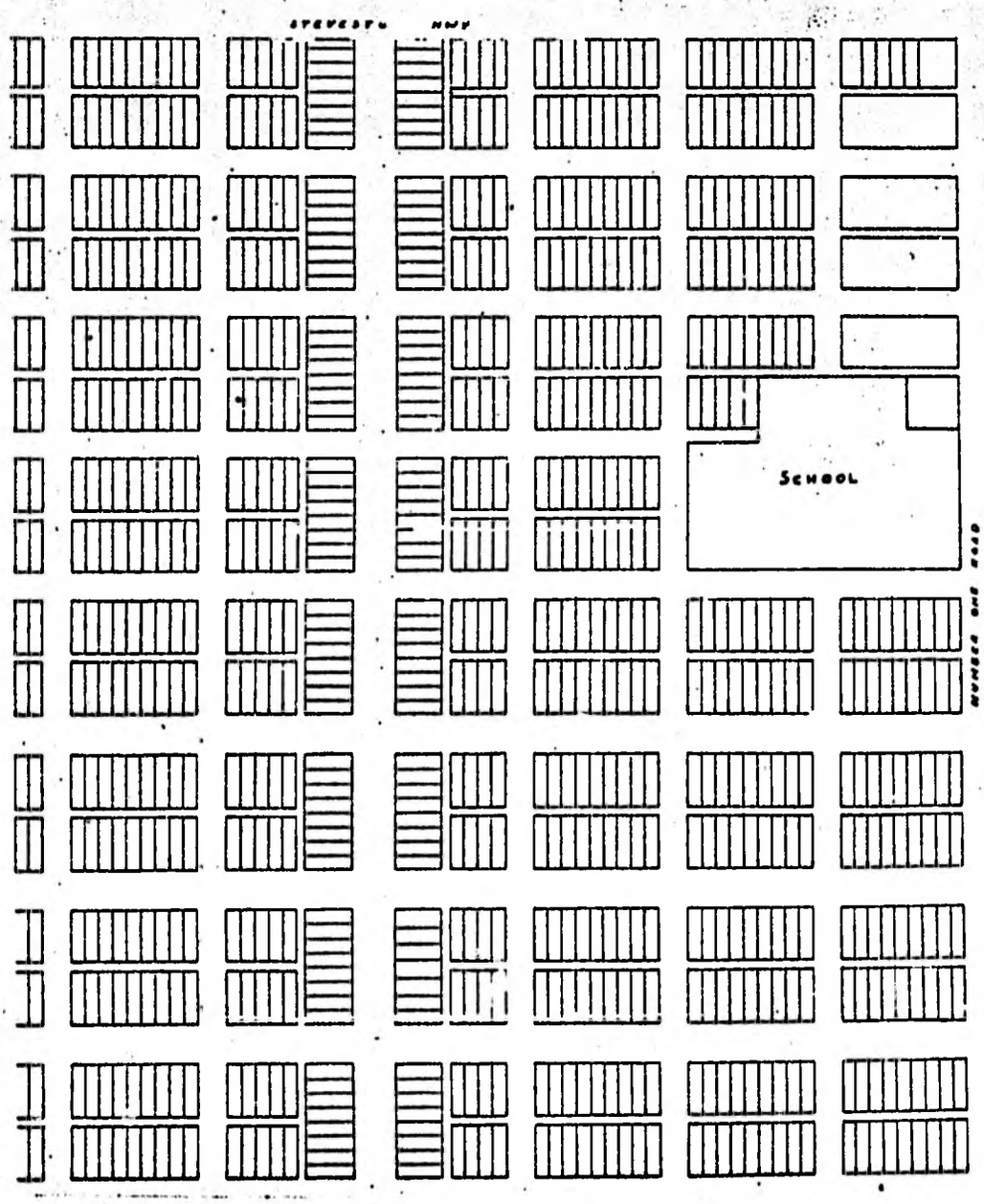
Sincerely,

Mrs. James L. Hansen

Mrs. James L. Hansen

James L. Hansen
Rt. 1, Box 40-A
Newman Lake, Wash. 99025

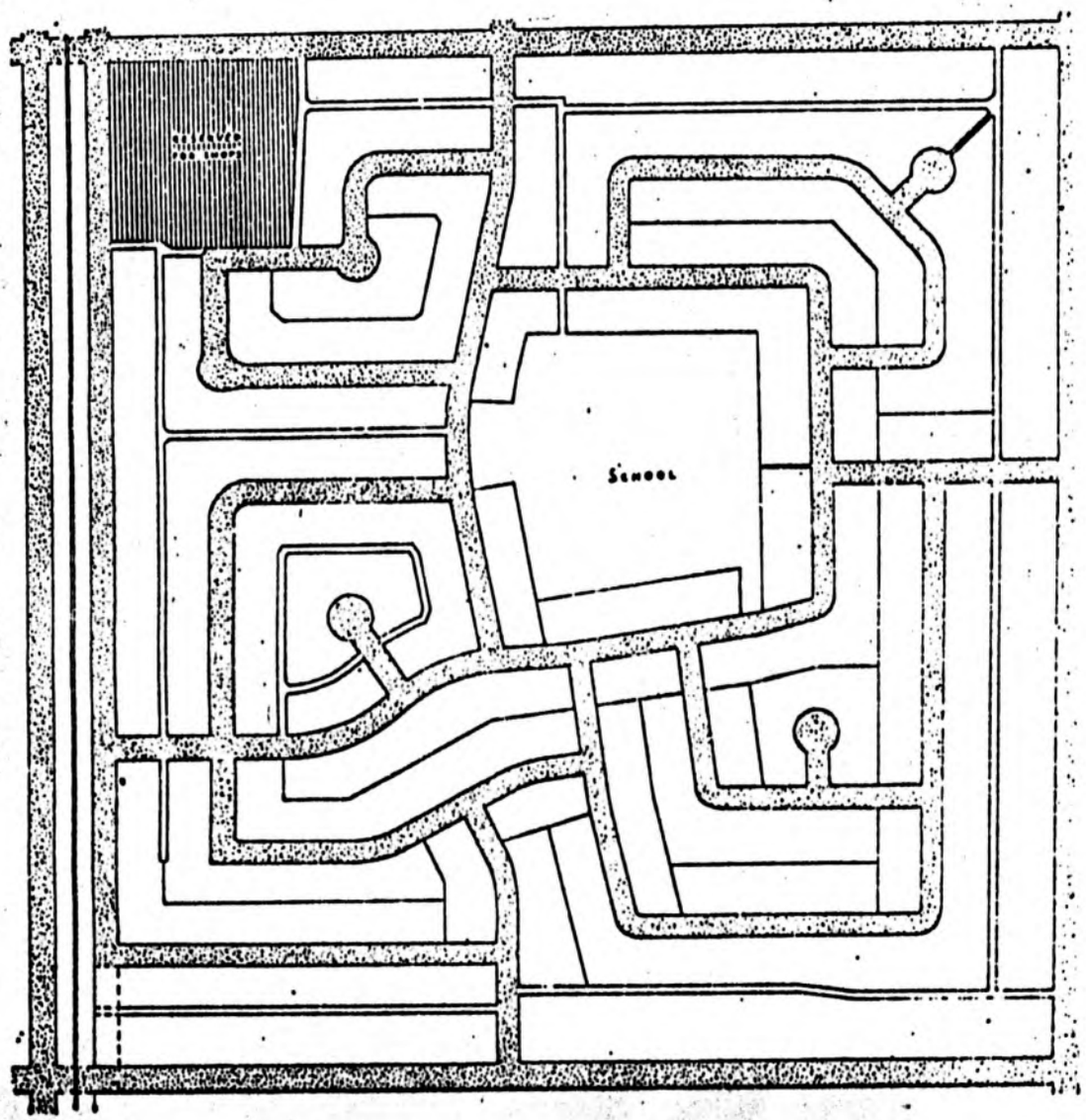
Following are some examples of grid plans and alternate designs. The first is Sleveston, British Columbia, subdivided in 1892 into 33' lots from a quarter-section.



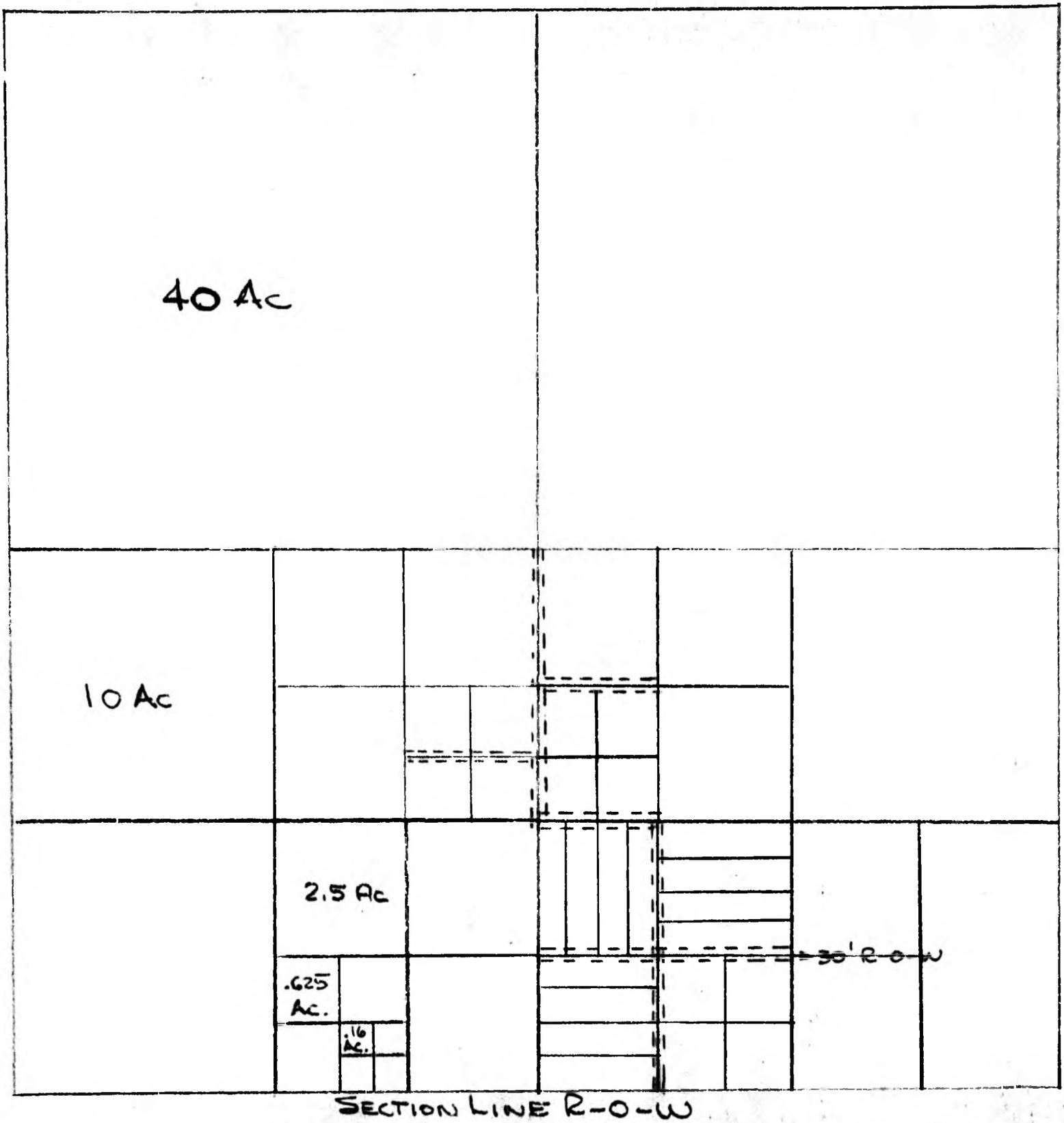
(c)

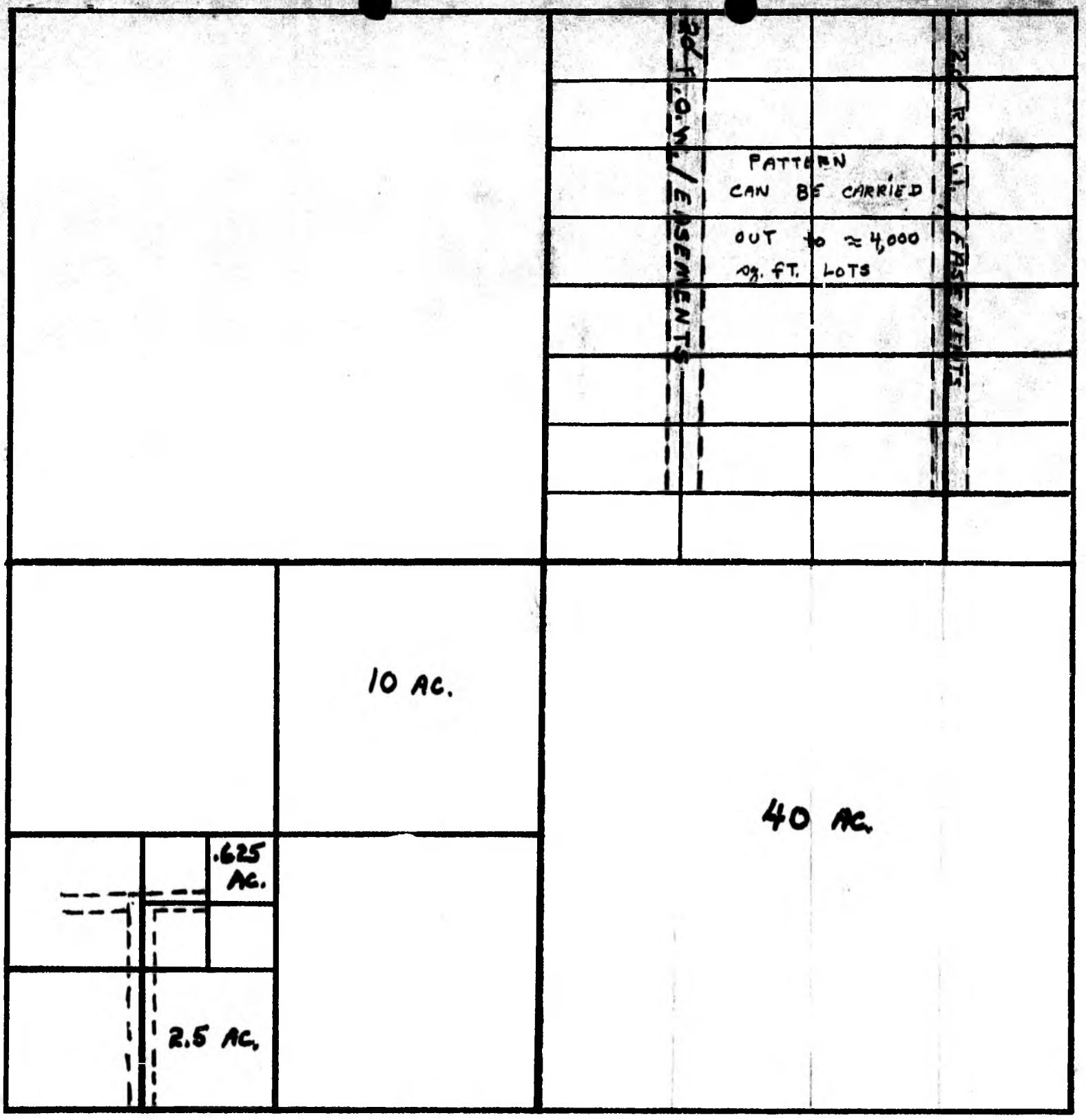
Next is the Athlone-Sherman Subdivision, also a quarter-section. It was designed in 1959 by the Richmond, B.C. Municipal Planning Department, and obviously provides a better neightborhood environment, street safety, and appearance. The two are compared as follows:

	STEVESTON	ATHLONE-SHERMAN
Length of internal roads	33,462'	19,400'
Area occupied by roads	50 acres	24 acres
Percent of tract in roads	32	15
Cost of public improvements	$1,003,860	$582,000
No. of 66' lots obtainable	484	560
Cost of public improvements/lot	$2080.00	$1040.00
No. of 4-way intersections	40	1
No. of "T" intersections	1	16
No. of intersections with arterials	25	4
Areas for schools and recreation	7 acres	4 acres



(c)


40 Ac
10 Ac
2.5 Ac
30' R-O-W
.625 Ac.
.16 Ac.
SECTION LINE R-O-W


R.O.W.
20' R.O.W./EASEMENTS
20' R.O.W./EASEMENTS
PATTERN CAN BE CARRIED OUT to ≈ 4,000 sq. ft. LOTS
10 AC.
40 AC.
.625 AC.
2.5 AC.
R.O.W.

PROBLEMS WITH THIS TYPE SUBDIVISION

1. Inadequate road and utility easements.
2. Inadequate lot sizes.
3. Dead end streets which create problems with police and fire protection.
4. Street and utility systems may not match adjacent subdivision street and utility systems.
5. May be on physically hazardous property (e.g. flood plain).
6. No consideration of topographic problems.
7. Necessitates future condemnation.
8. Results in unnecessary amounts of streets to build and maintain.

Frontiersman
Palmer, Alaska
12-2-71

LETTERS TO EDITOR

DEAR EDITOR:

Last Tuesday night my appeal was heard by the borough assembly. No decision was handed down nor was one expected.

I have been informed this is the first time anyone has put up the $50 necessary to be heard by the assembly, if he does not agree with the planning and zoning commission. How can we expect to have communication between the planners and the people if the person who dissents must first pay $50 for the privilege?

No comment was heard from the lay or the professional planners assembled on this.

As to the subject of the appeal, a logical method to insure getting a greater amount of larger tracts available to the prospective home owner, there was no end of opposition. State statutes were quoted, borough ordinances and resolutions were referred to, some of which I'm sure the people assembled had never heard of, anymore than they knew of the $50 protest fee.

Unless steps are taken NOW to halt the endless stream of ordinances and resolutions telling us what we may or may not do with our land we will all find ourselves in a "Cul de Sac", which lately is so popular with the planning and zoning as evidenced by recently approved plats. Truly we are being led down a "dead end street."

Progress has been created by intelligent, aggressive, independent individuals and it is absurd to recognize the right of private ownership and then transfer the complete use of property to planning and zoning boards.

Yours truly,
JIM COTTRELL

The appeal from James Cottrell was not decided upon at the meeting, with the assembly saying they would give a decision at the next regular session. 12-2-71

Cottrell asked for a waiver allowing him to cut a 40 acre parcel into ten acre plots without surveying the land and platting it. After being turned down according to state and borough statutes by the planning and zoning commission, Cottrell asked the assembly for relief. Frontiersman

He said the present strict enforcement of subdivision law to mean any division into two or more parts, thus requiring platting, was forcing land developers in the Valley to chop

(Continued on page 5)

Borough - - -

(Continued from page 1)

land into parcels which were too small for good future development.

Surveying costs had to be recouped, he said, by the sale of very small acreages. Asked what he estimate dthe cost of surveying the 40 acre parcel into ten acre plots would have been, he said approximately $1,000.

He indicated this cost plus possible planning commission insistence on specified road would force him "to do as everyone else: break it into 80 half-acre lots".

ALASKANS

Under All Is The Land

Do You Know What Can Happen To Yours?

I'm Learning You Should Too

ATTEND THE SPECIAL ASSEMBLY MEETING TUESDAY, NOVEMBER 30

8:00 p.m.

Jim Cottrell

Frontiersman Wed. Nov. 24, 1971

Use Frontiersman Classified

NOTICE OF HEARING ON APPEAL

Notice is hereby given that the Matanuska-Susitna Borough Assembly will hold a special meeting on November 30, 1971, at 8 p.m. at the Borough Office for the purpose of:

Hearing an appeal filed by James A. Cottrell, Jr. appealing the decision of the Planning and Zoning Commission denying his request for a waiver to divide a 40 acre tract (NW 1/4 SE 1/4, Sectio 14 T17N, R1W, S.M.) into four ten (10) acre tracts.

The public is invited to attend and be heard.

EVELYN THOMPSON
Borough Clerk

...ll begin hearing appeals
...ch 24, 1972.

RICHARD MOMARTS
BOROUGH ASSESSOR

Publish: March 16, 23, 1972.

ettesville, Arkansas, will join the new manager as soon as school is over in J... Howe, who has been living in Palmer since his arrival on March 1, said. "I am not sure yet where my family and I will make our

Louisiana; Mrs. David Marmor and her two sons and a daughter from Idaho Falls, Idaho; Bill and Adele Shaff, Calif. Diane Gleason, W. Va.; Lela Lloyd, Texas, and the three hosts.

FOR YOUR INFORMATION

March 22, 1972

Dear Neighbors:

Because of the recent activity of the Mat. Valley Tax Assessors, you should be interested in this legislation. If the present valuations remain in force, some of you will be forced to sell part or all of your holdings. House Bill No. 290 provides a means whereby those who cannot afford the expensive platting costs and the time involved with the Planning and Zoning Commission, can obtain relief. I strongly urge you to clip this letter and send it to your legislators in Juneau, Senator Koslosky and Rep. Kerttula, or any other legislator you may know.

Sincerely,

Jim Cottrell

Introduced: 3/9/71
Referred: Commerce
By The Commerce Committee

In The House

HOUSE BILL NO. 290
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTH LEGISLATURE *FIRST SESSION

A BILL

For an Act entitled: "An Act relating to land subdivision."

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Additional comments: keep me informed on this bill. The need for it now is even more apparent. Will be in touch with me sooner when it has at present but I can see trouble in regard to my organization?

Yours truly,

Jim Cottrell

May 10, 1972

Mr. Ernst Mueller
President
Alaska Conservation Society
Box 80192
College, Alaska 99701

Dear Mr. Mueller:

I appreciate receiving a copy of your letter of April 28th to Representative Mike Bradner relative to House Bill 290. I certainly agree with you that HB 290, in its original form, would have been extremely undesirable. I think the committee substitute for this bill, which passed both Houses by wide margins, pretty well covered the real deficiencies that you identified. I personally would have preferred that no legislation be passed in this area, however, the committee substitute does represent an honest compromise which was arrived at after considerable study and several hearings.

Again, thank you for copying me on this letter. I would, as a member of the Alaska Conservation Society, appreciate hearing from the ACS on other measures before the legislature.

Sincerely,

Mike Miller, Representative
District Four (Juneau)



Alaska Conservation Society

Box 80192 College, Alaska 99701

April 28, 1972

Representative Mike Bradner
Alaska House of Representatives
Juneau, Alaska 99801

Dear Mr. Bradner:

We have received House Bill 290, "An Act Relating To Land Subdivision". The Alaska Conservation Society has always supported land use planning and it seems to us that this bill stands for all that is contrary to the principles of good land use planning.

We are especially disturbed that there is no requirement that the platting authorities be informed of such subdivisions so that the local authorities may determine whether the requirements of the exemption have been complied with.

We think it unwise to pre-empt the authority of local governments so that they can no longer govern the subdivision of all lands within their boundaries. This will make it extremely difficult for local platting authorities to enforce their own regulations as well as to provide meaningful long range plans. This Bill will provide for unplanned development that may in the future require certain public works improvements at a great cost to tax payers, because this bill does not provide for local public control and review of land subdivisions which may require such improvements.

All in all this bill will encourage what is worst in land subdivision: haphazard, random sales of lots. There can be no orderly development if this bill becomes law.

Sincerely,

ALASKA CONSERVATION SOCIETY

Ernest Mueller, by TS
Ernst Mueller
President

xc: Mike Miller, Jalmar Kertulla

F/L C

Fairbanks, Alaska
April 12, 1972

Dear Sir,

We are concerned with House bill 290 aliquat parts. We believe this bill should be passed this session as it would be a great help to a great many people. It would move a lot of land to lots of people who would build and also help the property owners to sell parcels of land without having to get approval from the borough and unit and also spend money.

We're all for it

Thanks kindly

Mr. & Mrs. Trenton Johnson

COTTAGE

(5 acres)
80 acres - $1200 / (Lots 1.
15 Tacres - $8,600

letter from Washington → were there any other restrictions?

In other words, aliquot part description is now legal?

~~they~~ what was the nature of the waiver-refusal?

would this apply to sales in ARC Boro.

Sec by the plans ↔

5 acres →

what ordinance would we by-pass ~~with~~ with this kind of law?

well/ (cesspool) → is this a subdivision

Mike Gallagher - Pres - PTA

Bill Pence.

Tom Graham. — ask him what type of warning they are granting.

percolation ~~tests~~ tests

Ralph Darbishire - in other words, local govt can allow aliquot parts subdivisions now.

Donna Mathews - BAAB

Charles "Chuck" Carlson

Vern Higgins

Earl Cooper

Carol Mase - (Realtor)

Mary Putman

Introduced: 3/9/71
Referred: Commerce

IN THE HOUSE BY THE COMMERCE COMMITTEE

HOUSE BILL NO. 290

IN THE LEGISLATURE OF THE STATE OF ALASKA

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REVISED AMENDMENT

AS 40.15.110. Waiver in Certain Cases. The platting authority shall in individual cases waive the preparation, submission for approval and recording of a plat upon satisfactory evidence that:

1. Each tract or parcel of land will have adequate access.
2. Each parcel created is five (5) acres in size or larger but shall not result in more than four (4) parcels.
3. The conveyance is not made for the purpose of, or in connection with, a present or projected subdivision development.
4. No dedication of a street, alley, thoroughfare or other public area is involved or required.

In other cases the platting authority may waive the preparation, submission for approval, and recording of a plat provided that the transaction involved does not fall within the general intent of this chapter. That it is not made for the purpose of, or in connection with, a present or projected subdivision development and that no dedication of a street, alley, thoroughfare, park or other public area is involved or required.

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In other cases the platting authority may waive the preparation, submission for approval, and recording of a plat provided that the transaction involved does not fall within the general intent of this chapter. That it is not made for the purpose of, or in connection with, a present or projected subdivision development and that no dedication of a street, alley, thoroughfare, park or other public area is involved or required.

40.15.200 Application to State of Alaska and Political Subdivisions. All subdivisions made by the State of Alaska, its agencies, instrumentalities and political subdivisions are subject to the provisions of this chapter and to local regulations adopted pursuant to this chapter in the same manner and to the same extent as other subdivisions.

March 15, 1972

Mr. C. P. Carlson
Building Official
Greater Anchorage Borough
Pouch 6-650
Anchorage, Alaska 99502

Dear Mr. Carlson:

Thanks very much for your letter of March 6 and the material forwarded. I appreciate your taking the time to appear before the committee on March 3. Your testimony was very helpful.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

GREATER ANCHORAGE AREA BOROUGH
3500 TUDOR ROAD, POUCH 6-650
ANCHORAGE, ALASKA 99502

March 6, 1972

The Honorable Mike Miller
Chairman
Local Government Committee
House of Representatives
Box 144
Juneau, Alaska 99801

Re: March 3rd Hearing on House Bill No. 290

Dear Sir:

We appreciated the opportunity to speak on this Bill, as we sincerely believe that it lies at the heart of the planning process. Most of the important issues were raised at the hearing and I will not belabor the point here.

Enclosed is a packet of material, which was prepared for Donna Mathews of the Anchorage Planning Commission, containing some background material on aliquot parts descriptions and the last page contains the legal description which I read into the record and of which you requested a copy.

Should there be any additional information which either the Planning Department or I can furnish, we will be most happy to do so.

Sincerely,

C. P. CARLSON
Building Official

CPC:ajs

encl.

BOUNDARY CONTROL AND LEGAL PRINCIPLES

SECOND EDITION

Curtis M. Brown, B.S.
California Licensed Land Surveyor

WITH CONTRIBUTIONS BY

H. Frederick Landgraf, B.A., L.L.B.
Attorney at Law

Francois D. Uzes
California Licensed Land Surveyor

John Wiley & Sons, Inc.
New York · London · Sydney · Toronto

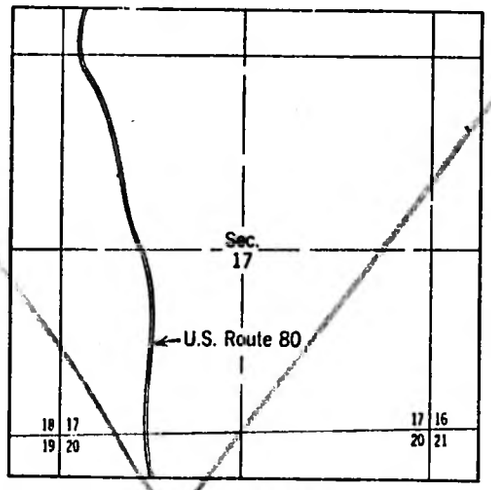


Figure 1.10*a*

southerly of Boulder Creek." Longer descriptions result from the usage of the form "all of lot 12 lying northerly of the following described line." The bearing and distance description of the line following the general statement requires many more words than the two simplified examples above.

Land Conveyed by Distance

The shortest quasi-metes and bounds deed is of the type "the easterly 50 feet of lot 2," as shown in Fig. 7.2*a*. The junior deed, "all except the easterly 50 feet of lot 2," is for the remainder of the lot. This type of deed is easy to write, but it may be misinterpreted by the parties of the deed, since the 50 feet is measured so as to give the senior deed (the buyer) the maximum area whereas the junior deed (seller) has the remainder.

Proportional Conveyances

Proportional conveyances are those that convey a fractional part of the whole area, as shown in Fig. 7.5*a*. By common law, proportional conveyances are presumed to be a proportion of the area of the lot and not a proportion of the lineal measurements. Statute law can and has altered this common law rule, as in sectionalized lands. By running a line from the north quarter corner to the south quarter corner of a section of land the section is, by statute law, divided into two halves which may or may not be equal in area.

Definition of Aliquot (Webster's Seventh New Collegiate Dictionary, 1969):
1. Contained an exact number of times in another
2. Fractional.

distinguishing like objects or nouns from one another. "A house," "a red house," "a red house with a green roof" may all refer to the same house, but in the last-described house there is more certainty of its being correctly located because of the additional descriptive terms. "Beginning at the southeast corner of lot 2; thence N 12° 10′ E, 200.00 feet to a concrete monument" contains two informative terms "N 12° 10′ E, 200.00 feet" and a controlling term "a concrete monument." The "N 12° 10′ E, 200.00 feet" as given here is an aid to distinguish the concrete monument from similar monuments, and acts as a modifier of the term "a concrete monument." In a deed in which the controlling term cannot be distinguished or located the informative term may then become the controlling term, as in the above "N 12° 10′ E 200.00" would become exact if the monument were lost.

In determining the title interest of a client, conflict may occur between the written instrument, the subdivision map, the measurements on the ground, or within the written instrument itself. When a conflict occurs, the surveyor, title engineer, or attorney should be able to recognize the deed term that is controlling and the one that is informational but not controlling. Which conflicting term shall be followed, is discussed in its normal order of importance.

ORDER OF IMPORTANCE OF CONFLICTING TITLE ELEMENTS

4.12. Order of Importance

Surveyors prefer to work with mathematical equations because equations give a positive and correct answer for a set of facts. In listing the order of importance of title elements the list cannot be compared with a mathematical formula; the order of importance must have flexibility to fit solutions most nearly deemed to be correct by the court. The following outline is recognized in most states as being, as nearly as may be, correct.

Order of importance of conflicting elements that determine land location

A. Right of possession (unwritten conveyance)
B. Senior right (in the event of an overlap)
C. Written intentions of Parties
   1. Call for a survey ←
   2. Call for monuments (sometimes)
      a. Natural
      b. Artificial →
      c. Record (in the event of a gap)
   3. Distance (direction in Texas)

4. Direction (distance in Texas)
5. Area
6. Coordinates

In this outline the first item is an element outside of (not mentioned in) the written description and is determined by observations on the ground. The second item, senior right, may or may not be disclosed by the written title. A call for an adjoiner usually indicates a call for a senior right, but *not always*. Sometimes calls for adjoiners are inserted after the original conveyance is formed and are misleading. Senior rights are not always determined by a call for an adjoiner; the determining criterion is the date of the first deed (usually the date of recording the first deed where recording is constructive notice.) Item C, the written intentions of the parties, is *always* disclosed by the writings (this includes all writings called for) taken in the light of the laws and customs in force as of the date of the deed.

The listed order of importance of conflicting elements determining land location is not absolute. Thus a call for a survey is usually given preference over a call for a natural monument, but an artificial monument as part of a called for survey is sometimes given preference over natural monuments. The outline given above is modified by the explanations in the following pages. It should be memorized with the concept that it can be adjusted where the contrary can be proved (not just surmised); it is a presumed order of importance.

4.13. Possession

Any unwritten right or possession that ripens into a fee right extinguishes prior title rights. In such an event all of the rules for construing the order of importance of conflicting deed elements are meaningless; hence an unwritten right ranks first in the order of importance of elements making up the "right of title and possession" or, in the language of the layman, "ownership."

4.14. Junior and Senior Rights

Principle. A junior grant, in conflict with a senior grant, yields to the senior grant.

"First deed and last will" is the often-quoted principle. He who conveys an interest in land to one person cannot at a later date sell the same interest to another. For every title policy, abstract, or boundary location of a junior deed the title examiner or surveyor should find out what the rights of the senior deed are.

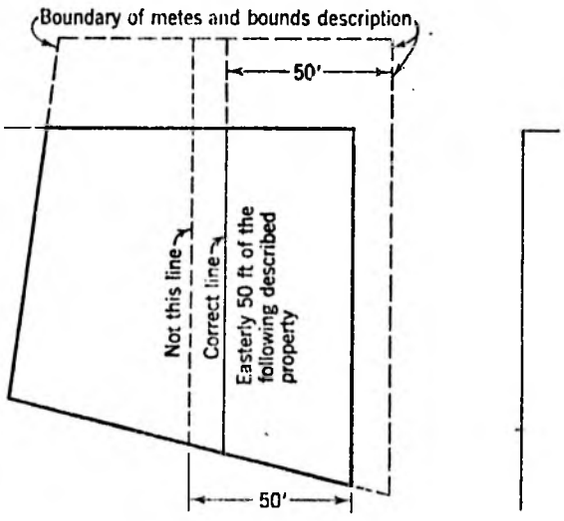


Figure 7.3

boundary line from which the measurement is made, unless otherwise specified.

Figure 7.4*a* shows a typical case where the "northerly 50 feet" of a lot, and where the "southerly 50 feet as measured along the easterly and westerly lines" of a lot give different areas. As in all measurements of this type, the greatest advantage is given to the buyer where alternate meanings can be interpreted. However, where the method of measurement is specified as in the "southerly 50 feet" of Fig. 7.4*a*, the method as specified should be used since alternate meanings do not exist. In Fig. 7.4*b* are shown the correct property lines for curves and angle points in lines where lineal measurement "of" descriptions are used. It is interesting to note that where an angle point exists as shown in Fig. 7.4*b*, there is more than the called-for distance conveyed at the angle point.

7.5. Proportional "Of" Conveyance

Principle. When a fraction of the whole is conveyed, as the west half, it is presumed that the conveyance is based on area measurement unless otherwise stated. (See Fig. 7.5a)

This principle is not in harmony with the Federal statutes which specify the method to be used for sectionalized land. Thus the north

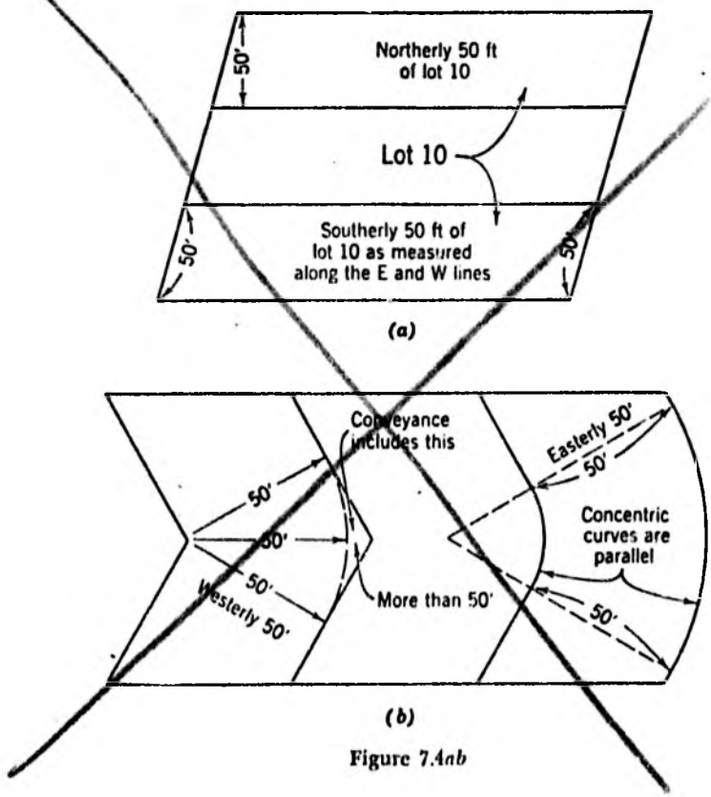


Figure 7.4*ab*

one-half of the northwest one-quarter of section 6 might be considerably less in area (especially in a closing section on a correction line) than the south one-half of the northwest one-quarter. In general, proportionate conveyances under state laws are based upon acreage; under Federal laws for sectionalized land, acreage is not considered.

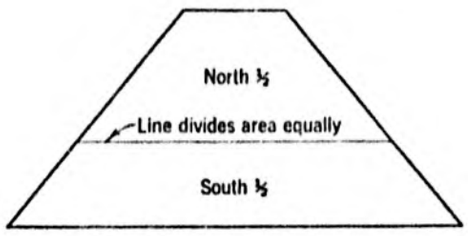
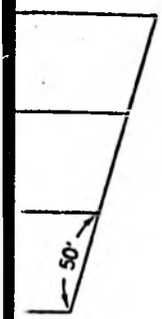
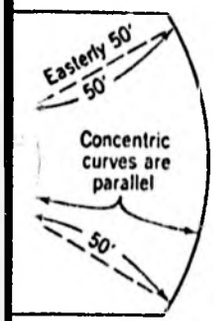


Figure 7.5*a*





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Occasionally, in sectionalized land where there is an odd-shaped lot bordering on a lake or land-grant line and the land is divided *after it has passed under state jurisdiction,* the question arises as to the intent of the sale where half is sold. The south one-half of lot 4 as shown in Fig. 7.5*b* would be divided, according to state laws, into two parts of equal area. But by the Federal principle the south half would be determined by a line extending west from the midpoint of the easterly line of lot 4. Any reference to "according to Federal government survey methods" implies that the lot would be divided by linear measurements. A few of the states have adopted statute laws similar to Federal laws, and thus it becomes mandatory that the Federal rules be applied. Where division by acreage is intended, it is advisable to state "one-half the acreage of lot 4."

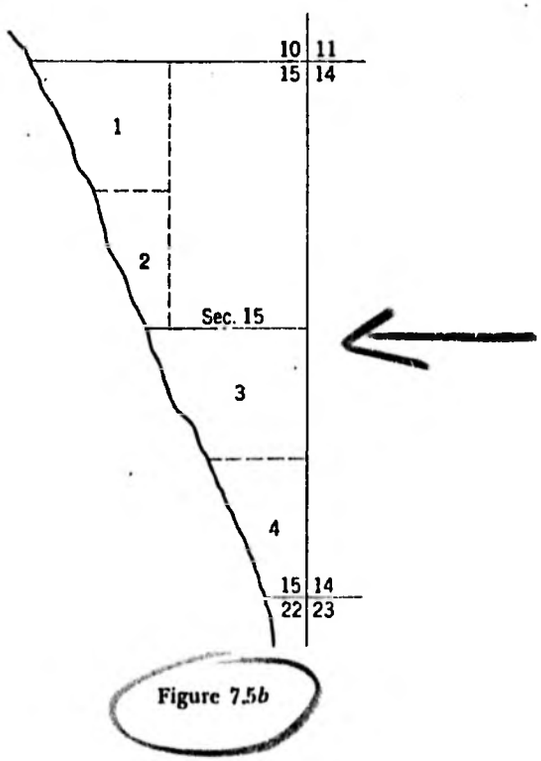


Figure 7.5*b*

A deed calling for the north one half of a lot facing on the Au Gress River and not indicating a division line, is to be divided so as to make the parcels equal in area; a division such as to give each one half of the river front, is erroneous.*

Strictly speaking, any line can divide a lot into two halves, especially where the deeds state the northerly one-half and the southerly one-half. In a written description of a proportional or fractional conveyance the direction of the dividing line should always be given.

Proportional conveyances, where the method of locating the dividing line is specified as "the south one-half as measured along the easterly line," are divided in accordance with the method specified. "Along a line" cannot be an area measurement nor does it imply equal areas; the line would be divided in half.

7.6. Indeterminate Proportional Conveyances

Indeterminate proportional conveyances are those in which the direction of the dividing line is not given or implied. Any area may be divided

* The Au Gress Boom Company v. Whitney, 26 Mich 42.

in half by a multitude of lines, and, when the direction of the dividing line is not given, the conveyance may be indeterminate, as shown in Figs. 7.6*a* and 7.6*b*. A scrivener who fails to define the direction of the dividing line when writing a proportional conveyance is dedicating to the future a headache for the parties on either side of the dividing line and an unsolvable problem to surveyors. Such descriptions should and could be avoided by a few carefully inserted words in a document so that a clear and concise intent is conveyed rather than a dual meaning left to the fighting instincts of future owners. Under certain conditions the direction of the dividing line is revealed by the geometric shape of the whole parcel or by the wording of the deed.

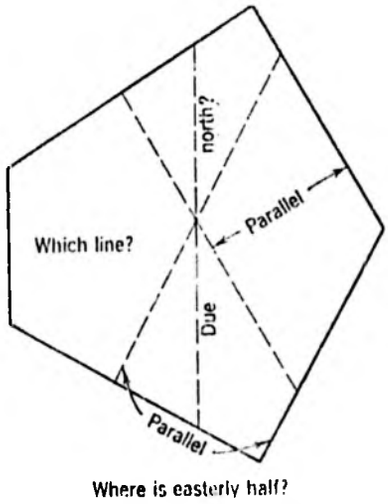


Figure 7.6*a*

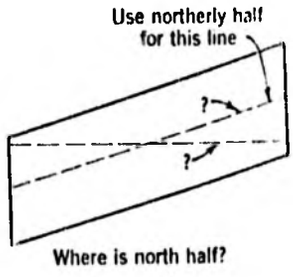


Figure 7.6*b*

7.7. Angular Direction of the Dividing Line in "Of" Descriptions

Principle. When the easterly and westerly lines of a lot are shown as parallel on the original map, and in fact are nearly parallel, and the easterly half and westerly half are conveyed, the dividing line between the easterly and westerly half is made on the mean bearing of the two lines.

Figure 7.7*a* illustrates this principle as applied to two conditions. Lot *A* was originally shown as having due north lot lines that proved to be North 0° 10′ 00″ East and North 0° 16′ 00″ East when actually surveyed

SURVEYING

THEORY and PRACTICE

RAYMOND E. DAVIS, M.S., C.E., D.Eng.
Professor of Civil Engineering
University of California

FRANCIS S. FOOTE, E.M.
Professor of Railroad Engineering
University of California

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CHAPTER 23

UNITED STATES PUBLIC-LAND SURVEYS

23·1. General. This chapter deals with the methods of subdividing the public lands of the United States in accordance with regulations imposed by law. The public lands are subdivided into townships, sections, and quarter sections—in early years by private surveyors under contract, later by the Field Surveying Service of the General Land Office, and currently by the Bureau of Land Management which succeeded the General Land Office in 1946. Further subdivision of such lands is made after the lands have passed into the hands of private owners, the work being carried out by surveyors in private practice.

The methods described herein are those now in force, but with minor differences they have been followed in principle since 1785, when the rectangular system of subdivision was inaugurated. Under this system, the public lands of 29 states and the Territory of Alaska have been or are in progress of being surveyed (Art. 23·3). In general, these methods of subdividing land do not apply in the 13 original states and in Kentucky, Tennessee, and Texas. As the progress of the public-land surveys has been from east to west, the details in states east of the Mississippi River differ somewhat from those of present practice.

The laws regulating the subdivision of public lands and the surveying methods employed are fully described in the "Manual of Instructions for the Survey of the Public Lands of the United States," published by the Bureau of Land Management (Ref. 4 at the end of this chapter). From the manual is drawn much of the material for this chapter.

Field notes and plats of the public-land surveys may be examined in the regional offices of the Bureau, and copies may be procured for a nominal fee.

23·2. Laws Relating to Public-land Surveys. Beginning with an ordinance passed by the Continental Congress in May, 1785, which provided for townships 6 miles square, each containing 36 sections 1 mile square, laws regulating the surveying, marking, and disposal of the public lands of the United States have from time to time been enacted by Congress. Following are the provisions of the Public Land Laws in which the surveyor is principally interested:

1. All responsibility for the surveying and sale of the public lands of the United States is placed in the hands of the Director of the Bureau of Land Management, who under the direction of the Secretary of the Interior is authorized to carry into execution every part of the Public Land Laws not otherwise specially provided for.

2. When the surveys and records of a state are completed, all the field notes, maps, and records pertaining to land titles are delivered to the secretary of state of that state.

3. Any agent of the United States, acting upon the authority of the Director of the Bureau of Land Management, has free access to public records delivered to any state, but no transfer of such records is made to any state until the state has enacted legislation providing for the safekeeping of such records and for the allowance of free access thereto by authorities of the United States.

4. It is required that all surveys and resurveys of public lands under the supervision of the Director of the Bureau of Land Management are to be made by surveyors selected by the Bureau of Land Management. (Prior to 1910, surveys were made by contract.) The field work is now performed by a permanent corps of engineers under civil-service regulations.

5. It is provided that resurveys may be made by the Government under certain conditions.

6. Boundaries of public lands, when established by duly authorized surveyors and when approved by the Director, are unchangeable.

7. The original corners established by the surveyors stand as the true corners they were intended to represent, whether in the place shown by the field notes or not. The primary purpose of the public-land surveys is to *mark the boundaries on the ground;* the field notes and plats are subordinate.

8. The unit of length is the Gunter's (66-ft.) chain divided into 100 links, each 7.92 in. long.

9. Quarter-quarter-section corners not established by the original surveys are to be on the line joining the section and quarter-section corners and midway between them, except in the northern and western half miles of the township.

10. The center lines of sections are to be straight between opposite quarter-section corners.

11. In a fractional section where no opposite quarter-section corner has been or can be established, the center line of such section is to be run from the proper quarter-section corner as nearly in a cardinal direction as due parallelism with section lines will permit to the meander line, reservation, or other boundary of such fractional section.

12. Lost or obliterated corners of the approved surveys are to be restored to their original location, if possible.

23·3. Historical Notes. The first surveys of the public lands of the United States, made under the ordinance of May, 1785, divided lands north of the Ohio River. Only the exterior lines of the townships were run, but section corners were established at intervals of 1 mile on the township lines, and the plats were marked into subdivisions 1 mile square. These surveys were made under the direction of the Geographer of the United States.

The act of Congress of May, 1796, provided for a surveyor general and directed the survey of lands northwest of the Ohio River and above the mouth of the Kentucky River. Under this law it was provided that the sections be numbered according to the plan in operation at the present time.

In 1800 an act of Congress provided for the subdivision of lands into half sections and required that excesses or deficiencies in measurement should be placed in the sections or half sections in the most northerly or westerly half miles of each township.

In 1805 an act of Congress directed that the public lands should be divided into quarter sections, and provided that all corners marked in the public surveys should be established as the proper corners which they were intended to designate, and that corners of half and quarter sections should be placed as nearly as possible equidistant from the two adjacent section corners on the same line.

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The General Land Office was established in 1812 as a branch of the Treasury Department, and the office of Commissioner of the General Land Office was created.

In 1820 an act of Congress provided for the sale of public lands in half-quarter sections and required that the line of division of the quarter section should in every case run north and south.

In 1832 an act of Congress directed the subdivision of the public lands into quarter-quarter sections and required that the line of division of the half-quarter section should in every case run east and west. This act also provided that fractional sections be subdivided in accordance with regulations prescribed by the Secretary of the Treasury.

In 1849 the Department of the Interior was created, and the control of the General Land Office was transferred from the Department of the Treasury to the Department of the Interior.

By act of Congress in 1909, it was provided that resurveys may be made at the discretion of the Secretary of the Interior, if such resurveys are essential to mark properly the boundaries of the public lands previously surveyed but remaining undisposed of, provided such resurvey shall not be so executed as to impair the rights of entrymen or owners of lands affected.

In 1910, the contract system of surveying the public lands was abolished.

By act of Congress in 1918, resurveys may be made of public lands which are in private ownership upon application of the owners of three fourths of the privately owned lands in any township covered by public-land surveys, when more than 50 per cent of the area of such township is privately owned, provided there be deposited a sum equal to the estimated cost of the resurveys. Any portion of the deposit which may remain after the work is completed is repaid pro rata to the persons making the deposit.

In 1925, the office of surveyor general of the several districts was abolished, and all activities were transferred to the Field Surveying Service, under the jurisdiction of the U.S. Supervisor of Surveys.

In 1946, the Bureau of Land Management was created in the Department of the Interior, succeeding the General Land Office and the U.S. Supervisor of Surveys.

Under the regulations imposed by Congress, surveys of the public lands have been completed, or practically so, in the states of Alabama, Arkansas, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, and Wisconsin. The original survey records and plats have been transferred to the respective states except those for lands in Oklahoma which are on file in the Bureau of Land Management, Washington, D.C. Copies of most of the state records are also on file in Washington.

Surveys of the public lands are still in progress in the states of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming, and in the Territory of Alaska. For these states, the original records are on file in regional field offices of the Bureau of Land Management.

It must be kept in mind that the early surveys made under contract were made with crude instruments and often under unfavorable field conditions; some were incompletely or even fraudulently executed. Hence, the lines

and corners will often be found in other than their theoretical positions. However, the original corners as established legally stand as the true corners, and the surveyor must be guided by them in making resurveys or subdivisions, regardless of irregularities in the original survey. It is, therefore, important that he be familiar with the methods used in the original survey.

23·4. General Scheme of Subdivision. The regulations for the subdivision of public lands have been altered from time to time; hence, the methods employed in surveying various regions of the United States show marked differences, depending upon the dates when the surveys were made. In general principle, however, the system has remained unchanged, the primary unit being the *township*, bounded by meridional and latitudinal lines and as nearly as may be 6 miles square. The township is divided into 36 secondary units called *sections*, each as nearly as may be 1 mile square. Because the meridians converge (Art. 23·11), it is impossible to lay out a square township by such lines; and because the township is not square, not all the 36 sections can be 1 mile square even though all measurements are without error.

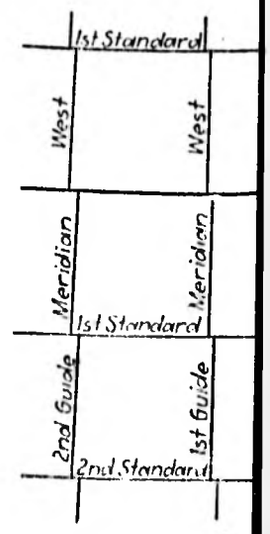
23·5. Standard Lines. Since the time of the earliest surveys, the townships and sections have been located with respect to principal axes passing through an origin called an *initial point;* the north-south axis is a true meridian called the *principal meridian*, and the east-west axis is a true parallel of latitude called the *base line.*

The principal meridian is given a name to which all subdivisions are referred. Thus the principal meridian which governs the rectangular surveys (wholly or in part) of the states of Ohio and Indiana is called the First Principal Meridian; its longitude is 84°48′50″W, and the latitude of the base line is 41°00′00″N. The extent of the surveys which are referred to a given initial point may be found by consulting a map, published by the Bureau of Land Management, entitled "United States, Showing Principal Meridians, Base Lines, and Areas Governed Thereby," or from Ref. 4 at the end of this chapter.

Secondary axes are established at intervals of 24 miles east or west of the principal meridian and at intervals of 24 miles north or south of the base line, thus dividing the tract being surveyed into quadrangles bounded by true meridians 24 miles long and by true parallels, the south boundary of each quadrangle being 24 miles long, and the north boundary being 24 miles long less the convergency of the meridians in that distance. (In some early surveys, these distances were 30 or 36 miles.) The secondary parallels are called *standard parallels* or *correction lines*, and each is continuous throughout its length. The secondary meridians are called *guide meridians*, and each is broken at the base line and at each standard parallel.

The principal meridian, base line, standard parallels, and guide meridians are called *standard lines.*

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A typical system of principal and secondary axes is shown in Fig. 23·1. The base line and standard parallels, being everywhere perpendicular to the direction of the meridian, are laid out on the ground as curves, the rate of curvature depending upon the latitude. The principal meridian and guide meridians, being true north-and-south lines, are laid out as straight lines but converge toward the north, the rate of convergency depending upon the latitude.

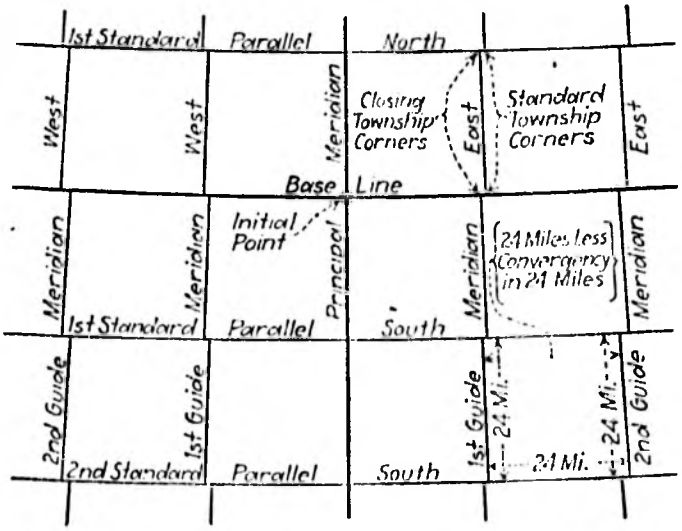


FIG. 23·1. Standard lines.

Standard parallels are counted north or south of the base line; thus the *second standard parallel south* indicates a parallel 48 miles south of the base line. Guide meridians are counted east or west of the principal meridian; thus the *third guide meridian west* is 72 miles west of the principal meridian.

23·6. Townships. The division of the 24-mile quadrangles into townships is accomplished by laying off true meridional lines called *range lines* at intervals of 6 miles along each standard parallel, the range line extending north 24 miles to the next standard parallel; and by joining the township corners established at intervals of 6 miles on the range lines, guide meridians, and principal meridian with latitudinal lines called *township lines*.

The plan of subdivision is illustrated by Fig. 23·2. A row of townships extending north and south is called a *range;* and a row extending east and west is called a *tier*. Ranges are counted east or west of the principal meridian, and tiers are counted north or south of the base line. Usually for purposes of description the word "township" is substituted for "tier." A township is designated by the number of its tier and range and the name of the principal meridian.

For example, T7S, R7W (read *township seven south, range seven west*) designates a township in the seventh tier south of the base line and the seventh range west of the principal meridian.

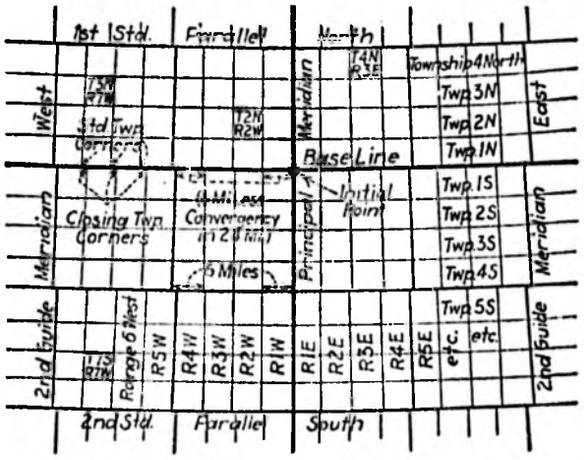


FIG. 23·2. Township and range lines.

23·7. Sections. The division of townships into sections is performed by establishing, at intervals of 1 mile, meridional lines parallel to the east boundary of the township and by joining the section corners established at intervals of a mile with straight latitudinal lines. (Strictly speaking, these lines are not meridional, but they are parallel to the east boundary of the township, which is a meridional line.) These lines, called *section lines*, divide each township into 36 sections, as shown in Fig. 23·3. The sections are numbered consecutively from east to west and from west to east, beginning with No. 1 in the northeast corner of the township and ending with No. 36 in the southeast corner. Thus Section 16 is a section whose center is 3½ miles north and 3½ miles west of the southeast corner of a township.

A section is legally described by giving its number, the tier and range of the township, and the name of the principal meridian; for example, Section 16, T7S, R7W, of the Third Principal Meridian.

On account of the convergency of the range lines (true meridians) forming the east and west boundaries of townships, the latitudinal lines forming the north and south boundaries of townships are less than 6 miles in length, except for the south boundary of townships that lie just north of a standard parallel. As the north-south section lines are run parallel to the *east* boundary of the township, it follows that all sections except those adjacent to the west boundary will be 1 mile square, but that those adjacent to the west boundary will have a latitudinal dimension less than 1 mile by an amount equal to the convergency of the range lines within the distance from the section to the nearest standard parallel to the south.

The subdivision of sections is

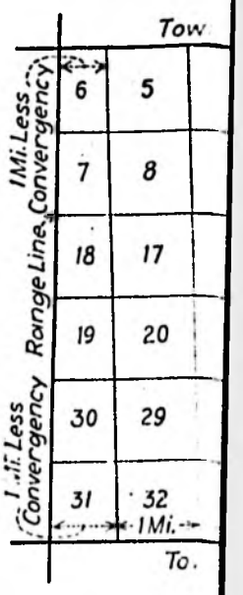
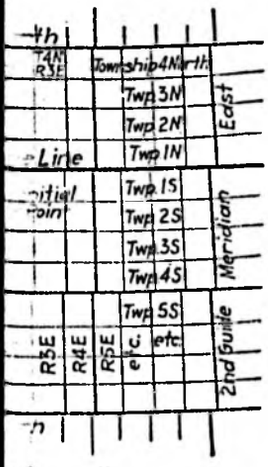


FIG. 23·

23·8. Standard Corners. (on the base line and standa standard corners govern the n each standard parallel and th corners called *correction corne* base line and standard para corners fall at the intersectio with the meridional lines pro the next standard parallel t mediate section and quarte called *correction lines.*

23·9. Irregularities in Sub plan of subdivision just descr tions allow. There are, of co so that the actual lengths entirely agree with the theor in the field often make it ine the survey in exact accorda numerous instances of stand originally established at inte and of regions having been

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The subdivision of sections is described in Arts. 23·17 to 23·19.

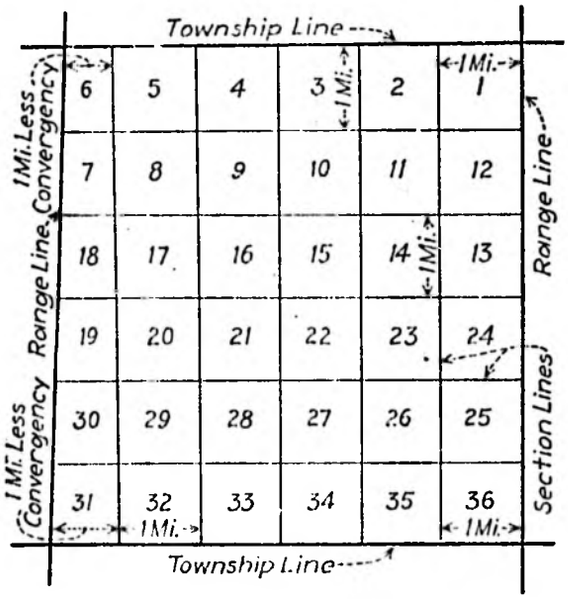


FIG. 23·3. Numbering of sections.

23·8. Standard Corners. Corners called *standard corners* are established on the base line and standard parallels at intervals of 40 chains; these standard corners govern the meridional subdivision of the land lying between each standard parallel and the next standard parallel to the north. Other corners called *correction corners* or *closing corners* are later established on the base line and standard parallels during the process of subdivision; these corners fall at the intersection of the base line or standard parallel either with the meridional lines projected from the standard township corners of the next standard parallel to the south (see Fig. 23·2) or with the intermediate section and quarter-section lines. Standard parallels are also called *correction lines.*

23·9. Irregularities in Subdivision. It should be understood that the plan of subdivision just described is the one which is carried out when conditions allow. There are, of course, always present the errors of measurement, so that the actual lengths and directions established in the field do not entirely agree with the theoreti l values. But in addition, conditions met in the field often make it inexpedient or impossible to establish the lines of the survey in exact accordance with the specified plan. Thus there are numerous instances of standard parallels and guide meridians having been originally established at intervals of 30 and 36 miles, under old regulations; and of regions having been only partly surveyed. Later, under present

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

BOOK 631 PAGE 595
Anchorage Recording District

WARRANTY DEED

The Grantor [illegible] Corporation, Inc.,

of [illegible] Bigelow Blvd., Anchorage, Alaska

for and in consideration of Ten Dollars

and other good and valuable consideration in hand paid, conveys and warrants to

[illegible] J. HARVEY, husband and wife

(grantee(s))

the following described real estate:

E 1/2, SW 1/4, SW 1/4, NE 1/4, Sec. 9, T11N, R2W - Mt. Olympus Sub

71-016499
3cc
RECORDED-FILED
ANCHORAGE REC.
DISTRICT
Jul 6 12 27 PM '71
REQUESTED BY [illegible]
ADDRESS [illegible]

situated in the State of Alaska

DATED this 3rd day of June, 1971.

Signed, sealed and delivered in the presence of

[illegible] (SEAL)

[illegible], PRESIDENT (SEAL)

This is to certify that on this 3rd day of June, 1971, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared [illegible], known to me to be the identical person whose name is subscribed to the foregoing instrument and acknowledged to me to be the President of Grantor, Inc., and he acknowledged to me that he executed the said instrument for the purposes and consideration therein expressed and as the act of the said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above in this certificate written.

[illegible]
Notary Public in and for the State of Alaska
My commission expires [illegible]

69-371-000

(Original)

BOOK 453 PAGE 66
Anchorage Recording District

61-142-19

WARRANTY DEED

The Grantors, CARROLL A. WILLEY and IOSA B. WILLEY, for and in consideration of the sum of One Dollar ($1.00), and other good and valuable consideration, in hand paid the receipt of which is hereby acknowledged, convey and warrant to the Grantees, H. CHESTER DICKINSON and RACHEL L. DICKINSON, husband and wife, as tenants by the entirety, with the right of survivorship, that certain tract of real property, which tract of real property is located in the Anchorage Recording District, State of Alaska, and more particularly described as follows, to wit:

> The SOUTH ONE-HALF (S 1/2), except the WEST THIRTY FEET (W 30') thereof, of Lot Twenty-SEVEN (27), Section Twenty-Two (22), Township Twelve North (12 N), Range Three West (3 W), Seward Meridian, Anchorage Recording District, State of Alaska,

together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in any way appertaining, and the rents, issues, and profits thereof.

Conveyed at Anchorage, Alaska, this 2nd day of August, 1971.

Carroll A. Willey, Grantor

Iosa B. Willey, Grantor

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

Before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned, certified, and sworn as such Notary Public, did personally appear Carroll A. Willey and Iosa B. Willey, to me known to be the persons described in

[illegible]
[illegible]
[illegible]

A 310 22

WARRANTY DEED CREATING TENANCY BY THE ENTIRETY

THIS DEED, executed this 24th day of June, 1966, by DAVID D. WALKER, of Anchorage, Alaska, as Grantor,

WITNESSETH:

That the Grantor, for and in consideration of the sum of Ten Dollars and other good and valuable considerations to him in hand paid by the Grantees, does by these presents grant, bargain, sell, convey and confirm unto HARRY W. BROWN and MARTHA S. BROWN, husband and wife, of Anchorage, Alaska, Grantees, as TENANTS BY THE ENTIRETY with the right of survivorship, and to the heirs and assigns of the survivor forever, the following real property situated in the Anchorage Recording District, State of Alaska, and more particularly described as follows:

> The South one-half (S 1/2) of the West one-half (W 1/2) of the Northeast one-quarter (NE 1/4) of the Southwest one-quarter (SW 1/4) of the Southwest one-quarter (SW 1/4) of Section Twenty-Four (24), Township Twelve North (T 12 N), Range Three West (R 3 W), Seward Meridian, containing two and one-half (2 1/2) acres, less easements of record.

TOGETHER WITH all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, subject to easements, restrictions and reservations of record.

The property hereby conveyed is unimproved property and has never been used as a family home or homestead.

TO HAVE AND TO HOLD the said premises unto the Grantees, their heirs and assigns forever. And the Grantor, for himself, his heirs and assigns, does covenant and agree with the Grantees that said Grantor

Specimen Moore Business Forms, Inc.

REAL PROPERTY ACCT. NO.

CHANGE TO

050-581-05

☐ LEGAL DESC. FOR CHANGE

☐ CHANGE OF OWNER

☐ CHANGE OF ADDRESS

☐ VALUATION CHANGE

LAND $

BUILDING $

OTHER $

TOTAL $

☐ DELETE BELOW ALL CARDS FROM FILE

GREATER ANCHORAGE AREA BOROUGH

NOTICE OF CHANGE OF OWNERSHIP OR ADDRESS

THIS SPACE FOR CUSTOMER USE

PROPERTY LEGAL DESCRIPTION

BLOCK LOT

SUBDIVISION S 1/2 of S 1/2 of N 1/2 of NW 1/4 of SW 1/4 of NW 1/4 of SW 1/4 of NW 1/4 of Sec. 10, T13N, R1E, SM

OTHER

RECORDED BOOK NO. 435 PAGE NO. 142

OWNERSHIP CHANGE

NAME OF NEW OWNER NOWLAN: GENE R.

NEW OWNER'S MAILING ADDRESS 1146 Karluk Street, Apt. #11

ADDRESS CHANGE

CITY Anchorage STATE Alaska ZIP CODE 99501

NAME OF PREVIOUS OWNER BARCLAY: JOHN B. & FREIDA

I CERTIFY THAT THE INFORMATION SHOWN IS TRUE AND CORRECT.

DATE 10/7/71

X Patricia Woodell

NAME OF FIRM AGENT OR ETC. Security Title & Trust Co. of Ak.

PREPARED BY

DATE

SOURCE

RECORDED FOR TAX YEAR 19 RECORDED BOOK PAGE

GAAB TAX OFFICE FORM 5

March 13, 1972

Mr. Ralph R. Darbyshire
Planning Director
Kenai Peninsula Borough
Box 850
Soldotna, Alaska 99669

Dear Darby:

Thanks much for your letter of March 7 and thanks too for your appearance before the committee on March 3. We sincerely appreciate your taking the time to present your thoughts on this very important issue. I think we will be discussing this bill within the next week to ten days and I will certainly give full consideration to your suggested committee substitute.

Best personal regards.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

KENAI PENINSULA BOROUGH

Box 850 Phone 262-4441

SOLDOTNA, ALASKA 99669

GEORGE A. NAVARRE
CHAIRMAN

March 7, 1972

Representative Mike Miller
Chairman, House Local Government
Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Mike:

Enclosed is the proposed bill I promised as a proposed committee substitute for HB290 if the situation requires such. I would note that after the hearing this past Friday Mr. Katrell mentioned he found this proposal quite acceptable. I hope he hasn't changed his mind.

I'm not sure of any strategy one might follow in this matter but it seems that it might be best to offer the substitute proposal if and when the matter reaches the Senate.

I'd like to thank you for the courtesies extended to our delegation this past week and offer any assistance I can in your deliberations of any bills affecting the platting, planning and zoning functions of the borough.

Sincerely yours,

Darby

Ralph R. Darbyshire
Planning Director

RRD:lrh
Enclosure

HOUSE BILL NO. 290

A BILL

For an Act entitled: "An Act relating to land subdivision."

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

* Section 1. AS 40.15.190(2) is repealed and re-enacted to read:

(2) "subdivision" means the division of land into two or more parcels, tracts, lots or other divisions, and includes resubdivisions; however, land that is divided into aliquot parts of forty acres is not considered a subdivision and land that is divided into aliquot parts of ten acres or more shall not require a survey.

(3) "aliquot part" means a 1/2, 1/4, 1/8, 1/16, 1/32, or 1/64 rectangular portion of a regular government section or regular part of a government section, excluding fractional lots.

March 13, 1972

Ms. Barbara H. Erickson
City Clerk
City of Soldotna
Box 409
Soldotna, Alaska 99669

Dear Ms. Erickson:

Thank you for your letter of March 8 relative to HB 290, and I will see that the House Local Government Committee has the opportunity to review your recommended amendments when this matter comes before us -- probably within the next week to ten days.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

City of Soldotna

Box 409 Phone 262-4511

SOLDOTNA, ALASKA
99669

March 8, 1972

Honorable Mike Miller
House of Representatives
Alaska State Legislature
Juneau, Alaska 99801

Dear Respresentative Miller:

For your information I am enclosing an excerpt from the minutes of the meeting of the Soldotna City Council of March 2, 1972.

It was moved by Westphal, seconded by Maile, and passed unanimously, that the Soldotna City Council recommend passage of HB 290 with the recommended amendment. HB 290 RECOMMENDED AMENDMENT is attached and made a part of these minutes.

Sincerely,

Barbara H. Erickson

Barbara H. Erickson
City Clerk

BHE/bh

HB 290 RECOMMENDED AMENDMENT

"Subdivision means the division of land into two or more parcels, tracts, lots, or other divisions and includes resubdivision; however, land that is divided into four or fewer parcels, tracts, or lots, or other divisions which have access to a public highway or street, provides street and utility easements to all contiguous parcels and can be described by aliquot parts description, With Each Parcel Containing At least Five Acres, is not a subdivision."

ALASKA STATE LEGISLATURE

PUBLIC HEARING

DOCUMENT TO BE CONSIDERED: HB 290

SPONSOR OF DOCUMENT: Commerce Committee

SPONSOR OF HEARING: House Local Government Committee

TIME: 7:30 P.M.

DATE: March 3, 1972

PLACE: State Capitol Building, House Conference Room

SUBJECT MATTER OF DOCUMENT: Land subdivision

Chairman

Press room copy delivered by _____ Date _____

January 17, 1972

MEMORANDUM

TO: Bob Pavitt, Director
Planning & Research

FROM: Mike Miller, Chairman
Local Government Committee

RE: House Bill 290

Bob -

Just a short note to advise you that the date for the hearing on House Bill 290 has been changed to Thursday, February 10. The meeting will probably be scheduled at 10:30. If the quantity of testimony dictates it, we will meet in the afternoon as well.

Copy in
HB 290

January 17, 1972

Mr. James Cottrell, Jr.
Area Realty Company
Palmer, Alaska 99645

Dear Jim:

Just a short note to advise you that the date for the hearing on House Bill 290 has been changed to Thursday, February 10. The meeting will probably be scheduled at 10:30. If the quantity of testimony dictates it, we will meet in the afternoon as well.

Best personal regards.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

Copy in
HB 290

January 17, 1972

Mr. Thomas Graham
Planning Director
Matanuska-Susitna Borough, Inc.
Box B
Palmer, Alaska 99645

Dear Tom:

Thank you so very much for your letter of January 12 relative to House Bill 290. Your letter, of course, will be read into the record when the bill is considered at a public hearing next month. The date of the hearing, incidentally, has been changed from February 3 to February 10.

Again, many thanks for your letter. This input will be valuable indeed.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

Matanuska-Susitna Borough, Inc.

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

PLANNING-ZONING COMMISSION

January 12, 1972

The Honorable Mike Miller
Chairman
Local Government Committee
House of Representatives
Box 1494
Juneau, Alaska 99801

Re: House Bill No. 290

Dear Mr. Miller:

The proposed House Bill 290, which would waive review of small subdivisions, is in direct conflict with the trend toward more efficient development of the Matanuska-Susitna Borough. The bill was initiated in this borough specifically to accomodate one individual in attemps to circumvent subdivision regulations and platting procedures. There seems to be little support for the concept of this bill locally.

The Borough presently finds itself in the midst of a speculative boom in paper plats. Spotty settlement is taking place, creating demands for far-flung services and utilities which will be nearly impossible to provide. No reasonable collector road system emerges from a composite of the plats being recorded. A large volume of trade in unbuildable lots is resulting in an increasingly unstable tax base.

Developers are providing almost no public improvements, leaving such things as road construction and drainage to unsuspecting purchasers. The responsibility for these improvements will eventually fall upon the local government. Meanwhile, many properties are being foreclosed and permanently removed from the tax rolls.

The Borough, in an attempt to reverse this trend of unwieldy development, has established a planning department, charged with the duty of implementing the comprehensive development plan. The priority item of the implementation phase is the drafting of detailed subdivision regulations. The provisions of Bill 290 would negate much of the planning effort and subject the Borough to the problems faced by other communities fifty years ago.

The Matanuska-Susitna Borough presently has the most liberal policy of granting platting waivers, causing problems in both long-range planning and administrative procedures. Bill 290 comes at a time when it is necessary to review all land severances, rather than exempting a large portion of land divisions from public knowledge.

Waiver was originally granted in special cases for single transactions because the market price for parcels severed from homesteads did not warrant costly surveys.

This situation has now changed. Land values are enormously higher and the need for, and usefulness of waiver has been outlived. It is generally accepted that purchasers should be afforded the protection of having their properties relate to a known point.

It is the position of the Planning Director that owners wishing to sever any property should not be required to go through waiver procedure, but should adequately describe the property and should submit a sketch of the ultimate development of the entire tract.

When subdivision is desired, the plat should adhere generally to the original sketch. This, among other benefits, will allow the Borough to plan for a collector road system. It should be recognized that an aliquot part description is of little use if the original survey was inaccurate or if no reference point can be found in the field.

Revision of the waiver provisions will be likely, as a part of the new subdivision regulations being drafted. The Borough Administration and Planning Commission feel that the passage of House Bill 290 would be extremely detrimental to this Borough and all developing regions of the State. In behalf of the Borough, I urge you to oppose its passage.

Sincerely yours,

Thomas Graham

Thomas Graham
Planning Director
Matanuska-Susitna Borough

TG:vs

C.C. Bob Pavitt, Director, Planning and Research
Honorable John Rader, Senate
Honorable Jan Koslosky, Senate
Mike Gallagher, Tryck, Nymen and Hayes
Don Berry, Executive Director, Alaska Municipal League
Ralph Darbyshire, Planning Director, Kenai Pen. Borough

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

January 17, 1972

Mr. Ralph R. Darbyshire
Planning Director
Kenai Peninsula Borough
Box 850
Soldotna, Alaska 99669

Dear Ralph:

Thank you so very much for your letter of January 10 and PAA's position paper on House Bill 290. I will look this information over in the next day or two and advise you of any other data which would seem to be indicated.

At your request, we have postponed the hearing on this bill until Thursday, February 10. The time and place have not yet been announced but we will probably commence at 10:30. We can utilize the afternnon if need be. We hope you and a number of other planners can be present to give testimony on this measure.

Again, many thanks. I deeply appreciate your support.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

KENAI PENINSULA BOROUGH

Box 850 Phone 262-4441

SOLDOTNA, ALASKA 99669

GEORGE A. NAVARRE
CHAIRMAN

January 10, 1972

Mr. Mike Miller
State Representative
P. O. Box 1494
Juneau, Alaska 99801

Dear ~~Mr. Miller~~ Mike:

Enclosed is a draft PAA position paper on HB 290. The inclusion of additional examples and some graphics could serve to further the clarification of certain points. On the other hand, such information might result in such a substantial document that no one would take the time to read it.

As an alternative to the addition of detailed data I am proposing each borough prepares examples of the following for submission at public hearing:

- Survey exemptions that have been made
- Dedicated right-of-way that would otherwise have had to be secured through condemnation proceedings
- Errors in property descriptions
- Unsuitable lands which have been restricted from subdivision or required special treatment

Please advise of any other information you might think necessary and it will be gladly included.

It appears the final paper will be ready for submission no later than January 21. I hope this proves satisfactory.

Respectfully submitted,

Ralph

Ralph R. Darbyshire
Planning Director

RRD:lrh
Enclosure

P.S. I have just been advised that hearings on HB 290 are scheduled for February 4. As most Planning Directors in the State who wish to present testimony on the proposal have made a commitment to appear on a Alaska Surveying & Mapping Convention panel discussion is it possible to change the Feb. 4 date. If not, please advise & WE will cancel with the surveyors.

HB 290

A POSITION PAPER

PREFACE

During the First Session of the Seventh Alaska Legislature, the House Commerce Committee introduced HB 290, An Act Redefining the Term "Subdivision" as follows:

> "Subdivision means the division of land into two or more parcels, tracts, lots, or other divisions and includes resubdivision; however, land that is divided into four or fewer parcels, tracts, or lots or other divisions which have access to a public highway or street, provides street and utility easements to all contiguous parcels and can be described by aliquot parts description, is not a subdivision."

HB 290 was subsequently referred to the House Commerce & House Local Government Committees. The House Commerce Committee has reported a do-pass on the bill and the House Local Government Committee has held the bill over for public hearing during the Second Session of the Seventh Legislature.

In recognition of the pending hearings on this proposal and

the nearly unanimous opposition to this bill by local governmental officials, planning commissioners and professional planners, the PAA has prepared the following position paper in opposition to the passage of HB 290. It is PAA's hope that the detailed delineation of the ramification of HB 290 will provide the information necessary to convince the legislature to sustain our opposition to this bill.

PURPOSE OF SUBDIVISION REGULATION

As land is subdivided, provisions for streets, water, sewer, electric and other utilities must be made; space for schools, parks and other public facilities must be provided; and a host of existing and future service obligations such as police and fire protection and street maintenance are initiated. The permanence of these improvements and the financial liabilities assumed by cities and boroughs providing these improvements and services has a definite and lasting impact on a community.

The purpose of the platting authority and subdivision regulations are to allow local governments to review all proposed land divisions and assure that adequate street and utility right-of-ways are provided, lots are created which are suitable for the sanitary operation of sewage disposal facilities and generally accepted subdivision design standards are met. Furthermore, subdivision regulations provide the means to assure that accurate property descriptions are recorded and subsequent court disputes avoided. In other words the objective of subdivision regulation is to assure that subdivided land and the resultant improvements and service requirements constitute a permanent asset to a community and provide a maximum degree of health safety and convenience consistant with true economy.

HISTORY OF SUBDIVISION CONTROL

Any attempt to trace the impetus towards subdivision regulation leads back to the early 1920's when speculation in the development and sale of land reached its apex in California and Florida. Not only were land prices beyond reason during this period but the subdivisions were usually poorly designed and lots were being sold in unbuildable flood plains and steep slope areas. When the boom died, hundreds of subdivisions, some devoid of improvements, remained as evidence of poor subdivision practices. Assessment districts, which had been formed to pay for improvements, defaulted on their bonds creating tremendous financial burdens on municipalities responsible for such. Furthermore, in subsequently correcting mistakes, the public has spent millions of dollars to widen and straighten out street right-of-ways, provide water and sewer systems to undersized lots and otherwise overcome the handicaps of poor subdivision design practices.

A few states, through legislative authorization restricting the control of subdivision, continue to permit a great deal of subdivision activity beyond the purview of local governments. This is usually accomplished by defining a subdivision as the division of property into more than three or four parcels of land and continues to precipitate urbanization problems and expenses for existing and future generations. Fortunately, during recent years,

more and more of these states have moved to rectify the situation by redefining the term subdivision much as presently defined by Alaska law.

HB 290

The basic differences between the existing definition of subdivision and that provided in HB 290 is the exemption of the following types of land divisions from local governmental scrutiny:

> "..., land that is divided into four or fewer parcels tracts, lots or other divisions which have access to a public highway or street, provides street and utility easements to all contiguous parcels and can be described by aliquot parts description, is not a subdivision."

If such proposal is adopted, the State of Alaska will find itself in the curious position of moving away from the level of subdivision control other states have and are moving toward. Furthermore, there can be no doubt that local governments in Alaska can expect to be forced into financing the solution to many urbanization problems which could otherwise have been prevented.

Specifically, some of the more obvious problems with the proposal are:

- The language "access to a public highway" is unclear. Does this mean fronting on or accessible by some other thoroughfare regardless of distance or type.

- The statement "provides street and utility easements to all contiguous parcels" doesn't delineate any minimum size or locational standards. This is precisely the situation that has required huge and unnecessary state and local governmental expenditures in condemnation proceedings to gain the required easements in the right location. In addition, this language makes it unclear that access to parcels cut off from the street will be insured access.

- The term "aliquot parts description" is not definitive enough and could result in the creation of lots that would not adequately provide for on-site sewage disposal system. As an example, the NW1/4 NW1/4 NW1/4 NW1/4 NW1/4 of a section comprises .15625 acres or 6,806 square feet. This size lot is hardly adequate for on-site water and sewer development.

- There is no limitation to preclude repeated subdivision of the same parcel of property. Under this circumstance it would be quite legal to divide one parcel of land not into just four lots but into 16, 64, etc.

- Land could and would, by nature of the aliquot parts provision, be subdivided without consideration of the physical or topographic characteristics of the property involved.

- By removing the approval authority from local governments, land could be subdivided and development initiated on known flood plains or geologically hazardous areas. Furthermore, the means to assure accurate property descriptions are recorded and subsequent court disputes avoided would be seriously impaired.

No doubt some of the problems cited above could be resolved by adjusting the language of the bill. To thoroughly resolve such problems however, would require the adoption of a law as detailed and restrictive as the subdivision ordinances adopted by local governments.

It is PAA's understanding that HB 290 has been generated by

the desire to provide relief from expensive survey requirements experienced in many parts of the State. There can be no doubt that this is a legitimate concern and adjustments should be made under such circumstances. It should be noted, however, that the means to remedy this situation presently exist in both State and local legislative enactments. Furthermore, most, if not all, local platting authorities in the State recognize the problem and act accordingly.

AS40.15.110 (Waiver in certain case) provides that:

> "The platting authority may in individual cases waive the preparation, submission for approval and recording of a plat upon satisfactory evidence that a conveyance of part of a larger tract is not made for the purpose of, or in connection with, a present or projected subdivision development, and constitutes an isolated transaction which doesn't fall within the general intent of this chapter, and that no dedication of a street, alley, thoroughfare, park, or other public area is involved or required."

This provision is quite useful and has been used in many instances throughout the State.

Even more useful in assisting the public in subdividing property where unreasonable survey costs or special considerations exist are the exception provisions contained in most subdivision ordinances. Generally, these provisions provide that the platting authority (planning commission) may grant exceptions to any requirements set forth in a subdivision ordinance provided: special circumstances or conditions affect the property; the exception is necessary for the preservation and enjoyment of a substantial property right; and the granting of the exception will not be detrimental to the public welfare or injurious to other property in the area.

SUMMARY

Land subdivision is the chief process through which the physical layout of communities and demand patterns for public services are established. The subdivision regulatory authority is based on the proposition that the community, through democratic institutions of government, has the responsibility to assure such subdivision and development is carried out in a manner that will not prove a health, safety or economic burden upon it.

Historically, the lack of control over the land subdivision process has resulted in unnecessary problems that have cost taxpayers millions of dollars to correct. This lack of control has

resulted from statutory definitions of subdivision which have exempted many land divisions from the scrutiny of platting authorities. To correct this situation, most states have or are moving to amend their definitions of subdivision and give platting authorities total control over the land subdivision process.

HB 290 proposes to remove certain land subdivisions from the scrutiny of platting authorities. If passed, this would place the State of Alaska in the unique position of moving away from the level of subdivision control other states are moving towards. While HB 290 has been introduced in response to the desire to provide relief in those situations where unusual problems exist or unreasonable survey costs would result, adequate state and local governmental legislative enactments exist to resolve such problems.

Finally, the problems and concomitant taxpayer costs which would result from the passage of HB 290 far outweigh any benefits HB 290 might offer. As such, if the State of Alaska is to grow in a rational manner and avoid expenditures in the solution of unnecessary problems, HB 290 must be defeated.

January 14, 1972

Mr. James Cottrell, Jr.
Area Realty Company
Palmer, Alaska 99645

Dear Jim:

Jalmar asked that I advise you that House Local Government Committee will hold hearings on House Bill 290 on February 3. We will appreciate testimony from you - either in person or in writing at that time.

The exact time and place has not been determined, but this will probably be a morning hearing which could be extended into the afternoon if necessary.

Best personal regards.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

cc: Representative Jalmar Kerttula

HB 290

found

DEPT. OF PUBLIC WORKS
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DIV. OF COMMUNICATION

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1 52 pm
~~pickup~~
found @ 1 57 pm

~~ZCZC PRIORITY~~
~~DLJ ROUK~~
~~DLJ 16-17-18-19-20-21-22-23-24~~
DPW DIVCOM JNU

TRYKNYMNHA AHG
MARCH 28, 1972

MESSAGE FOR MIKE MILLER, CHAIRMAN, LOCAL GOVT COMMITTEE

PLEASE CALL 586-5386 T. DAVIS FOR ~~RC~~ PICK UP

MIKE-- SORRY TO HAVE NOT SENT THIS SOONER.

PAA IS STILL UNALTERABLY OPPOSED TO CHANGING THE DEFINITION OF SUB-DIVISION SO AS TO ALLOW PRE-EMPTION OF LOCAL GOVT RIGHT TO GOVERN THE SUBDIVISION OF ALL LAND WITHIN ITS BOUNDARIES.
PAA WOULD NOT STRONGLY OPPOSE A BILL WHICH RETAINED THIS RIGHT BUT REDEFINED SURVEY REQUIREMENTS. COMPROMISE BILL SENT BY DARBY-SHIRE WOULD BE MORE ACCEPTABLE IF ADDITION WAS MADE TO EXCLUDE CORPORATE MUNICIPALITIES OR WORKING TO SAME EFFECT.

BILL BERRIER WILL REPRESENT THE PAA SHOULD YOU NEED LOCAL ASSISTANCE.
MESSAGE FROM MIKE GALLAGHER
PRESIDENT
PLANNING ASSOCIATION OF ALASKA

TRYKNYMNHA AHG
+
DPW DIVCOM JNU
O

#

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

V

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AL389

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TLX ANCHORAGE ALASKA 13 427P AST

MIKE MILLER CHAIRMAN LOCAL GOVERNMENT COMMITTEE

POUCH V

789-7651 JUN

WHAT IS PRESENT STATUS OF HB290. CAN PAA BE OF FURTHER

ASSISTANCE SUCH AS WRITING AN ALTERNATIVE BILL

PLEASE ADVISE THANK YOU

MIKE GALLAGHER PRESIDENT PLANNING ASSOCIATION OF ALASKA

C/O TRYCK NYMAN & HAYES 740 I STREET

ANCHORAGE ALASKA PHONE 279-0543

HB290 740 I 279-0543

(53).

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

290

March 28, 1972

Telex Message for Mike Miller, Chairman
Local Government Committee

Please call T. Davis for Pickup 586-5386

Mike:

Sorry to have not sent this sooner.

PAA is still unalterably opposed to changing the definition of subdivision so as to allow pre-emption of local government right to govern the subdivision of all land within its boundaries. PAA would not strongly oppose a bill which retained this right but redefined survey requirements. A compromise bill sent by Darbeyshire would be more acceptable if addition was made to exclude corporate municipalities or working to same effect. Bill Berrier will represent the PAA should you need local assistance.

Message from Mike Gallagher, President
Planning Association of Alaska
Anchorage

Re: HB 290 opposition

From Department of Commerce

FOR IMMEDIATE RELEASE

RECEIVED
FEB 10 1972
DIVISION OF
PLANNING & RESEARCH

N E W S R E L E A S E

Kenneth W. Kadow, Commissioner of Commerce for the State of Alaska, today issued a warning to Alaskans to be wary of out-of-State land offerings by mail-order promoters who fail to register under the Alaska statute regulating subdivided lands. The Uniform Land Sales Practices Act, which requires out-of-State land subdivisions to meet strict requirements before being registered for sale in Alaska, was adopted by the Legislature for the protection of Alaskan residents in 1968. Unscrupulous promoters may try to operate outside of the law to avoid disclosure of misrepresentations regarding the land they are attempting to sell to Alaskans.

The warning by the State's Commerce Department head coincided with entry of a cease and desist order against Select Western Lands, Inc., which the Department accused of illegally advertising New Mexico land in Alaska. The questioned development, known as Sunshine Valley Ranchettes, was recently the subject of large ads appearing in the Anchorage area. "While the Department cannot at this time state categorically that Sunshine Valley Ranchettes is a fraudulent operation, it is engaged in an unlawful activity by having failed to register with us as required by law," the Commissioner said.

Commissioner Kadow urged residents for their own protection to demand proof of proper Alaskan registration from anyone seeking to sell out-of-State land to the public. This can be done by writing to the Department. He noted that promoters of unregistered out-of-State land offerings in Alaska may be engaged in fraudulent promotions and for that reason seek to evade Alaska's registration law.

Commissioner Kadow stressed that the public should know who they are dealing with and that they are properly registered, both in the area of subdivided land and securities.

DA 1127A WB
DA 1145A WB

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

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KETCHIKAN ALASKA 10 1037A PDT 1971 MAY 10 AM 11 23

DON M BERRY

ALASKA MUNICIPAL LEAGUE 586 1325 JUN

KETCHIKAN GATEWAY BOROUGH STRONGLY OPPOSES PASSAGE OF ANY PART, PORTION, OR SECTION, ENTIRELY OR OTHERWISE, OF THE PROVISIONS IN HOUSE BILL NO. 290 AND SENATE BILL NO. 189

R. D. BOOMER, CAHIRMAN KETCHIKAN GATEWAY BOROUGH

290 189

(00).

TELEPHONE NO. 6-1325
TELE... DH
TIME 1220P
BY JF TO BE DLiv

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

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TDA PALMER 9 928A ADT

DON BERRY EXECUTIVE DIRECTOR ALASKA MUNICIPLE LEAGUE

JUN 0886

SENATE AMENDMENT OF HB290 INTO SB189 REGARDING

ALIQUOT PARTS THE MAT-SU BURROUGH IS OPPOSED

ROBERT VROMAN BURROUGH CHAIRMAN

HB290 SB189

(3).

TELEPHONE NO.

TELEPHONED TO DH

TIME 8 45A 6 1325

BY DP TO BE Dlv 210 adv mail

TELEGRAM

CA ALASKA COMMUNICATIONS, INC.
ONE 586-7477
JUNEAU, ALASKA 99801

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ANCHORAGE ALAKA 26

MIKE MILLER CHAIRMAN HOUSE LOCAL GOVT COMMITTEE

HOUSE OF REPS 2035

JUN

HB290 ALLOWING FOR SUB-DIVISION OF UP TO 4 PARCELS BY ALIQUOT PARTS WITHOUT REQUIRING REVIEW AND APPROVAL BY LOCAL PLANNING COMMISSIONS IS A GIANT STEP BACKWARD IN ORDERLY LAND DEVELOPMENT. HB290 SHOULD BE KILLED IF IT REACHES YOUR COMMITTEE

PLANNING ASSOC OF ALASKA MARY M PUTMAN, SECTY

HB293 & HB298.

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-7477
JUNEAU, ALASKA 99801

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ANCHORAGE ALASKA 22

REPRESENTATIVE MIKE MILLER

JUN 3379

THE ALASKA CHAPTER OF THE IZAAK WALTON LEAGUE OF AMERICA REQUESTS YOUR SUPPORT AND ENDORSEMENT OF SENATE BILL NO 149 IN ITS ENTIRETY AND HIGHLY RECOMMEND THIS SENATE BILL BE PASSED DURING THIS SESSION.

MORRIS B MILLER PRESIDENT IZAAK WALTON LEAGUE OF AMERICA ALASKA CHAPTER PO BOX 8-9070

149 8-9070.

HB 290

DPW DIVCOM JNU

TRYKNYMNHA AHG

25JAN 72

3440
MSG FOR MIKE MILLER
CHAIRMAN LOCAL GOVT COMM

#65 or #66
6.5268

MSG FRM MIKE GALLAGHER
PRES PLANNING ASSOC ALASKA

PAA NEARLY FINISHED WITH POSITION PAPER ON HB 290
PLAN TO PRESENT PAPER AT PH ON FEB 10 BEFORE COMPLETING
PAPER WOULD LIKE INFO ON CURRENT STRENGTH OF BILL AND
MOST IMPORTANTLY KEY ARGUMENTS BEING PUT FORTH INFAVOR
OF BILL COULD YOU PROVIDE THIS INFO THANK YOU

SEND C/O TRYCK NYMAN HAYES 740 I ST ANCHORAGE 99501

END MSG
TRYKNYMNHA AHG

Joned 2:06
1-25
Allot Lim
1-27-72
279-0543
Mike Gallagher

PT. OF PUBLIC WORKS

MAR 29 PM 11:47

. OF COMMUNICATION

fonec 3-29-72
w/Pick up

DPW DIVCOM JNU

TRYKNYMNHA AHG

3/29/72
9:45 A.M.

MESSAGE FOR MIKE MILLER, CHAIRMAN, LOCAL GOVERNMENT COMMITTEE

PLEASE CALL 586-5386 T. DAVIS FOR PICKUP.

IN CASE YOU DID NOT RECEIVE IT, HERE IS COPY OF DARBYSHIRE PROPOSED COMPROMISE BILL REFERRED TO IN MY TELEX 28 MARCH

A BILL

FOR AN ACT ENTITLED: "AN ACT RELATING TO LAND SUBDIVISION."
BE IT ENACTED BY THE LESXGISLATURE OF THE STATE OF ALASKA:

SECTION 1. AS 40.15.190(2) IS REPEALED AND RE-ENACTED TO READ:

(2) "SUBDIVISION" MEANS THE DIVISION OF LAND INTO TWO OR MORE PARCELS, TRACTS, LOTS OR OTHER DIVISIONS, AND INCLUDES RESUBDIVISIONS; HOWEVER, LAND THAT IS DIVIDED INTO ALIQUOT PARTS OF FORTY ACRES IS NOT CONSIDERED A SUBDIVISION AND LAND THAT IS DIVIDED INTO ALIQUOT PARTS OF TEN ACRES OR MORE SHALL NOT REQUIRE A SURVEY.

(3) "ALIQUOT PART" MEANS A 1/2, 1/4, 1/8, 1/16, 1/32, OR 1/64 RECTANGULAR PORTION OF A REGULAR GOVERNMENT SECTION OR REGULAR PART OF A GOVERNMENT SECTION, EXCLUDING FRACTIONAL LOTS.

UNDERSTAND BERRIER SUPPORTS EXPANDED WAIVER PROVISION. BAA WOULD SUPPORT THIS ALSO, REASONS SAME AS GIVEN MY TELEX 28 MARCH.

MSG. FROM MIKE GALLAGHER, PRESIDENT, PAA.

TRYKNYMNHA AHG

DPW DIVCOM JNU

Ed Baker

Rm 608

Ed. Baker

Rm 608

HB

296

A M E N D M E N T

Offered in the HOUSE By _____

To: X HOUSE Bill No. 296

_____ SENATE Bill No. _____

AMENDMENT: Page 2 Line line 16

After (f) on line 16 add the following:

(g) The state shall reimburse the borough or city, as the case may be, for all the real property tax revenues lost to it by the operation of (e) of this section.

PROPOSED AMENDMENT

HB 296

On Page 2, Line 16 add the following:

(g) The state shall reimburse the borough or city, as the case may be, for all the real property tax revenues lost to it by the operation of (e) of this section.

Alaska State Legislature

Senate

JUNEAU ALASKA

February 11, 1972

Don M. Berry, Executive Director
Alaska Municipal League
210 Admiral Way
Juneau, Alaska 99801

Dear Mr. Berry:

Enclosed is a copy of HB 296, committee substitute for HB 296, as well as a copy of my analysis of both bills.

We intend to hold a hearing concerning these bills on March 8, at 1:30 P.M., Room 5, Capitol Building. We feel that the various municipal and borough governments of the state may be interested in the bills as they would appear to impact local governments in a financial manner, depending upon whether or not the state decides to reimburse the local governments.

Would you please ask your members to give us estimates of the impact and what the result would be should the impact be left to the local governments and the obligation not assumed by the state.

Yours very truly,

John L. Rader,
Senator

JLR:gw
Enclosures

cc: Rep. Helen Fischer
Lorena Showers
Hank Harmon
Rep. Mike Miller

PRELIMINARY ANALYSIS OF COMMITTEE SUBSTITUTE FOR HB 296 AND
SENATE LOCAL GOVERNMENT COMMITTEE PROPOSED COMMITTEE SUBSTITUTE

This bill gives a real property tax exemption on the residences of persons over 65 years of age who have less than $10,000 gross income. The local taxing government (city or borough) grants the exemption and the State reimburses the local government for lost revenue.

A. ANALYSIS OF EXISTING BILL

1. Eligibility for tax relief depends upon the claimant having not more than $10,000 gross annual income. It is quite possible that a person could have well in excess of $10,000 gross annual income and less than $100 net annual income. It would seem that the income considered should be net, as defined by state and federal income tax laws.

2. The bill is inequitable in that it does not provide tax relief for persons who would otherwise be eligible but who live in trailer houses. This is due to the fact that a customary house is considered to be real property while a trailer house is considered personal property.

3. The bill is inequitable in that it favors citizens who are able to afford their own homes and, in effect, penalizes those who are unable to own their own homes because of their financial condition or who must live in rented quarters because of physical disability or other reasons. There is no question but that a tenant pays real property taxes on the real property he is renting. Real estate taxes are included in the price of the rent. The landlord is merely the tax conduit between a tenant and the tax assessor. Therefore, it would seem that persons who are renting should equitably be given relief equivalent to those who are home owners.

4. The bill is inequitable in that it does not give relief to persons over 65 who qualify due to income, but who live outside organized first class cities, home rule cities and boroughs. Other states which give this type of tax relief generally have a statewide property tax. In these states there is no discrimination between urban and rural residents. In Alaska, however, there is no statewide property tax and, therefore, the bill as presently written, would provide a state subsidy for qualified citizens only if they live in an urban or borough area.

B. ANALYSIS OF PROPOSED SENATE LOCAL GOVERNMENT COMMITTEE SUBSTITUTE

It is tentatively proposed that new sections be added to the bill, which would provide an alternative $400 payment to every citizen who qualified for the property tax exemption. This payment would be annually in lieu of the property tax exemption. The apparent advantages of the Senate Local Government Committee substitute are as follows:

1. For eligibility purposes, one must receive not more than $10,000 annual net income instead of gross annual income.

2. The bill would apply statewide and, therefore, prevent any discrimination between persons living in cities and boroughs and those not.

3. It would remove the discrimination between the owner of a home which is real property as contrasted with the owner of a trailer house.

4. It removes the discrimination between home owners and tenants. In effect, the home owner can get a tax exemption and a tenant a rent supplement.

The primary disadvantage of both bills is the fact that they operate so as to give those with the largest homes the greatest subsidy. The committee substitute allows a $400 payment in lieu of the exemption. This was calculated as being the tax on an average $20,000 house at an average mill rate of 20 mills. It is possible that after more discussion and consideration, a top limit may be placed on the value of any home exempted. Stating it differently, perhaps only the first $20,000 would be tax exempt with the value amount in excess of $20,000 being taxed at the normal rate.

Submitted May 6, 1971
by Sen. John Rader, Chairman
Senate Local Government Committee

House Gives Break To Elderly Alaskans Anchor. Daily Times 4/27/71

Property Tax Exemption OK'd

JUNEAU (AP) — A bill exempting from taxation the real property of most elderly Alaskans was approved unanimously by the House Monday afternoon.

Under the proposal, real property owned by persons 65 and older would be exempted if their gross annual income totals less than $10,000.

"This is a small piece of legislation compared to what we should be passing," said Rep. Helen Fischer, D-Anchorage, the bill's sponsor.

In other action, Rep. Dick Whittaker, D-Ketchikan, introduced a resolution "urging the immediate removal of all U.S. troops from Southeast Asia in a manner consistent with the safety and security of our armed services."

The resolution was to go directly to the Rules Committee for placement on the calendar.

A bill beefing up the standards for discharge of ballast water in Alaska also was passed by the House. Under the proposal, ships would be required to arrive in Alaska with their ballast intact. The master also would sign a statement that he has not dumped any ballast between his last port of call and Alaska.

The House also approved a bill that would increase the maximum weekly compensation for temporary disability or permanent partial disability to $175 from $127, and raise the minimum to $65 weekly from $25.

In the morning session, a resolution asking any native land claims bill to bar all but natives from benefit "as a result of activities connected with the acquisition of the settlement" was rejected 22-16 by the House.

The resolution was introduced by Rep. Earl Hillstrand, D-Anchorage, who said it had "one purpose and one purpose only ... to establish a policy that only native Alaskans will be the recipients."

Rep. Mike Rose, D-Anchorage, termed the resolution "one of the worst pieces of legislation I've seen." He contended the natives should be able to spend their settlement as they wish, without influences of paternalism."

Passed 34-3 and sent to the Senate was a Commerce Committee bill to establish a mobile home standards code for Alaska.

The House also adopted and sent to the Senate five resolutions which:

—Ask the Division of Personnel to make a study of personnel rules and to give broader eligibility of applicants;

—Ask the Legislative Council for a study between sessions on proposals to increase the maximum weekly workman's compensation benefits to persons disabled from on-the-job injuries;

—Ask the Legislative Council to make an interim study of logging and commercial fishing policies in Southeast Alaska;

—Ask the federal government for improved mail service at Fort Yukon and Barrow; and

—Ask for construction of a U.S. Public Health Service hospital at Mountain Village, near Bethel.

On Sunday, Senate members passed two bills, one of them calling for exploration of Alaska's geothermal resources.

The bill providing for exploration and development of Alaska's geothermal resources was sponsored by Sen. Ed Merdes, D-Fairbanks. It was approved 18-0.

Another bill approved 11-8 in the short Sunday session, prohibited members of borough and city school boards from being subject to personal liability resulting from the activities of the school board "while acting within the scope" of their authority.

Adopted 18-0 was a resolution by the Senate Health, Welfare and Education Committee seeking additional funds from Congress for the Arctic Health Research Center near Fairbanks.

The House Resources Committee reversed an earlier action Saturday afternoon by recommending passage of a strong environmental department bill in place of a proposal by the governor.

In other weekend actions, the Senate passed a House resolution relating to Alaskan colleges and universities. It asks the Legislative Council to contract with a nationally recognized education consulting firm to study laws, policies, programs and facilities. It requests recommendations on how to get best quality education for dollars spent.

The House worked its way through four bills and two resolutions before adjourning for the weekend.

A liquor bill passed which would allow a town of fewer than 3,500 persons to establish a municipal liquor store.

A measure to increase to seven from five the number of members of the State Human Rights Commission was passed and sent to the Senate.

Another bill sent to the Senate would allow persons to train as lawyers by clerking in the office of a practicing attorney in lieu of attending law school.

A bill spelling out criteria to be used in state salary surveys was passed 35-0 and sent to the governor.

The environmental bill favored by the House Resources Committee still must go to the House Finance Committee before reaching the floor.

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-7477
JUNEAU, ALASKA 99801

1971 APR 6 AM 7 12

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CORDOVA ALASKA 5 410P AST

DON BERRY, ALASKA MUNICIPAL LEAGUE

1612 213 ADMIRAL WAY, JUNEAU ALASKA

CORDOVA WOULD LOOSE BETWEEN TWO AND THREE THOUSAND

ANNUALLY ON SENIOR CITIZEN EXEMPTION HB296.

PALMER MCCARTER, CITY MANAGER

HB296

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-7477
JUNEAU, ALASKA 99801

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TJAN PALMER ALASKA 5 330P 1971 APR 5 PM 5 57

DON M BERRY EXECUTIVE DIRECTOR ALASKAN MUNICIPAL LEAGUE

JUN 0608

REVENUE LOSS SENIOR CITIZEN EXEMPTION HB296 ESTIMATED

AT $150,000 AT PRESENT MILL LEVY OF 14 OUR BOROUGH

IS STATISTICALLY ONE OF OLDEST POPULATION IN TATE

MOST OWNED PROPERTY

R H VROMAN BOROUGH CHAIRMAN MATSU BOROUGH

$150,000 HB296 14

(48).

TELEPHONE NO. 6-1325

ATTACHED TO D.H.

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V JP TO BE Dlv

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4641 Grumman St.
Anchorage, Alaska
March 16, 1971

Helen Fischer: State Affairs Committee
Juneau, Alaska - 99801

Dear Mrs. Fischer;

The news of your bill to relieve older Alaskans of property tax wins my approbation. But, why not go a step further? Instead of just those 65and older being the beneficiaries, why not add widows and the disability-retired?

My husband and I have lived in Alaska 25 years, raised a family of five and own a small, hard-earned home. I work as Clerk II - Step F ("frozen pay and position") for the State Dept. of Health & Welfare. My husband is disability-retired. It was a struggle to raise a family and payoff the $10,000 purchase price on blue collar wages (I never worked at that time). Now that we own the place, we would like to make much desired improvements, but everytime you make improvements they raise the taxes. The Borough has more than doubled the assessments - over $5000 on the land alone in the past year - with almost no improvements. What will they do, if and when we get a sewer or can ever afford to clear and landscape our 1½ acres.

Since my husband is only 57 it will be almost 10 years before your bill would benefit us. By that time the Borough could tax us out of the State.

Very sincerely yours,

Betty A Smith

Betty A. Smith(Mrs Geo D.)

Anchorage, Alaska
March 21, 1971

Rep. Helen Fischer
Alaska House of Rep.
Juneau, Ak. 99801

Dear Mrs. Fischer:

Your bill to give relief on taxes to those home owners 65 years and older was most realistic and commendable. We are in the 65 age group now and must plan on leaving Alaska and our home because of the high cost of staying here. Tax relief would help a great deal. Wishing you luck in the passage of your bill.

Very truly yours,
Anton and Eva Shoston

March 12, 1971

The Honorable Helen Fischer
House of Representatives
Pouch Y
Juneau, Alaska 99801

Re: Your bill concerning
Alaska Oldtimers Tax
Exemptions

My Dear Mrs. Fischer:

I read with great interest last night an article in our local paper (Daily Sitka Sentinel) regarding your introduction of a bill which would exempt from taxation the real property of a resident 65 or older whose gross annual income is less than $10.000.00.

Although retirement age is a long way off for my husband and myself, we have often wondered how we would be able to pay taxes and insurance etc. when we will be of retirement age. It seems so unfair to work for many, many years to pay for a nice home to retire in and then not being able to enjoy it or keep it mostly due to the high rate of taxation.

Please keep up the good work, we really do appreciate it.

Sincerely yours

Donna Winnop

(Mrs.) Donna Winnop
Post Office Box 294
Sitka, Alaska 99835

dw
cc: The Honorable Pete Meland

Mike

April 6, 1971

Revenue loss due to exemptions in HB 296:

Palmer	$150,000
Wrangell	$ 15,000 - 25,000
Kenai Peninsula	Very Little
Sitka Borough	$ 5,411.57

HB 296

FAIRBANKS NORTH STAR BOROUGH

Box 1267, Fairbanks, Alaska 99701

March 22, 1971

Mr. Dan Casey
c/o The Honorable Richard L. McVeigh
Chairman
House State Affairs Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Casey:

Reference your telephone conversation this morning with Mr. Dinkins.

During tax and calendar year 1970 our records show that our Senior Citizens Tax Exemption Program cost the borough $29,421, the City of North Pole $133, and the City of Fairbanks $16,719 in sacraficed real property taxes. Total real property tax billings prior to the exemptions for the same period for all three local governments were $3,568,067.

As you can see, the revenues sacraficed under this program were negligible in comparison with total real property tax revenues. The borough is enthusiastic about continuing the program and we hope that it may contribute to the ability of those senior citizens who wish to do so to remain in Alaska during the years when their incomes are normally reduced.

Sincerely,

John A Carlson

JAC/tj

John A. Carlson
Chairman

NOTICE TO SENIOR CITIZENS

Senior Citizens must apply annually on or before May 31 of each tax year for exemption from real property taxes per Fairbanks North Star Borough Code of Ordinances, Title 69, Chapter 5. Forms are available at the Fairbanks North Star Borough Offices, room 108, Lathrop Office Building, 614 Second Avenue.

Section 69.05.020 (j). One parcel of real property shall be exempt from real property taxes up to and including the amount of Two Hundred Fifty ($250.00) Dollars, provided the property is owned by a resident of the Fairbanks North Star Borough who satisfies all the following requirements: (1) Is sixty-five (65) years of age or attains age sixty-five (65) on or before the last calendar day of the year in which the tax is levied. (2) Has occupied the property in which the exemption is sought for not less than eight (8) consecutive months immediately prior to filing for the exemption. (3) Is the head of the household. (4) Has been a resident of Alaska for not less than ten (10) consecutive years immediately prior to filing for the exemption. (5) Files an application for exemption with the Fairbanks North Star Borough on or before May 31 of the year in which the tax is levied.

State of Alaska

OFFICE OF THE GOVERNOR

TO: The Honorable Mike Miller
Chairman, Local Government Committee
Alaska State House of Representatives

Thru: Mr. Byron I. Mallott
Director, Local Affairs Agency

DATE March 25, 1971

FROM: Sigvald J. Strandberg
Local Government Specialist

SUBJECT House Bill 135 and House Bill 296

The agency has reviewed House Bills 135 and 296 both of which relate to partial or complete exemption from city and borough taxation of the homesteads of senior citizens of limited incomes. It is our conclusion, after careful and thorough consideration that both bills, while addressing themselves to the growing problems of our senior citizens, do not represent measures which would be in the best interests of the state or local governments.

We fully recognize that the sponsors of the bills are seeking to remedy the situation that a growing number of state citizens at age 65 and over are facing, i.e., increasing property taxes due to appreciating values on real property coupled with the effect of the inflationary spiral of living costs in the face of rather static personal incomes. But to compel our municipalities to shoulder the additional revenue needs which would result from exemption of senior citizens from property taxation will only act to further erode the financial base of local governments.

While senior citizen tax exemptions are not presently mandatory, a number of Alaska cities and boroughs are providing for such exemptions at their own option.

It has been suggested that both House Bills 135 and 296 might be amended to provide for the State to reimburse local governments to the extent that senior citizen property tax exemptions are granted. Prior to enactment of such a bill, it will be necessary to determine the cost to the State. A study of this measure for all municipal property taxing jurisdictions could not be immediately done because neither the local governments nor the office of the State Assessor have available statistics to go along with property tax assessment rolls. As a consequence, a fiscal note on either H. B. 135 or H. B. 296 would be quite difficult to prepare.

As a further note, it is the agency's judgment that legislative approval to broaden the exemptions to property taxation will likely encourage further exemptions during subsequent legislative sessions.

In conclusion, it is the feeling of the agency that House Bills 135 and 296 should not be acted upon until such time that the actual costs of these measures, both to the local governments and to the State, can be ascertained.

MEMORANDUM

State of Alaska
OFFICE OF THE GOVERNOR

TO: [illegible] I. Hallott
Director
Local Affairs Agency

DATE: March 31, 1971

SUBJECT: House Bills 135 and 206

FROM: [illegible]. Robert Dozier
State Assessor

I concur with the comments of Sigvald Strandberg as stated in his memorandum through you to Representative Mike Miller dated March 25, 1971.

In prior years, numerous bills have been introduced concerning assistance to senior citizens. Enactment has failed due to the cumbersome and costly formulae.

There is little justification for saddling the various sophisticated levels of Alaska Local Government with the administration of any formulae which gives free access to state income tax records. This is not a compatable arrangement under the borough form of government.

I do not wish to overlook for a moment that it is difficult for senior citizens with low income to retire in Alaska. Not only those who own property but those who rent a place to live as well.

Any formulae based on residency, age, and income could be administered properly and economically on the state level. Payments thus received by qualified senior citizens could be used as desired.

RD:rw

HB

312

DATE: February, 1972

TO: Members of the Alaska State Legislature

FROM: F. A. Seymour, Executive Director
Alaska Visitors Association

RE: Information Related to H.B. 312

This information is presented at the request of the House Finance Committee, to assist them in evaluating H.B. 312, Tourism Revolving Loan Fund.

The list below was compiled and discussed by members of the Alaska Visitors Association's Board of Directors. It is a projection of the hotel-motel needs during the next five years, if long-term funds were available. The new units could be expansion of existing facilities, or a totally new business or businesses. Varying quality of hotel-motel rooms would indicate that an average unit cost today in Alaska would be $30,000, including land cost. The new unit projections took into consideration only normal visitor industry growth. Pipeline construction, etc. could change the picture drastically in several communities. This list is not necessarily complete.

CITY	ESTIMATED NEW UNIT NEEDS BY 1977 (not in order of importance)
*Sitka	100
Ketchikan	150
Juneau	150
Skagway	100
Petersburg	50
Kotzebue	50
*Barrow	50
Kodiak	100
*Tok	100
*Valdez	125
*Cordova	50
Wrangell	25
Fairbanks	150
Anchorage	200
*Lodges, Resorts, & Outlying Areas	400

* Indicates need for immediate expansion of available units.

These figures will vary according to the agressiveness of the individual community in the promotion of tourism, as well as carrier promotion. Also, the growth of visitor traffic other than tourist will affect unit demand.

ADDITIONAL CONSIDERATIONS IN EVALUATING H.B. 312

TOURISM REVOLVING LOAN FUND

The following should be either included in the legislation or drafted by the committees and passed along to the supervisors of this loan program to convey legislative intent.

1. Principal goal of this program is to provide long-term (15-25 years) capital investment in basic visitor facilities and attractions. Such as: hotels, motels, river boat cruises, gold mine tours, ski lodges, private camper parks, etc.

2. This program should not be used to pick up existing mortgages, or for purposes of refinancing, except as may be necessary to maintain the stability of a loan originally granted under this program. The purpose of this loan program is to provide long-term funds for new facilities or the expansion of existing facilities.

In conclusion, the AVA recommends that the maximum amount be increased from two million to two and one-half million.

DATE: February 9, 1972

TO: Alaska State Legislature

FROM: F.A. Seymour, Executive Director
Alaska Visitors Association

SUBJECT: WHAT DOES THE TOURIST CONTRIBUTE TO THE STATE IN THE FORM OF TAX REVENUES?

The following statements and figures presented will give a partial answer to the question - What does the State derive in tax revenues from visitors? In particular, what do they receive from tourist visitors?

The source of figures quoted are taken from the publication "State of Alaska Revenue Sources 1971-1977". Using the 1971 figures in this publication we applied known ratios or percentage figures to arrive at the quoted amounts. In several circumstances where known formulas do not exist we indicate the percentage we used to arrive at our figure.

The amounts reported here do not include: expenditures by conventioneers, commercial traffic, transportation to and from Alaska, or miscellaneous non-resident traffic. If all of these additional factors were considered the final amounts would be two to three times the amounts indicated.

Based upon reasonable estimates arrived at jointly by the Alaska Visitors Association and the Alaska State Travel Division we know that in 1971 the State received 130,000 tourist visitors, spending in the state 45 million dollars. As a result of this volume of people and dollars the State is receiving Tax Revenue in the following manner.

" A PARTIAL LIST "

18 million dollars payroll generated	$900,000.00 State Income Tax
20 thousand vehicles entry at Tok generated ..... (averaged 10 miles to the gallon at 2,000 miles)	320,000.00 gasoline tax
100 Tour & Highway Motor Coaches (liscense & gas tax)..	32,500.00
Liquor Tax (5 percent of total State receipts)	250,000.00
Cigarette Tax (5 percent of total State receipts).....	145,000.00
Business Liscense Tax (1/4 of 1 percent of 45 million...	112,500.00
Corporate Income Tax (5 percent of total State receipts)	366,065.00
Visitor Sport Fishing & Hunting Liscenses ..... (1/2 of non-resident total State receipts)	223,000.00
Rental Auto Fees & Gas Tax ..... (1/2 of total State receipts)	37,500.00
TOTAL	$2,386,565.00

Almost all of the above mentioned income to the State was acquired without signigicant cost to the state, in such major expenditure areas as education, law enforcement, or social services. In addition to those indicated above there are a number of direct revenues that the State or State Agencies receive as a result of the tourist visitor traffic. These receipts provided for payment for services and facilities utilized by tourists.

Alaska State Ferry Visitor Revenue ..... (approximately 45 percent of total ferry revenue)	$4.41 million

Jet Fuel Tax (20 percent of total)	$ 43,940.00
Landing Fees (20 percent of Total)	31,400.00

Air Fuel Tax, Boat Fuel Tax, Consession Fees, Land Rentals, ---- And numerous other forms of state taxes or fees are paid in part by tourist or tourist supported businesses and professions.

We believe that the initial dollar expenditure of the tourists in local communities with sales tax, such as Fairbanks, Ketchikan, and Juneau, generate at a minimum one-half million dollars income to those communities.

IN CONCLUSION, I would remind the reader that in this brief outline we have principally been concerned with the impact of 130,000 tourists on the state government's revenues. However, we must, when speaking of tourism, never overlook the fact that these are totally new dollars added to our state's economy. Most of these dollars turn over a minimum of four times before departing our state, and on each turn over it generates additional tax revenues.

In order to maintain brevity, the additional and more obvious contributions of the visitor industry to the state's economy are not listed in this memo.

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
March 29, 1971

Mr. Frederick J. Bailey
President,
Bailey's Rent'All, Inc.
101 E. Northern Lights Blvd.
Anchorage, Alaska 99503

Dear Mr. Bailey"

Thanks so much for your letter of March 17th and for your support of the legislation which would establish a revolving loan fund for the tourist industry.

I appreciate this support very much and I hope you are conveying yourtthoughts on the matter to the Anchorage legislative delagation.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

Bailey's Rent-All, Inc.

101 EAST NORTHERN LIGHTS BOULEVARD
ANCHORAGE, ALASKA 99503
PHONE (907) 279-4541

March 17, 1971

Representative Mike Miller
Alaska State House
Juneau, Alaska 99801

Dear Representative Miller:

We would like to comment on your proposed legislation to establish a revolving loan fund for the benefit of the tourist industry.

For the past few years we have desired to develop a division of our business that would cater to tourists. This division would rent out self-contained recreational motor homes. We have not yet been able to obtain the necessary financing on terms that would be necessary for this type of business to be profitable. We feel that a state loan fund would help develop our tourist industry.

We hope this letter may encourage you to pursue the necessary legislation that will bring this type of financial support to the Alaska tourist industry.

Very sincerely,

BAILEY'S RENT-ALL, INC.

Frederick J. Bailey
President

FJB;cj

HB

335

ALL-AMERICA CITY 1956 & 1965

International
Polar air crossroads of the world

CITY OF ANCHORAGE ALASKA

POST OFFICE BOX 400
ANCHORAGE, ALASKA
99501

April 14, 1971

The Honorable Mike Miller, Chairman
Local Government Committee
House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Mike:

RE: House Bill No. 335 - Mass Transportation Facilities and Services.

The City Attorney has brought to my attention what appears to be deficiencies in the subject bill.

There are no guidelines to define when a borough is exercising the mass transportation power. There is no provision governing the disposition of city-owned mass transportation assets or debt in cases where the borough decides to go in the business when a city has been exercising this power.

There is no provision governing private franchised mass transit companies operating in the city or between the city and points outside the city. In some case, mass transit permits rather than franchises may be in force.

Elimination of the requirement for assuming areawide powers specified in section 350 of this chapter is a departure from past policy for second class boroughs.

These matters should be clarified in this bill before it is considered for final passage.

Sincerely,

Robert E. Sharp
City Manager

RES:f
cc: Members, Local Government Committee
Representative Willard Bowman

AIRMAIL IS FASTER

ALL-AMERICA CITY 1956 & 1965

CITY OF ANCHORAGE ALASKA

ANCHORAGE, ALASKA NOV. 23, 1920

International
Polar air crossroads of the world

POST OFFICE BOX 400
ANCHORAGE, ALASKA
99501

February 9, 1972

Honorable John Rader, Chairman
Local Government Committee
Alaska State Senate
Juneau, Alaska 99801

Dear John:

Last night the City Council instructed me to advise you that they are opposed to passage of House Bill 335. This bill would empower a second class borough to provide for areawide mass transportation without first having obtained, by referendum, approval of the voters of the borough. This is contrary to the concept of the second class borough organization.

I am enclosing a copy of Assembly Memorandum 71-544 in which the Borough administration has likewise stated that it is opposed to the legislation, more specifically, Sec. 07.15.370 of HB 335, and the provision I have just cited which would obviate the normal referendum requirement for a second class borough in the assumption of mass transportation powers. It is my understanding that the Borough Assembly for Greater Anchorage Area Borough has taken the same position.

Accordingly, we urge that this bill be defeated. It would also appear that this bill is unnecessary in view of the authority and procedure for second class boroughs established in the Municipal Code bill which we hope will be enacted into law in the near future.

Sincerely yours,

Robert E. Sharp
City Manager

RES:AFR

Enclosure

cc: Hon. Mike Miller
Anchorage Area Senators
Mr. Don Berry, AML

AIRMAIL IS FASTER

Submitted by the Administration

GREATER ANCHORAGE AREA BOROUGH

Assembly Memorandum No. 71-544

December 13, 1971

To: Borough Assembly

From: Borough Chairman

Subject: Clarification of Borough Proposed Legislation Packet Relative to Public Transportation Authority (December 13, 1971, Assembly Agenda Item 7-F)

In further reviewing the legislation packet submitted earlier, the Administration has become aware of one area which, through ambiguity, may lead one to conclude that the Administration supports the acquisition of an additional areawide power without the affirmative vote of the electorate. Such is not the case.

Section 1 of the packet contains proposed House Bill 335. The proposed Sec. 07.15.370, in the third sentence implies that the authority to provide public transportation to the community should come about by act of the legislature as an additional grant of mandatory power to the Borough. Additionally Borough Planning Commission Resolution No. 11-71 also implies the same (in the first "resolve"). We are not sure that the Commission intended support of such a provision as implied by House Bill 335.

In reviewing the various items of legislation relative to public transportation, i.e. Senate Bill 82, House Bill 334, House Bill 335, House Bill 247, the Administration finds no points of disagreement with the various bills or their content, except that portion of House Bill 335 noted above. It has consistently been the position of this Administration that the required vote of the people prior to obtaining added powers was a desirable feature of the second class borough form of government. We hereby restate that position and, on that basis, do not support that portion of House Bill 335 which implies the granting of public transit authority without an affirmative vote of the electorate.

THE ADMINISTRATION THEREFORE RECOMMENDS THAT THE ASSEMBLY SPECIFICALLY POINT OUT THIS AREA OF DIFFERENCE WITH THE LEGISLATION NOW PROPOSED AND BE AUHTORIZED TO APPEND THIS MEMORANDUM TO RESOLUTION R89-710 WHEN FORWARDED TO THE MEMBERS OF THE LEGISLATURE FOR CONSIDERATION.

Respectfully Submitted,

John M. Asplund

JMA:vp

February 28, 1972

Mr. Paul A. Carr, Secretary
Public Transportation Committee
Greater Anchorage Area Borough
Pouch 6-650
Anchorage, Alaska 99502

Dear Mr. Carr:

I appreciate very much your letter of February 24 relative to the Greater Anchorage Borough Planning and Zoning Commission's statement of position on public transportation. As you may be aware, the Judiciary Committee is presently considering HB 335 relative to mass transit. I am, therefore, sending a copy of your letter and position paper to the Chairman of this committee, Mr. William Moran.

Again, thank you for writing.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

P.S. After dictation of this letter, HB 335 was passed out Judiciary Committee and is now in Rules awaiting placement on the House calendar.

GREATER ANCHORAGE AREA BOROUGH
3500 TUDOR ROAD
POUCH 6-650
ANCHORAGE, ALASKA 99502

February 24, 1972

PLANNING DEPARTMENT

Local Affairs Committee
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99801

Gentlemen:

The enclosed "Statement of Position" paper was printed at the Transportation Hearing held in Anchorage February 5th.

This paper presents the position of the Greater Anchorage Area Borough Planning and Zoning Commission's citizen subcommittee on Public Transportation.

They hope this will assist you in understanding some of their thinking on public transportation in Anchorage. Should you need additional information or have any questions, please do not hesitate to let me know.

Sincerely,

Paul A. Carr

Paul A. Carr, Secretary
Public Transportation Committee

PAC:rvd

Enc.

CLEAN AIR * CLEAN WATER * A CLEAN COMMUNITY

GREATER ANCHORAGE AREA BOROUGH
PLANNING AND ZONING COMMISSION

SUBCOMMITTEE ON PUBLIC TRANSPORTATION

STATEMENT OF POSITION

INTRODUCTION

As you are all aware, mass public transportation in the Anchorage area does not now exist. I will not go into the details of Anchorage's past transit systems or their failures. However, I feel it is significant that there are several buses now operating for the exclusive use of Federal - State programs; while we do not detract from this use we feel it further strengthens the need for a public transportation system that will utilize efficiently all those resources now available and being used for semi-public transportation in Anchorage. The simple fact is that the Anchorage area has no - or at best a limited public transportation choice.

Many groups have recognized the existence of the need for public transportation. At the urging of these various groups and individuals, the Greater Anchorage Area Borough created a subcommittee of the Planning and Zoning Commission to study public transportation. The Borough Planning Department then obtained a planning grant for $20,000 from the Urban Mass Transportation Administration. This planning grant funded a feasibility study for public transportation in the Anchorage area.

This study by John Bivens and Associates is now nearing completion. The Greater Anchorage Area Borough Public Transportation Subcommittee, which I am representing today, is making plans for a public meeting, at which we will solicit public reaction to that feasibility study as well as input on what the citizens of Anchorage feel they need and will use in the way of public transportation.

POSITION

The subcommittee's position on public transportation, which we feel is related to the purpose of this meeting, consists of several basic points. These are:

1. THAT ANCHORAGE URGENTLY NEEDS A PUBLIC TRANSPORTATION SYSTEM.

As the population increases and more motor vehicles are used, vehicle congestion and parking space will become an increasingly prominent problem unless the planning of existing street, highways, and rights-of-way extensions keeps pace. But increasing rights-of-way, extending highways, widening streets, and constructing freeways removes more and more areas from the useable tax base of the community and thereby places a greater tax burden on the areas remaining. In addition, by coordinating and developing an area to please the private automobile operator, many enjoyable features of urban living are sacrificed.

Only the creation of a public transit system complementary to the use of the private automobile will prevent the continuation of the course upon which Anchorage appears headed. As we believe private capital cannot provide public transportation and make a profit, it is, we feel, a public responsibility which all residents share.

2. THAT A PUBLIC TRANSIT SYSTEM THROUGH THE USE OF VARIOUS SIZE VEHICLES OR MODES BE ESTABLISHED TO SERVE THE ENTIRE AREA WITH RELIABLE, CLEAN, COMFORTABLE, TRANSPORTATION; AT A REASONABLE FARE THAT A TRANSIT SYSTEM BEGIN OPERATION IN A COMPLETE FORM RATHER THAN AS A PIECEMEAL EFFORT.

The initial area wide transit system should be a bus system using the best available air and noise pollution controls. However, this must be considered a phase I transit system and phase II public transit for Anchorage be planned and designed to incorporate such features as rail, guideways, moving sidewalks and personal transit vehicles where practical.

SPEED AND SAFETY

In order for a public transportation system to attract riders, it must have speeds that are comparable to those of other modes.

One of the difficulties which is recognized with bus transit systems is that the buses get snarled in the same traffic congestion as the private automobile.

Safe walkways must be provided to permit public access to bus stops and transfer stations.

COMFORT

Passenger comfort must receive attention in the selection of the vehicles as well as during their operations. It is impossible to attract riders to a system if the buses or other vehicles are cold in the winter and hot in the summer.

A transit system, to attract and hold a maximum amount of riders, must provide service that is:

1. Convenient and dependable;
2. Fast and safe;
3. Frequent in service;
4. Reasonable in cost;
5. Pleasing in appearance;
6. Flexible in that it can change with the needs of the community.

3. <u>THAT A PUBLIC TRANSPORTATION SYSTEM BE ESTABLISHED AS A PUBLIC UTILITY OF THE GREATER ANCHORAGE AREA BOROUGH AND THAT IT RECEIVE SUBSIDIZATION THROUGH TAXES, SHARED REVENUES, GRANTS AND OTHER MEANS.</u>

A transit system for Anchorage must be a public system subsidized directly or indirectly by the public. Public transportation in Anchorage is feasible only if the public accepts this responsibility. A transit system must encourage, not discourage, people to ride. In Anchorage the only way this can be accomplished is by the system being subsidized to a degree where the fare, if any, is kept at a minimum. A transit system must not only serve the entire Borough; financial support must come from the entire Borough.

The transit system should be under public ownership and control. Actual management, however, might be provided through contracts to private concerns. The transit system must be an organizational entity separate from the Borough. We believe this should be as a transit utility, not an authority, subject to the budgetary controls of the Borough Assembly, yet with greater autonomy of operation than have the municipal utilities presently serving the City and the Borough.

It will be necessary to have legislation granting authority to the City or Borough to operate public transportation systems, and we support the Guess-Bowman House Bill #335 which would grant this authority and we would ask consideration that this bill permit any transit utility operating solely within a single Borough be exempt from regulations of the Alaska Transportation Commission. We support Bill #334 which would provide state revenue to cities and boroughs providing transit facilities.

4. <u>THAT THE TRANSIT SYSTEM REMAIN FLEXIBLE SO THAT ROUTES AND FARE STRUCTURE IF ANY CAN BE ALTERED EASILY WITH NO DELAY FROM A REGULATORY AUTHORITY.</u>

As mentioned earlier, Anchorage, in the past, has experienced several attempts and failures at public transportation systems. While these systems have failed for various reasons, the major re-occurring reason is that they could not fill their intended function - that of providing a flexible and reliable system that gave adequate service to all potential riders.

Flexibility in the transit system as it is described here encompasses schedules, fares, routes, vehicles and policies.

The need for flexibility of service, scheduling, routes, etc., which we feel is an essential feature of a service-oriented transit utility requires that management be able to respond immediately to the changing conditions. This would be impossible if all changes must be approved by a presently over-burdened Alaska Transportation Commission. Fiscal control and contractual authority might well be delegated to a board by the Assembly for a period of five years, and then review of this authority should be evaluated by the Assembly at the end of that time to determine whether such a board should be continued, altered or be done away with.

To provide this flexibility the operation of the system must be continually monitored. The monitoring envisioned must be capable of signaling when there is a need for a change, it must not be costly, and it must be easy to understand and use.

5. THAT IMMEDIATE STEPS BE TAKEN TO SECURE FEDERAL FINANCING TO ESTABLISH A TRANSIT SYSTEM FOR ANCHORAGE.

Fortunately, the Federal government has at long last offered to assist urban areas in creating public transportation systems. In encourages the development of public transportation systems in all urban areas of the country through the Urban Mass Transportation Act of 1964. This act provides Federal grants to municipalities for the creation of public transportation ystems.

Funds can be obtained from the Urban Mass Transit Administration of the Department of Transportation through the Federal Grant Program. These federal grants can be used to obtain buses, commuter rail cars, support equipment, and facilities. Anchorage can qualify for Department of Transportation Grants to fund at least two-thirds of the cost incurred to plan and develop a public transportation system.

6. THAT A PUBLIC TRANSPORTATION SYSTEM, WHERE POSSIBLE, BE DESIGNED TO COMPLEMENT THE EXISTING GREATER ANCHORAGE AREA BOROUGH SCHOOL BUS PROGRAM.

We do not feel that the existing school buses could effectively serve as a public transit conveyance. The reasons for this are numerous. However, we do think that a public transit system properly designed and routed can alleviate some transportation demands now made on the school bus program.

A financial arrangement might be made whereby the School District could provide financial assistance to the public transit system for payment of the pupils who would ride transit buses in lieu of regular school buses.

7. THAT THE CONCEPT OF THE AMATS PROGRAM OF SUPPLYING DATA AND PROVIDING INFORMATION ON THE TRANSPORTATION NEEDS OF ANCHORAGE BE CONTINUED.

While the subcommittee has expressed some opposition to the recently presented AMATS plan we do feel there is a need for continued transportation planning. However, we feel that a complete transportation network which provides for public transit requirements as well as continuing public participation must be a part of that planning.

The AMATS corridor concept has merit if it will be considered as a corridor reserved for unspecified transportation modes and not strictly for the exclusive use of the private automobile.

Realizing that there are others who wish to be heard I have not expanded in great detail on some of the positions with you, and hope to receive many comments at our forthcoming public meeting.

Realizing that there are others who wish to be heard I have not expanded in great detail on some of the positions presented here. However, we would be pleased to discuss these and other positions with you, and hope to receive many comments at our forthcoming public meeting.

Thank you.

Copies of our position will be forwarded to your committee by the Borough Planning Department.

HB

401

Form SA 1

MEMORANDUM State of Alaska

TO: The Honorable Mike Miller, Chairman
Local Government Committee
Alaska State House of Representatives
Juneau, Alaska

DATE : April 13, 1971

FROM: R. D. Stevenson
Deputy Commissioner
Department of Revenue
Juneau, Alaska

SUBJECT: House Bill No. 401
Business License Tax

I am transmitting eight copies of a report prepared by L. P. Carroll, Chief, Miscellaneous Tax Section, Department of Revenue, concerning the effect on Treasury as concerns House Bill No. 401, an Act relating to business license tax.

If you have any questions on the material submitted, kindly advise and Mr. Carroll will be available.

RDS:eh

Attachments (8)

FORM SA-1B

MEMORANDUM State of Alaska

TO: R. D. Stevenson
Deputy Commissioner
Department of Revenue

DATE : April 12, 1971

FROM: L. P. Carroll, Chief
Miscellaneous Tax Section

SUBJECT: Legislative Research
House Bill 401

House Bill 401 accomplishes the following:

1. Repeals collection of the gross receipts tax (other than the original $25.00 license fee) by the State in all organized cities and boroughs.

2. Permits organized boroughs, cities of any class within boroughs, or cities in the unorganized borough which are school districts to impose, by ordinance, a gross receipts tax levied at one-half of one percent on all gross receipts.

3. Permits the State to collect and retain gross receipts tax based at one-half of one percent on all gross earned within the unorganized borough and provides for assessment of 100% penalty in cases where returns are not filed or fees paid, unless it is shown that the failure is due to reasonable cause and not to wilful neglect.

Effect on Treasury:

As the effective date of the Legislation is 1/1/72, we can anticipate little or no changes in the revenues estimated for F/Y 1972. The gross receipts tax due on the 1971 gross is received in this office during the period February 28, 1972 through April 30, 1972 and added to the revenues derived from the sale of an estimated 18,000 licenses valued at $450,000 should result in our estimate of $6,150,000.

F/Y 1973 will be the first year reflecting impact to the Treasury and to the revenues derived by cities and boroughs.

At this time we have not prepared estimates of the business license shared revenues for F/Y 1973 based on present rates and methods of collection and distribution. For purposes of this report the following assumptions are made.

F/Y 1973 Cities	$1,779.440	= Estimated Sharing Present Plan
F/Y 1973 Boroughs	$1,120.560	= Estimated Sharing Present Plan
F/Y 1973 Total	$2,900,000	

Further reference is made to the attached copy of the business license revenue estimates through F/Y 1976. The revised estimate for F/Y 1973 discloses $6,695,000.

Accordingly, under present rates and distribution formula the following may be illustrated:

Shares	Amounts	% of Total
Cities	$1,779,440	
Boroughs	1,030,000	
SubTotal	$2,900,000	43.34
State Portion	3,795,000	56.66
Total Estimate	$6,695,000	100.00%

We estimate that 75% of the tax in excess of the basic $25.00 license fee is attributable to those businesses grossing in excess of $100,000.00. Accordingly, the following is illustrated at the increased rate of 1/2% on all gross:

F/Y	Estimated # of Licenses	Basic Fee $	Balance $ To Gross Tax	75% to Taxpayers Over 100,000	At New Rate	Total Tax Excluding Lic. Fee
1973	19,000	475,000	6,220,000	4,665,000	9,330,000	10,885,000

Applying present allocation figures on the revised tax shown above which excludes the basic license fee, and adding an estimated amount for those taxpayers now grossing less than $20,000 and paying no tax, who would be liable under the proposed legislation the following may be shown:

Total Taxes Excluding License Fees	-	$10,885,000
Estimated Amount for Present Non-Due Returns	-	150,000
Total Subject to Sharing		$11,035,000
* Based on Present Distribution Percentage		
* Total Share to Cities & Boroughs	-------	$ 4,781,465
* Total Share to State	-------	6,253,535
Total Taxes at 1/2%	-------	$11,035,000

Realizing that the figures shown above for Cities and Boroughs represents only 60% or 3/5 of the actual tax involved, if the local governments were to impose, administer and collect the tax at a full rate of 1/2 of 1% and retain 100% of such taxes the estimated results for F/Y 1973 would be as follows:

A. Shared Revenue to Cities & Boroughs (New Rate - Self Administered)	-------	$ 7,969,110
B. Balance for State	-------	3,065,890
C. Total Tax at 1/2%		$11,035,000

Thus, the following may be shown for F/Y 1973:

Cities & Boroughs New Rate (Self Administered)	-	$7,969,110
Cities & Boroughs Under Present Formula	-	2,900,000
Increase to Cities & Boroughs (Self Administered)		$5,069,110
Estimated State Revenue (Present System)		$3,795,000
Estimated State Revenue Proposed System Tax Only	$3,065,890	
Estimated State Revenue Proposed System License Fees	475,000	
Total State Revenue Proposed System		$3,540,890
Estimated Loss to General Fund		$ (254,110)

Problems of Administration:

Assuming that we will collect and share the 1971 gross receipts tax (due 2/28/72) under our existing procedure, there is sufficient time to allow for the redesign of the tax reporting form for calendar year 1972 due 2/28/73. We will no doubt mail reporting forms to all licensees in the State and require only those businesses that earned gross in the unorganized borough to file returns. The 100% penalty clause should assist in assuring that businesses fitting this category file returns.

It should be made a part of this Legislation that all licenses, returns, and taxes due under the Business License Act for years prior to the effective date of the Legislation (including the 1971 gross receipts tax), are valid and that the Department of Revenue is fully empowered to collect all delinquent accounts including any which may be disclosed in subsequent audit investigations.

It is noted that a full three year period should be allowed for completion of business under the existing Business License Act and shared revenue program. Adoption of this Legislation will preclude the preparation of the annual gross receipt report beyond calendar year 1972.

We feel that the Legislation is manageable and will rely on field audit staff for assistance in taxpayer compliance. Barring inception of the field audit program, we will require the addition of a Revenue Agent and Tax Examiner II to our existing staff for field audit work and orderly phase-in of the new program. A complete administrative cost analysis will be made available upon request.

The Miscellaneous Tax Section Chief is available should any questions arise concerning the estimates contained herein.

LPC:fd

Attachments

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

SCHEDULE OF REVENUES
5-Year Projection

		CODE
AGENCY	Revenue	04
OPERATING PROGRAM	Collection & Receipt	00
ACTIVITY	State General	00
FUNCTION	Receipt	00

CASH FLOW FOR THE FISCAL YEAR ENDING JUNE 30, 1972

RECEIPT TITLE Alaska Business License Tax RECEIPT CODE 105 FUND 100

ACTUAL	ESTIMATED						
F.Y. 1970 (1)	F.Y. 1971 Budget Estimate (2)	F.Y. 1971 Revised Estimate (3)	F.Y. 1972 Revised Estimate (4)	F.Y. 1973 Revised Estimate (5)	F.Y. 1974 Revised Estimate (6)	F.Y. 1975 Revised Estimate (7)	F.Y. 1976 (8)
$ 5,060,522	$ 5,300,000	$ 5,414,000	$ 6,150,000	$ 6,695,000	$ 7,029,000	$ 7,141,000	$ 7,594,000

F.Y. 1971–1972 CASH FLOW BY MONTH – (Block (4) Above)

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
$ 82,410	$ 59,650	$ 46,130	$ 39,980	$ 39,980	$ 49,200

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
$ 222,630	$ 511,060	$ 3,736,740	$ 261,990	$ 995,070	$ 105,160	$ 6,150,000

CITATION: AS 43.70.010-120

RATE: The initial license fee for businesses is $25.00 per year.
Additional rates on gross receipts are:

$20,000 to $100,000	1/2 of 1 per cent
$100,000 and Over	1/4 of 1 per cent

A 2 per cent rate is levied on the net income of banks, trust companies and savings and loan associations.

ALLOCATION: All revenues from the Alaska Business License Tax are paid into the General Fund. Sixty per cent of the amounts collected within the boundaries of any municipality or organized borough are returned to that political subdivision by Legislative appropriation.

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

STATEMENT OF PROGRAM

For the Fiscal Year Ending June 30, 1972

		CODE
AGENCY	Revenue	04
OPERATING PROGRAM	Collection & Receipt	00
ACTIVITY	State General	00
FUNCTION	Receipt	00

BASIS FOR ESTIMATE: Revenue Estimates reflect net collections before sharing with political subdivisions and are based on present license fees considering all statutorily allowed exemptions. Estimates of revenue shown are computed on the basis of a 7% growth rate compounded annually to cover normal anticipated growth plus additional revenues in Fiscal Years 1972, 1973, 1974 and 1975 to cover the non-recurring impact of the North Slope Pipeline Construction Project. These estimates are based on the best available information secured from the Industry and could be substantially effected in the event that the pipeline permit is not forthcoming within a reasonably early time schedule. The estimate for FY 1975 and FY 1976 represents residual receipts and are based on a more normal growth pattern.

A review of actual and estimated revenues for the past five fiscal years is as follows:

Fiscal Year	Actual Net Collections	Revenue Estimates	% of Revenue Estimate Realized
1969-70	$ 5,060,522	$ 4,500,000	112.46%
1968-69	4,148,756	3,897,000	106.46%
1967-68	3,833,223	3,411,400	112.37%
1966-67	3,328,030	3,660,000	90.93%
1965-66	3,223,557	3,034,000	106.22%
Totals	$ 19,594,088	$ 18,502,400	105.69%

A review of the growth rate of actual revenues for the past five fiscal years is as follows:

Fiscal Year	Actual Net Collections	Dollar Increase Over Preceding Fiscal Year	% Increase Over Preceding Fiscal Year
1969-70	$ 5,060,522	$ 911,766	21.97%
1968-69	4,148,756	315,533	8.23%
1967-68	3,833,223	505,193	15.18%
1966-67	3,328,030	104,473	3.24%
1965-66	3,223,557	281,305	9.56%
1964-65	2,942,252	Base Year	Base Year

Form SA 1

MEMORANDUM State of Alaska

TO: The Honorable Mike Miller, Chairman
Local Government Committee
Alaska State House of Representatives
Juneau, Alaska

DATE : April 13, 1971

FROM: R. D. Stevenson
Deputy Commissioner
Department of Revenue
Juneau, Alaska

SUBJECT: House Bill No. 401
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Attachments (8)

FORM SA-1B

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TO: R. D. Stevenson
Deputy Commissioner
Department of Revenue

DATE : April 12, 1971

FROM: L. P. Carroll, Chief
Miscellaneous Tax Section

SUBJECT: Legislative Research
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F/Y 1973 Boroughs	$1,120.560	= Estimated Sharing Present Plan
F/Y 1973 Total	$2,900,000	

Further reference is made to the attached copy of the business license revenue estimates through F/Y 1976. The revised estimate for F/Y 1973 discloses $6,695,000.

Accordingly, under present rates and distribution formula the following may be illustrated:

Shares	Amounts	% of Total
Cities	$1,779,440	
Boroughs	1,030,000	
SubTotal	$2,900,000	43.34
State Portion	3,795,000	56.66
Total Estimate	$6,695,000	100.00%

We estimate that 75% of the tax in excess of the basic $25.00 license fee is attributable to those businesses grossing in excess of $100,000.00. Accordingly, the following is illustrated at the increased rate of 1/2% on all gross:

F/Y	Estimated # of Licenses	Basic Fee $	Balance $ To Gross Tax	75% to Taxpayers Over 100,000	At New Rate	Total Tax Excluding Lic. Fee
1973	19,000	475,000	6,220,000	4,665,000	9,330,000	10,885,000

Applying present allocation figures on the revised tax shown above which excludes the basic license fee, and adding an estimated amount for those taxpayers now grossing less than $20,000 and paying no tax, who would be liable under the proposed legislation the following may be shown:

Total Taxes Excluding License Fees	- $10,885,000
Estimated Amount for Present Non-Due Returns	- 150,000
Total Subject to Sharing	$11,035,000

* Based on Present Distribution Percentage		
* Total Share to Cities & Boroughs	-------	$ 4,781,465
* Total Share to State	-------	6,253,535
Total Taxes at 1/2%	-------	$11,035,000

Realizing that the figures shown above for Cities and Boroughs represents only 60% or 3/5 of the actual tax involved, if the local governments were to impose, administer and collect the tax at a full rate of 1/2 of 1% and retain 100% of such taxes the estimated results for F/Y 1973 would be as follows:

A. Shared Revenue to Cities & Boroughs (New Rate - Self Administered)	------	$ 7,969,110
B. Balance for State	------	3,065,890
C. Total Tax at 1/2%		$11,035,000

Thus, the following may be shown for F/Y 1973:

Cities & Boroughs New Rate (Self Administered) -		$7,969,110
Cities & Boroughs Under Present Formula -		2,900,000
Increase to Cities & Boroughs (Self Administered)		$5,069,110
Estimated State Revenue (Present System)		$3,795,000
Estimated State Revenue Proposed System Tax Only	$3,065,890	
Estimated State Revenue Proposed System License Fees	475,000	
Total State Revenue Proposed System		$3,540,890
Estimated Loss to General Fund		$ (254,110)

Problems of Administration:

Assuming that we will collect and share the 1971 gross receipts tax (due 2/28/72) under our existing procedure, there is sufficient time to allow for the redesign of the tax reporting form for calendar year 1972 due 2/28/73. We will no doubt mail reporting forms to all licensees in the State and require only those businesses that earned gross in the unorganized borough to file returns. The 100% penalty clause should assist in assuring that businesses fitting this category file returns.

It should be made a part of this Legislation that all licenses, returns, and taxes due under the Business License Act for years prior to the effective date of the Legislation (including the 1971 gross receipts tax), are valid and that the Department of Revenue is fully empowered to collect all delinquent accounts including any which may be disclosed in subsequent audit investigations.

It is noted that a full three year period should be allowed for completion of business under the existing Business License Act and shared revenue program. Adoption of this Legislation will preclude the preparation of the annual gross receipt report beyond calendar year 1972.

We feel that the Legislation is manageable and will rely on field audit staff for assistance in taxpayer compliance. Barring inception of the field audit program, we will require the addition of a Revenue Agent and Tax Examiner II to our existing staff for field audit work and orderly phase-in of the new program. A complete administrative cost analysis will be made available upon request.

The Miscellaneous Tax Section Chief is available should any questions arise concerning the estimates contained herein.

LPC:fd

Attachments

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

SCHEDULE OF REVENUES
5-Year Projection

		CODE
AGENCY	Revenue	04
OPERATING PROGRAM	Collection & Receipt	00
ACTIVITY	State General	00
FUNCTION	Receipt	00

CASH FLOW FOR THE FISCAL YEAR ENDING JUNE 30, 1972

RECEIPT TITLE Alaska Business License Tax RECEIPT CODE 105 FUND 100

ACTUAL	ESTIMATED						
F.Y. 1970 (1)	F.Y. 1971 Budget Estimate (2)	F.Y. 1971 Revised Estimate (3)	F.Y. 1972 Revised Estimate (4)	F.Y. 1973 Revised Estimate (5)	F.Y. 1974 Revised Estimate (6)	F.Y. 1975 Revised Estimate (7)	F.Y. 1976 (8)
$ 5,060,522	$ 5,300,000	$ 5,414,000	$ 6,150,000	$ 6,695,000	$ 7,029,000	$ 7,141,000	$ 7,594,000

F.Y. 1971–1972 CASH FLOW BY MONTH – (Block (4) Above)

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
$ 82,410	$ 59,650	$ 46,130	$ 39,980	$ 39,980	$ 49,200

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
$ 222,630	$ 511,060	$ 3,736,740	$ 261,990	$ 995,070	$ 105,160	$ 6,150,000

CITATION: AS 43.70.010-120

RATE: The initial license fee for businesses is $25.00 per year.
Additional rates on gross receipts are:

$20,000 to $100,000	1/2 of 1 per cent
$100,000 and Over	1/4 of 1 per cent

A 2 per cent rate is levied on the net income of banks, trust companies and savings and loan associations.

ALLOCATION: All revenues from the Alaska Business License Tax are paid into the General Fund. Sixty per cent of the amounts collected within the boundaries of any municipality or organized borough are returned to that political subdivision by Legislative appropriation.

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

STATEMENT OF PROGRAM

For the Fiscal Year Ending June 30, 1972

		CODE
AGENCY	Revenue	04
OPERATING PROGRAM	Collection & Receipt	00
ACTIVITY	State General	00
FUNCTION	Receipt	00

BASIS FOR ESTIMATE: Revenue Estimates reflect net collections before sharing with political subdivisions and are based on present license fees considering all statutorily allowed exemptions. Estimates of revenue shown are computed on the basis of a 7% growth rate compounded annually to cover normal anticipated growth plus additional revenues in Fiscal Years 1972, 1973, 1974 and 1975 to cover the non-recurring impact of the North Slope Pipeline Construction Project. These estimates are based on the best available information secured from the Industry and could be substantially effected in the event that the pipeline permit is not forthcoming within a reasonably early time schedule. The estimate for FY 1975 and FY 1976 represents residual receipts and are based on a more normal growth pattern.

A review of actual and estimated revenues for the past five fiscal years is as follows:

Fiscal Year	Actual Net Collections	Revenue Estimates	% of Revenue Estimate Realized
1969-70	$ 5,060,522	$ 4,500,000	112.46%
1968-69	4,148,756	3,897,000	106.46%
1967-68	3,833,223	3,411,400	112.37%
1966-67	3,328,030	3,660,000	90.93%
1965-66	3,223,557	3,034,000	106.22%
Totals	$ 19,594,088	$ 18,502,400	105.69%

A review of the growth rate of actual revenues for the past five fiscal years is as follows:

Fiscal Year	Actual Net Collections	Dollar Increase Over Preceding Fiscal Year	% Increase Over Preceding Fiscal Year
1969-70	$ 5,060,522	$ 911,766	21.97%
1968-69	4,148,756	315,533	8.23%
1967-68	3,833,223	505,193	15.18%
1966-67	3,328,030	104,473	3.24%
1965-66	3,223,557	281,305	9.56%
1964-65	2,942,252	Base Year	Base Year

Form SA 1

MEMORANDUM State of Alaska

TO: The Honorable Mike Miller, Chairman
Local Government Committee
Alaska State House of Representatives
Juneau, Alaska

DATE : April 13, 1971

FROM: R. D. Stevenson
Deputy Commissioner
Department of Revenue
Juneau, Alaska

SUBJECT: House Bill No. 401
Business License Tax

I am transmitting eight copies of a report prepared by L. P. Carroll, Chief, Miscellaneous Tax Section, Department of Revenue, concerning the effect on Treasury as concerns House Bill No. 401, an Act relating to business license tax.

If you have any questions on the material submitted, kindly advise and Mr. Carroll will be available.

RDS:eh

Attachments (8)

FORM SA-18

MEMORANDUM State of Alaska

TO: R. D. Stevenson
Deputy Commissioner
Department of Revenue

DATE : April 12, 1971

FROM: L. P. Carroll, Chief
Miscellaneous Tax Section

SUBJECT: Legislative Research
House Bill 401

House Bill 401 accomplishes the following:

1. Repeals collection of the gross receipts tax (other than the original $25.00 license fee) by the State in all organized cities and boroughs.

2. Permits organized boroughs, cities of any class within boroughs, or cities in the unorganized borough which are school districts to impose, by ordinance, a gross receipts tax levied at one-half of one percent on all gross receipts.

3. Permits the State to collect and retain gross receipts tax based at one-half of one percent on all gross earned within the unorganized borough and provides for assessment of 100% penalty in cases where returns are not filed or fees paid, unless it is shown that the failure is due to reasonable cause and not to wilful neglect.

Effect on Treasury:

As the effective date of the Legislation is 1/1/72, we can anticipate little or no changes in the revenues estimated for F/Y 1972. The gross receipts tax due on the 1971 gross is received in this office during the period February 28, 1972 through April 30, 1972 and added to the revenues derived from the sale of an estimated 18,000 licenses valued at $450,000 should result in our estimate of $6,150,000.

F/Y 1973 will be the first year reflecting impact to the Treasury and to the revenues derived by cities and boroughs.

At this time we have not prepared estimates of the business license shared revenues for F/Y 1973 based on present rates and methods of collection and distribution. For purposes of this report the following assumptions are made.

F/Y 1973 Cities	$1,779.440	= Estimated Sharing Present Plan
F/Y 1973 Boroughs	$1,120.560	= Estimated Sharing Present Plan
F/Y 1973 Total	$2,900,000	

Further reference is made to the attached copy of the business license revenue estimates through F/Y 1976. The revised estimate for F/Y 1973 discloses $6,695,000.

Accordingly, under present rates and distribution formula the following may be illustrated:

Shares	Amounts	% of Total
Cities	$1,770,440	
Boroughs	1,030,000	
SubTotal	$2,900,000	43.34
State Portion	3,795,000	56.66
Total Estimate	$6,695,000	100.00%

We estimate that 75% of the tax in excess of the basic $25.00 license fee is attributable to those businesses grossing in excess of $100,000.00. Accordingly, the following is illustrated at the increased rate of 1/2% on all gross:

F/Y	Estimated # of Licenses	Basic Fee $	Balance $ To Gross Tax	75% to Taxpayers Over 100,000	At New Rate	Total Tax Excluding Lic. Fee
1973	19,000	475,000	6,220,000	4,665,000	9,330,000	10,885,000

Applying present allocation figures on the revised tax shown above which excludes the basic license fee, and adding an estimated amount for those taxpayers now grossing less than $20,000 and paying no tax, who would be liable under the proposed legislation the following may be shown:

Total Taxes Excluding License Fees	- $10,885,000
Estimated Amount for Present Non-Due Returns	- 150,000
Total Subject to Sharing	$11,035,000

* Based on Present Distribution Percentage		
* Total Share to Cities & Boroughs	-------	$ 4,781,465
* Total Share to State	-------	6,253,535
Total Taxes at 1/2%	-------	$11,035,000

Realizing that the figures shown above for Cities and Boroughs represents only 60% or 3/5 of the actual tax involved, if the local governments were to impose, administer and collect the tax at a full rate of 1/2 of 1% and retain 100% of such taxes the estimated results for F/Y 1973 would be as follows:

A. Shared Revenue to Cities & Boroughs (New Rate - Self Administered)	------	$ 7,969,110
B. Balance for State	------	3,065,890
C. Total Tax at 1/2%		$11,035,000

Thus, the following may be shown for F/Y 1973:

Cities & Boroughs New Rate (Self Administered)	-	$7,969,110
Cities & Boroughs Under Present Formula	-	2,900,000
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Estimated State Revenue (Present System)		$3,795,000
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Problems of Administration:

Assuming that we will collect and share the 1971 gross receipts tax (due 2/28/72) under our existing procedure, there is sufficient time to allow for the redesign of the tax reporting form for calendar year 1972 due 2/28/73. We will no doubt mail reporting forms to all licensees in the State and require only those businesses that earned gross in the unorganized borough to file returns. The 100% penalty clause should assist in assuring that businesses fitting this category file returns.

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It is noted that a full three year period should be allowed for completion of business under the existing Business License Act and shared revenue program. Adoption of this Legislation will preclude the preparation of the annual gross receipt report beyond calendar year 1972.

We feel that the Legislation is manageable and will rely on field audit staff for assistance in taxpayer compliance. Barring inception of the field audit program, we will require the addition of a Revenue Agent and Tax Examiner II to our existing staff for field audit work and orderly phase-in of the new program. A complete administrative cost analysis will be made available upon request.

The Miscellaneous Tax Section Chief is available should any questions arise concerning the estimates contained herein.

LPC:fd

Attachments

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

SCHEDULE OF REVENUES
5-Year Projection

		CODE
AGENCY	Revenue	04
OPERATING PROGRAM	Collection & Receipt	00
ACTIVITY	State General	00
FUNCTION	Receipt	00

CASH FLOW FOR THE FISCAL YEAR ENDING JUNE 30, 1972

RECEIPT TITLE Alaska Business License Tax RECEIPT CODE 105 FUND 100

ACTUAL	ESTIMATED						
F.Y. 1970 (1)	F.Y. 1971 Budget Estimate (2)	F.Y. 1971 Revised Estimate (3)	F.Y. 1972 Revised Estimate (4)	F.Y. 1973 Revised Estimate (5)	F.Y. 1974 Revised Estimate (6)	F.Y. 1975 Revised Estimate (7)	F.Y. 1976 (8)
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CITATION: AS 43.70.010-120

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A 2 per cent rate is levied on the net income of banks, trust companies and savings and loan associations.

ALLOCATION: All revenues from the Alaska Business License Tax are paid into the General Fund. Sixty per cent of the amounts collected within the boundaries of any municipality or organized borough are returned to that political subdivision by Legislative appropriation.

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

STATEMENT OF PROGRAM

For the Fiscal Year Ending June 30, 1972

		CODE
AGENCY	Revenue	04
OPERATING PROGRAM	Collection & Receipt	00
ACTIVITY	State General	00
FUNCTION	Receipt	00

BASIS FOR ESTIMATE: Revenue Estimates reflect net collections before sharing with political subdivisions and are based on present license fees considering all statutorily allowed exemptions. Estimates of revenue shown are computed on the basis of a 7% growth rate compounded annually to cover normal anticipated growth plus additional revenues in Fiscal Years 1972, 1973, 1974 and 1975 to cover the non-recurring impact of the North Slope Pipeline Construction Project. These estimates are based on the best available information secured from the Industry and could be substantially effected in the event that the pipeline permit is not forthcoming within a reasonably early time schedule. The estimate for FY 1975 and FY 1976 represents residual receipts and are based on a more normal growth pattern.

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1965-66	3,223,557	281,305	9.56%
1964-65	2,942,252	Base Year	Base Year

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

(5) "ordinary treatment processes" includes

(A) in the case of coal: cleaning, breaking, sizing, and loading for shipment,

(B) in the case of sulphur: pumping to vats, cooling, breaking and loading for shipment,

(C) in the case of iron ore, bauxite, ball and sagger clay, rock asphalt, and minerals which are customarily sold in the form of crude mineral product: sorting, concentrating and sintering to bring to shipping grade and form, and loading for shipment, and

(D) in the case of lead, zinc, copper, gold, silver, platinum metals or fluorspar ores, potash and ores which are not customarily sold in the form of the crude mineral product: crushing, grinding, and beneficiation by concentration (gravity, flotation, amalgamation, electrostatic, or magnetic), cyanidation, leaching, crystallization, precipitation (but excluding electrolytic deposition roasting, thermal or electric smelting or refining), or by substantially equivalent processes or combination of processes used in the separation or extraction of a product from the ore, including the furnacing or quicksilver ore;

(6) "production" means the date on which the initial shipment of products from mining operations is made. (§ 35-1-31(a) (d) (e) ACLA 1949; am § 1 ch 64 SLA 1951; am §§ 1, 2 ch 26 SLA 1953; am § 1 ch 14 SLA 1962)

Chapter 70. Alaska Business License Act.

Section	Section
10. Exemptions	60. Civil penalty
20. Application for license	70. Security
30. Levy and computation of license fee	80. Disposal of money
40. Review and determination of license tax	90. Regulations
50. Appeals	100. Penal provisions
	110. Definitions
	120. Short title

Sec. 43.70.010. Exemptions. (a) The following gross receipts are exempt from taxation under this chapter:

(1) gross receipts from educational, religious, benevolent, fraternal, or charitable activities, where the entire amount of the receipts is held or expended for these activities, except receipts which are the result of a continuous engaging in a business or occupation otherwise subject to this chapter;

(2) gross receipts from the operation of a hospital;

(3) gross receipts from a municipally owned and operated utility and from operation of a utility by an incorporated utility district, nonprofit association, or nonprofit cooperative;

(4) gross receipts from home handicrafts up to $500;

(5) gross receipts of a resident wholesale firm registered in the state as a domestic corporation, or otherwise identifiable as a resi-

dent wholesaler, from sale of a finished product to dealers for resale to consumers, where the resale is subject to tax under this chapter;

(6) gross receipts derived from a sale made to a person in a foreign country for shipment out of the United States, except when the goods or products sold are exported in bond for re-entry into the United States;

(7) gross receipts of a manufacturer or processor derived from the sale of his product manufactured or processed in the state, except where the products are sold directly to the consumer;

(8) gross receipts subject to the gross production tax imposed by ch. 55 of this title, except that a person subject to the gross production tax shall obtain a business license and pay the initial $25 license fee;

(9) gross receipts from the taxes imposed by the state upon the sale of motor fuel;

(10) gross receipts from a consumers' sales tax collected by a taxpayer for the state or a political subdivision of this state.

(b) The word "consumer" as used in this section means the person who, in the ordinary common meaning of the term, ultimately uses goods, and dimishes or destroys their utility.

(c) The exemption from taxation of certain gross receipts as provided in this chapter does not exempt a person from the $25 initial license fee. (§ 3 ch 43 SLA 1949; am § 2 ch 172 SLA 1957; am § 1 ch 152 SLA 1962)

Constitutionality. — See United States v. Binns, 1 Alaska 553 (1902), aff'd, 194 U.S. 486, 24 S. Ct. 816, 48 L. Ed. 1087 (1904); United States v. Standard Oil Co., 6 Alaska 351 (1921).

There is nothing in this chapter or the means of enforcement thereof which violates any constitutional privilege. Territory of Alaska v. Journal Printing Co., 15 Alaska 676, 135 F. Supp. 169 (D. Alas. 1955).

Construction of tax laws and license statutes.—Tax laws and license statutes should be so construed, if possible, as to avoid double taxation. United States v. Hill, 4 Alaska 626 (1913).

Nature of Business License Act.—The Alaska Business License Act is an act providing for a tax measured by gross receipts. It is nothing more than that. The statute is a tax statute. It has no regulatory features and is not designed to limit the doing of business in Alaska on the basis of any determination of the fitness of the person subject to the tax to engage in his business or profession. 1959 Op. Att'y Gen., No. 3.

This chapter is primarily an act for the imposition and collection of a tax for revenue purposes only. State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964), citing Alaska v. Baker, 64 Wash. 2d 297, 390 P.2d 1009 (1964).

And construction thereof. — This chapter must be reasonably construed as permitting the collection of an income tax based upon the gross receipts of one engaged in doing business in this state, within the meaning and intent of the Buck Act (4 USC §§ 105—110). State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964), citing Alaska v. Baker, 64 Wash. 2d 297, 390 P.2d 1009 (1964).

The highest court of the state of Washington has now ruled that this chapter must be basically construed as an income tax measure within the purview of the Buck Act (4 USC §§ 105—110), from which any regu-

latory provisions for the collection of the tax are severable by AS 09.10.-070. State v. Baker, Sup. Ct. Op. No. 227 (File No. 4281, 393 P.2d 893 (1964).

Act does not conflict with any interest of federal government.—There is nothing in the Alaska Business License Act which is in conflict with any interest of the federal government. 1959 Op. Att'y Gen., No. 3.

It is within ambit of the Buck Act.—The Alaska Business License Act is a tax act which clearly falls within the ambit of the "Buck Act" (4 USC §§ 105—110). 1959 Op. Att'y Gen., No. 3.

Purpose of 1957 amendment.—The content of the 1957 amendment to the Business License Act strongly suggests that the purpose was simply to clarify the 1949 act, and to make it more accurately represent the intent of the legislature. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

"Consumer". — The legislature intended the word "consumer" to include only the final purchaser of the finished product. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Form, not substance, is the controlling element under the "legal incidence" test. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Economic burden alone will not vitiate a tax under this section as applied to the federal government. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Legal incidence on seller precludes excluding sales to United States from gross receipts.—Where the legal incidence of the business license tax was upon a corporation engaged in manufacturing and selling lumber products, its sales to the United States were not excludable from gross receipts because of federal immunity from state taxation. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Where purchaser is final user. — Sales of lumber to the Army and Air Force for the construction of installations in Alaska were not excluded from gross receipts, as the purchasers were the final users and consumers of the lumber. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Gross receipts derived from business done on military reservations are taxable under the Alaska business license tax. 1959 Op. Att'y Gen., No. 3.

Exemptions do not encompass excise taxes. — None of the exemptions listed under this section would encompass excise taxes paid by the taxpayer. 1961 Op. Att'y Gen., No. 8.

Rental receipts for apartments not exempt. — Rental receipts for apartments owned by a religious corporation, or any other corporation, because they are "receipts which are the result of a continuous engaging in a business or occupation otherwise subject to this chapter," are not exempt. 1959 Op. Att'y Gen., No. 25.

Nor business for profit on Indian reserve. — No individuals operating any business for profit on an Indian reserve are exempt for that reason from the provisions of this chapter. 1959 Op. Att'y Gen., No. 14.

Liability of nonresident fur company under the Business License Act. —See 1959 Op. Att'y Gen., No. 22.

Sec. 43.70.020. Application for license. (a) For the privilege of engaging in a business in the state, a person shall first apply, upon forms prescribed by the commissioner, and obtain a license so to do, and pay the license fee provided for in § 30 of this chapter. A license issued to a firm for a particular line of business covers all its operations in the state in the line of business regardless of the number of its establishments.

(b) Application for a renewal of a license and payment of the initial fee shall be made before February 1 of each year.

(c) No license may be issued for a period extending beyond the end of the calendar year for which it is issued.

(d) A person engaging in a business subject to licensing provisions of a regulatory nature (for example, the requirement of

posting a bond before beginning business as a collection agency) must, in addition to filing the regular application required by this section, comply with those regulatory provisions before being entitled to a license under this chapter. (§ 4 ch 43 SLA 1949)

A license confers no right of property. Tulicket Packing Co. v. Harris & Co., 5 Alaska 471 (1916).

It merely authorizes the holder to carry on a certain business, but does not grant to the holder any place of business, any more than the issuance of a saloon license grants to the holder a building in which to conduct a saloon, or the issuance of a mercantile license, a building in which to conduct a store. Columbia Salmon Co. v. Berg, 5 Alaska 538 (1916).

Purpose of tax is to raise revenue not to regulate business. — Although this section requires a license for the "privilege" of engaging in a business in Alaska, this language does not render it invalid nor destroy the legislative intent that the purpose of the tax is to raise revenue, and not to regulate any business. Territory of Alaska v. Journal Printing Co., 15 Alaska 676, 135 F. Supp. 169 (D. Alas. 1955).

Only subsection (d) is regulatory. — Subsection (d) of this section of the Alaska Business License Act is clearly regulatory, even though the other provisions of the act are not. The rest of the Alaska Business License Act is a revenue raising law and is not designed for purposes of regulation of business. 1960 Op. Att'y Gen., No. 27.

Bond requirement is condition precedent to acquiring or retaining license.—Subsection (d) of this section reaffirms the legislature's intent to make fulfillment of the bond requirement a condition precedent to acquiring or retaining a business license. 1960 Op. Att'y Gen., No. 27.

Religious corporation doing business not exempt. — AS 43.70.110 and this section make no provision for the exemption from the license requirement of a religious corporation which is doing business. 1960 Op. Att'y Gen., No. 25.

A religious corporation receiving rents from the renting of an apartment or apartments must obtain an Alaska business license as a condition precedent to engaging in such business. 1960 Op. Att'y Gen., No. 25.

Revocation of license of collection agency. — The state may revoke the license of a collection agency which does not have a proper bond on file with the tax commission. 1960 Op. Att'y Gen., No. 27.

Revocation procedure.—A guide to a workable procedure for license revocation is found in chapter 2 of the Alaska Administrative Procedure Act. 1960 Op. Att'y Gen., No. 27.

Am. Jur. reference. — 33 Am. Jur., Licenses, §§ 32, 34.

Sec. 43.70.030. Levy and computation of license fee. (a) The license fee for each business is $25 plus a sum equal to one-half of one per cent of the gross receipts in excess of $20,000 from the business during the year for which the license is issued, except that all gross volume in excess of $100,000 a year is taxed at the rate of one-quarter of one per cent. The annual license fee paid by a professional person to his professional board shall be credited against the initial fee required under this chapter.

(b) The license fee for each national bank and state bank, trust company and savings and loan association is two per cent of its net income. Net income means the taxable income of each such taxpayer before net operating loss deduction and special deductions, computed as required under the Internal Revenue Code of the United States and includes all other income including income from federal, state or municipal obligation. Each of the taxpayers shall submit a copy of the income tax return which it files

with the United States Collector of Internal Revenue and shall notify the commissioner of revenue in writing of any alteration or modification of the federal income tax return and of a recomputation of tax or determination of deficiency. The taxpayer who files his federal return on a fiscal year basis shall in addition submit a statement setting out all information which would be required and reported in a federal income tax return prepared for the calendar year. This statement shall be in the same form as a federal income tax return and the net income shall be computed as required under the Internal Revenue Code. The statement shall be submitted to the commissioner of revenue before the sixteenth day of April after the close of the calendar year.

(c) The license for the privilege of taking orders through use of catalogs and by mail order offices in the state is the same as set out in this chapter for business generally and gross volume of business of those offices includes all orders taken at them whether delivery of the merchandise is made through the offices or not.

(d) The initial fee of $25 applies to all of the provisions of this section, and shall accompany the application. The balance is due and payable on December 31st of each year and shall be paid before the first day of March following, except that the department may extend the time until the 30th of the following April upon application showing that the extension is necessary to enable the applicant to ascertain the amount of license money due. To enable accurate determination of the balance of the tax due at the end of each year, each person to whom this chapter applies shall keep records, give statements under oath, and make returns which the department requires. Returns are made under penalty of perjury. (§ 5 ch 43 SLA 1949; am § 1 ch 123 SLA 1955; am § 1 ch 101 SLA 1960)

Stated in State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964).

Sec. 43.70.040. Review and determination of license tax. (a) As soon as practicable after the final payment of the tax, the department shall examine the return and determine the correct amount of the tax and, if an error is found, shall notify the taxpayer of the error and examine the taxpayer's records as authorized in AS 43.05.040, and take other proper steps to determine the amount due.

(b) If an agreement cannot be reached with the taxpayer as to the amount of a license tax, the department may set a time and place of hearing on the question, upon at least 20 days' notice of the hearing by mail to the taxpayer. At the hearing, a person may be required to appear and testify and produce records and other papers as provided in AS 43.05.040.

(c) A person aggrieved by an action of the department may apply in writing to the department within 60 days from the date of the notice of the action, giving notice of the grievance and requesting a hearing.

(d) If the department determines that a fee in excess of the amount due was paid, he shall allow a refund or permit a credit at the option of the taxpayer. If refund is allowed, it shall be made out of the general fund by a voucher approved by the department. (§ 6 ch 43 SLA 1949)

Subsection (b) extends no rights beyond statute of limitations.—It is doubtful that subsection (b) of this section would extend any rights to the taxpayer beyond the time specified in the applicable statute of limitations. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

But it does allow raising of question of overpayment after return approved.—Subsection (b) of this section seems to indicate an intention to allow the taxpayer to raise the question of an overpayment of taxes even after the return has been approved by the department under subsection (a). Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Taxes voluntarily paid under a mistake of law cannot be recovered. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

But the legislature may enact additional remedies for the recovery of illegal or excessive taxes. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

And subsection (c) of this section creates such an additional remedy.—Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Voluntary payment or payment under mistake of law not a defense in action for partial refund. — In the light of subsection (c) of this section, proof that the payment was made voluntarily or under a mistake of law is no defense in an action for partial refund of taxes. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Refund due on showing of payment in excess of amount due.—Under this section a taxpayer is entitled to a refund upon the bare showing that he paid an amount in excess of the tax which was due. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

And there is no requirement that the tax be paid under protest. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Or that showing of duress must be made.—Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Running of interest against sovereign.—Equitable motives have led the majority of courts to recognize tax refunds as an exception to the general rule that interest does not run against a sovereign in the absence of an express statute creating such liability. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Costs against sovereign.—But costs may not be assessed against a sovereign without statutory authority therefor. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Sec. 43.70.050. Appeals. If the person is aggrieved by the decision of the department, he may appeal to the superior court in the judicial district where he conducts his business. (§ 7 ch 43 SLA 1949)

Collateral estoppel. — If a later proceeding is concerned with a similar or unlike claim relating to a different tax year, a prior judgment acts as a collateral estoppel only as to those matters in the second proceeding which were actually presented and determined in the first suit. State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964).

Res judicata. — If a claim of liability or nonliability relating to a particular tax year is litigated, a judgment on the merits is res judicata as to any subsequent proceeding involv-

ing the same claim and the same tax year. State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964).

If another state is called upon to construe a provision of this chapter, that decision is res judicata in an action brought in this state by the same parties on the same or related issues, until such time as the highest court of that state or an appropriate court of this state places a different construction upon the provision. State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964).

Sec. 43.70.060. Civil penalty. (a) If a person fails to file a business license return or pay the fee, as finally determined by the department, unless it is shown that the failure is due to reasonable cause and not to willful neglect, five per cent is added to the fee for each additional 30 days, or fraction of 30 days, during which the failure continues, but not exceeding 25 per cent in the aggregate. The amount added to the fee shall be collected at the same time and in the same manner and as a part of the fee. If the fee is paid before the discovery of the neglect, the amount added shall be collected in the same manner as the fee. In case of delinquency interest shall be assessed at the rate of six per cent a year. If payment is made by check, bill of exchange, or note which is later returned by the drawee as uncollectible because of insufficient funds or is dishonored by the drawee for any reason, the dishonor is prima facie evidence of nonpayment of the license fee.

(b) If a person fails to apply for a license at the required time or makes, wilfully or otherwise, an erroneous or fraudulent return, the department shall assess the fee from any information it can obtain. This assessment is prima facie good and sufficient for all legal purposes under this chapter. (§ 8 ch 43 SLA 1949; am § 2 ch 128 SLA 1955; am § 6 ch 58 SLA 1971)

Effect of amendment. — The 1971 amendment, in the third sentence of subsection (a), deleted "the legal rate of" preceding "interest" and added "at the rate of six per cent a year."

Section merely regulatory. — See same catchline in note to AS 43.10.-160.

And severable from other revenue provisions.—See State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964), citing Alaska v. Baker, 61 Wash. 2d 207, 390 P.2d 1009 (1964).

It is designed to persuade taxpayer to comply with chapter. State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964).

Sec. 43.70.070. Security. (a) The amount of the fee, interest charge, and penalty imposed under this chapter constitutes a lien in favor of the state upon all the person's property located in the state. The lien arises upon delinquency and continues until the liability for the amount is satisfied or the property is sold at foreclosure sale. The lien is not valid as against a mortgagee, pledgee, purchaser, or judgment creditor until notice of the lien is filed in the office of the recorder in the manner provided for federal tax liens in AS 43.10.090—43.10.150. AS 43.10.090—43.10.150 apply to the tax liens arising under this chapter.

(b) A nonresident person who starts to perform a construction

contract or subcontract or other line of business in the state and is not known by the department to be the holder of adequate property in the state to secure collection of the license money which will probably accrue under this chapter by virtue of the business shall, in or with his application, state under oath the extent of lienable real and personal property against which the tax may be collected, and other information with respect to description, location and value of the property which the department prescribes. If the value of the property is not equal to three times the amount of the tax for which the applicant will probably be liable to the state, the department shall not issue the license until the applicant files with him a surety bond approved by the attorney general in a penal sum equal to twice the probable amount of the tax for which the applicant will be liable, conditioned upon payment of the tax in full when due, and with interest if not paid before delinquency. The department may waive the bond requirement if the applicant posts other security in the form of collateral acceptable to the department. (§ 9 ch 43 SLA 1949)

Section merely regulatory. — See same catchline in note to AS 43.10.160.

And severable from other revenue provisions. — See State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964), citing Alaska v. Baker, 61 Wash. 2d 207, 390 P.2d 1009 (1964).

Sec. 43.70.080. Disposal of money. All money collected by the department under this chapter shall be deposited in the general fund. The Department of Revenue shall refund to each organized borough and each city of any class 60 per cent of the money collected in the local government. (§ 11 ch 43 SLA 1949; am § 4 ch 155 SLA 1962; am § 74 ch 69 SLA 1970)

Effect of amendment. — The 1970 amendment substituted "each" for "an" preceding "organized borough," inserted "and each," and deleted "incorporated or independent school district, or public utility districts" preceding "60 per cent" in the second sentence.

Legislative committee report. — For report on ch. 69, SLA 1970 (HB 561), see 1970 House Journal Supplement No. 2, p. 7.

Validity of refunds to incorporated cities. — See 1950 Op. Att'y Gen., No. 5.

Sec. 43.70.090. Regulations. The department may adopt regulations necessary to determine and collect the fees imposed and to enforce this chapter. (§ 12 ch 43 SLA 1949)

Sec. 43.70.100. Penal provisions. (a) It is unlawful for a person to (1) wilfully evade a tax under this chapter; (2) fail to make a return or keep or produce a record required under § 30 of this chapter; (3) make a false or fraudulent return or false statement with intent to defraud the state or evade payment of the tax; or (4) aid or abet another in an attempt to evade payment of the tax.

(b) It is unlawful for an executive officer or agent of a corpo-

ration or agent of a person to make or permit to be made for his principal a false return or false statement in answer to an inquiry from the department with the intent to evade the payment of the tax under this chapter.

(c) A person who violates this section is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $1,000, or by imprisonment for not more than one year, or by both.

(d) In a prosecution under this chapter, no person otherwise competent as a witness is privileged from testifying on the ground that his testimony may incriminate him. However, no indictment or prosecution shall afterwards be brought against the witness on account of an offense or transaction concerning which he testifies as a witness. In a prosecution under this chapter, the attorney general may, with the consent of the department, compromise the case by accepting from the defendant a sum not less than the tax, interest on the tax, and all costs and expenses. (§ 10 ch 43 SLA 1949)

Exclusiveness of remedy.—Where a statute provides for the payment of a license fee as the condition of doing any specified business, and also provides that a violator of the act shall, upon conviction, be punished by fine or imprisonment, the remedy by prosecution and punishment so prescribed by the statute is exclusive, unless there is some special provision of law which permits the prosecution of a civil action to recover the license fee. United States v. Jourden, 193 F. 956 (9th Cir. 1912).

Sec. 43.70.110. Definitions. In this chapter, unless the context otherwise requires, the following words have the meanings indicated.

(1) "Business" includes all activities or acts, personal, professional, or corporate, engaged in or caused to be engaged in, or following or engaging in a trade, profession, or business, including receipts from advertising services, rental of personal or real property, construction, processing, or manufacturing, but excluding fisheries businesses, fishermen, liquor licenses, insurance businesses, mining, and coin-operated amusement and gaming machines, calling or vocation, with the object of financial or pecuniary gain, profit or benefit, either direct or indirect, and not exempting subactivities producing marketable commodities or services used or consumed in the main business activity, each of which subactivities shall be considered business. The giving or supplying of services as an employee and the furnishing of property, services, substances, or things, by a person who does not hold himself out as regularly engaging in those transactions, does not constitute business under the meaning of this chapter.

(2) "Gross receipts" means receipts from sources in the state, whether in the form of money, credits, or other valuable consideration received from engaging in or conducting a business without de-

ducting the cost of the property sold, the cost of the materials used, labor or service cost, interest paid, taxes, losses, or any other expense, except that "gross receipts" does not include cash discounts allowed and taken on sales, and sales refunds, either in cash or by credit, uncollectible accounts written off, and payments received in final liquidation of accounts included in the gross receipts of a previous return made by the person. Receipts from sales, wherever made, of goods, wares, and merchandise manufactured or processed or originating in the state are considered a part of gross receipts from sources in the state, and the holder of a state license under this chapter doing business inside and outside the state is liable under this chapter as to that portion of his gross receipts attributable to his Alaska operation. "Gross receipts" also includes all amounts paid or assigned to subcontractors. Individuals representing firms taxed under this chapter on volume of business done, working as agents on commission instead of as employees, may compute their gross receipts as equal to their gross commissions.

(3) "Income year" means calendar year. If a person carries on business during a part only of the income year, "income year" means the period within the income year during which the person carries on business.

(4) "Person" includes an individual, firm, partnership, joint adventure, association, corporation, estate trust, business trust, receiver, or any group or combination acting as a unit. (§ 2 ch 43 SLA 1949; am § 1 ch 172 SLA 1957)

Intent to tax all businesses proportionately. — It is apparent that the legislature intended to discard license taxes on specifically enumerated businesses and to tax all businesses proportionately. Territory of Alaska v. Journal Printing Co., 15 Alaska 676, 135 F. Supp. 169 (D. Alas. 1955).

Newspapers are within purview of chapter. — The inclusion of newspapers, along with other businesses, is within the purview of this chapter. Territory of Alaska v. Journal Printing Co., 15 Alaska 676, 135 F. Supp. 169 (D. Alas. 1955).

Newspapers and the business of newspaper publishing are not made exempt from the ordinary forms of taxation for the support of local government by the provisions of the 1st and 13th amendments to the United States Constitution. Territory of Alaska v. Journal Printing Co., 15 Alaska 676, 135 F. Supp. 169 (D. Alas. 1955).

Contractors' work for federal government not exempt. — Although the Pribilof Islands constitute a special reservation, within the meaning of the Buck Act, the operations of businesses, including performing contractors' work for the federal government, are not exempt from state taxation. 1959 Op. Att'y Gen., No. 22.

Mere contracts between private persons or corporations and the United States do not necessarily render the former essential governmental agencies and confer upon them freedom from state taxation. 1959 Op. Att'y Gen., No. 22.

The principle of immunity from state and local taxation is generally based upon the direct ownership or use and control of the property by the United States, and does not extend to the business, property, or income of contractors who are doing work for the federal government for the purpose of gain. 1959 Op. Att'y Gen., No. 22.

Use of part of home for business property. — Persons receiving in excess of $1500 gross per year from the

supplying of part of their home to others and who claim business deductions on their Alaska income tax return for that same part of their home are required to obtain an Alaska business license. 1960 Op. Att'y Gen., No. 20.

When an individual claims that part of his property is business property for income tax purposes, that same part of his property does not come within the meaning of the words "personal home" in §§ 1 and 15 of the business license regulations. 1960 Op. Att'y Gen., No. 20.

An individual may not claim a reduction of state income tax on the grounds that part of his home is business property and then escape the state business license tax on the basis that the same part of his home is not a business property but his personal home. 1960 Op. Att'y Gen., No. 20.

Educational, etc., institutions exempt when not "doing business."— The rule is that educational, religious, etc., institutions and hospitals need not pay the business license tax or the initial license fee as long as they refrain from doing "business" as defined in the business license act. 1960 Op. Att'y Gen., No. 25.

But there is no exemption of religious corporation when "doing business."—This section and AS 43.70.020 make no provisions for the exemption from the license requirement of a religious corporation which is doing business. 1960 Op. Att'y Gen., No. 25.

Thus, rents received by religious corporations are not exempted from the Alaska business license tax. 1960 Op. Att'y Gen., No. 25.

Use of indirect allocation formula. —Where most of the business activities of a company took place in Missouri, it being very difficult to directly allocate that portion of the company's profits or income which was derived from its Alaska operations, the company carried on enough activities in Alaska to become subject to state taxation and these activities could be taxed on an indirect allocation formula. 1959 Op. Att'y Gen., No. 22.

"Gross receipts" includes all receipts within a state regardless of form. — The definition of "gross receipts" in this section indicates a clear legislative intent that, for the purposes of the act, gross receipts should include all of the taxpayer's receipts within the state, whether in the form of money or other valuable considerations. 1961 Op. Att'y Gen., No. 8.

No deduction from gross receipts of motor fuel excise taxes. — Oil companies may not deduct from their gross receipts federal or Alaska motor fuel excise taxes paid or collected on oil products sold for purposes of calculating taxable gross receipts under the Alaska Business License Act. 1961 Op. Att'y Gen., No. 8.

Applied in Ketchikan Spruce Mills v. Dewey, 17 Alaska 335 (1957).

Sec. 43.70.120. Short title. This chapter may be cited as the Alaska Business License Act. (§ 1 ch 43 SLA 1949)

Chapter 75. Fisheries Taxes.

Article

1. Salmon Canneries and Certain Fish Processors (§§ 43.75.010—43.75.055)
2. Cold Storages and Other Fish Processors (§§ 43.75.060—43.75.095)
3. Taking of Fisheries Products Which Are Sold Outside Taxing Jurisdiction (§§ 43.75.100—43.75.120)
4. General Provisions (§§ 43.75.130—43.75.135)

Article 1. Salmon Canneries and Certain Fish Processors.

Section

10. Fisheries business licenses
20. Application for license
30. Filing return and payment of tax
50. Violations and penalties
55. Penalty for collection of taxes

Sec. 43.75.010. Fisheries business licenses. (a) A person engaging or attempting to engage in any of the following lines of business

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

Form SA 1

MEMORANDUM State of Alaska

TO: The Honorable Mike Miller, Chairman
Local Government Committee
Alaska State House of Representatives
Juneau, Alaska

DATE: April 13, 1971

FROM: R. D. Stevenson
Deputy Commissioner
Department of Revenue
Juneau, Alaska

SUBJECT: House Bill No. 401
Business License Tax

I am transmitting eight copies of a report prepared by L. P. Carroll, Chief, Miscellaneous Tax Section, Department of Revenue, concerning the effect on Treasury as concerns House Bill No. 401, an Act relating to business license tax.

If you have any questions on the material submitted, kindly advise and Mr. Carroll will be available.

RDS:eh

Attachments (8)

FORM S/. -1B

MEMORANDUM State of Alaska

TO: R. D. Stevenson
Deputy Commissioner
Department of Revenue

DATE : April 12, 1971

FROM: L. P. Carroll, Chief
Miscellaneous Tax Section

SUBJECT: Legislative Research
House Bill 401

House Bill 401 accomplishes the following:

1. Repeals collection of the gross receipts tax (other than the original $25.00 license fee) by the State in all organized cities and boroughs.

2. Permits organized boroughs, cities of any class within boroughs, or cities in the unorganized borough which are school districts to impose, by ordinance, a gross receipts tax levied at one-half of one percent on all gross receipts.

3. Permits the State to collect and retain gross receipts tax based at one-half of one percent on all gross earned within the unorganized borough and provides for assessment of 100% penalty in cases where returns are not filed or fees paid, unless it is shown that the failure is due to reasonable cause and not to wilful neglect.

Effect on Treasury:

As the effective date of the Legislation is 1/1/72, we can anticipate little or no changes in the revenues estimated for F/Y 1972. The gross receipts tax due on the 1971 gross is received in this office during the period February 28, 1972 through April 30, 1972 and added to the revenues derived from the sale of an estimated 18,000 licenses valued at $450,000 should result in our estimate of $6,150,000.

F/Y 1973 will be the first year reflecting impact to the Treasury and to the revenues derived by cities and boroughs.

At this time we have not prepared estimates of the business license shared revenues for F/Y 1973 based on present rates and methods of collection and distribution. For purposes of this report the following assumptions are made.

F/Y 1973 Cities	$1,779.440	= Estimated Sharing Present Plan
F/Y 1973 Boroughs	$1,120.560	= Estimated Sharing Present Plan
F/Y 1973 Total	$2,900,000	

Further reference is made to the attached copy of the business license revenue estimates through F/Y 1976. The revised estimate for F/Y 1973 discloses $6,695,000.

Accordingly, under present rates and distribution formula the following may be illustrated:

Shares	Amounts	% of Total
Cities	$1,779,440	
Boroughs	1,030,000	
SubTotal	$2,900,000	43.34
State Portion	3,795,000	56.66
Total Estimate	$6,695,000	100.00%

We estimate that 75% of the tax in excess of the basic $25.00 license fee is attributable to those businesses grossing in excess of $100,000.00. Accordingly, the following is illustrated at the increased rate of 1/2% on all gross:

F/Y	Estimated # of Licenses	Basic Fee $	Balance $ To Gross Tax	75% to Taxpayers Over 100,000	At New Rate	Total Tax Excluding Lic. Fee
1973	19,000	475,000	6,220,000	4,665,000	9,330,000	10,885,000

Applying present allocation figures on the revised tax shown above which excludes the basic license fee, and adding an estimated amount for those taxpayers now grossing less than $20,000 and paying no tax, who would be liable under the proposed legislation the following may be shown:

Total Taxes Excluding License Fees -	$10,885,000
Estimated Amount for Present Non-Due Returns -	150,000
Total Subject to Sharing	$11,035,000

* Based on Present Distribution Percentage		
* Total Share to Cities & Boroughs	-------	$ 4,781,465
* Total Share to State	-------	6,253,535
Total Taxes at 1/2%	-------	$11,035,000

Realizing that the figures shown above for Cities and Boroughs represents only 60% or 3/5 of the actual tax involved, if the local governments were to impose, administer and collect the tax at a full rate of 1/2 of 1% and retain 100% of such taxes the estimated results for F/Y 1973 would be as follows:

A. Shared Revenue to Cities & Boroughs (New Rate - Self Administered)	------	$ 7,969,110
B. Balance for State	------	3,065,890
C. Total Tax at 1/2%		$11,035,000

Thus, the following may be shown for F/Y 1973:

Cities & Boroughs New Rate (Self Administered)	-	$7,969,110
Cities & Boroughs Under Present Formula	-	2,900,000
Increase to Cities & Boroughs (Self Administered)		$5,069,110
Estimated State Revenue (Present System)		$3,795,000
Estimated State Revenue Proposed System Tax Only	$3,065,890	
Estimated State Revenue Proposed System License Fees	475,000	
Total State Revenue Proposed System		$3,540,890
Estimated Loss to General Fund		$ (254,110)

Problems of Administration:

Assuming that we will collect and share the 1971 gross receipts tax (due 2/28/72) under our existing procedure, there is sufficient time to allow for the redesign of the tax reporting form for calendar year 1972 due 2/28/73. We will no doubt mail reporting forms to all licensees in the State and require only those businesses that earned gross in the unorganized borough to file returns. The 100% penalty clause should assist in assuring that businesses fitting this category file returns.

It should be made a part of this Legislation that all licenses, returns, and taxes due under the Business License Act for years prior to the effective date of the Legislation (including the 1971 gross receipts tax), are valid and that the Department of Revenue is fully empowered to collect all delinquent accounts including any which may be disclosed in subsequent audit investigations.

It is noted that a full three year period should be allowed for completion of business under the existing Business License Act and shared revenue program. Adoption of this Legislation will preclude the preparation of the annual gross receipt report beyond calendar year 1972.

We feel that the Legislation is manageable and will rely on field audit staff for assistance in taxpayer compliance. Barring inception of the field audit program, we will require the addition of a Revenue Agent and Tax Examiner II to our existing staff for field audit work and orderly phase-in of the new program. A complete administrative cost analysis will be made available upon request.

The Miscellaneous Tax Section Chief is available should any questions arise concerning the estimates contained herein.

LPC:fd

Attachments

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

SCHEDULE OF REVENUES
5-Year Projection

		CODE
AGENCY	Revenue	04
OPERATING PROGRAM	Collection & Receipt	00
ACTIVITY	State General	00
FUNCTION	Receipt	00

CASH FLOW FOR THE FISCAL YEAR ENDING JUNE 30, 1972

RECEIPT TITLE Alaska Business License Tax RECEIPT CODE 105 FUND 100

ACTUAL	ESTIMATED						
F.Y. 1970 (1)	F.Y. 1971 Budget Estimate (2)	F.Y. 1971 Revised Estimate (3)	F.Y. 1972 Revised Estimate (4)	F.Y. 1973 Revised Estimate (5)	F.Y. 1974 Revised Estimate (6)	F.Y. 1975 Revised Estimate (7)	F.Y. 1976 (8)
$ 5,060,522	$ 5,300,000	$ 5,414,000	$ 6,150,000	$ 6,695,000	$ 7,029,000	$ 7,141,000	$ 7,594,000

F.Y. 1971–1972 CASH FLOW BY MONTH – (Block (4) Above)

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
$ 82,410	$ 59,650	$ 46,130	$ 39,980	$ 39,980	$ 49,200

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
$ 222,630	$ 511,060	$ 3,736,740	$ 261,990	$ 995,070	$ 105,160	$ 6,150,000

CITATION: AS 43.70.010-120

RATE: The initial license fee for businesses is $25.00 per year.
Additional rates on gross receipts are:

$20,000 to $100,000	1/2 of 1 per cent
$100,000 and Over	1/4 of 1 per cent

A 2 per cent rate is levied on the net income of banks, trust companies and savings and loan associations.

ALLOCATION: All revenues from the Alaska Business License Tax are paid into the General Fund. Sixty per cent of the amounts collected within the boundaries of any municipality or organized borough are returned to that political subdivision by Legislative appropriation.

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

STATEMENT OF PROGRAM

For the Fiscal Year Ending June 30, 1972

		CODE
AGENCY	Revenue	04
OPERATING PROGRAM	Collection & Receipt	00
ACTIVITY	State General	00
FUNCTION	Receipt	00

BASIS FOR ESTIMATE: Revenue Estimates reflect net collections before sharing with political subdivisions and are based on present license fees considering all statutorily allowed exemptions. Estimates of revenue shown are computed on the basis of a 7% growth rate compounded annually to cover normal anticipated growth plus additional revenues in Fiscal Years 1972, 1973, 1974 and 1975 to cover the non-recurring impact of the North Slope Pipeline Construction Project. These estimates are based on the best available information secured from the Industry and could be substantially effected in the event that the pipeline permit is not forthcoming within a reasonably early time schedule. The estimate for FY 1975 and FY 1976 represents residual receipts and are based on a more normal growth pattern.

A review of actual and estimated revenues for the past five fiscal years is as follows:

Fiscal Year	Actual Net Collections	Revenue Estimates	% of Revenue Estimate Realized
1969-70	$ 5,060,522	$ 4,500,000	112.46%
1968-69	4,148,756	3,897,000	106.46%
1967-68	3,833,223	3,411,400	112.37%
1966-67	3,328,030	3,660,000	90.93%
1965-66	3,223,557	3,034,000	106.22%
Totals	$ 19,594,088	$ 18,502,400	105.69%

A review of the growth rate of actual revenues for the past five fiscal years is as follows:

Fiscal Year	Actual Net Collections	Dollar Increase Over Preceding Fiscal Year	% Increase Over Preceding Fiscal Year
1969-70	$ 5,060,522	$ 911,766	21.97%
1968-69	4,148,756	315,533	8.23%
1967-68	3,833,223	505,193	15.18%
1966-67	3,328,030	104,473	3.24%
1965-66	3,223,557	281,305	9.56%
1964-65	2,942,252	Base Year	Base Year

Form SA 1

MEMORANDUM State of Alaska

TO: The Honorable Mike Miller, Chairman
Local Government Committee
Alaska State House of Representatives
Juneau, Alaska

DATE : April 13, 1971

FROM: R. D. Stevenson
Deputy Commissioner
Department of Revenue
Juneau, Alaska

SUBJECT: House Bill No. 401
Business License Tax

I am transmitting eight copies of a report prepared by L. P. Carroll, Chief, Miscellaneous Tax Section, Department of Revenue, concerning the effect on Treasury as concerns House Bill No. 401, an Act relating to business license tax.

If you have any questions on the material submitted, kindly advise and Mr. Carroll will be available.

RDS:eh

Attachments (8)

FORM SA-1B

MEMORANDUM State of Alaska

TO: R. D. Stevenson
Deputy Commissioner
Department of Revenue

DATE : April 12, 1971

FROM: L. P. Carroll, Chief
Miscellaneous Tax Section

SUBJECT: Legislative Research
House Bill 401

House Bill 401 accomplishes the following:

1. Repeals collection of the gross receipts tax (other than the original $25.00 license fee) by the State in all organized cities and boroughs.

2. Permits organized boroughs, cities of any class within boroughs, or cities in the unorganized borough which are school districts to impose, by ordinance, a gross receipts tax levied at one-half of one percent on all gross receipts.

3. Permits the State to collect and retain gross receipts tax based at one-half of one percent on all gross earned within the unorganized borough and provides for assessment of 100% penalty in cases where returns are not filed or fees paid, unless it is shown that the failure is due to reasonable cause and not to wilful neglect.

Effect on Treasury:

As the effective date of the Legislation is 1/1/72, we can anticipate little or no changes in the revenues estimated for F/Y 1972. The gross receipts tax due on the 1971 gross is received in this office during the period February 28, 1972 through April 30, 1972 and added to the revenues derived from the sale of an estimated 18,000 licenses valued at $450,000 should result in our estimate of $6,150,000.

F/Y 1973 will be the first year reflecting impact to the Treasury and to the revenues derived by cities and boroughs.

At this time we have not prepared estimates of the business license shared revenues for F/Y 1973 based on present rates and methods of collection and distribution. For purposes of this report the following assumptions are made.

F/Y 1973 Cities	$1,779.440	= Estimated Sharing Present Plan
F/Y 1973 Boroughs	$1,120.560	= Estimated Sharing Present Plan
F/Y 1973 Total	$2,900,000	

Further reference is made to the attached copy of the business license revenue estimates through F/Y 1976. The revised estimate for F/Y 1973 discloses $6,695,000.

Accordingly, under present rates and distribution formula the following may be illustrated:

Shares	Amounts	% of Total
Cities	$1,779,440	
Boroughs	1,030,000	
SubTotal	$2,900,000	43.34
State Portion	3,795,000	56.66
Total Estimate	$6,695,000	100.00%

We estimate that 75% of the tax in excess of the basic $25.00 license fee is attributable to those businesses grossing in excess of $100,000.00. Accordingly, the following is illustrated at the increased rate of 1/2% on all gross:

F/Y	Estimated # of Licenses	Basic Fee $	Balance $ To Gross Tax	75% to Taxpayers Over 100,000	At New Rate	Total Tax Excluding Lic. Fee
1973	19,000	475,000	6,220,000	4,665,000	9,330,000	10,885,000

Applying present allocation figures on the revised tax shown above which excludes the basic license fee, and adding an estimated amount for those taxpayers now grossing less than $20,000 and paying no tax, who would be liable under the proposed legislation the following may be shown:

Total Taxes Excluding License Fees	- $10,885,000
Estimated Amount for Present Non-Due Returns	- 150,000
Total Subject to Sharing	$11,035,000

* Based on Present Distribution Percentage		
* Total Share to Cities & Boroughs	-------	$ 4,781,465
* Total Share to State	-------	6,253,535
Total Taxes at 1/2%	-------	$11,035,000

Realizing that the figures shown above for Cities and Boroughs represents only 60% or 3/5 of the actual tax involved, if the local governments were to impose, administer and collect the tax at a full rate of 1/2 of 1% and retain 100% of such taxes the estimated results for F/Y 1973 would be as follows:

A. Shared Revenue to Cities & Boroughs (New Rate - Self Administered)	- ----	$ 7,969,110
B. Balance for State	------	3,065,890
C. Total Tax at 1/2%		$11,035,000

Thus, the following may be shown for F/Y 1973:

Cities & Boroughs New Rate (Self Administered)	-	$7,969,110
Cities & Boroughs Under Present Formula	-	2,900,000
Increase to Cities & Boroughs (Self Administered)		$5,069,110
Estimated State Revenue (Present System)		$3,795,000
Estimated State Revenue Proposed System Tax Only	$3,065,890	
Estimated State Revenue Proposed System License Fees	475,000	
Total State Revenue Proposed System		$3,540,890
Estimated Loss to General Fund		$ (254,110)

Problems of Administration:

Assuming that we will collect and share the 1971 gross receipts tax (due 2/28/72) under our existing procedure, there is sufficient time to allow for the redesign of the tax reporting form for calendar year 1972 due 2/28/73. We will no doubt mail reporting forms to all licensees in the State and require only those businesses that earned gross in the unorganized borough to file returns. The 100% penalty clause should assist in assuring that businesses fitting this category file returns.

It should be made a part of this Legislation that all licenses, returns, and taxes due under the Business License Act for years prior to the effective date of the Legislation (including the 1971 gross receipts tax), are valid and that the Department of Revenue is fully empowered to collect all delinquent accounts including any which may be disclosed in subsequent audit investigations.

It is noted that a full three year period should be allowed for completion of business under the existing Business License Act and shared revenue program. Adoption of this Legislation will preclude the preparation of the annual gross receipt report beyond calendar year 1972.

We feel that the Legislation is manageable and will rely on field audit staff for assistance in taxpayer compliance. Barring inception of the field audit program, we will require the addition of a Revenue Agent and Tax Examiner II to our existing staff for field audit work and orderly phase-in of the new program. A complete administrative cost analysis will be made available upon request.

The Miscellaneous Tax Section Chief is available should any questions arise concerning the estimates contained herein.

LPC:fd

Attachments

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

SCHEDULE OF REVENUES
5-Year Projection

		CODE
AGENCY	Revenue	04
OPERATING PROGRAM	Collection & Receipt	00
ACTIVITY	State General	00
FUNCTION	Receipt	00

CASH FLOW FOR THE FISCAL YEAR ENDING JUNE 30, 1972

RECEIPT TITLE: Alaska Business License Tax RECEIPT CODE: 105 FUND: 100

ACTUAL	ESTIMATED						
F.Y. 1970 (1)	F.Y. 1971 Budget Estimate (2)	F.Y. 1971 Revised Estimate (3)	F.Y. 1972 Revised Estimate (4)	F.Y. 1973 Revised Estimate (5)	F.Y. 1974 Revised Estimate (6)	F.Y. 1975 Revised Estimate (7)	F.Y. 1976 (8)
$ 5,060,522	$ 5,300,000	$ 5,414,000	$ 6,150,000	$ 6,695,000	$ 7,029,000	$ 7,141,000	$ 7,594,000

F.Y. 1971–1972 CASH FLOW BY MONTH – (Block (4) Above)

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
$ 82,410	$ 59,650	$ 46,130	$ 39,980	$ 39,980	$ 49,200

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
$ 222,630	$ 511,060	$ 3,736,740	$ 261,990	$ 995,070	$ 105,160	$ 6,150,000

CITATION: AS 43.70.010-120

RATE: The initial license fee for businesses is $25.00 per year.
Additional rates on gross receipts are:

$20,000 to $100,000	1/2 of 1 per cent
$100,000 and Over	1/4 of 1 per cent

A 2 per cent rate is levied on the net income of banks, trust companies and savings and loan associations.

ALLOCATION: All revenues from the Alaska Business License Tax are paid into the General Fund. Sixty per cent of the amounts collected within the boundaries of any municipality or organized borough are returned to that political subdivision by Legislative appropriation.

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

STATEMENT OF PROGRAM

For the Fiscal Year Ending June 30, 1972

		CODE
AGENCY	Revenue	04
OPERATING PROGRAM	Collection & Receipt	00
ACTIVITY	State General	00
FUNCTION	Receipt	00

BASIS FOR ESTIMATE: Revenue Estimates reflect net collections before sharing with political subdivisions and are based on present license fees considering all statutorily allowed exemptions. Estimates of revenue shown are computed on the basis of a 7% growth rate compounded annually to cover normal anticipated growth plus additional revenues in Fiscal Years 1972, 1973, 1974 and 1975 to cover the non-recurring impact of the North Slope Pipeline Construction Project. These estimates are based on the best available information secured from the Industry and could be substantially effected in the event that the pipeline permit is not forthcoming within a reasonably early time schedule. The estimate for FY 1975 and FY 1976 represents residual receipts and are based on a more normal growth pattern.

A review of actual and estimated revenues for the past five fiscal years is as follows:

Fiscal Year	Actual Net Collections	Revenue Estimates	% of Revenue Estimate Realized
1969-70	$ 5,060,522	$ 4,500,000	112.46%
1968-69	4,148,756	3,897,000	106.46%
1967-68	3,833,223	3,411,400	112.37%
1966-67	3,328,030	3,660,000	90.93%
1965-66	3,223,557	3,034,000	106.22%
Totals	$ 19,594,088	$ 18,502,400	105.69%

A review of the growth rate of actual revenues for the past five fiscal years is as follows:

Fiscal Year	Actual Net Collections	Dollar Increase Over Preceding Fiscal Year	% Increase Over Preceding Fiscal Year
1969-70	$ 5,060,522	$ 911,766	21.97%
1968-69	4,148,756	315,533	8.23%
1967-68	3,833,223	505,193	15.18%
1966-67	3,328,030	104,473	3.24%
1965-66	3,223,557	281,305	9.56%
1964-65	2,942,252	Base Year	Base Year

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

HB
402

Bill

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S — JUNEAU 99801

March 29, 1972

The Honorable George H. Hohman
Chairman, House Finance Committee
and
The Honorable Mike Miller
Chairman, House Local Government Committee
Alaska State Capitol
Juneau, Alaska 99801

Dear Sirs:

We respectfully request that you make the following amendments to House Bill No. 402:

1. Page 3, line 1: Strike "conformation" and insert "confirmation."

2. Page 3, line 13: After the word "subscribe" insert the word "to."

3. Page 3, line 16: Strike the word "lieutenant."

4. Page 3, line 21: Strike the word "bank" and insert "bond bank authority."

5. Page 3, line 22: Following the sentence ending with the word "quorum," add the following sentence: "A quorum must always include the Commissioner of Revenue."

6. Page 3, line 23: Strike the word "bank" and insert the words "bond bank authority."

7. Page 3, line 24: Strike all material after the word "directors" through end of sentence in line 25 and insert a period after "directors" in line 24.

8. Page 4, line 2: After the first word "surety" insert the word "bond."

9. Page 4, lines 5 and 6: Strike the words "and approved by the attorney general."

10. Page 4, line 18: Strike the word "bank" and insert the words "bond bank authority."

11. Page 5, line 16: Strike the word "to."

12. Page 5, line 25: Strike the word "to."

13. Page 7, line 21: Strike the words "or for investment except" and insert the words "except for investment."

14. Page 8, line 28: Strike the word "bank" and insert the words "bond bank authority."

15. Page 9, lines 27 and 28: Strike the words "payable solely from revenues or funds pledged or available for their payment as authorized in this chapter" and insert the words "general obligations of the authority to which the full faith and credit of the authority are pledged to the payments thereof, except to the extent provided by the resolution authorizing the issuance thereof."

16. Page 10, line 19: Strike the word "proceedings" and insert the word "proceeding."

17. Page 10, line 28: Strike the word "INVESTMENT" and insert the word "INVESTMENTS."

18. Page 11, line 21: Add a comma after the word "authority."

19. Page 12, line 3: A new paragraph (1) to read "The purchase of municipal bonds;" and renumber succeeding paragraphs (1), (2), and (3) as (2), (3), and (4).

20. Page 13, line 15: Strike the word "bank" and insert the words "bond bank authority."

21. Page 14, line 27: After the final comma insert the words "and as to the."

22. Page 18, line 8: Strike the word "and."

23. Page 18, line 12: Strike the word "bank" and insert the words "bond bank authority."

24. Page 18, line 22: After the word "documentation" strike all language through line 26 and insert the words "required by the authority."

25. Page 19, line 25: Strike the word "bank" and insert the words "bond bank authority."

26. Page 19, line 29: Strike the period and add the following language to the end of the section: "for deposit in the reserve fund for reasons other than certification pursuant to this chapter."

27. Page 20, line 2: After the word "reserve" insert the words "as defined in (b) of this section."

28. Page 20, line 5: Strike through line 7 and insert new (d) as follows: "(d) Money at any time in the reserve fund may be invested in the same manner and on the same conditions as permitted for investment of funds belonging to the state or held in the treasury pursuant to Section 37.10.070, provided that the authority may agree with the bond holders to further limit these investments."

29. Page 20, line 9: Strike the words "the par value."

30. Page 21, line 6: Strike all material beginning on line 6 through Page 22, line 16.

31. Pages 22 and 23, line 27: Strike all words beginning with "If" through Page 23, line 4.

32. Page 23, line 22: Strike the word "bank" and insert the words "bond bank authority."

33. Page 26, line 6: After the word "would" insert the word "not."

34. Page 27, line 22: Strike paragraphs (3) and (4) entirely. Insert new paragraph (3) to read:
"(3) "municipal bond" means a bond or note or evidence of debt which constitutes a direct and general obligation of a political subdivision of the state all the taxable property within which is subject to taxation to pay the bond, note or evidence of debt and the interest without limitation as to rate or amount."

35. Page 27, line 28: Strike "(5)" and insert "(4)."

36. Page 28, line 2: Strike "(6)" and insert "(5)."

37. Page 28, line 4: Strike "(7)" and insert "(6)."

38. Page 28, line 6: Strike the word "its."

39. Page 28, line 6: Strike the words "or notes."

40. Page 28, line 7: Strike "(8)" and insert "(7)."

41. Page 28, line 9: Strike "(9)" and insert"(8)."

Very truly yours,

Eric E. Wohlforth

Eric E. Wohlforth, Commissioner

EEW:WC:ge

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Alaska State Legislature

House of Representatives

April 16, 1971

George - Enclosed is a communication from Fairbanks indicating the actual expense of their allowance to oldtimers in the area of property taxes. As you can see from the attached clipping, the conditions of their allowance are not identical to those in House Bill 296 but they are sufficiently similar to give some guidance.

Also enclosed are some additicnal computations from some other communities which indicate a wide field of estimates. It is precisely because an allowance such as this might vary greatly from community to community that a majority of the committee favors the state picking up the tab.

If you use Fairbanks as an average and extrapolate the Fairbanks experience through a population of 300,000 persons, you can probably come up with a workable ballpark figure for the first year.

Mike

Enclosures:

Clipping - Fairbanks News Miner
March 22, 1971 ltr. to Dan Casey
March 25, 1971 Memo to M. Miller
March 31, 1971 Memo to B. Mallott
April 6, 1971 estimates
April 6, 1971 Cordova telegram
April 5, 1971 Palmer telegram

REPRESENTATIVE MIKE MILLER

COMMITTEES
CHAIRMAN, LOCAL GOVERNMENT COMMITTEE
MEMBER, RULES AND STATE AFFAIRS COMMITTEE

HB

423

Introduced: 4/13/71
Referred: Local Government

IN THE HOUSE BY COLLETTA AND GUESS

HOUSE BILL NO. 423

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the involvement of young people in local government and school governance; and providing for an effective date."

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

* Section 1. PURPOSE. It is the intent of the legislature in enacting this statute to provide an opportunity for the young people of Alaska to become involved in the institutions and processes of local government and school governance comparable to that embodied in legislation under consideration at the 1971 session of the legislature providing for participation in the executive branch of state government.

* Sec. 2. AS 07.40 is amended by adding new sections to read:

ARTICLE 2. INVOLVEMENT OF YOUNG PEOPLE IN BOROUGH GOVERNMENT.

Sec. 07.40.020. ESTABLISHMENT OF COMMISSION. A borough assembly may by ordinance create a commission on the involvement of young people in borough government.

Sec. 07.40.021. COMPOSITION AND CHAIRMAN. The commission may consist of not more than nine members, drawn from fields of public affairs, education, the sciences, the professions, other fields of private endeavor, from the state or local service, and three additional members from the 17 through 22 age group, and shall include women and representatives of minority groups. The members shall be appointed by the borough assembly in the manner prescribed by ordinance without regard to political affiliation and shall serve at the pleasure of

that body. One member shall be designated by the assembly as chairman of the commission.

Sec. 07.40.022. COMPENSATION AND PER DIEM. Members of the commission serve without compensation but are entitled to per diem and travel expenses as may be authorized by ordinance.

Sec. 07.40.023. FUNCTIONS OF THE COMMISSION. (a) The commission shall establish procedures to enable it to recommend annually to the assembly a group of promising young men and women from whom the assembly may select interns and youth voting members of borough boards and commissions. The commission, in establishing these procedures, shall enlist the aid of borough residents who are actively interested in working with young people. Following adoption of the procedures, the commission shall accept applications from individuals and nominations for consideration, and ~~may~~ shall interview all applicants or nominees.

(b) Recommendations of the commission shall be limited to young people who

(1) have a capacity, desire, interest, ability and potential for leadership and service to the community and to the state;

(2) will have attained the age of 17 but not the age of 22 before the beginning of their service.

(c) Annually, the commission shall evaluate the program and shall submit a written report to the assembly.

Sec. 07.40.024. INTERNS. An intern may be appointed to serve on the staff of the assembly or the borough executive for a period of time prescribed by the assembly, with a maximum of one year. He may be assigned responsibilities in any office, department or agency of the borough. Service will begin at a time prescribed by the assembly. Interns shall be appointed without regard to political affiliation, ~~and an intern may not participate in partisan political activities~~

~~during the term of his appointment as an intern.~~ Salaries shall be individually established by the assembly on the basis of prior experience and the responsibilities of the position to which the intern is assigned.

Sec. 07.40.025. APPOINTMENT TO BOROUGH BOARDS AND COMMISSIONS. (a) Notwithstanding AS 39.05.100 or a provision of law relating to age, the assembly may appoint any 17 thru 21 yrs old borough resident to a borough board or commission if recommended by the borough youth involvement commission.

(b) A young person recommended by the commission may be appointed to borough boards or commissions with special qualifications for membership of the proposed nominee, except for his age, meets the required qualifications set by law.

(c) An individual appointed to a borough board or commission under this section is entitled to the rights, privileges and responsibilities of other members, and his appointment is subject to confirmation by the assembly when required by law. No additional seat on a borough board or commission is created by virtue of secs. 20 - 25 of this chapter.

* Sec. 3. AS 29.95 is amended by adding new sections to read:

ARTICLE 2. INVOLVEMENT OF YOUNG PEOPLE IN CITY GOVERNMENT.

Sec. 29.95.020. ESTABLISHMENT OF COMMISSION. A city council by ordinance may create a commission on the involvement of young people in city government.

Sec. 29.95.021. COMPOSITION AND CHAIRMAN. The commission may consist of not more than nine members, drawn from fields of public affairs, education, the sciences, the professions, other fields of private endeavor, from the state or local service, and three additional

members from the 17 through 22 age group, and shall include women and representatives of minority groups. The members shall be appointed by the city council in the manner prescribed by ordinance without regard to political affiliation and shall serve at the pleasure of that body. One member shall be designated by the council as chairman of the commission.

Sec. 29.95.022. COMPENSATION AND PER DIEM. Members of the commission serve without compensation but are entitled to per diem and travel expenses as may be authorized by ordinance.

Sec. 29.95.023. FUNCTIONS OF THE COMMISSION. (a) The commission shall establish procedures to enable it to recommend annually to the council a group of promising young men and women from whom the council may select interns and youth voting members of city boards and commissions. The commission, in establishing these procedures, shall enlist the aid of city residents who are actively interested in working with young people. Following adoption of the procedures, the commission shall accept applications from individuals and nominations for consideration, and ~~may~~ shall interview all applicants or nominees.

(b) Recommendations of the commission shall be limited to young people who

(1) have a capacity, desire, interest, ability and potential for leadership and service to the community and to the state;

(2) will have attained the age of 17 but not the age of 22 before the beginning of their service.

(c) Annually, the commission shall evaluate the program and shall submit a written report to the council.

Sec. 29.95.024. INTERNS. An intern may be appointed to serve on the staff of the council or the city executive for a period of time prescribed by the council, with a maximum of one year. He may be

assigned responsibilities in any office, department or agency of the city. Service shall begin at a time prescribed by the council. Interns shall be appointed without regard to political affiliation; ~~and an intern may not participate in partisan political activities during the term of his appointment as an intern~~. Salaries shall be individually established by the council on the basis of prior experience and the responsibilities of the position to which the intern is assigned.

Sec. 29.95.025. APPOINTMENT TO CITY BOARDS AND COMMISSIONS. (a) Notwithstanding AS 39.05.100 or a provision of law relating to age, the council may appoint any 17 (three 21 year old) city resident to a city board or commission if recommended by the city youth involvement commission.

(b) A young person recommended by the commission may be appointed to city boards or commissions with special qualifications for membership if the proposed nominee, except for his age, meets the required qualifications set by law.

(c) An individual appointed to a borough board or commission under this section is entitled to the rights, privileges and responsibilities of other members, and his appointment is subject to confirmation by the council when required by law. No additional seat on a city board or commission is created by virtue of secs. 20 - 25 of this chapter.

* Sec. 4. AS 14.14 is amended by adding new sections to read:

ARTICLE 3. INVOLVEMENT OF YOUNG PEOPLE IN SCHOOL GOVERNANCE.

Sec. 14.14.300. ESTABLISHMENT OF COMMITTEE. A school board may create a committee or other advisory body on the involvement of young people in school governance.

Sec. 14.14.301. COMPOSITION AND CHAIRMAN. The committee may consist of not more than nine members, drawn from the fields of public

affairs, education, the sciences, the professions, other fields of private endeavor, from the state or local service, and three additional members from the 17 through 22 age group, and shall include women and representatives of minority groups. The members shall be appointed by the board in the manner prescribed by the board without regard to political affiliation and shall serve at the pleasure of that body. One member shall be designated by the board as chairman of the committee.

Sec. 14.14.302. COMPENSATION AND PER DIEM. Members of the committee or other advisory body serve without compensation but are entitled to per diem and travel expenses as may be authorized by the board.

Sec. 14.14.303. FUNCTIONS OF THE COMMITTEE. (a) The committee shall establish procedures to enable it to recommend annually to the board a group of promising young men and women from whom the board may select interns and youth voting members of district committees or other advisory bodies. The committee, in establishing these procedures, shall enlist the aid of district residents who are actively interested in working with young people. Following adoption of the procedures, the committee shall accept applications from individuals and nominations for consideration, and shall interview all applicants or nominees.

(b) Recommendations of the committee shall be limited to young people who

(1) have a capacity, desire, interest, ability and potential for leadership and service to the community and to the state;

(2) will have attained the age of 17 but not the age of 22 before the beginning of their service.

(c) Annually, the committee shall evaluate the program and shall submit a written report to the board.

Sec. 14.14.304. INTERNS. An intern may be appointed to serve on the staff of the board or the district administrator for a period of time prescribed by the board, with a maximum of one year. He may be assigned responsibilities in any office, department or agency of the district. Service will begin at a time prescribed by the board. Interns shall be appointed without regard to political affiliation, ~~and an intern may not participate in partisan political activities during the term of his appointment as an intern~~. Salaries shall be individually established by the board on the basis of prior experience and the responsibilities of the position to which the intern is assigned.

Sec. 14.14.305. APPOINTMENT TO DISTRICT COMMITTEES OR OTHER ADVISORY BODIES. (a) Notwithstanding AS 39.05.100 or a provision of law relating to age, the board may appoint any district resident 17 thru 21 yr old to a district committee or advisory body if recommended by the youth involvement committee.

(b) A young person recommended by the committee may be appointed to district committees or advisory bodies with special qualifications for membership if the proposed nominee, except for his age, meets the required qualifications set by law.

(c) An individual appointed to a district committee or advisory body under this section is entitled to the rights, privileges and responsibilities of other members, and his appointment is subject to confirmation by the board when required by law. No additional seat on a district committee or advisory body is created by virtue of secs. 300 - 305 of this chapter.

Sec. 14.14.306. In secs. 300 - 306 of this chapter

(1) "board" means the governing body of a borough or city school district, or the Board of Directors for the State-Operated

Schools;

(2) "district" means a borough or city school district or the state-operated school system.

~~* Sec. 5. AS 43.18.010 is amended by adding a new subsection to read:~~

~~(j) During each fiscal year, the state shall pay to an organized borough, city or school district which provides a youth involvement in government program under AS 07.40.020 - 07.40.025, AS 29.95.020 - 29.95.025, or AS 14.14.300 - 14.14.306, an amount equal to five per cent of the total amount granted during the preceding fiscal year under AS 43.18 to finance the youth involvement in government program. In the case of school districts within a city or borough, or city and borough school districts, the city or borough shall share its allocation under this subsection with the school district in proportion to the number of interns that the school district has to the total number of interns in the program, obtained by adding together the interns appointed by the city, borough and school district.~~

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

Memo: HB 423

Page 3, line 6--AS 39.05.100

Subsection A states that all appointments to state boards or commissions shall have been before the last general election:

(1) a registered voter if the appointment is at large
(2) a registered voter of the proper judicial district if the appointments are by judicial district

Subsection B states that if a member of a state board or commission ceases to be a resident of the state he will resign his position. The cessation of residency is defined.

HB 423: TESTIMONY OF JAMES SINNETT
MEMBER OF THE GOVERNOR'S COMMISSION ON THE INVOLVEMENT OF YOUNG PEOPLE IN GOVERNMENT AND PRESIDENT OF THE GREATER ANCHORAGE YOUNG DEMOCRATS.

IT SEEMS, IT IS NOT FASHIONABLE IN AMERICA TODAY TO SPEAK HIGHLY OF OUR COUNTRY AS A "STRONGHOLD OF DEMOCRAC Y" OR TO TALK IN GLOWING TERMS OF THE "AMERICAN DREAM." AS WE, AS A PEOPLE, BECOME MORE HIGHLY EDUCATED AND ACQUIRE A VENEER OF SOPHISTICATION, WE TEND TO VIEW THOSE MEMBERS OF OUR SOCIETY WHO STILL PROFESS FAITH IN OUR COUNTRY AND ITS UNPARALLELED GREATNESS AS BEING ALMOST RIDICULOUSLY NAIVE. POLITICIANS ARE NOT, AS A GENERAL RULE, REVERED AS GREAT MEN. INDEED, AT TIMES THEY APPEAR TO FUNCTION MERELY AS CONVENIENT SUBJECTS FOR CARTOONS ON THE EDITORIAL PAGES OF OUR NEWSPAPERS. FOURTH OF JULY ORATORY HAS BECOME OUTLAWED ALONG WITH FIRECRACKERS IN MANY REGIONS. YET AMERICANS AS A WHOLE ARE VITALLY CONCERNED WITH THE AFFAIRS OF OUR NATION; AND YOUTH IN PARTICULAR SEEM TO WISH FOR A NEW KIND OF IDEALISM TO BE ABLE TO POINT TO AS OUR COUNTRY'S STANDARD. THOUGH SOME FACTIONS OF THE YOUNGER GENERATION ADVOCATE THE TEARING DOWN AND DISMEMBERMENT OF THE "ESTABLISHMENT" AND A SUBSEQUENT ERECTION OF A NEW KIND OF NATIONAL COMMUNITY, MOST WOULD PREFER TO WORK "WITHIN THE SYSTEM" FOR THE ATTAINING OF THEIR GOALS. THEY SEEK AN EFFECTIVE PLATFORM FROM WHICH TO PRESENT THEIR IDEAS AND AN EFFICIENT ORGANIZATION THROUGH WHICH TO IMPLEMENT THEM.

LAST YEAR THE ALASKA LEGISLATURE IN ITS WISDOM PASSED INTO LAW A BILL THAT PROVIDED THE YOUTH OF ALASKA A VOICE IN THEIR GOVERNMENT AT THE STATE LEVEL. NOT A BILL OF "TOKEN APPRECIATION" BUT, A LAW THAT PROVIDED AN AVENUE FOR THE YOUTH OF ALASKA TO HAVE A FULL AND "MEANINGFUL" VOICE IN THEIR AND ALL ALASKANS FUTURE. THE YOUTH CAN NOW ADD THEIR POSITIVE AND CONSTRUCTIVE VOICE TO ALASKAS STATE GOVERNMENT. WITH THE PASSAGE OF HB 423 THAT VOICE WILL BE BROUGHT TO ALASKAS LOCAL GOVERNMENT.

AN EFFECTIVE GOVERNMENT, WHETHER IT BE STATE OR LOCAL, MUST BE RESPONSIVE TO THE NEEDS OF ITS CONSTITUENTS AND RESPONSIBLE IN THE EXERCISE OF ITS POWER. IT MUST NOT ONLY LOOK TO ITS PRESENT DEVELOPMENT BUT WHAT THAT DEVELOPMENT MEANS TO ITS FUTURE. WE MUST LOOK NOW, AT THIS PERIOD OF TIME IN HISTORY, TOO THE DEVELOPMENT OF OUR FUTURE LEADE RS AND THOSE LEADERS ARE THE YOUTH OF ALASKA AND OUR NATION WHO EXPRESS THEIR CONCERN BUT CANNOT FIND THE MEANS OR AVENUES TO IMPLEMENT THOSE CONCERNS. TO BE SUCH A GOVERNMENT IT MUST BE CONSTANTLY ALERT TO THE NEED FOR REFORMING ITS STRUTURES AND ITS PROCEDURES TO INSURE MAXIMUM OPPORTUNITY FOR MEANINGFUL PARTICIPATION IN THE DEMOCRATIC PROCESS. WITH THE ENACTMENT OF HB 423 I BELEIVE THAT WE WILL PROVIDE ALASKA WITH A BASE ON WHICH TO BUILD A MORE EFFECTIVE GOVERNMENT, WHICH IS RESPONSIVE AND RESPONSIBLE. WE MUST VIEW PARTICIPATION AS THE LIFEBLOOD OF ALASKA AND THE NATION; ANY COMPROMISE WITH THIS THREATENS THE FUTURE OF OUR NATION AND ITS SOCIETY.

IN ITS INTENT, WE FIND HB 423 TO PROVIDE A VIABLE PROGRAM THAT WILL ENSURE THE DEVELOPMENT OF FUTURE LEADERS AND AN EFFECTIVE PLATFORM FROM WHICH THE YOUTH OF ALASKA MAY PRESENT AND IMPLEMENT THEIR IDEAS. THOUGH, IN RESPONSE TO THE WORDING OF HB 423 WE DO FIND THREE POINTS THAT WE WOULD URGE DELETION OF OR WORDING CHANGED.

(I): PAGE 2 LINE 14: ,AND MAY INTERVIEW ALL APPLICANTS OR NOMINEES:

THIS SHOULD BE CHANGED TO READ: ,,AND SHALL INTERVIEW ALL APPLICANTS OR NOMINEES: THIS SECTION SHOULD ALSO BE CHANGED IN ARTICLE 2. CITY GOVERNMENT, AND ARTICLE 3. SCHOOL GOVERNANCE.

(2): PAGE 2 LINE 29 AND PAGE 3 LINE I: THE FOLLOWING WORDING SHOULD BE BE DELETED ENTIRELY FROM HB 423: ,AND AN INTERN MAY NOT PARTICIPATE IN PARTISAN POLITICAL ACTIVITIES DURING THE TERM OF HIS APPOINTMENT AS AN INTERN. THIS SECTION SHOULD ALSO BE DELETED FROM ARTICLE 2 AND ARTICLE 3.

GENTLEMEN, THERE IS NO LOCAL BOROUGH OR CITY ORDINANCE THAT PROHIBITS CITY OR BOROUGH EMPLOYEES FROM PARTICIPATING IN PARTISAN POLITICS ON THEIR OWN TIME. UNDER THIS BILL AN INTERN SELECTED BY THE LOCAL GOVERNMENTS WOULD IN REALITY ONLY WORK FOR EIGHT HOURS A DAY..AT THE MOST... THEY WOULD BE LIKE ANY OTHER LOCAL GOVERNMENT EMPLOYEE. THEREFORE, AS A YOUTH AND AN ACTIVE MEMBER OF MY COMMUNITY I FIND THIS SECTION TO BE IN CONFLICT WITH WHAT WE TELL THE YOUTH OF AMERICA TO DO, "BECOME INVOLVED" AND WHAT IN REALITY WE ALLOW THEM TO DO. WE ARE CREATING A MINITURE "HATCH ACT" FOR LOCAL GOVERNMENT, THE "HATCH ACT" AS YOU KNOW IS AT THIS MOMENT BEING REVIEWED BY THE FEDERAL COURTS. ARE WE TO DENY TO THE YOUTH THE EQUAL OPPORTUNITY OF PARTICIPATING IN THEIR COMMUNITY, THEIR GOVERNMENT AND THE DEMOCRATIC SELECTION PROCESS. WILL THEY BECOME SECOND CLASS CITIZENS AS ARE THE MANY THOUSANDS OF WORKERS IN THE FEDERAL AND STATE GOVERNMENT. WILL THEY TOO BECOME SUBJECT TO TERMINATION SIMPLY BECAUSE THEY HAVE PUT A STAMP ON A CAMPAIGN ENVELOPE OR KNOCKED ON A DOOR.

(3) WILL THE FIVE PER CENT PAYMENT BY THE STATE TO LOCAL GOVERNMENT BE ENOUGH TO INDUCE THE LOCAL GOVERNMENTS TO PARTICIPATE IN THE PROGRAM. IN PARTICULAR THE LARGER CITY OR BOROUGH GOVERNMENTS.

AND THE QUESTION OF WHETHER THE LOCAL GOVERNMENT BODIES WILL PARTICIPATE CAN BE ANSWERED THIS WAY: "GIVE US THE YOUTH OF ALASKA THIS LAW AND OUR CONCERN AND OUR DESIRE FOR INVOLVEMENT WILL ENSURE IMPLEMENTATION BY LOCAL GOVERNMENT AND THERE WILL REMAIN NO VIABLE EXCUSE BY LOCAL GOVERNMENT TO DENY TO THE YOUTH OF ALASKA A VOICE IN THEIR FUTURE."

IN REGARDS TO HEARINGS ON HB 423 I WOULD LIKE TO MAKE THIS STATEMENT: AS EXPRESSED IN MY LETTER TO SPEAKER OF THE HOUSE, GENE GUESS, I WOULD ONCE AGAIN LIKE TO REQUEST THAT HEARINGS BE HELD IN: ANCHORAGE, FAIRBANKS AND JUNEAU, AND IN ADDITION IF POSSIBLE, BECAUSE OF THE ACTIVE INTEREST OF YOUTH IN THE FOLLOWING AREAS, HEARINGS BE HELD IN: KODIAK, PALMER AND KETCHIKAN. AND, BECAUSE OF TODAY'S TURNOUT OF YOUTH I AM CONCERN WITH THE ADEQUATE PUBLIC NOTICE OF THE HEARINGS IN THE AREAS IN WHICH YOU WILL HOLD HEARINGS. I WOULD ASK THAT THE PROCEDURE FROM LAST YEARS STATE INTERN HEARINGS BE FOLLOWED: I. NOTICE BE SENT TO ALL STATE HIGH SCHOOLS 2. NOTICE BE SENT TO ALL STUDENT GOVERNMENT BODIES 3. NOTICE OF THE HEARING BE PUBLISHED IN THE LOCAL NEWSPAPERS OF THOSE AREAS IN WHICH YOU PLAN TO HOLD HEARINGS. NOTICE TO ALL STATE NEWS MEDIA.

THE GREATER ANCHORAGE YOUNG DEMOCRATS ARE AT THIS MOMENT COMPLETING A STATE WIDE SURVEY ON THE EFFECTS OF HB 423 IN RELATIONSHIP TO EMPLOYMENT. THOUGH THE SURVEY IS NOT YET COMPLETE, PRELIMINARY RESULTS SHOW THAT 474 POSITIONS WOULD BE AVAILABLE STATEWIDE. THIS DOES NOT INCLUDE BOARDS OR COMMISSIONS. RESULTS OF THE SURVEY WILL BE MAILED TO THE CHAIRMAN OF THE COMMITTEE AS SOON AS THEY ARE COMPLETE.

HB 423 cont. POSSIBLE POSITIONS AVAILABLE TO YOUTH UNDER THE INTENT OF HB 423

CITY AND BOROUGH OF JUNEAU: 12 POSITIONS	OFFICE OF THE MAYOR.....CLERK TREASURER.....COMPTROLLER.... PLANNING DIRECTOR.....PUBLIC WORKS DIRECTOR.....HEALTH DEPT... FIRE DEPT.....LIBRARIAN....POLICE DEPT...RECREATION DEPT..... SUPERINTENDENT OF SCHOOLS.
BRISTOL BAY BOROUGH: 3 POSITIONS	MANAGER.....SUPT. OF SCHOOLS....FIRE DEPARTMENT
FAIRBANKS NORTH STAR BOROUGH: 6 POSITIONS	BOROUGH CHAIRMAN....FINANCE DIRECTOR....ATTORNEY OFFICE... SUPT. OF SCHOOLS...LIBRARY DIRECTOR...PLANNING DIRECTOR...
GREATER ANCHORAGE AREA BOROUGH: 7 POSITIONS	BOROUGH CHAIRMAN...SUPT OF SCHOOLS...PLANNING DIRECTOR... ATTORNEY'S OFFICE...FIRE CHIEF...HEALTH DEPT...PUBLIC WORKS DEPARTMENT.
GREATER SITKA BOROUGH: 4 POSITIONS	BOROUGH CHAIRMAN...SUPT. OF SCHOOLS...ATTORNEY'S OFFICE.. BOROUGH INSPECTORS OFFICE
HAINES BOROUGH: 4 POSITIONS	BOROUGH CHAIRMAN....FIRE DEPARTMENT...SUPT. OF SCHOOLS... BOROUGH ATTORNEY'S OFFICE.
KENAI PENINSULA BOROUGH: 6 POSITIONS	BOROUGH CHAIRMAN...BOROUGH ATTORNEY'S OFFICE...PLANNING DEPT... BOROUGH TREASUPER...CIVIL DEFENSE DIRECTOR..SUPT OF SCHOOLS.
KETCHIKAN GATEWAY BOROUGH: 4 POSITIONS	BOROUGH CHAIRMAN....SUPT OF SCHOOLS...PLANNING DEPT... BOROUGH ATTORNEY'S OFFICE
KODIAK ISLAND BOROUGH: 4 POSITIONS	BOROUGH CHAIRMAN.....BOROUGH CLERK-TREASURER...BOROUGH ATTORNEY SUPT OF SCHOOLS.
MATANUSKA-SUSITNA BOROUGH: 4 POSITIONS	BOROUGH CHAIRMAN....FINANCE DIRECTOR.....SUPT OF SCHOOLS... BOROUGH ATTORNEY'S OFFICE

THE ABOVE NOTED POSITIONS ARE THOSE POSITIONS THAT WOULD BE AVAILABLE UNDER INDIVIDUALS OR DEPARTMENTS AS PRESCRIBED BY THE INTENT OF HB423. SOME OF THE ABOVE LISTED POSITIONS MAY ONLY BE PART TIME AND THEREFORE WOULD NOT MERIT THE HIRING OF A YOUTH ASSITANT.

Daily News, Anchor 4/22/71

Guess, Colletta Offer Bill to Involve State's Youth in Government

JUNEAU (AP) — Two Anchorage Legislators, one from each party, have introduced a bill in the Alaska House to provide positions for young persons in local government.

They are Republican Mike Colletta, and House Speaker Gene Guess, a Democrat.

Colletta says the measure is similar to the governor's youth in government bill, but it would apply locally instead of at the state level, and would require no local money.

The bill would authorize a borough assembly to create a commission to recommend young persons, 17-22 years old, to serve in government posts. The commission could appoint interns to serve on the staff of the assembly or the borough executive, or could appoint young persons to borough boards and commissions.

City councils and school boards would be authorized to carry out the same program.

The bill would provide for state support of the program through revenue sharing, increasing revenue sharing grants 5 per cent for participating local governments.

Colletta said the advantage of his bill is that it would provide opportunities for greater numbers of young persons than would the state youth in government program.

A M E N D M E N T S

IN THE HOUSE BY COLLETTA

TO: HOUSE BILL NO. 423

AMENDMENT NO. 1

Page 3, line 5: strike out "the state shall pay to"

AMENDMENT NO. 2

Page 8, line 8: after the second comma, insert: "shall utilize"

AMENDMENT NO. 3

Page 8, line 9: after "granted" insert: "by the state"

AMENDMENT NO. 4

Page 8, line 9: strike out "preceding"

HB
429

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

WILLIAM A. EGAN, GOVERNOR

POUCH O — JUNEAU 99801

April 26, 1972

The Honorable Mike Miller, Chairman
House Local Government Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Mr. Miller:

I am writing to urge your favorable consideration of House Bill 429, introduced at the request of Governor Egan in April 1971, in lieu of House Bills 744 and 745, introduced last month.

Although the similarity may not be readily apparent, my interpretation of the intent of House Bills 744 and 745 indicates that they are to serve the same purpose as planned by Governor Egan at the time of his request for House Bill 429.

For your information, the Federal Department of Housing and Urban Development provided advanced planning loans for engineering of a variety of public projects, including those for water and sewer systems until January 30, 1970. On that date the authority to issue such new loans was terminated and there have been no Federal loans granted for advance engineering planning since that date. Accordingly, in order to assist smaller municipalities particularly (for example, Cordova, Bethel, Wrangell), Governor Egan suggested HB 429 which you will note provides for loans of up to $20,000 to be paid from the water supply and sewerage systems fund created by AS 46.10.030 (formerly AS 18.05.155). Thus, a municipality receiving an advance engineering planning loan under this bill would be expected to have the loan paid off when a grant for construction of the planned water or sewer system was made from the same fund at a later date. This program has the added advantage to the State of providing much needed firm engineering estimates of cost of water and sewer system projects so that the Department of Environmental Conservation can better advise the Legislature of needs for funding of the 25% grant program. Bond funds for continuation of this grant effort are contained in Senate Bill 277 which has passed the Senate and is now pending in the House.

As indicated above, I strongly urge adoption of this bill with the amendment in line 9 which would change AS 46.05.155 to AS 46.13.030 (the bill was originally proposed in April 1971 when the program was under the jurisdiction of the then Department of Health and Welfare.)

As I read them, House Bill 744 would establish a new $200,000 appropriation for providing loans for water and sewer engineering studies, administered by the Department of Health and Social Services and HB 745 would establish the program within that Department for processing and issuing such loans only to rural areas of the State. It appears that such loans are to be made only to areas qualified for assistance from the Farmers Home Administration and that only the principal amount of the loan is to be repaid.

With the creation of the new Department of Environmental Conservation, the 1971 Legislature assigned the responsibility for all public water supply and sewerage system regulation to the new Department. I understand that all sanitary engineers who were administering those programs were transferred to the new Department and that the Department of Health and Social Services does not now have personnel qualified to administer the program proposed in HB 744-5.

I would welcome the opportunity to appear before your committee to answer questions and to discuss our State program for providing grant and loan assistance for municipal water and sewerage system improvements.

Sincerely yours,

Max C. Brewer
Commissioner

same letter sent to: The Honorable Genie Chance
The Honorable George Hohman

TO: M. Miller, Chairman
House Local Government Committee

April 21, 1971

FROM: Jim Rhode
AA

SUBJECT: HB 429, Funding of

This bill provides loans up to $20,000, at 4% interest, to local governments for the costs of advance engineering and planning for sewerage works and water systems. These loans are to be repaid from any Federal grants which the localities receive.

The loans are to be made by the Department of Health & Welfare, Division of Environmental Health, from the $2 million appropriation in this year's budget (all three versions) for the "water supply & sewerage systems fund" set up (and funded with $2 million then) in 1970 by AS 46.05.155. These loans will not come from the $8 million bond issue approved by the voters in 1970 for the construction of sewer and water systems by local governments.

[These loans for advance engineering and planning are not merely for projects for which there is already Federal and State funding, but also to enable the Department to inventory the needs in the State for these projects.]

HB
456

Within any borough which has five or more cities of the first class, the city council of any city lying 25 miles or more from the borough seat may enact an ordinance zoning the land within such city, provided that such zoning is in accordance with the comprehensive plan of the borough if such borough has adopted such comprehensive planning. Such ordinance shall be transmitted to the borough assembly and shall become effective unless the borough assembly, within 90 days after the assembly meeting in which said ordinance was received, shall have acted to accept, reject, amend or alter such ordinance.

#8456

Mike--re a borough relinquishing planning to a city.

The principle rationale for this is that some cities--and urban and urbanizing areas--are sufficiently separated from each other that local, internal planning in a city can be relinquished to the city upon request without significantly interfering with orderly planning. Seward and Seldovia in the Kenai Peninsula Borough are examples (each has a comprehensive master plan prepared by ASHA professional staff.)

It seems to me that isolation from each other, with negligible development between should be the measure of reasonableness of relinquishing planning to a city. Some arbitrary distance from boundary to boundary is probably necessary, else you will have Kenai and Soldotna each wanting to do its own planning (eleven miles city center to city center--three miles boundary to boundary.) If each did its own internal planning, there would have to be triple coordination--Soldotna, Kenai and the Borough for the area in between.

At best, the weakness of relinquishment that can be pointed out is that on the fringe of almost every city there is development which grows up and if there is not one agency to plan the area confusion and incompatibility results.

However, it can be made to work, if a relinquishment authority specifies that a borough and city engaged in any planning that would have an influence on property along the city/borough boundary in the other jurisdiction, shall be submitted to the other for concurrence before proceeding. For example, this would cover a case of reclassification from R1 to R3 along a border street, or original classification in the area.

Calling attention to the considerations in the foregoing two paragraphs tends to condemn any plan for relinquishment, however restive a city may be as to a borough's negligence in carrying out its responsibilities.

As to having relinquishment apply only if a borough which is already excercising the planning power, even the Kenai Peninsula Borough; which has been exceedingly negligent, can contend it is exercising the power, that it has a subdivision ordinance, approves subdivisions, that it has a zoning ordinance, which it has, although it hasn't done a damn thing about classifying under it. I doubt, however, it could be claimed the borough doesn't exercise the planning; at best it could be charged with negligence.

It must be admitted that even outside Seward city and Seldovia city development starts like topsy and , two jurisdictions along and invisible line is unfortunate.

If there seems a persuasive reason for considering reliquishment authority on any basis, there must be stiff safeguards and restrictions. Two I've mentioned are distance and compulsory coordination and concurrence. Another of which we discussed, is that all planning actions proposed by a city--excepting variances--must be submitted to the borough and that if the borough has any overall plans that would be impinged upon by proposed action, the city plans shall conform--highways and streets are of course an obvious example.

I hope you will read this to the committee if relinquishment by borough to a city on request of the city is to be seriously considered. I should like to give a city all the independent authority possible but in physical development and growth matters across invisible lines of jurisdiction, it is difficult to do anything feasible that is manageable.

Harold Pomeroy

February 24, 1972

Mr. Jack J. Greene
City Manager
City of Homer
Box 335
Homer, Alaska 99603

Dear Mr. Greene:

I appreciate your letter of February 18 relative to your support of legislation that would give First Class Cities, within Boroughs, the right to exercise their own zoning. This subject is one in which the House Local Government Committee is interested and I believe we will be considering some sort of legislation along these lines in the not-to-distant future. We appreciate receiving your views on this matter. Please know that they will be considered by the committee when the matter is discussed.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

BOX 335

CITY OF HOMER

HOMER, ALASKA 99603

February 18, 1972

Mr. Mike Miller
House of Representatives
State Capitol Building
Juneau, Alaska 99801

Dear Mr. Miller,

At their meeting, February 14, 1972, the Common Council of the City of Homer, by a vote of 5 to 0 (with one member absent), voted to support legislation that would give any First Class City, within a Borough, the right to plan, direct and enforce their own zoning. Such action would place the resposibility for zoning on those who are directly affected by it.

Your support of such legislation is encouraged.

Yours truly,

Jack J. Greene

Jack J. Greene
City Manager

JJG/cc

W. EUGENE GUESS
SPEAKER

ALASKA HOUSE OF REPRESENTATIVES

OFFICE OF THE SPEAKER

February 23, 1972

Jack J. Greene
City Manager
City of Homer
Homer, Alaska 99603

Dear Mr. Greene:

Thank you for your letter informing me of the Homer City Council's vote of support to give the first class cities responsibility for their own zoning.

I have passed your letter on to Representative Mike Miller, Chairman of the House Local Government Committee for the Committee's review. I am sure Representative Miller will be in touch with you on this matter.

I appreciate you informing me of the views of the Council and if I can be of further assistance, please do not hesitate to call on me.

Sincerely,

W. Eugene Guess
Speaker of the House

BOX 335

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HOMER, ALASKA 99603

February 18, 1972

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House of Representatives
State Capitol Building
Juneau, Alaska 99801

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Your support of such legislation is encouraged.

Yours truly,

Jack J. Greene

JackJ. Greene
City Manager

JJG/cc

January 13, 1972

Mr. Lawrence H. Kimball
Planning Associate
Ketchikan Gateway Borough
344 Front Street
Ketchikan, Alaska 99901

Dear Mr. Kimball:

This is a belated acknowledgement to a letter I received from you following adjournment of the First Session of the Seventh Alaska State Legislature. Please know that your views concerning House Bill 456 will be read into the records and will be fully considered when hearings are held on this subject.

My own views of the bill coincide substantially with yours and I appreciate your providing this material for the record.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

cc: Representative Dick Whittaker



KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

May 17, 1971

Mr. Mike Miller, Chairman
House and Local Government Committee
P. O. Box 1494
Juneau, Alaska 99901

Dear Mr. Miller:

I have received a copy of House Bill No. 456 entitled: "An act relating to exercise of planning, platting and zoning powers within organized boroughs."

I would like to take this opportunity to express my views concerning HB 456 and its possible effects on Alaska's development.

I am opposed to the bill for the following reasons:

1. I am of the opinion that Alaska should direct its efforts toward the concept of regional planning. The State is comprised of a vast land area, limited and scattered population centers and sparse economic regions. House Bill 456 would create a degree of fragmentation which could defeat the regional concept. This form of fragmentation and the problems which accompany it have been experienced in the "South 48". Alaska would do well to learn from their lessons.

2. There would be a duplication of function created, with the possibility of a lack of coordination between the two departments. Coordination and communication are essential to regional planning. House Bill No. 456, if passed, would create the fragmentation of planning efforts that would make these two requirements difficult to gain.

3. The economics of the situation do not make the proposal of HB 456 feasible. For example, in the case of Ketchikan, there would be two separate departments created, one Borough and one City. The City planning department would carry out the planning function for a population of approximately 7,000 people. The Borough planning department would serve approximately 3,000 people. It would be rather difficult to justify the expense of staffing and maintaining a planning department to perform the planning function for 3,000 rural residents -- not to mention that the financing acquired through revenue sharing would be further divided and, in my opinion, for a less effective method of planning.

Once again, I am opposed to HB 456 for the above reasons.

Thank you.

Very truly yours,

Lawrence H. Kimball

Lawrence H. Kimball
Planning Associate

HB
467

May 8, 1972

MEMORANDUM

TO: George Hohman, Chairman
Finance Committee

FROM: Mike Miller, Chairman
Local Government Committee

RE: HB 467 - Year-Round Schooling

George -

I rather assume at this stage that you are not planning to move out HB 467 as it is presently written. I would like to make a suggestion. How about bringing the bill out in a modified form, funding the concept to the extent of feasibility studies for one school system and implementation appropriations for one school system. It would then be the assumption that, if the feasibility and the pilot project in one system prove the value of the program, the program could be broadened by a later legislature to include additional systems.

cc: Bob Thomas, Deputy Commissioner
Department of Education
Representative Genie Chance
Senator Lowell Thomas

Biggest waste = increase plant 35½ % w/o cost to taxpayer =

Introduced: 5/9/71
Referred: Health,Welfare & Education and Finance

IN THE HOUSE BY M.MILLER,BRADNER AND FISCHER

HOUSE BILL NO. 467

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing incentives for continuous year-round school programs within local school districts; and providing for an effective date."

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

* Section 1. AS 14.17 is amended by adding a new section to read:

Sec. 14.17.222. INCENTIVES FOR CONTINUOUS YEAR-ROUND SCHOOL PROGRAM. (a) In addition to other state aid for school purposes authorized under this chapter and other state law, a district having or planning a continuous year-round school program is entitled to incentive funds in amounts as follows:

(1) an amount equal to one per cent of funds authorized for allocation to the district from the public school foundation account in the same fiscal year, or $25,000, whichever is less, to be used for study of program feasibility or planning, or both;

(2) an amount equal to 10 per cent of such foundation account funds, for each of the first three years during which a continuous year-round school program is operational; and

(3) an amount equal to five per cent of such foundation account funds, for each year following the first three operational years during which a continuous year-round school program is continued.

(b) To qualify for incentive funds under (a)(2) and (3) of this section, a district need not implement a continuous year-round school program in all schools of the system. However, if the program is implemented within fewer than all schools of the system, the amount

of funds authorized as incentives in (a)(2) and (3) of this section shall be reduced in the same proportion as the number of students in average daily membership to whom the program is not made available within the district bears to the total number of students in average daily membership within the district.

(c) Allocation of funds under (a) of this section shall be made in the same manner and at the same times as provided in this chapter for allocation of funds from the public school foundation account.

(d) In this section "continuous year-round school program" means bona fide 12-months operation of school facilities at a uniform level, with at least 180 days' minimum attendance required of all students during the 12-months period. A program shall be developed in accordance with regulations to be promulgated by the Department of Education. A program must be approved by the department before implementation by a district.

* Sec. 2. AS 14.17.225 is amended by adding a new subsection to read:

(f) The continuous year-round school program supplemental incentive account is established. Funds to carry out the provisions of sec. 222 of this chapter may be appropriated annually by the legislature to the account. If amounts in the account are insufficient to meet the allocations authorized under sec. 222 of this chapter, such funds as are available shall be distributed pro rata among eligible districts.

* Sec. 3. This Act takes effect July 1, 1972.

Introduced: 5/9/71
Referred: Health,Welfare & Education and Finance

IN THE HOUSE BY M.MILLER,BRADNER AND FISCHER

HOUSE BILL NO. 467

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

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02-0018

STATE
of ALASKA

MEMORANDUM

TO: The Honorable Genie Chance
Chairman, House Health, Welfare,
and Education Committee

DATE: February 9, 1972

FROM: Robert L. Thomas
Deputy Commissioner
Department of Education

SUBJECT: Suggested Changes in House Bill 467

At the recent hearings on House Bill 467, concerning the rescheduled school year incentive plan, the Department of Education was requested to suggest appropriate language to modify several sections of the bill.

Three areas were touched upon, and the following changes in language are provided:

Line 16 (1) An amount to be determined by the department from funds appropriated to the public school foundation account for study of program feasibility or planning, or both;

Line 20 (2) An amount not less than 5 percent, nor in excess of 10 percent, of the allocation to the district from the public school foundation account in the same fiscal year, for each of the first three years during which a continuous year-round school program is operational. The amount to be made available within the limits above shall be determined by the department on the basis of cost analysis of the program.

Page 2, Line 11 With at least 180 days in membership required of all students.

Although it was not a matter of discussion during the committee hearings, we believe that the changes suggested earlier will also have an effect on the portions of the bill providing for pro rata distribution if funds are inadequate. Therefore, we would suggest one additional change as follows:

Page 2, Line 22 Funds as are available shall be allocated by the department on a priority basis for the purposes authorized under Section 222 (a)(1) of this chapter, and the remainder shall be distributed pro rata among districts eligible under the provisions of Section 222 (a)(2) and (2)(3).

RLT:cjb

cc: The Honorable Mike Miller ✓

The committee meeting of HWE held January 11, 1972 heard testimony pertaining to House Bill 467 pertaining to the rescheduled school year. Present were: Reps. Chance, Coletta, Naughton, Speckking and Moore.

First to testify in favor of the bill was Rep. Mike Miller, main sponsor of the bill. His testimony was primarily as follows:

Population estimates indicate that the school population will continue to grow for some time in the future - meaning a need for building more schools. However, a population plateau is due and it would be advantageous to hold off having to build more schools until this plateau is reached. Two levels of spending are involved in building schools within independent school districts in Alaska: 1. local school districts - sale of bonds and initial payments thereon. 2. state - school bond indebtedness sharing (50%). The schools are utilized 3/4 of the time, which arose out of the needs of agricultural communities to have children free to work in the summer.

Under HB 467 the state would offer financial incentives to local school boards for investigation of year-round school use. This would be in the form of 1% of each district's normal local entitlement (up to $25,000) to be used for planning and feasibility studies. If a district decided to go ahead with the year-round program the state would continue to participate by allowing the district 10% of its normal entitlement for the first 3 years of operation of a year-round school system and 5% of its normal entitlement thereafter.

Rep. Miller cited some of the most common objections heard to the concept of year-round school operation:

Children have the idea that this system would mean that they would have to attend school 360 days per year. In reality each child would only have to attend school for 180 days, though they would have the option of attending year-round if desired for early completion, make up work, etc. There are some 60 variations of the rescheduled school year. Two of the easiest systems for use of the rescheduled system mentioned by Rep. Miller were: 1. the 9-month/3-month system. This system would be operated as the present system on a quartersystem and only the vacation times would be different. 2. the more popular 45/15 plan in which students attend school for 45 school days (9 weeks) and are off 15 school days (3 weeks). The school population is broken into 4 groups in this system - 3 groups are always in their "on" cycle and 1 group is always "off". Under this system each student would have a 3-week vacation during each season of the year - winter, spring, summer and fall.

One of the most often heard teacher objections is that they would have to work 1/3 more time for the same pay. However, where this system is in use teachers are given the choice of working year-round with commensurate pay or working 9 months at regular pay.

Teachers sometimes feel that they will have no chance for updating their studies which is normally done by attending summer schools. Under the rescheduled system teachers could take a study break at any time of year and attend school during regular sessions which generally offer a more complete course of study than summer school. The point was made that this program should be developed in agreement with the teachers involved.

Some of the advantages mentioned by Rep. Miller were:

1. Full utilization of school buildings and school transportation systems.

2. The possibility of taking vacations at any time of the year.

3 The 3-week break rather than one of 3 months leads to better retention of material taught on the part of the student and lessens need for reteaching.

Rep. Miller further pointed out that a school system could have some of its schools - not necessarily the whole system - under the rescheduled program and would then receive their incentive payment on a percentage basis depending on the number of students involved in the program. A district utilizing this program would in essence have 1/3 more classrooms without building new schools and would be able to have smaller classes.

At the conclusion of Rep. Miller's testimony Rep. Moore asked if BIA schools would qualify for this program. The answer was made that BIA schools don't receive Alaska entitlement payments but that BIA schools have authority at this time to utilize this type of program if they so desire.

The second person to give testimony was Robert Thomas, deputy commissioner of education for the state of Alaska. He distributed materials to the members of the committee before testifying. Mr. Thomas first differentiated between the rescheduled school year as outlined in Rep. Miller's testimony and the expanded school year in which students attend classes for more days per year and for fewer years. The rescheduled school year has found more favor than the expanded school year. Mr. Thomas testified that there may be school design and structural technique changes in the next few years and that if the rescheduled school year program were utilized school districts could defer building new schools until such time as these new techniques were developed. School transportation would be used year round leading to more economical use of transportation employees, insurance, etc. An objection sometimes heard by districts further south is that more money would be needed to air condition schools during summer use = this is not a problem in Alaska. Students would be available for part-time employment year round instead of all competing for jobs in the summer and not being available at all the rest of the year. Pressure would be relieved on recreational facilities which could be used year round and seasonal activities could be participated in more fully by students. The case was cited of a town in Alaska which closed its schools in the winter and opened them in

the summer due to seasonal employment.

Mr. Thomas testified that no ther legislative change other than adoption of this bill would be necessary for application of the rescheduled school year program. Alaska statutes provide for a school year extending from July 1 to June 30 of the following year. Mr. Thomas stated that the Alaska Board of Education is in favor of the bill and that several cities in the state have indicated interest and some have asked for funds for local feasibility studies. An informal poll taken by the Board of Education - 3,000 inquiries sent out and 500 returned - indicated that approximately 50% of the teachers answering the poll were in favor of a rescheduled school year and 50% against. Of administrators responding to the poll, 80% were in favor of the program and 20% against. Mr. Thomas pointed out that this poll was made without any type of educational material presented on the program to those participating in the poll, and that doubtless some misconceptions existed.

At the conclusion of Mr. Thomas' testimony several questions were asked:

It was agreed that the language of the bill should be clarified to make it clear whether the 10% participation for the first 3 years in districts initiating the rescheduled school year program would be in a single payment to the school district or whether it applied separately to each school within the district as it took part in the program. Rep. Miller said that the intent of the bill was probably that the 10% participation payment would be made once - to the district at the time of implementation of the program regardless of the number of schools within the district participating and that the payment would be based on daily attendance of those participating in the program.

Rep. Coletta questioned the policy of the state making feasibility study monies available without requiring the school districts to put up money of their own. Rep. Miller stated that the 1% incentive payment was intended as an incentive and that this probably would only be needed until some district initiated the program to get the ball rolling and that matching provision by local districts could be considered later of desired. The point was made that the maximum limit of $25,000 allowed for studies would probably be insufficient for larger districts and that they would have to add funds of their own for a good feasibility study. In response to Rep. Coletta's questioning lack of participation by local districts, Rep. Miller made the point that local districts would have to be actively involved as they would have responsibility for all the work necessary for the study.

Several questions were asked regarding specific financial aspects of the program. Nothing definite was available in the way of figures and Mr. Thomas agreed to come back to the committee with something - probably involving checking on school construction expenditures for the last 5 years and a projection of what could have been saved if the program had been initiated 5 years ago and an analysis on the basis of projected student load.

No action was taken on this bill and more testimony will be taken.

Materials relating to tribal and de facto adoptions were distributed to members of the committee to be considered at a later date. The meeting was adjourned.

FY 1973 Planning Incentive

District	MAX	MIN	
Anchorage	25,000	25,000	
Bristol Bay	5,000		
Cordova	7,000		
Craig	2,300		
Dillingham	6,900		
Fairbanks	25,000	25,000	
Haines	5,700		
Homer	5,200		
Kalskag	1,400		
Kenai	25,000	25,000	
Kodiak	3,200		
Kotzebue	25,000	25,000	
Matanuska-Susitna	25,000	25,000	
Nenana	1,300		
Nome	1,000		
Petersburg	25,000	25,000	
Sitka	25,000	25,000	
Skagway	1,000		
Tanana	12,300	12,300	
Unalakleet	1,100		
Valdez	7,000		
Wrangell	3,600		
Yakutat	19,600	19,600	
Yukon-Koyukuk	4,600		
Kuskokwim	2,500		
Lake & Peninsula	6,700		
Wade Hampton	8,300		
Northwest Arctic	3,600		
	254,600	206,900	

MINUTES OF THE

STATE BOARD OF EDUCATION

STATE BOARD FOR VOCATIONAL EDUCATION

STATE BOARD OF VOCATIONAL REHABILITATION

SEVENTEENTH REGULAR SESSION

November 3-4, 1971

Juneau, Alaska

for Feb - HB 467 - Year-round School

SEE PAGE 5

MARSHALL L. LIND

COMMISSIONER OF EDUCATION

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State Board of Education

The **Seventeenth Regular Session** of the **State Board of Education**, under the provisions of Chapter 96, SLA 1967, was called to order at 2:20 p.m., **November 3, 1971**, by the Chairman, Mrs. Katherine Hurley, in Committee Room 421, Capitol Building, **Juneau, Alaska.**

Board members in attendance were: Mrs. Katherine Hurley, Chairman; Mrs. Betty Cuddy; Mrs. Ruth McLean; and Mrs. Marie McDowell. Both Mr. Frank King and Mr. James Wanamaker advised that they would be delayed.

In attendance from the Department of Education were Dr. Marshall L. Lind, Commissioner of Education; Robert L. Thomas, Deputy Commissioner; Mr. Robert Isaac, Assistant to the Commissioner; Mr. James Harper, Director, Division of Regional Schools and Boarding Home Programs; and Mrs. Connie Brooks, Board Secretary. Other department staff attending some portions of the session were: Mr. Nathaniel Cole, Director, Division of Administrative Services; Mr. Carroll M. Craft, Director, Division of Vocational Rehabilitation; Mr. Louis D. Ridle, Director, Division of Vocational Education; and Mrs. Bonnie Kaden and Mr. John Logue, Public Information and Publications Office.

Invited guests and interested persons in attendance at varying times during the session were:

Mr. Robert Van Houte, Executive Secretary, NEA-Alaska
Mr. William Potter, President, NEA-Alaska
Representative Mike Miller, Juneau
Mrs. Marie Darlin, Vocational Education Advisory Commission
Mrs. Charlie Mae Moore, Vocational Education Advisory Commission
Mr. Emil Kowalczyk, Deputy Assistant Area Director for Education, BIA
Mr. Fred Fisher, Area Public School Relations Specialist, BIA
Mr. Clayton McDowell, Secondary Curriculum Specialist, BIA
Mr. Bill Parker, State Office of Economic Opportunity
Mr. Ed Frye, Chairman, Anderson Advisory School Board
Mr. Byron Mallott, Director, Local Affairs Agency

It was moved by Mrs. McDowell, seconded, and carried that the minutes of the Sixteenth Regular Session be approved as submitted. **ACTION**

At the request of the Chairman, no action was taken to approve the minutes of the Special Session held in Bethel, September 21, 1971, since a quorum was not present and, consequently, no formal action taken.

The Chairman reported on her attendance at the annual meeting of the National Association of State Boards of Education in Atlanta. Among resolutions passed at that session were support for: a cabinet position for the Department of Education; early childhood education; and student participation in the development of policy in school governance. There was also, a resolution passed opposing the so-called voucher system.

Based upon the recommendations of the committee appointed to review the **Alaska Skill Center Bylaws,** it was moved by Mrs. McLean and seconded and carried that they be approved. ACTION

Mrs. McDowell moved that the Board approve the **State Plan for Vocational Rehabilitation,** including those specific changes as recommended by Mr. Craft and other minor changes as required by federal standards. Motion seconded and carried with all members present voting in the affirmative. ACTION

The Board then heard from Mr. Ed Frye, Chairman, Anderson Advisory School Board, on the **State-Operated Schools/Nenana City School District attendance area controversy.** Currently, the State-Operated Schools System is negotiating with the Nenana City School District for a monetary settlement, and an injunction has been filed to close the ninth grade classes at Anderson and keep students now attending Healy school from attending classes at Anderson. Mr. Frye expressed the advisory school board's interest and intent to have a four-year high school at Anderson next year--a proposal which will be presented to the Board of Directors for State-Operated Schools at their meeting scheduled for November 10-11.

Arguments put forth in support of a secondary school at Anderson included: proximity to the school by some students; the advisory school board's feeling that Anderson could offer college preparatory courses not currently being offered at either Nenana or Healy; the fact that they expect to have an additional 6,250 square feet of floor space for the next school year; and the possibility of increased school enrollments in the Anderson area due to expansion of the Clear facility.

The Commissioner asked whether or not, in view of the capital improvements situation, comparisons had been made between remaining under State-Operated Schools and incorporation with the accompanying foundation support and Public Law 874 moneys. He pointed out further that with incorporation as a third class city Anderson would have responsibility for their school program. Mr. Frye stated that this alternative had been considered but did not seem to solve an outstanding problem--that being representation on the school board by persons living outside the Nenana City School District.

Mr. Frye displayed for the Board's information schematic drawings and photographs of the Anderson school site and classrooms.

Proposed changes in the Department of Education **Rules and Regulations** were presented and discussed by Robert Isaac, Assistant to the Commissioner, with the following action taken by the Board:

Mrs. Cuddy moved, and it was seconded and carried, that **4 AAC 06.050, Physical Examinations of School Employees,** be amended (Appendix A). ACTION

It was moved, and duly seconded and carried, by Mr. King that **4 AAC 06.020, Special Secondary Schools,** be repealed and reenacted (Appendix B). ACTION

It was moved by Mrs. Cuddy that **4 AAC 24, Operation of State Schools,** be repealed in its entirety and reenacted to conform to the statutes pertaining to the review and approval of new state schcols, by adding new sections **4 AAC 24.010, 4 AAC 24.020,** and **4 AAC 24.030,** as shown in Appendix C. Motion was seconded and carried without opposition. **ACTION**

Without objection, the Board agreed to the amendment of **4 AAC 06** by adding new sections **06.025, Standards for Secondary Education Levels** (Appendix D) and **06.027, Establishment of Attendance Areas** (Appendix E). **ACTION**

It was moved, seconded, and carried unanimously that the Board approve revision of **4 AAC 30.010, Exchange Teachers,** to remove obsolete material (Appendix F). **ACTION**

A motion to amend **4 AAC 12, Certification of Professional Workers,** by adding a new section **12.045, Professional Certificate,** was seconded and carried without opposition (Appendix G). **ACTION**

In accordance with the Administrative Procedures Act, the Board requested that these proposed regulations be reviewed in public hearings and resubmitted for final approval after hearings and other required procedures have been completed.

Commissioner Lind reported on recent activities of the department and his assessment of the current situation, internally and externally, in an attempt to arrive at priorities and criticality of needs. A proposed reorganization of the department by merging the Divisions of Instructional Services and Vocational Education had been contemplated, but in view of a timeline that must be met in position reclassifications, expressed opposition to the merger from the Vocational Education Advisory Council, and other considerations, the merger will not now be implemented. In addition, Dr. Lind indicated that he would like more time to consider implications of the merger and that it will not be implemented until it can be completely justified to the Board.

Discussion of goals and philosophy led to identification of some items of high priority--local and area high schools, year-round schools, telecommunications. A statewide needs assessment required under Title III, ESEA, will be utilized to further identify and define items of high priority.

Mrs. McDowell suggested that perhaps the Board should attempt to change the philosophy of education from a mere accumulation of knowledge. In answer to a question from Mrs. Cuddy on how we might assist and guide city districts in their educational needs and goals, Dr. Lind indicated that local districts with department leadership and assistance will set their own specific goals and identify specific needs. The department's responsibility is to provide the leadership and assistance to help them identify <u>their</u> needs and accomplish <u>their</u> specific goals.

The Board recessed at 5:10 p.m. and reconvened at 8:00 p.m. for further discussion of **regional and area high schools.** Mr. Frank King joined the meeting.

Some discussion centered around recent hearings held in St. Mary's, Aniak, Holy Cross, and Nome, during which two main points seemed to be stressed by villagers at each location: the desire to have their children in schools closer to home and a desire to have their cultural heritage stressed in curriculum patterns.

The consensus of the Board and department staff was the **goal to educate all secondary-age children in the State of Alaska next year.** The economics of this goal was discussed, with the probable outcome that the boarding home program would have to be increased. Commissioner Lind stated his views that the major educational needs in the bush villages at this time might be categorized as follows: A multipurpose physical education facility that could be used not only by school children but by all the villagers, specialized classes with sophisticated laboratory equipment or vocational education equipment, and additional classrooms or additions to existing elementary classrooms. With these needs met, local schools could become a reality as true community learning centers for all age levels.

Whether the settlement of the native land claims would have any impact on education was discussed, with the conclusion that this should be taken into account in the long-range planning for the education of Alaska's youth.

Dr. Lind stated that in discussions with James Hawkins, Director of Education for the Bureau of Indian Affairs, Washington, D. C., and other Bureau personnel, the Bureau would be amenable to diverting funds previously allocated to regional dormitory planning to the development of local secondary schools.

The Board directed the Commissioner to indicate to the Bureau of Indian Affairs the state's desire that no funds in addition to those now committed be spent on large dormitories, but that they be reprogrammed to local schools. This decision, then, would represent a policy statement and **commitment** on the part of the Board **to the local secondary school concept.**

It was the general consensus that any proposal for a local secondary school should be presented to the local native association for their review and comment. Additional items discussed with respect to local schools and the implications thereof were: the desirability of some type of exchange program where rural students could be exposed to an urban environment some time during their school years; the possibility of portable or modular units to defray the cost of construction of local schools and provide more flexibility in planning; ways in which cultural differences might be maintained where desirable and still provide cross-cultural experiences; possible sites for comprehensive local secondary schools; and the necessity for providing various options for students preferring to leave their home villages for one or more years of secondary schooling.

The Board recessed at 10:10 p.m. and reconvened at 9:20 a.m., November 4, 1971, at which time Mrs. McLean moved, and it was seconded and carried, that the Board endorse the concept of the **Center for Northern Education** by unanimously passing a resolution in support of that Center (Appendix H). **ACTION**

In further discussion of the concept of local secondary schools, the Board asked for comment from Bureau of Indian Affairs personnel in attendance. These comments included the fact that "getting out of the village" at some time during a high school career is a valuable experience to these youths, and the fact that with the excellent films, educational kits, and other materials available, the alternatives for providing meaningful urban experiences are many. Mr. Harper elaborated on pros and cons of the boarding home program.

The Commissioner stressed that in order to provide good local high schools, we must provide the financial support for them. He added that when dormitory expenses and instructional costs are added, it appears very logical to provide local schools.

At 9:40 a.m. Representative Mike Miller appeared before the Board to discuss a bill introduced into the House last legislative session on year-round schools and to hear the Board's ideas on that concept. Representative Miller's bill would provide an incentive plan for districts agreeing to study the feasibility of some form of year-round school.

Other aspects of varying forms of the rescheduled school year were discussed, and it was pointed out that major advantages are that it allows more flexibility in programs and provides enrichment to existing programs. Saving of construction costs was pointed out, too, as an advantage.

Mr. William Potter, President of NEA-Alaska, stated that he feels the concept of year-round school is fine, but that since teachers have to go back to school at some time during each year, there should be some provision for this in any proposed plan.

Mrs. McDowell moved that the Board endorse the concept of the **rescheduled school year.** ACTION
Motion was seconded and carried with all members present voting in the affirmative.

Mr. Carroll M. Craft, Director of the Division of Vocational Rehabilition, appeared briefly to explain further the revised compilation of federal and state cooperative agreements and various minor changes with respect to the State Plan for Vocational Rehabilition approved by the Board at the November 3 session.

Mr. Wanamaker joined the meeting at 10:20 a.m. The Board then discussed the proposed **interim standards for preelementary schools.** In response to a letter from the Committee of Private Nursery School Parents and Teachers, Mr. Isaac stated that the statutes are clear on the state's responsibility for prescribing educational standards and reporting procedures and that these proposed standards require nothing of private schools that is not required of public schools. The interim standards, he indicated, were proposed to allow some experience and feedback from interested parties before adopting final standards. The Board directed the Commissioner to respond to the letter.

The Board recessed at 10:35 a.m. and reconvened at 11:00 a.m., at which time Mrs. Cuddy shared with the Board several comments and impressions

received from visits with some of the school administrators and interested persons in the Anchorage area. Items of primary concern seemed to be upgrading education and educational television. Some discussion centered around the possibility of bringing NET to Alaska. Another concern expressed was allowance for time during the teaching day for teacher planning or work sessions. Dr. Lind stated that a proposal has been received from the Fort Richardson schools for in-service planning sessions for teachers

At 11:25 a.m. Mr. Byron Mallott, Director, Local Affairs Agency, Office of the Governor, spoke at the request of the Board on the current status of the **proposed North Slope Borough.** He indicated that the statutes call first for a study to see if the proposed borough would meet requirements and the Local Affairs Agency is in the process of finalizing that study and hopes to report to the Local Boundary Commission before the end of the calendar year. The presentation for incorporation calls for a first class borough with all the powers of a first class city on an area basis. Anaktuvuk Pass, a state-operated school, is within the limits of the proposed boundary, but there are no real indicators of how this borough would affect the education system in the area. The final decision rests, probably, on whether or not there will be an adequate tax base in the area (consisting of 6 million acres and approximately 4,000 people).

Mr. Wanamaker inquired as to whether there had been any expression in either the Kuskokwim or Lower Yukon areas to create new local governments there. Mr. Mallott was unaware of requests, but indicated he doubted whether this would be in their grasp because of an inadequate tax base.

Mr. Van Houte asked whether they had collected estimates in regard to the valuation of property in the unorganized borough. Mr. Mallott indicated that they had not, but would have occasion to gather this type of data as they look at the whole question of building a new type of regional form of government as mentioned by Governor Egan during a recent presentation.

The Board thanked Mr. Mallott for his presentation and he left the meeting.

In a further discussion of **goals and objectives,** the Commissioner stated that a major concern he had was in the area of telecommunications, since this could be a valuable media for instructional programs, particularly as it relates to the concept of local high schools. Mr. Van Houte commented on the importance of satellite communications for rural and urban Alaska. Dr. Lind indicated that with the possibility of federal funds through the Equal Education Opportunities Act for funding of a position in the area of media and communications, he would like the Board's reaction to funding of a position within the Division of Instructional Services for program planning.

Mrs. Cuddy moved that the Board endorse the move into the area of **educational television** program planning and support the position of educational programmer within the department staff. Motion seconded and carried. **ACTION**

After some further discussion of the area of **early childhood education** and an informal polling of Board members to see their general feelings about

the subject, Mr. Bill Parker, State Office of Economic Opportunity, commented on the necessity for and trends toward preelementary education. He commented that, as a result of Head Start programs, we are finding out that "what is good for poor kids is going to be good for all kids."

The Commissioner commented that as is set out in the statutes, the department has the responsibility of determining whether or not an educational component exists in preelementary programs and, if so, has the licensing authority. Standards for preelementary programs, therefore, are a necessary tool for these determinations and licensing.

Mrs. Hurley thanked Mr. Van Houte for Robert Cooksey's report and coverage of the regional school hearings. Mr. Van Houte indicated that he felt the Board deserved this credit for the interest they have shown with respect to the question of how best to serve the educational needs of the villages in Alaska.

The Board recessed at 12:20 p.m. and reconvened in regular session at 4:35 p.m. The afternoon was spent in review of the Department of Education budget.

Mr. Ridle related some preliminary thoughts and discussion on the possible transfer of the **Seward Skill Center** to another operating agency.

Some discussion centered around the **possible transfer of the Division of Regional Schools and Boarding Home Programs** to the State-Operated Schools System. Dr. Lind stated that if State-Operated Schools is interested in taking over this operation--and since it would appear to be a logical place for administration of the regional schools--that this could be accomplished prior to FY 73. Mr. Thomas related some of the history of regional schools and the division. If this transfer becomes a reality, adequate planning time will need to be provided for all affected staff.

The Board directed the Commissioner to pursue this possible transfer with the State-Operated Schools Board of Directors and administration, with some assurance from them that they would be committed to the local school approach to secondary education.

The Board then discussed the letter from the Nome-Beltz Planning Committee on setting attendance areas for the Nome-Beltz district. Beltz Regional School and the Nome City High School are going to be consolidated on the Beltz site. Apparently two issues are involved: (1) definition of the service area of the school, and (2) how those persons outside the city district might be adequately represented on the school board. The attendance areas, it was explained, approximately parallel the regional incorporation of the Bering Straits Native Association, with the exception of Deering and Buckland, and involves about 200 pupils.

Since the State-Operated Schools Board of Directors had a mid-November meeting planned and this item is on that agenda, the Nome-Beltz planning committee would like a designation from the State Board prior to that time.

Mr. Wanamaker moved that the State Board **ACTION**
designate the entire Seward Peninsula, including
the coastal villages from Buckland to St. Michaels
and including Little Diomede and St. Lawrence Islands, as the secondary
attendance area for the Nome-Beltz Consolidated High School, effective

July 1, 1972. Motion was seconded and carried. The department will study the governance question and a decision and recommendation will be made at a later date. The Board directed the department to notify the Nome-Beltz planning committee.

Possible dates for the next Board meeting were discussed. Since the Legislature will be in session, a Juneau meeting in late January was tentatively decided upon.

The Board adjourned at 6:00 p.m.

* * * * *

Sec. 4 AAC 06.050.is amended as follows:

4 AAC 06.050. PHYSICAL EXAMINATIONS OF SCHOOL EMPLOYEES. (a) Physical examinations shall be required for all regularly employed teachers, other employees, custodians, and clerical personnel, except those whose work does not bring them into close contact with pupils, upon initial employment by a district. A re-examination shall be required every [five] three years for all employees below the age of 45 years. Beyond the age of 45 a physical examination shall be required every two years. A district may require a physical or other examination at any time or at more frequent intervals at its expense.

[ ] amended material
___ new material

Sec. 4 AAC 06.020 is repealed and reenacted to read:

4 AAC 06.020. SECONDARY EDUCATION. (a) Every child of school age shall have the right to a secondary education in his community of residence, whether in a city district, a borough district, or the State-Operated School System.

(b) This section does not apply if a child

(1) has daily access to a secondary school by being transported a reasonable distance in accordance with pupil transportation regulations;

(2) has a physical or mental condition which medical authority determines will make attendance impractical;

(3) is in the custody of a court or law enforcement officials;

(4) has been suspended or denied admittance according to Section 45 of Chapter 30, Alaska Statutes.

Authority: AS 14.03.080 (a)
AS 14.07.020 (1) (2)
AS 14.07.060

Chapter 4 AAC 24 is repealed in its entirety and reenacted to read:

CHAPTER 24. OPERATION OF STATE SCHOOLS

Section

10. Submission of plans relating to the establishment, discontinuance, or consolidation of schools

20. Approval of plans, applications

30. Definitions

4 AAC 24.010. SUBMISSION OF PLANS RELATING TO THE ESTABLISHMENT, DISCONTINUANCE, OR CONSOLIDATION OF SCHOOLS. Operational plans or applications for schools, submitted by the board of directors in accordance with AS 14.08.100, shall include the following:

(1) area map showing location of attendance center, proximity to other schools, attendance area, proposed transportation routes;

(2) programs or educational levels to be offered;

(3) description of facilities;

(4) number of pupils, by grades, expected to attend;

(5) number and ages of preschool children in attendance area.

4 AAC 24.020. APPROVAL OF PLANS, APPLICATIONS. The following factors will be considered in approving or disapproving plans and applications:

(1) number of school age children;

(2) number of preschool children;

(3) adequacy of facilities

(4) proximity of other schools

(5) effect of school on other area schools.

4 AAC 24.030. DEFINITIONS. In this chapter

(1) "Board of directors" means the board of directors for the state-operated schools.

(2) "Operational plans" include changes in pupil attendance centers in areas which affect other districts, and the addition of one or more elementary or secondary grades to an existing school.

Authority: AS 14.07.030 (12)
AS 14.07.060
AS 14.08.100

Chapter 4 AAC.06 is amended by adding Sec. 4 AAC 06.025.

4 AAC 06.025. STANDARDS FOR SECONDARY EDUCATION PROGRAM LEVELS

(1) The minimum standards for offering secondary education, first edition dated 11/4/71 are adopted and shall constitute the minimum guidelines for offering secondary programs. Copies of the standards may be obtained by writing Department of Education, Pouch F, Juneau, Alaska 99801.

Note: Sections 4 AAC 06.020-025 do not preclude a district from establishing boarding programs or boarding schools on a districtwide basis to enable students to obtain a more comprehensive education than provided in State guidelines, Levels 1-111. However, enrollment in programs which require a pupil to live away from his usual home is voluntary only.

Sections 4 AAC 06.020-025 do not preclude enrollment in special education programs as provided in Article 3, Alaska Statutes.

Authority: AS 14.03.080 (a)
AS 14.07.020 (1) (2)
AS 14.07.060

MINIMUM STANDARDS FOR OFFERING SECONDARY EDUCATION

Section 4 AAC 06.025 (2)

Date _____

1. Every child of school age shall have the right to an elementary-secondary education in his district or community of residence.
2. No child of school age shall be required to live away from his usual home in order to obtain an education.
3. The following guidelines define the minimum levels of secondary educational services provided under varying conditions and enrollments.

Elementary schools not otherwise in a secondary school attendance area shall offer secondary education in accordance with Levels I-III.

LEVEL	NUMBER OF PUPILS	STATUS OF PUPILS	DESIGNATION OF PROGRAM	PROGRAM CHARACTERISTICS
I	(A) 1 - 10	Special students; boarding program optional	Special secondary program; nongraded program	A - Existing elementary school facilities utilized (may have additional teacher if elementary enrollment is over 10 pupils). Principal-teacher is responsible for administration and supervision of correspondence studies; individualized instruction techniques are used.
	(B) 10 - 20	Same	Same	B - Existing elementary school facilities are utilized but may need to be supplemented by additional space. Additional 1-2 teachers required; some courses may be taught by staff; work experience courses may be offered.
II	21-32	Secondary students; boarding program optional	Special secondary school, nongraded	Existing elementary facilities may be used. Additional space generally required; 2-3 teachers required. Basic courses taught by secondary teachers, supplemented by correspondence studies; work experience may be offered; some specialized equipment, carrels, portable labs, etc.
III	(A) 33 - 46	Secondary students not eligible for boarding program	Standard high school, graded or nongraded	A - Secondary facilities required; 3-4 teachers required. Generally all courses taught by staff; correspondence courses may be used; work experience may be offered; specialized areas, shop, homemaking, business education, physical education.
	(B) 47 - 62	Secondary students not eligible for boarding program	Same	B - Secondary facilities required including multi-purpose room; 4-5 secondary teachers required. Generally all courses taught by staff; correspondence courses may be used; work experience may be offered; specialized areas, shop, homemaking, business education, physical education.

Chapter 4 AAC.06 is amended by adding Sec. 4 AAC 06.027.

4 AAC 06.027. ESTABLISHMENT OF ATTENDANCE AREAS. (a) The board may establish attendance areas without respect to district boundaries.

(1) An attendance area may cross district boundaries.

(2) Pupils may be required to attend schools in other districts when, in the judgment of the commissioner, the best interests of the state will be served.

(3) School districts must accept as tuition pupils those pupils required to attend from another district.

(4) A district may appeal to the State Board the commissioner's decision. The decision of the State Board will be final.

(5) Grade levels and any specific agreements pertaining to educational programs offered by the schools involved shall be included in the attendance area directive.

AUTHORITY: AS 14.03.080 (a)
AS 14.07.020 (1) (2)
AS 14.07.030 (12)
AS 14.08.100

Chapter 30 is revised to read:

Section

10. Exchange teachers

4 AAC 30.010. EXCHANGE TEACHERS. (a) The exchange of teachers is for a period of one year only, and the exchange is authorized to grant the exchange in accordance with this section and may give teachers leaves of absence for not more than one year.

(b) Teachers in district schools desiring exchange positions with teachers of school systems in the states or territories shall first secure the written consent of their respective school boards. The consent shall state that a leave of absence is granted for one year, specify by year, and state that the teacher may return to her position the following year. These letters shall be forwarded to the commissioner for record purposes.

(c) All teachers must have taught successfully for a period of five years in the state, the last three years of which must be in the position they are holding at the time of their application for exchange.

(d) The district school boards have authority to accept in exchange teachers qualified in the other states or territories for the period of one year, and the exchange teachers are not required to secure a state certificate for the year of the exchange. If the teachers coming into the state stay longer than one year, they are required to secure certificates in accordance with the regulations of the department.

(e) In selecting teachers for exchange, special attention shall be paid to the "general fitness" of teachers under consideration. No applicant for the privilege of securing an exchange position shall be recommended unless it is felt that the teacher will make a satisfactory contribution and will represent with credit the public schools of Alaska.

(f) This section also applies to exchange teaching positions for foreign countries. Exchange teachers from foreign countries are not required to meet the citizenship requirement for teaching in the state and will not have to take the oath of office, provided they have been cleared for entrance into this country. They shall, however, be required to file a medical certificate.

(g) Exchange teaching in another state or in a territory or in a foreign country will be acceptable as Alaska experience for not to exceed a one-year experience credit, provided that the experience is in a public school and provided that the teacher has gone directly from an Alaska position to the exchange position.

AUTHORITY: AS 14.07.060
AS 14.20.020 (c)

Chapter 4 AAC.12 is amended by adding Sec. 4 AAC 12.045.

4 AAC 12.045. PROFESSIONAL CERTIFICATE. (a) A professional certificate valid for five years may be issued a professional staff member of the department for whom certification is required, and who has

(1) submitted a transcript of all academic work;

(2) earned a bachelor's and/or higher degree.

(b) A professional certificate may be renewed for successive periods of five years upon the recommendation of the commissioner and complying with such other requirements as may be established by the board.

AUTHORITY: AS 14.20.020

STATE OF ALASKA
DEPARTMENT OF EDUCATION
BOARD OF EDUCATION

WILLIAM A. EGAN, Governor

POUCH F — ALASKA OFFICE BUILDING
JUNEAU 99801

November 3, 1971

STATE BOARD OF EDUCATION

RESOLUTION CONCERNING THE ENDORSEMENT

OF THE

CENTER OF NORTHERN EDUCATION

WHEREAS the Regents of the University of Alaska have established the Center for Northern Education, and;

WHEREAS the purposes of the Center for Northern Education include:

1. The analysis of long range education goals and policies in cooperation with state, local, and federal educational agencies; legislative bodies; Native association; education associations; and related governmental agencies;

2. The provision of a platform from which the Native population may join with the "educational establishment" and governmental agencies in the development of cross-cultural educational programs;

3. The identification, ordering, and promotion of promising means for improved educational programs;

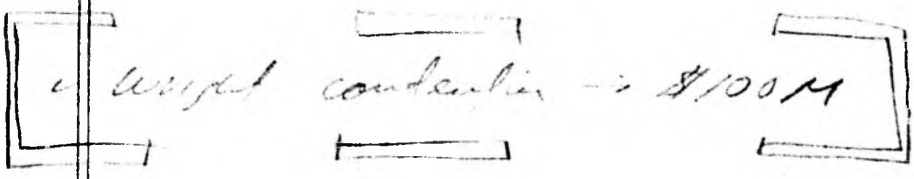
4. The design of research projects appropriate to new educational concepts and an investigation of their previously unknown influences;

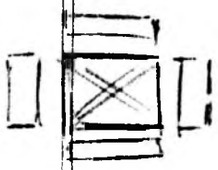
5. The development of demonstration projects and field tests of new concepts;

6. The rendering of assistance to operating agencies to implement newly developed programs, and

WHEREAS there is need in Alaska for close coordination of educational program development and cooperation among all agencies in analyzing educational goals and policies; NOW THEREFORE,

BE IT RESOLVED, That the State Board of Education endorses the concepts and purposes of the Center for Northern Education as set forth by the Board of Regents and encourages development of programs of mutual concern between the State Department of Education and the University of Alaska.





Refocus: 10 adults
2 students
1 military

4-6 weeks vacation = "continuous"





(in thousands)

Est. Debt		1st year S.D.	1st year State	2nd year S.D.	2nd year State	3rd year S.D.	3rd year State	4th year S.D.	4th year State	5th year S.D.	5th year State	TOTALS S.D.	TOTALS State
	P	400	200	400	200	400	200	400	200	400	200		
8,000	I	480	240	456	228	432	216	408	204	384	192		
	T	880	440	856	428	832	416	808	404	784	392	4,160	2,080
	P			400	200	400	200	400	200	400	200		
8,000	I			480	240	456	228	432	216	408	204		
	T			880	440	856	428	832	416	808	404	3,376	1,688
	P					400	200	400	200	400	200		
8,000	I					480	226	456	228	432	216		
	T					880	426	856	428	832	416	2,568	1,270
	P							450	225	450	225		
9,000	I							540	270	513	256		
	T							990	495	963	481	1,953	976
	P									450	225		
9,000	I									540	270		
	T									990	495	990	495
42,000		880	440	1,736	868	2,568	1,270	3,486	1,743	4,377	2,188	13,047	6,509
Oper. & Maint. Savings		185		387		612		785		126		2,095	
		1,065	440	2,123	868	3,180	1,270	4,271	1,743	5,503	2,188	15,142	6,509
10% & 5% Increment			(554)		(1,161)		(1,836)		(901)		(1,118)		(5,570)
		1,065	(114)	2,123	(293)	3,180	(566)	4,271	842	5,503	1,070	15,142	489,000

2 [15,142 $7 MM savings per year per SAC DISTR.

savings per year for the state

$42 M

2. Rescheduled school year can be implemented throughout system by FY-76. (1/6th system per year)

3. Cigarette tax at $600,000 per year average.

4. Outstanding debt in 1970 of $40,000,000.

5. Repayment schedule of $3,500,000 per year.

6. State Debt Service Payments (chapter 249) would average $1,300,000 per year to Anchorage if no new debt service.

7. If $42,000,000 new construction is authorized it will mean about $84,000,000 in additional debt service over 20 years or $4,500,000 additional debt retirement per year of which Chapter 249 would be picking up 50% ($440,000 to 2,250,000 per year).

8. Operational and maintenance costs average 10%.

OPERATIONS AND MAINTENANCE COST SAVINGS ASSUMPTION

1. Operations and maintenance cost savings are estimated at 10% of total operating cost to the school district.

2. The extended school year allows for 1/3 increase in existing building capacity.

3. Rescheduled school year will be implemented over a 5 year period (1/5 per year).

4. A 5% growth factor per year in enrollment of the school district.

MAINTENANCE AND OPERATIONAL SAVINGS (IN THOUSANDS)

Year	# of Instr. Units Affected	Multiplying Factors	Amount
1st	320	X1/3 X 10%	85
2nd	670	" "	387
3rd	1,060	" "	512
4th	1,360	" "	[illegible]
5th	1,950	" "	1,[illegible]26

[illegible] CONSERVATION ((a) 10% of [illegible])

1. Assume 20% or 1/5 of school district participation per year for 5 years to total school district participation.

[illegible] COST (IN THOUSANDS)

Year	# of Instr. Units Affected	Calculation Factors	Amount
1st	320	(a) [illegible] X .1	[illegible]
2nd	670	" " "	1,[illegible]
3rd	1,060	" " "	1,[illegible]
4th	1,360	(a) [illegible] X .2	[illegible]
5th	1,950	" " "	1,[illegible]

[illegible] OF 10% [illegible]

1st year:

a) [illegible]

2nd year:

a) Savings to school district

Debt Service	868	
Op. & Maint.	387	
		1,255

b) Savings (cost) to the State:

Debt Service	868	
10% or 5% Increment	(1,161)	
		(293)

c) Overall Savings 962

3rd Year:

a) Savings to the school district:

Debt Service	1,270	
Op. & Maint.	612	
		1,882

b) Savings (cost) to State:

Debt Service	1,270	
10% or 5% Increment	(1,161)	
		(380)

c) Total Savings 1,502

4th Year:

a) Savings to the school district:

Debt Service	1,273	
Op. & Maint.	851	
		2,124

b) Savings (cost) to State:

Debt Service	1,273	
10% or 5% Increment	(1,161)	
		112

c) Total Savings 2,236

Analysis reveals that the savings to the State under the above assumption and including a 5% increment in the foundation program would be about 2-3 percent at best. There does appear to be a more significant savings to the school district on debt retirement and operations and maintenance costs. However, increases in other areas of the school districts budget (particularly instructional costs) may offset those gains.

PROSPECT : More & more school bonds - millions - for school construction

We lose 2 ways - cost to distrcd
" " state

Waste : meanwhile, bldgs we do ~~have~~ stand unoccupied 3/4 of the year.

Origin of system: FARM

Alternative - '7B467

- Increase plant 33⅓%. w/o addl cost to taxpayer.
- " equipment, tape recorders, cameras desks, projectors, textbooks, microscopes " " " "
- " number of buses " " " "

Objections: - Kids misunderstand "year-round." (still 180 days.)
- (Several types of programs - Quarter system / 45-15)
- Teachers ... afraid will have to work 33⅓% more for same salary.
- Teachers ... time off for school
- Families ... poor different programs for kids in one family. (Actually, even neighborhood can have same program.)

★ Advantages
- Utilization of bldgs
- Vacations more pleasant in other seasons. (Hawaii in the winter)
- More retention; less memory drop in 15 days.
- Purely permissive
- In the case of poor learners, can repeat a Quarter immediately, faster.
- If we can obtain a moratorium, may get the benefits of new bldg. techniques.
- College vs. Hi school competition for jobs.

Inquiry 500 returns out of

50% in favor > tea
50% opp

80% admin.

AFFAIRS OF STATE MESSAGE
BY GOVERNOR WILLIAM A. EGAN
TO THE SECOND SESSION OF THE SEVENTH ALASKA LEGISLATURE
JANUARY 11, 1972
JUNEAU, ALASKA

Mr. President, Mr. Speaker, Members of th Seventh Alaska Legislature, my fellow Alaskans:

This is the time prescribed in the Constitution and provided for by law when I report to you and to the people of Alaska concerning the affairs of the State and recommend measures I consider necessary to the future welfare of the Alaskan people. The preparation of this report is an occasion for redefining the public policy of the State in the light of events over the past year. It is a time to articulate the changing perception of the needs of the people which the perspective of a new year brings to us.

During the past year and for some time previously, the impact on Alaskan public life of today's great issues--social justice and environmental concern--can be summed up in three words: "pipeline" and "native claims."

We have made dramatic progress in the past year in bringing social and economic justice to the native people. And much has happened which has reshaped the pipeline issue despite a disappointing lack of physically visible progress. But there is every reason to suppose that these three words will continue to dominate our public concerns in 1972 and for some years after.

Two years ago the relationship of the Alaska Native Claims to the development and transportation of our natural resources was a striking example of interdependence in human concerns. The pendency of the claims issue was a major obstacle to the program for a trans-Alaska pipeline. Now, that our efforts to afford native people a just and equitable settlement have been rewarded, the claims is no longer such an impediment.

In addition to the shaping of the claims bill, last year our engagement with the pipeline related to the concern that the pipeline find a compatible role in the natural environment. Through participation in hearings, through the development of an environmental statement and entry into the pending environmental litigation, Alaskan state government has attempted to promote the objectives of a speedy and satisfactory conclusion to our need to develop this resource through a safe system of transportation.

It is even more true of the pipeline than it was with the claims, that we have been frequently dealing with forces and interests in American life whose power sometimes seemed

overwhelming. The Federal Government, as an institution, has seized a dominant role in matters which from our point of view are of primary concern to Alaskans. With the pipeline as well as the native claims, we can regret with hindsight that the State did not forearm and prepare itself years earlier to match the magnitude of the physical task and the political contest.

This year through a number of measures--particularly measures opening public ownership as one option in the control of the trans-Alaska pipeline, and an integrated system of pipeline regulation and taxation as another--I hope we can start to prepare ourselves adequately to meet the great unanswered questions involved in the relationship of the pipeline to the Alaskan people and the human environment of our State. In this regard, too, we must make sure that choice in our destiny is not pre-empted by the power of forces which are not irresponsible but which have only limited responsibility to Alaska's citizens.

If we become the victims of our fortune rather than managers of it, we have only ourselves to blame. For the energies of a free and proud people armed with truth and the shield of sovereignty are more than a match for national corporate power or the careless injustice of monolithic governmental bureaucracy.

It is not the stockholders of the present pipeline owner companies nor the members of national conservation societies nor the managers of the great Federal agencies who have the biggest stake in the trans-Alaska pipeline. It is the people of Alaska who have the most to gain and the most to lose from the arrangement of the enterprise.

Late last year we discovered that the estimated cost of the proposed pipeline had gone up from $1.3 billion to over $2 billion and perhaps closer to $3 billion. The stake of the people of Alaska goes up with the cost.

The cost of transportation, whatever it is, is ultimately passed on in the price paid at the wellhead which determines the tax and royalty benefits accruing to the State and in the value of the unleased oil resources owned by the people of Alaska.

For this reason, and by reason of the magnitude of the enterprise in relation to existing Alaskan enterprise, both the control and management of the pipeline in its relation to government is of vital personal concern to every Alaskan. The fate of the application for a right-of-way permit before the Secretary of Interior of the United States, and beyond him the fate of the permit of the Federal courts, carries with it the fate of the Alaskan people.

Some opposition to the trans-Alaska pipeline application has been insincere, a disguise for baser economic motives. And some sincere opposition through fear and ignorance has become fanatical. Nevertheless, the dispute over the environmental impact of the pipeline has been of some beneficial effect to the State and to the oil industry in assuring a better total design for the oil transporation system. The dispute has rudely reminded us of our continuing responsibility to combine our search for growth with respect for, and responsibility to, the land.

I am not one of those who perceive countervailing dangers in every form of economic growth. While there may

be some distant utopian world where economic growth is no longer necessary to the happiness of mankind, it is certainly many years beyond my lifetime.

Our basic human wants so greatly exceed our capability of satisfying the material provision for a decent life for every American, that turning one's back on growth is an indecent form of public irresponsibility. While human need may sometimes appear a bottomless pit, looking at our history over the years, it is obvious that the quality of human life has vastly improved through economic growth.

There is now a substantial fraction of our society for whom economic growth no longer is necessary to satisfy basic needs. But it is both cruel and irresponsible for those who have climbed the ladder of prosperity or been born at the top, to kick it down behind them.

The job of responsible leadership is to assure that the quality of growth will bring a true increase in the quality of total human benefit.

There are social, economic, and other environmental costs associated with human enterprise which should not and need not be ignored. Our responsibility, through the structuring of governmental and private enterprise, is to assure that new development meets all these costs so that the true costs are not adversely cast on some other aspect of our lives.

We must remember that our vision of the environment should not stop with trees, tundra, and craggy peaks, but also includes housing, jobs, sewer and water systems, hospitals, schools, and transportation facilities. For the great majority of all Alaskans, as for other Americans, quality in these aspects of our environment is a priority of human concerns.

There would be little food on the tables of America today if no plow had ever turned the sod of the prairie. No American would have a roof over his head if every virgin stand of timber was spared. The highest and best use for substantial acreages of Alaska land is agriculture and forest products. These uses should not be pushed aside.

Every acre of this earth is entitled to respect. The thrust of conservation is not that nature should be left untouched, but that it should be managed with regard for its character to assure continuous use for mankind from generation to generation.

Over the past year, in pursuit of these principles, I have attempted to further define and implement an Alaskan economic policy in which the full range of costs and risks are measured against the benefits. We have made some beginnings in giving a sense of direction which will unite Alaskans in meeting the challenge of the future.

It has been said that the frontier is dead. I do not subscribe to that belief. The fervor that once expressed itself as a war with the brutal forces of nature now finds its voice in the search for fruitful coexistence with it.

To assist in planning for a better integrated overall state economic policy, I am asking you to enact legislation establishing a counsel of economic advisors. Over the past year we have also made progress in the utilization of the budget as an instrument of economic policy and have structured it so we can better see the fundamental goals of

State spending and our progress towards them. Our proposals for the budget in the coming year will be contained in the message which I will deliver to this assemblage on Thursday.

In response to legislation requested by me and passed by the Legislature last year, the Congress of the United States, in the Alaska Native Claims Settlement Act, included a provision for a joint Federal-State land-use planning body for Alaska. Although the Federal legislatior does not directly correspond to that previously adopted by the State, it will serve the purpose I intended, providing a vehicle for joint land-use planning.

This year I will ask you to amend the Alaska law to conform with the claims act. We can plan for natural resource management and land-use policy only through effective coordination with Alaska's biggest land owner, the United States. To plan effectively we must know our resources. The program of geological and geophysical survey within the Department of Natural Resources, which I asked for last year, should be adopted.

It is just as certain that we can plan for the wise use of our lands, the development of our resources and the satisfaction of human needs only through participation of the Alaskan people at the local level.

Fundamental to planning for an overall State economic policy is a question of determining the proper role of State action and the proper role for local government activity and the division of responsibility between each public sector and the private sector.

The genius of the American free enterprise system is the incentive in the profit motive to efficient management and production which the small and medium sized business experiences in a competitive setting. It is generally recognized, however, that some enterprises, such as the trans-Alaska pipeline, are so large and have such a profound effect on the lives of so many people, and have so little relationship to a normal competitive system, that they become clothed with a public interest. When this happens, an enterprise should be subject to a degree of control according to the needs of the people. In some cases, an extent of regulation is called for. In others, the public interest is so strong that public ownership is indicated.

As I stated on Friday, the existing framework of State and Federal regulation and taxation is insufficient for the protection of the Alaskan public. I have profound doubts whether any arrangement short of public ownership of this public transportation utility provides Alaskans with the security they need in such an important part of their human environment.

Nevertheless, I realize opinions may differ on this subject. I believe the State at this point must keep open both options: public ownership and an integrated system of pipeline taxation and regulation, including a State jurisdictional corridor for pipeline and highway purposes.

In many areas of the State economy, we have already determined that public ownership is the best answer. In the field of transportation, the State is undertaking a vigorous program of expansion of airport facilities. Continuing efforts to assure the adequacy of Federal air navigational safety aids is just as important as providing adequate

runway facilities for the State's airports. Appropriate Federal officers should be reminded of their obligation by legislative resolution.

In marine transportation, we will continue with the expansion and improvement program outlined last year, adjusting it to unexpected rises in costs and adding new funds for improvements in the Haines terminal area.

The Department of Highways is embarking on a new village road program and will give expanded emphasis on maintenance through new camp facilities at Kalsin Bay, Kodiak, Trimms Camp on the Richardson Highway, and new maintenance complexes in Anchorage and Fairbanks.

The division between public and private responsibility is only one measure of planning an effective economic policy for Alaska. Wherever possible, and where the scope of the issue does not escape the reach of local government, it is better to allow the people of each region and locality, through local government, to play the principal role in determining their own needs and priorities. Under such circumstances the responsibility of State Government is to provide support and assistance to such local efforts.

A-I

Although education is a Statewide governmental responsibility, local determination of educational priorities has always been a feature of the Alaskan scene. To further implement this, we are offering revisions of the foundation program to include the capital debt program and school transportation, so that each region can make its own determination of priorities. Amendments to the education title are needed to clarify current procedures and relationships between local government, the State-operated school system, and the Department of Education.

In the field of higher education, we will encourage local initiative and expand individual choice through amending our scholarship loan program to include funding for loans plus an excess tuition grant program for Alaskan residents who choose to pursue their educational opportunity in Alaska. A veterans preference should control in the event of a shortage of appropriated funds.

To strengthen public institutions of higher learning in the area of greatest need, we believe a priority should be recognized in bonding proposals to provide higher educational facilities in the Anchorage area. Such construction, however, should be in keeping with an integrated plan for higher education needs for the region. It will not provide the maximum benefits for people of the State if the strengthening of public sector higher education has the additional effect of destroying the private higher educational effort.

Though the adoption by the Congress of the Alaska Native Claims Settlement Act is rightly observed as a triumph for all the Alaskan people of a magnitude not seen since adoption of the Statehood Act, for practical purposes of State policy the congressional action is but a landmark in a continuing evolutionary process. The Alaska Native Claims Settlement Act is a plan for a solution, and an imperfect one at that, not the solution itself. It is a chisel, not a finished sculpture. The quality of the product will depend upon the craft and foresight applied in its implementation.

The adoption of the Settlement Act does not mean an end to poverty for the Alaskan native. It will be years before it produces significant inroads on the grinding poverty prevalent in rural Alaska. It would be a fundamental and disastrous error for this body to throw away the potential of the Alaska Native Claims by pretending that this piece of legislation in any way relieved the State of its obligation to assure vital services for all the people of Alaska and to promote the quality of the social and economic environment of all regions of Alaska.

The implementation of the Alaska Native Claims makes more urgent than ever the establishment of effective regional government in the area now described as the unorganized borough. I urge the adoption of the Alaska Municipal Code with due regard for the need for conforming amendments assuring a harmonious relation with new proposals in local government which I will be submitting. I also urge revision of the State's judicial boundaries in keeping with present realities.

Not only with the pipeline, but with other aspects of development, taxation plays an indispensable role as a method of creating revenue for public sector spending and allocation of the true costs of economic activity.

I will be asking you to adopt provisions enabling a levy on real and personal property in the unorganized borough as a method of funding new local governments in their efforts to provide vital support services based upon local decision making as to priorities.

Further, a program providing such revenue will assist in tiding the State as a whole through a period where demands for services resulting from pipeline activity will be greatest, but prior to the time when revenues from severance fees and royalties begin to flow.

So that revenues from property wealth not only are allocated where the real impact of development lies, but also so that the basic level of vital services which are responsibilities of government are rendered on an equal basis, the property tax should include an equitable distribution formula. Many of you are familiar with recent Supreme Court and Federal Court decisions in California and Texas which provided that the rendering of educational services could not depend upon the value of property in each school district. The same principle applies to other fundamental services. Accidents of location of public-owned resources should not result in an irrational distribution of benefits.

So that the property levy may be efficiently administered and not be unduly burdensome on the smaller enterprises which must struggle to stay alive, it will include an exemption of up to $50,000 for homesite and business purposes. So that land is not forced into development without meaningful planning and to preserve the value of open spaces, I would also ask that all unimproved land in the unorganized borough be exempt from such taxation.

The unorganized borough, which is a borough in name only, should be divided into administrative units by the Local Boundary Commission, each reflecting standards of population, geography, economy transportation and other factors. In doing so, the Commission will be fulfilling the mandate of Article X of the State Constitution. The time is now ripe with the adoption of the Alaska Native Claims

Settlement bill. Provision for local self rule within each new unorganized borough should be provided depending on local option.

Major responsibilities for development both in the private and public sectors can be undertaken at the local level. But greatly re-enforced support for local government will be required at the State level.

Accordingly, I will be introducing legislation providing for the establishment of a new Department of Community Affairs. It will consolidate the existing functions performed in the planning area by the Alaska State Housing Authority, and all principal functions of the Local Affairs Agency, the Rural Development Agency, the State Economic Opportunity Agency, and the State Department of Economic Development.

Economic development means local or regional development. Each locality, city, or region should make its own choices of priorities and participate in the decision-making as to the kind and extent of development they seek--whether tourism, agriculture, industry, boat harbors, recreational facilities, sanitation facilities, or whatever. The new department will provide a reservoir of expertise to meet such local needs.

To better assist us in decision making with regard to the structure of local government in one region where the plan provided in the Alaska Constitution shows signs of excessive strain, I am asking for funding for a special study of local government in the Anchorage area. It is expected that a thorough analysis of local government in this region may also have implications for the design of local government structures elsewhere.

In the area of fisheries, in our concern for conservation and management of the resource, local control is impractical. The resource belongs to and benefits us all. In addition to other fisheries management support activities, I will ask for continuing support for an expanded hatcheries and rehabilitation program. I will also ask for funding for the development of a statewide program of limited entry.

The State's effort in support of processing and marketing of marine products has lagged behind our program for the biological management. I will ask for a new division of fisheries marketing research to provide assistance to local efforts to establish fish processing activities and marketing functions.

In the area of communications, as I indicated in a special television program earlier this year, sweeping changes are in the offing through satellite technology. I have already retained the services of a full-time special advisor on communications in my office. I will also request affirmation of legislative support for communications, through funding for the following year for the advisory and support services in communications.

I will give a more detailed explanation of our program of financial support for communications on Thursday.

Support of the family budget can be maintained through adequate support for strengthened consumers protection law enforcement. These laws should be strengthened through

adoption of the State anti-trust law which was introduced at my request last year.

Adequate funding for a consumers protection division in the State Department of Law will permit the Department to effectively police the State's consumer protection laws and give adequate voice to Alaska consumers in representation before National and State regulatory commissions.

State policy cannot be effectively arrived at if the quality of democratic process is not maintained. One of the priority issues facing the Legislature this year is legislation to regulate and limit campaign expenditures so that the rights of individuals to representation is not undermined by vested economic interests.

Over the past several months we have conducted a study of various provisions of the Constitution. Several amendments will be put forth for your consideration.

An amendment will be offered to the Declaration of Rights to provide that no person is to be denied the enjoyment of any civil or political right because of sex.

The perspective of our times suggests that the age qualification for legislators established in our Constitution be reconsidered. The measure of a man is his personal qualities and experience, not chronology. Let the people decide who is too young.

A measure treating this matter has already been suggested by one of your members. I propose a constitutional amendment reducing the age of qualification in the House to eighteen, the present voting age, and in the Senate to twenty-one because of the increased responsibilities of members in the smaller body.

Additional amendments will be proposed to the State Constitution to conform to developments in Federal constitutional law over the years since Alaska's constitution was adopted.

Though the cause and effect relationship is not always precise, nor exclusive, social dislocation in our society is related to the organization of economic activity and should be considered as an integral part of State economic policy. Adequate protection must be afforded to the random victims of problem areas in our social design.

At the request of the Department of Commerce, I will introduce a modified no-fault insurance plan to allow for the swift dispatch of automobile accident cases where damages are under $10,000, allowing existing forms of administration of civil justice to continue to handle larger claims.

I would also ask that the Legislature consider legislation providing a modest fund to take care of the medical expenses of innocent victims of violent crime. The quality of life for young people is seriously impaired by the threat of drug abuse. Problems of alcohol abuse, while similarly related to personal dislocation, recognize no age boundaries. I will ask for a major expansion in programs of drug and alcohol abuse. As a further assistance in this regard, I will ask for the adoption of the Uniform Control Substance Act.

Occupational health and safety has been an area of growing concern in the State Department of Labor. I will introduce legislation and request additional funding to enable the State to launch a tough and comprehensive attack on the tragic problem of preventable work accidents and health hazards. This legislation is the key to receiving newly available Federal funds that will give our Department of Labor the authority to establish and enforce wide-reaching health and safety standards, including the use of unannounced inspections of job sites and the assessment of increased penalties. The result will be working conditions for Alaskans that are more healthful, and less dangerous.

Two measures already before you relating to the rights of labor should be called to your attention: House Bill 433 is a complete updating of the State Employment Security Program. A new formula approach in this legislation is the first step toward equating benefits with an unemployed person's wage loss. The other bill, HB 159, which extends employment security benefits to State employees, provides a long overdue protection to which all State employees should be entitled. I urge favorable consideration on both of these measures.

The concern of this Administration with the problems of the elderly is a never-ending consideration. In our Health and Social Service programs, we have a large commitment to the well-being of these valued citizens. A detailed survey and analysis to determine in depth the problems which confront our senior citizens, and which will enable us to build a continuing and sound program of assistance in line with the long-range approach I suggested last year, will be available for legislative scrutiny within 10 days.

To speed the operations of justice, and to keep the substance of the criminal law in line with the contemporary needs of society, I urge adequate support for the 1973 phase of the Alaska Justice Information System as a support system to the Department of Public Safety and other law enforcement agencies. I urge the adoption of the criminal code revision that has been under study for several years. The judicial administration of the inevitable burden of minor traffic offenses should be streamlined through the adoption of a point system.

A broad revision of the motor vehicle code, which is administered by the Department of Revenue, will also be put before you. This new Alaska Motor Vehicle Act will make code changes to better meet the special needs of Alaska. One major revision will set up an efficient, readily available source of vehicle ownership and transfer information that will protect the public from consumer fraud and aid in the investigation and recovery of illegal or stolen vehicles.

The new code will also establish an equitable system of vehicle and fee classifications, and it will provide an economically feasible way of disposing of abandoned vehicles which pose a threat to the scenic beauty of the State.

The archaic provisions of probate law should be modernized through adoption of the probate code which has been before the Legislature for many years.

These last are just a few provisions for legislation which have carried over from the last session of the Legislature, many of which are meritorious.

I have heard expressions of cynicism in some quarters that because this is an election year or because the decennial reapportionment has been proclaimed, that this session will be marked by dissension and will produce little of value.

I disagree. I know each of you well, some of you for a long, long time. This is one of the finest assemblages of leadership which ever gathered in this State. You well considered a number of important and complex measures last year which have been refined to the point where adoption is indicated. Those of you who were new to legislative procedures last year are seasoned. You are well attuned to the urgent needs of the State which I have outlined. I predict this to be a year of phenomenal productivity for the legislative branch.

For my part, we have now had a year in which to adjust the machinery of government to suit the new directions indicated. You will find us personally attentive and, hopefully, the machinery of the executive branch better prepared to respond to your initiatives.

Together I believe we can pave new roads to the growth of the Alaskan people, not just in the quantity of income produced or goods produced, but in the quality of life for us and our children. Though our problems sometimes seem all but insurmountable, I am confident that your leadership can bring rational solutions to the State's problems.

Thank you.



Valley View School near Chicago keeps its classes small by staying open all year, including the summer vacation. Here Mrs. Jean Kwirant teaches third-grade pupils.

[illegible]

by Thomas F. Driscoll

CHICAGO, ILL.

What can a school district do when it has 7000 pupils, room for only 5500, and has run out of funds to build more classrooms?

Simple. Do away with the three-month summer vacation, when the buildings stand idle, and send kids to school all year long in rotating shifts.

Last summer such a program was started in a suburban Chicago school district which faced this problem: too many pupils for the number of classrooms it could afford.

Valley View Elementary District, 30 miles southwest of the Loop, launched what it calls the "45-15 Continuous School Year Plan." It is surprisingly simple, and so far has run smoothly without serious objections from either parents, teachers, or pupils.

The figures 45-15 form the heart of the plan. Every youngster goes to school for 45 class days (about nine weeks) and then has a 15-class-day (three-week) vacation. All year long. But in rotating shifts.

Here is the way it works:

The entire school district, composed of about 7000 pupils in five elementary schools and one junior high, is divided into four groups. Three groups are in class while the fourth is on vacation.

Thus, about 5250 pupils attend school —without overtaxing the facilities— and 1750 stay home.

Valley View started the program on June 30, 1970, by sending Group 1 to class. Fifteen class days later, Group 2 started. After another 15 days, Group 3 began.

By the time the next 15-day period ended, it was Aug. 31. Group 1 then went on vacation, and Group 4 took its place. After another 15 days, Group 2 went home and Group 1 started up again. And so on throughout the year.

Weekends, holidays, and traditional Christmas and Easter vacations are enjoyed by all students simultaneously.

In addition, all pupils will get 12 days off together from June 24 to July 6 so that maintenance work can be done on the schools and buses.

No vacation loss

At the end of a calendar year, every pupil will have been in class 180 days as required by Illinois law (four 45-day sessions). He also will have had a total of three months' vacation, plus holidays, just as he used to have during the long, lazy summer.

All children from the same family are put into the same group, so they can always vacation together. Neighborhoods, too, are kept in one group so that friends and playmates can share their free time.

"Basically, 200 years of tradition are being changed," said James Gove, an assistant superintendent who helped to develop the plan.

Said J. Patrick Page, the district's research director:

"The three-month summer vacation is a holdover from the days of agriculture. The kids had to have summers off

so they could help on the farm. That's no longer necessary."

Valley View's problem was that of the typical suburb. Its population exploded.

In 1953 Valley View had five one-room country schools with a total enrollment of 89. Ten years later, in 1963, enrollment was 2400. Today it is 7000.

In 15 years the district has changed from a languid, rural community to a beehive of subdivisions composed mostly of middle-class workers.

As it grew, residents approved 15 bond issues and built six new schools.

Two years ago they reached the legal borrowing limit, and began searching for an alternative to money and construction. They found it in 45-15, a plan formulated by the district's professional administrators but urged originally by the seven laymen on the school board.

Instantly upon its adoption, 45-15 increased Valley View's building capacity by one-third. It was the equivalent of adding 60 classrooms worth $6 million without spending a cent.

Other economies came with it. There is no interest to be paid on bonds issued for construction. No principal or staff had to be hired for another school. No janitors. No office clerks. There is no depreciation of a new building, no new grass to cut, no more desks to buy or libraries to equip.

Save on buses, too

Valley View needs three-fourths the number of buses, and three-fourths as many textbooks, microscopes, tape recorders, and other devices which every modern classroom must have.

"Economy is our purpose," said Page. "A few other places in the United States have what they call year-round schools, but they are not like ours.

The fact that the plan is new and breaks with tradition was the principal hurdle which the district faced in inaugurating it. But Page listed these specific objections which a school district is likely to hear in proposing a continuous school year:

1. Family vacations will be destroyed if kids have to go to school in summer.

Equal treatment

"Nonsense," said Page. "How many families take a three-month vacation? Every child under our plan will get three weeks off in summer and will know a year in advance what those weeks will be. He will also get three weeks off at three other times during the year.

"A lot of men who live in our district work in the construction trades and have never been able to take a vacation in summer. Now they can go away with their families at other times of the year."

2. Kids won't adjust to such a plan. They need their summers off.

"That's a complete myth," Page said. "We asked our counselors last summer to keep a careful watch for any new problems with pupils. They didn't find any. Only two children complained to a counselor about going to school in summer."

Valley View believes 45-15 is better for pupils because they don't forget as much during a three-week vacation as they used to in three months. Also, a student who has trouble learning need not fail an entire year; he can switch to another group, losing only 45 days.

Earn extra money

3. Teachers don't want to work all summer.

"But they like the extra money they can earn teaching all year," said Page, "especially the men who are supporting a family and usually work all summer in construction or some other field."

At Valley View a teacher may choose to work either the traditional nine months or all year long. A new teacher, fresh out of college, gets $7200 for nine months or $9600 for 12 months. Experienced teachers can earn as much as $18,000.

An unexpected plus for teachers is the 45-day turnover. Explained Mrs. Eileen Ward, a veteran Valley View teacher who chose to work all year long:

"If you have a class that's driving you up the wall, you can think, 'I've only got to put up with them for nine weeks.' "

Finding jobs

4. Students won't be able to get summer jobs.

"We are an elementary district," said Page, "and few of our kids work in summer."

The Illinois State Chamber of Commerce, which has endorsed the 45-15 plan and urged businesses to schedule vacations to cooperate with it, says if a high school adopted the plan, its students would have better employment opportunities. They would be out of school, for example, when college students were not, thus reducing the competition for jobs.

5. Teachers need summer for graduate work.

"We've got four universities within easy driving distance of our district," said Page. "There are many opportunities to take graduate courses on Saturdays and in the evenings."

Page says the only parental objections to 45-15 have come from families who moved into the district in midsummer and found that their children had to start school immediately.

"They were mad," he said, "but not at us. The guy they blamed was the real estate man who didn't tell them about our year-round school."

M. Thomas

DEPARTMENT OF EDUCATION

ISSUES-FY 73

Preschool, Elementary, and Secondary Education

Year-Round School Operations

OVERVIEW

There are essentially two types of what are commonly called year-round school programs. For purposes of discussion, these will be defined here as (1) the extended school year, and (2) the rescheduled school year. Since the first of these does not provide monetary savings and, additionally, would require legislation to implement, it will be dealt with briefly first merely in order to define it and dispose of it for consideration at this time. The primary analysis will then be on the rescheduled school year in its variant forms. It is true, however, that there are ways of using some aspects of each in a combination; and to the extent that this is practicable, it will be discussed.

EXTENDED SCHOOL YEAR

Educational Objective--Increased Learning Time

A school program which is limited to 180 days of schooling cannot begin to meet the educational needs of children who are faced with life in a world far more complex than was the case 70 years ago when the 180-day school calendar began to be accepted as a minimum. Modern children need to be able to delve deeper into learning, they need exposure to new fields, and they need a broadened and enriched background of knowledge, including skills which require more time for mastery and reinforcement. School years of 220 to 240 days in a continuous learning year with short intervals in between can provide this type of enrichment.

The Economy Objective--Release of Classroom Space

Several patterns of school organization have been developed which use the extra learning time in a lengthened school year to reduce the total number of years of schooling. In effect, then, the total school enrollment at any point in time is reduced in the same ratio that the overall length of schooling is reduced. If two years are cut from a twelve-year program, then, in effect, the student body is reduced by one-sixth and an equivalent gain of space can be achieved.

RESCHEDULED SCHOOL YEAR

The Educational Objective--Development of a Continuous Learning Year

Many children are just beginning to master a basic skill or develop understanding of an important concept when the school begins to tool down for the summer. At that point, little new learning goes on and then when school closes, children begin to regress. At the end of summer school then resumes, but the children have regressed or forgotten much that they had learned in the fall. With the retooling comes reteaching and relearning, which takes time and interferes with the introduction of new skills and new learning experiences. While no one argues but that children need vacations, the curve of retention and forgetting is such that they cannot afford extended vacations of three-months duration at any season of the year.

For this reason, rescheduled school year plans which stagger the standard vacation schedule with one-fourth of the children out for a three-month period at any point in time achieve the economy objective to be discussed later but lose the educational advantage of the continuous learning year. The optimum continuous learning year may range from the current minimum 180 days to over 220 days in session with a number of shortened vacation periods spaced throughout the year.

The Economy Objective--Release of Classroom Space

Many school districts are facing a crisis due to the shortage of classroom space. Under a continuous learning year where a substantial portion of the student body is on vacation at any one time in a continuous learning year program, the net gain is directly proportional to the number of students on vacation compared to the number attending in session. On the simplest staggered four-quarter plan, with one-fourth of the student body in recess at all times, the effective increase in capacity is 33 percent. This may permit either the abandonment of obsolete, nonfunctional school plants, or may relieve the necessity of constructing a new school to handle increasing enrollment.

Economic Benefits

School Construction. The immediate economic benefit in the area of school construction is first to the municipality responsible for providing school buildings wherein the institution of a rescheduled or cycling plan provides a grace period of a good number of years before enrollment increases again catch up to capacity.

By reducing the level of bonded indebtness on a municipality, there is a secondary benefit to the state as well under the current statutes providing for state reimbursement of a percentage of the capital construction costs.

Operational Overhead. Insurance, depreciation, some heating, grounds maintenance, and security precautions are costs that continue whether school is in session or not. To the extent that there is increased utilization of the school plant, these elements of the per-pupil expenditure will be reduced accordingly.

Teacher Salaries. Teachers have historically worked nine months of the year in their profession and then must often compete in the summer against college students in a limited job market for whatever seasonal-type work can be found, generally at a lower rate incommensurate with their professional training. Under the rescheduled school year plan, teachers could be employed for the full 11 or 12 months without necessarily a directly corresponding increase in salary. Savings could also be realized in retirement contributions, insurance, and other fringe benefits if handled on a full-year basis.

Non-Economic Benefits

Vacations and Leisure. So far as Alaska is concerned, the agrarian concept of the summer vacation is inappropriate. In the first place, there just isn't that much summer; in the second, many desirable activities occur at other times of the year--winter sports, the fall hunting season, and fishing in the spring. Shorter vacations scattered throughout the year would permit students and parents to participate in a wider variety of activities. Additionally, the pressures on recreational facilities and transportation and travel accommodations would be more evenly distributed.

Opportunities for Student Employment. Under the present patterns, students looking for employment and teachers are both competing with college students home for the summer for the available positions. This results only in an oversupply of persons available for jobs in the summer and a lack of applicants for many of the same jobs during the other nine months--a lack which, in fact, provides additional incentive for the marginal student to drop out.

Social Pressures. The number of students "turned loose on society" at any point in time would be greatly reduced, presumably requiring lesser amounts of police supervision, etc.

Academic Opportunities. The increased program flexibility possible under a cycling plan permits students with special needs to do make-up work or special projects.

Any major change in an organizational pattern which requires the depth of planning and community involvement and acceptance will effectively break up the obsolete and ineffective methods now used and makes it possible to adopt newer technologies and strategies.

Articulation

Transfer of students between districts or from one state to another can be facilitated by use of the rescheduled school year, even though they

may come from districts using the traditional pattern, since one of the basic advantages of the flexible scheduling required is the analysis of the individual student's placement and needs. Therefore, a student transferring from a traditional program will not be at a disadvantage. Further, the tremendous increase in all states in the possibilities of rescheduled school years indicates that an increasing number of states and districts will be instituting the program and, therefore, articulation problems would be minimized.

The attached material taken from an article in the *U. S. News and World Report*, July 26, 1971, concisely illustrates the degree of interest that is developing nationally and illustrates some specific programs which are in operation.

Operational Patterns

Once the decision has been made to adopt some form of the rescheduled school year, there is literally almost an infinite variety of operational patterns which may be employed. Some systems provide for common summer vacations, although of shorter duration than the traditional; others provide for a staggered vacation period of from two weeks to three weeks, wherein the number of school days may range from the current minimum of 180 to 200 or more in order to provide for academic acceleration within the school year.

The popular 45/15 plan in effect breaks the students into four groups that provide, in effect, a 33 percent net increase in facilities. Two illustrations of school calendars utilizing this system are attached.

Systems using five groups provide a 25 percent net effective increase in facilities and a greater variety of vacation patterns as illustrated in the remaining four exhibits.

Current Considerations

Legislation. House Bill 467 was introduced late in the session, 1971, and would provide an incentive for school districts first to plan for continuous year-round school programs and, additionally, a ten percent bonus for the first three years of actual operation and then a five percent bonus thereafter.

Although the current school support program provides for a minimum of 180 days, the districts have the option of having a longer school term with no increase in the level of support. It may be that districts will find the savings in capital costs and other benefits sufficiently attractive to adopt longer terms without an increase in support level. The incentive bonuses of five or ten percent also may be sufficient to cover the increased cost for a longer term. Basically, though, it may be desirable to have legislative changes which permit a proportionate increase in the school support commensurate with any increase in the length of the school term over the minimum. In such cases districts could, for example, expand the school term from 180 days to 200 and then receive essentially a one-ninth increase in basic support to cover the expanded term.

District Interest

The Fairbanks schools have conducted a study of teacher attitudes toward rescheduled school years to determine the degree of acceptance and program preferences. The conclusions indicated that among four variations reviewed, i.e., the pure extended school year, staggered school year or cycling with no acceleration, staggered with acceleration, or summer school, the two staggered plans were the most popular with the favorite being the one with no acceleration. Essentially, this might be best compared to the 45/15 plan.

The Anchorage school system has sent a delegation of administrators and board representatives to Atlanta to review and evaluate the programs in operation there. Additionally, they have a continuing study committee appointed to explore the feasibility of adopting some form of the rescheduled school year.

Juneau school patrons have expressed an interest in further study of such programs and proponents are optimistic over the possibility.

CONCLUSIONS

The rising national interest as evidenced by the number of legislative studies, pilot programs, and research indicates that the time is ripe for a well-planned implementation of some form of the concept.

The cost avoidance resulting from an adequately planned program appears to be large enough to merit serious consideration and the increased flexibility ties in very well with the concept of individualized instruction, which is rapidly growing.

The growing public resistance to the ever-increasing school costs and the rising demand for a greater degree of accountability appear to make it mandatory that the entire education process be closely examined and evaluated. A major change in the structure, organization, financing, and staffing, as well as the potential effect on students and community can provide an excellent opportunity for such re-evaluation.

The system of public education is long overdue for change as a way of breaking away some of the encrusted obsolescences and gaining fresh perspective. The rescheduled school year can sufficiently perturb the system so that fresh approaches can be more easily adopted.

Attachments

THE NEW TREND: YEAR-ROUND SCHOOLS

All over the country, school boards are seeking a workable answer to the question of rising expense. Many think the answer lies in skipping summer shutdowns. However, it's controversial.

MORE THAN 600 school districts in the U. S. are studying the possibilities of expanding the school year to stretch their educational dollars.

The idea is to operate elementary and high schools on a 12-month basis, offering full instructional programs at all times, instead of running on nine-month schedules with limited summer sessions.

Year-round education was tried briefly in the 1800s, revived in a few places at the turn of the century and again in the 1930s. Each time it failed to catch on.

Atlanta, Ga., has been testing an updated version of the idea in its high schools since 1969. Dr. Curtis Henson, assistant superintendent for instruction, reports: "Over all, I think it's going very well."

By next autumn or early winter, Atlanta is planning to add some elementary schools to its four-quarter program. Pilot programs for about 10 schools are in the works.

Following Atlanta's trail-blazing, more and more school systems in Georgia and other States are experimenting with some form of the extended school year or "ESY," as it is beginning to be called.

As the report on pages 36 and 37 shows, at least 27 school districts in 12 States already have ESY systems in operation or definitely scheduled next autumn. The common goal of these plans is to get more use out of existing school facilities for less money.

Critics of the extended-year programs contend they often cost more money, not less. In an era of growing taxpayer revolt against school spending, however, school boards in many places are in a mood to try anything that holds out hope of savings.

There also are other features of the ESY that appeal to educators and parents, though not to all of them.

Everywhere in 15 years? In a recent survey of 333 educational authorities, about 84 per cent of them predicted all schools will be open the year round within the next 15 years.

"This is one of the things that will have come in this country," says Georgia's superintendent of education, Jack Nix. "It's coming in the next 5 to 10 years.

"Why go to school only nine months? Why start in September?

"It's because schools were organized to accommodate an agricultural society. But now we're no longer an agricultural society.

"In Atlanta, we dump maybe 25,000 kids out in June. What for? They could be learning. Or they could take vacations another time of the year.

"With longer vacations now a trend, why not adjust things so the father, if he wants, can take a month's vacation in the winter?"

An extended school year does not require students to go to school all year long, although they would have that option under some of the programs. What it does mean is that schools would be fully operational all 12 months of the year, adding substantially to their production of educated youngsters.

Former Governor Harold LeVander of Minnesota, writing in "Compact," a publication of the Education Commission of the States, gives this explanation:

"There are some 60 different patterns of scheduling, but two major purposes are evident.

"On the one hand, an extended school year may enable students to complete a 12-year program in 11, thereby reducing the need for educational services and facilities by about 8 per cent.

"On the other hand, an extended year may not mean acceleration but may encompass a variety of rotating semester and vacation schedules so that one third to one fourth of the students are out of school at different times, not all during the summer, thereby freeing that much additional space.

"Often these purposes are combined in one program."

"Selling" needed? Although the year-round-school idea is spreading, school authorities say it still has to be sold to parents, who have to adjust their family routines to it; and to State or local governing bodies, which have to approve the financing.

Nevertheless, advocates of ESY, feeling they have a foot in the door, are pushing hard.

W. Scott Bauman, professor of finance at the University of Oregon, has noted that the elementary and secondary-school system "is the only major institution in

(continued on next page)



—USN&WR Photos

Use of classrooms, buses is to be pushed up 33 per cent under extended school year in Dale City, Va. These are two advantages claimed for year-round schooling plans.



YEAR-ROUND SCHOOLS

[continued from preceding page]

the nation which fully functions only about 180 days out of the 365 in a year."

"Pennsylvania Education," a magazine put out by the Pennsylvania department of public instruction, contends the U. S. has one of the shortest school years in the world.

"When America is compared with other countries in terms of days in the school year," this magazine said, "it is found that this country's record is the poorest.

"A study of 51 countries shows an average elementary-school year of 210 days and an average secondary-school year of 204 days. The average school term in Pennsylvania and the United States as a whole is slightly more than 180 days."

The study showed the Russians with an average school year of between 228 and 234 days for their equivalents of grade and high schools.

Room for 15 million more? George Jensen, a mechanical engineer and former president of the Minneapolis board of education, has figured that the nation has an elementary and secondary-pupil load of about 46 million, with 300,000 attending half-day sessions.

"If class size were to remain static," he says, "we could use any of these [year-round school] plans to eliminate the split sessions and have room in present buildings for nearly 15 million more students!"

"Education U.S.A.," a newsletter distributed by the National School Public Relations Association, said earlier this year the year-round-school concept was beginning to show signs of "important successes."

Quoting from reports on recent experiments, it stated:

"They say the year-round school can free curriculum from the constraints of tradition, cut failures and dropouts, give teachers more money, reduce overcrowding, use fewer school buildings and possibly save money—all at the same time."

Dissidents' views. Opponents of the extended school year argue that it would increase costs in many cases, especially in start-up years; add to academic pressures already applied on students, violate the "sanctity" of the American summer vacation, and limit extracurricular activities in schools.

In a cautious approach to the issue, the National Education Association says it "recognizes that although potential values may be gained from rescheduling the school year, the extension of the school year may not in and of itself



ALL-YEAR SCHOOLS: IN 12 STATES AND SPREADING

At least 27 school systems in 12 States now offer year-round public schooling in some form. Plans for "schools that never close" are being debated in hundreds of other areas. Examples of the ways that always-open schools are operating, or planning to operate—

ST. CHARLES, Mo. An extended school year has been in operation in this St. Louis suburb since July, 1969, and is working "beautifully," according to Alan O'Dell, one of its administrators.

At present, the system is limited to three elementary schools and about 2,100 pupils in the Francis Howell school district. They attend classes for nine-week periods and then are off for three weeks.

Mr. O'Dell said the system was launched "on a need basis—to provide more space."

"I wouldn't say we are spending any more money than we would otherwise," he added, "but we are getting more education out of our existing facilities."

Mr. O'Dell said teachers like the plan because it gives them a flexible work year; pupils are becoming used to it; and parents, in surveys, indicate an acceptance rate of more than 60 per cent.

LOCKPORT, Ill. Year-round schooling has been in operation in a small-town school system here for three years. It now has been adopted in a one-year pilot program for three big-city schools in nearby Chicago.

James R. Gove, assistant superintendent of the Valley View elementary-school district, asserted:

"Year-round schools give us one-third more space without laying a brick. We have already realized a tax avoidance of 7.5 million dollars in not having to construct new buildings."

Parents appreciate these tax savings, Mr. Gove said, and consequently support the 12-month system. Valley View is on what is called the "45-15" plan—that is, all students attend classes for 45 school days and then take 15 off, giving them four vacations a year in addition to regular holidays. Arrangements are made so that all children in a family are on the same schedule and can take their vacations at the same time.

Teachers in the Valley View district may work for 180 days—the total number that any one group of students is in class—or increase their earnings by one third by teaching 240 days.

There are more than 7,000 elementary students in the Valley View program. Next year, about 2,700 high-school students will join it.

Chicago's test started July 1 in three elementary schools in low-income areas. It will be tried for a year, then parents will vote on whether to continue it.

DALE CITY, Va. This growing community on the outskirts of the Washington, D. C., metropolitan area put three elementary schools and one "middle" school on a year-round system this summer.

Dale City is on the "45-15" plan. Between 25 and 33 per cent of the student body will be on vacation at all times.

"Every building you put on a 45-15 basis gives you the equivalent of one more building," said Dr. William A. Volk, director of research and development for the Prince William County School Board.

Mr. Volk said that whether the Dale City experiment continues and is expanded will depend on acceptance or rejection by the community.

MOLALLA, Oreg. Three years ago, voters rejected a building program, leaving school administrators with the choice of running classes in double shifts or extending the school year.

necessarily be in the best interests of the students and the community."

NEA recommends that school districts make careful studies of their individual needs before embarking on any form of ESY.

That is one reason why school systems are maintaining a close watch on the early experiments in Atlanta and elsewhere in the nation.

In Atlanta, they find that about one third of the city's high-school students now go to school in the summer, a percentage that has changed little in three years.

They also find that parents and pupils generally like the Atlanta setup, although some teachers complain it looks better in theory than in practice.

Dr. Henson, who has played a principal role in developing the Atlanta system, says it was designed primarily as a curricular revision, to give students a broader and more flexible range of study. He adds:

"There's been little change in enrollment for the fourth quarter, not much change in the percentage seeking to graduate early, but we do find an increasing number of students take lighter course loads and work the year round at jobs. Some 3,000 or so students work.

"Based on two years' experience, students are perceiving the fourth quarter as a regular quarter rather than as summer school."

Those who examine the Atlanta plan at this point don't see any great financial savings. Last summer's extra quarter added about 1.5 million dollars to instructional costs.

"Off the streets." Most enthusiastic fans of the Atlanta plan often are parents with children in summer-quarter classes. Says one mother:

"I'm a happy parent. I find my children get bored, actually bored, in summer. Now they go to school. They can study what they want, and this gets kids off the streets."

DeJan's Canty, 14, is digging into civics, anthropology, track and field, and dancing this summer. She'll be in the tenth grade next autumn. Her view:

"I think it's all right, depending on what your goals are. I'm just taking it because I don't have anything else to do. I hope I can finish school the first quarter of my senior year but graduate later with my class. I'll use the extra time to find a job and make some spending money and get ready for college."

Authorities in Atlanta and other school systems experimenting with ESY acknowledge they still have problems. Their success or failure in solving them, educators say, will have a great deal to do with the future spread of year-round schooling in this country.

The choice was a year-round program of four quarters, which began on June 28. It is aimed at having about 700 out of a total school population of between 1,000 to 1,100 in school at any one time.

"We've in effect added 10 new rooms to our school without driving a nail or laying a brick," said Sam Wilson, the district superintendent.

Mr. Wilson said the four-quarter program "gives us tremendous economy and a much better curriculum." He added:

"We've been able to cut the size of our classes. Our normal nine-month budget of $800,000 has gone up only $68,000 to add a fourth quarter, and we've saved all the building costs and their related operating expenses."

To avoid having to install air-conditioning in classrooms at Molalla, 25 miles south of Portland, the school day runs from 7:30 a.m. to 1:30 p.m. in hot months.

CHULA VISTA, Calif. A year-round program for 3,600 elementary students in four schools started July 6.

"The choice was to do this or go into half-day sessions," explained Dr. Burton C. Tiffany, district superintendent, since "we just don't have the resources to build any more schools." He added that 13,900 other students are still on traditional schedules.

Dr. Tiffany related that past efforts at year-long programs never got off the ground in his district because "you just can't tell parents that they have to take their vacations in the winter."

"That was the key problem," he said. "Now the approach is to let parents and students decide. We told them that if they had major problems we'd transport their children to other schools not on the new schedule, and only 45 requested this."

The year-round program in Chula Vista provides four vacation periods and has 238 teaching days, compared with the 184 earlier.

"This provides flexibility for teachers and an opportunity to increase their salary," Dr. Tiffany said.

ROCHESTER, Pa. "We're on our way," School Superintendent Matthew P. Hosie said.

On August 30, this small Ohio River school system is scheduled to move all of its 2,500 students into a new 5.2-million-dollar educational complex.

At the same time, the district will switch from a two-semester-per-year plan, in which most school facilities remained unused during the summer, to a four-quarter-per-year plan, with students able to pursue their studies any three quarters each year and take a one-quarter vacation at any time. Or students will be able to attend school during all four quarters if they choose to do so.

The choice is the student's, Mr. Hosie emphasized.

Rochester has 117 teachers. None are required to teach year-round. But some—especially the heads of households—welcome the chance to work all year, instead of looking for temporary jobs in the summer.

As for community acceptance, "People still have a wait-and-see attitude," Mr. Hosie said.

BALTIMORE, Md. Four new junior and senior high schools in this port city begin a four-quarter year program this autumn—on a vastly trimmed budget.

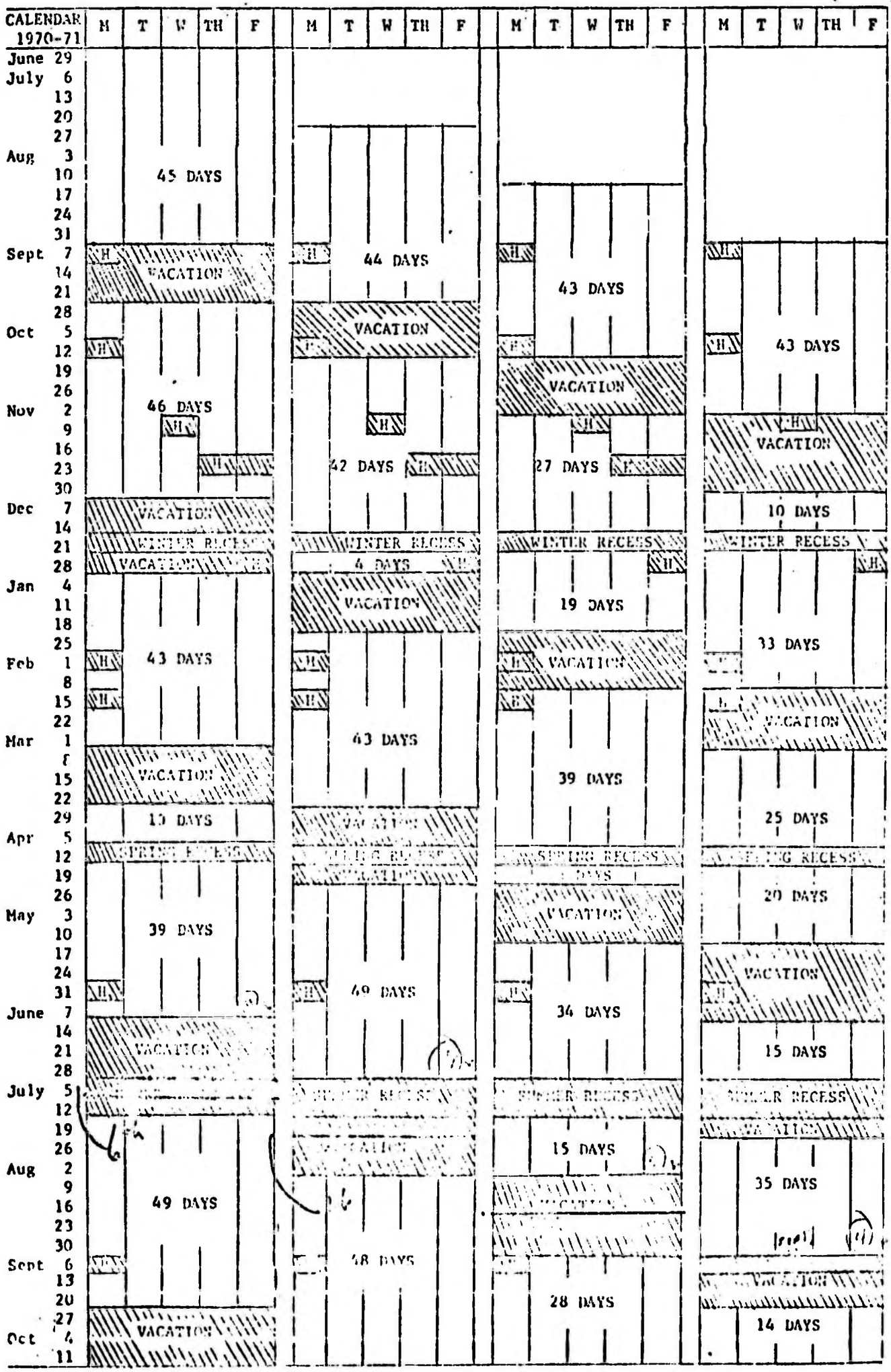
Officials had asked for $800,000 to fund this project, but the city council sliced away more than $700,000—most of it from staff and building-operating expenses.

"We're left with what individual principals can accomplish on their own," an aide said.

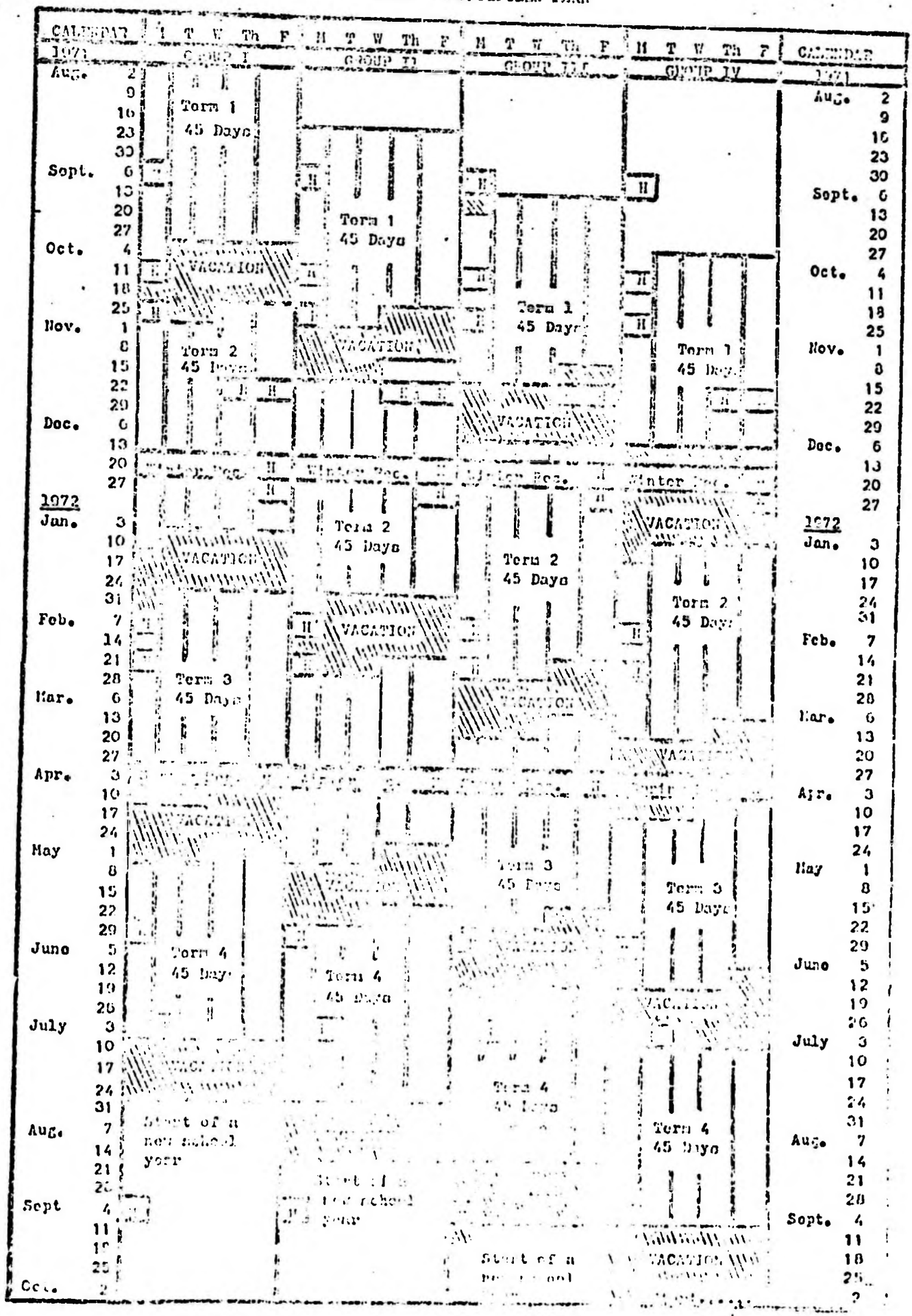
One reason the city council cut the program so heavily is that the public remains opposed.

"I wasn't surprised," the aide said. "The word itself—year-round—connotes something to the uninformed that isn't true. To many people it means enforced school attendance all year long. Of course, that isn't the case."

THE ADJUSTED FORTY-FIVE/FIFTEEN PLAN



RESCHEDULING THE SCHOOL YEAR THROUGH TERM ROTATION
THE FORTY FIVE/FIFTEEN PLAN



H - Holidays

STUDENT VACATION PATTERNS IN THE CONTINUOUS LEARNING YEAR
PROGRAM DURING THE FIRST YEAR OF THE EIGHT TO NINE
WEEK CYCLING PLAN-STAGGERED ENTRY VARIATION

	CALENDAR	GROUP I	GROUP II	GROUP III	GROUP IV	GROUP V	CALENDAR
	July 5	H					July 5
	12						12
	19						19
1	26	9 WEEKS					26
	Aug. 2	39 DAYS	3 WEEKS				Aug. 2
	9		39 DAYS	8 WEEKS			9
	16			39 DAYS			16
9	23						23
	30	VAC.					30
	Sept. 6	H 2 WEEKS	H	H	H	H	Sept 6
	13		VAC. 2 WEEKS				13
	20	9 WEEKS			8 WEEKS	9 WEEKS	20
7	27	43 DAYS		VAC. 2 WEEKS	39 DAYS	42 DAYS	27
	Oct. 4						Oct. 4
	11	H	H	H	H VAC.	H	11
	18				2 WEEKS		18
1	25	H	H	H	H	H	25
	Nov. 1		9 WEEKS	9 WEEKS			Nov. 1
	8		41 DAYS	41 DAYS		VAC. 2 WEEKS	8
	15	VAC.					15
	22	2 WEEKS HH	HH	HH	HH	HH	22
	29						29
	Dec. 6		VAC. 2 WEEKS		8 WEEKS	8 WEEKS	Dec 6
	13			VAC.	37 DAYS	37 DAYS	13
	20	H	H	2 WEEKS H	H	H	20
	27	H	H	H	VAC.	H	27
	Jan. 3	8 WEEKS	8 WEEKS	8 WEEKS	2 WEEKS		Jan. 3
	10	39 DAYS	39 DAYS	39 DAYS		VAC. 2 WEEKS	10
	17						17
	24						24
1	31	VAC. 2 WEEKS			8 WEEKS	8 WEEKS	31
	Feb. 7		VAC. 2 WEEKS		39 DAYS	39 DAYS	Feb. 7
	14						14
	21	H	H	H VAC.	H	H	21
	28			2 WEEKS			28
9	Mar. 6	8 WEEKS			VAC. 2 WEEKS		Mar. 6
	13	39 DAYS	9 WEEKS	9 WEEKS			13
	20		43 DAYS	44 DAYS		VAC. 2 WEEKS	20
	27						27
7	Apr. 3	VAC.	H	H	H	H	Apr. 3
	10	2 WEEKS			9 WEEKS		10
	17				44 DAYS		17
	24		VAC. 2 WEEKS			9 WEEKS	24
2	May 1					43 DAYS	May 1
	8			VAC. 2 WEEKS			8
	15	8 WEEKS					15
	22	39 DAYS					22
	29	H	H	H	H	H	29
	June 5		8 WEEKS	8 WEEKS		VAC. 2 WEEKS	June 5
	12		39 DAYS	38 DAYS	8 WEEKS		12
	19				39 DAYS		19
	26	VAC. 2 WEEKS					26
	July 3				H	H	July 3
	10		VAC. 2 WEEKS				10
	17					8 WEEKS	17
	24			VAC. 2 WEEKS		39 DAYS	24
	31						31
	Aug. 7				VAC. 2 WEEKS		Aug. 7
	14					VAC. 2 WEEKS	14
	21						21
	28						28
	Sept. 4						Sept. 4
	No. of Sch. Days	180	180	180	180	180	No. of Sch. Days
	No. of Vac. Days	45	45	45	45	61	No. of Vac. Days

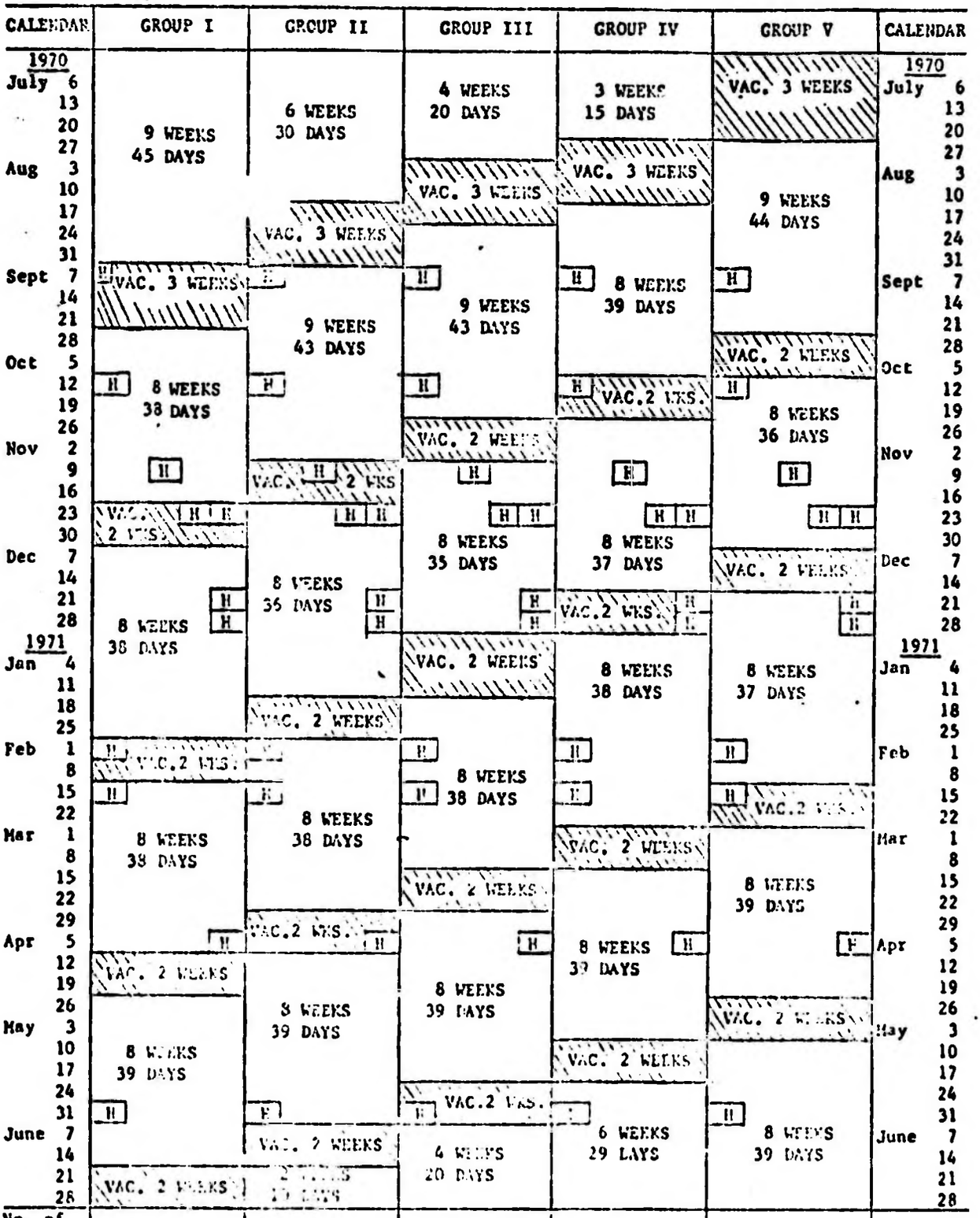
H = Holidays

STUDENT VACATION PATTERNS IN THE CONTINUOUS LEARNING PROGRAM
THE EIGHT TO NINE WEEK CYCLE

CALENDAR	GROUP I	GROUP II	GROUP III	GROUP IV	GROUP V	CALENDAR
1970 Sept 7	H 2 WEEKS 9 DAYS	H 4 WEEKS 19 DAYS	H 6 WEEKS 28 DAYS	H 8 WEEKS 38 DAYS	H VAC. 2 WEEKS	1970 Sept 7
14						14
21	VAC. 2 WEEKS					21
28					8 WEEKS 37 DAYS	28
Oct 5		VAC. 2 WKS.				Oct 5
12	H 9 WEEKS 40 DAYS	H	H	H	H	12
19			VAC. 2 WEEKS			19
26						26
Nov 2	H	H	H	H 2 WKS VAC.	H	Nov 2
9	H	H	H	H	H	9
16		9 WEEKS 41 DAYS			VAC. 3 WKS.	16
23	H H	H H	H H	H H	H H	23
30			9 WEEKS 39 DAYS	9 WEEKS 41 DAYS		30
Dec 7	VAC. 2 WEEKS					Dec 7
14						14
21	H	VAC. 2 WKS H	H	H	H	21
28	H	H	H	H	H	28
1971 Jan 4	9 WEEKS 41 DAYS		VAC. 2 WEEKS		9 WEEKS 42 DAYS	1971 Jan 4
11		9 WEEKS 43 DAYS				11
18				VAC. 3 WEEKS		18
25						25
Feb 1	H	H	H	H	H	Feb 1
8					VAC. 2 WEEKS	8
15	H	H	H 9 WEEKS 43 DAYS	H	H	15
22	VAC. 2 WEEKS			8 WEEKS 39 DAYS		22
Mar 1		VAC. 2 WEEKS			8 WEEKS 39 DAYS	Mar 1
8	8 WEEKS 39 DAYS		VAC. 2 WEEKS			8
15						15
22						22
29						29
Apr 5	H	H	H	VAC. 2 WKS H	H	Apr 5
12		8 WEEKS 39 DAYS	8 WEEKS 39 DAYS			12
19					VAC. 2 WEEKS	19
26				8 WEEKS 39 DAYS		26
May 3	VAC. 2 WEEKS					May 3
10						10
17		VAC. 2 WEEKS			8 WEEKS 39 DAYS	17
24						24
31	H	H	H VAC. 2 WKS.	H	H	31
June 7	8 WEEKS 38 DAYS					June 7
14		8 WEEKS 38 DAYS		VAC. 2 WEEKS		14
21						21
28						28
July 5	H	H	H 8 WEEKS 39 DAYS	H	H VAC. 2 WKS.	July 5
12	VAC. 2 WEEKS					12
19				8 WEEKS 39 DAYS		19
26		VAC. 2 WEEKS			8 WEEKS 40 DAYS	26
Aug 2						Aug 2
9	6 WEEKS 30 DAYS		VAC. 2 WEEKS			9
16		4 WEEKS 20 DAYS				16
23			2 WEEKS 10 DAYS	VAC. 2 WEEKS		23
30						30
No. of School Days	197	200	198	196	197	
No. of Vac. Days	63	63	63	63	63	

H = Holidays

STUDENT VACATION PATTERNS IN THE CONTINUOUS LEARNING PROGRAM
THE EIGHT TO NINE WEEK CYCLE WITH THE THREE WEEK SUMMER VACATION



YEAR-ROUND SCHOOLING PLAN WITH A COMMON AUGUST VACATION

CALENDAR	GROUP I	GROUP II	GROUP III	GROUP IV	GROUP V	
1971 Sept. 6	1 WEEK 4 DAYS	3 WEEKS 14 DAYS			VAC.	Sept. 6
13						13
20	VAC.		5 WEEKS 24 DAYS	7 WEEKS 33 DAYS	8 WEEKS 38 DAYS	20
27	8 WEEKS	VAC.				27
Oct. 4						Oct. 4
11			VAC.			11
18						18
25	38 DAYS			VAC.		25
Nov. 1		8 WEEKS 36 DAYS	8 WEEKS 37 DAYS			Nov. 1
8					VAC.	8
15						15
22	VAC.					22
29				8 WEEKS 36 DAY	8 WEEKS 36 DAYS	29
Dec. 6		VAC.				Dec. 6
13						13
20			VAC.			20
27						27
1972						1972
Jan. 3	8 WEEKS 38 DAYS	8 WEEKS 37 Days	8 WEEKS 38 DAYS	VAC.		Jan. 3
10						10
17				8 WEEKS 38 DAYS	VAC.	17
24						24
31	VAC.					31
Feb. 7						Feb. 7
14		VAC.				14
21						21
28	8 WEEKS		VAC.		8 WEEKS	28
Mar. 6	36 DAYS	8 WEEKS 39 DAYS			36 DAYS	Mar. 6
13			8 WEEKS 39 Days	VAC.		13
20						20
27					VAC.	27
Apr. 3						Apr. 3
10	VAC.					10
17				8 WEEKS 39 DAYS		17
24		VAC.			8 WEEKS 39 DAYS	24
May 1						May 1
8	8 WEEKS 39 DAYS					8
15			VAC.			15
22						22
29				VAC.		29
June 5		8 WEEKS 39 DAYS				June 5
12			8 WEEKS 38 DAYS	8 WEEKS 39 DAYS	VAC.	12
19	VAC.					19
26						26
July 3		VAC.				July 3
10					7 WEEKS 34 DAYS	10
17	3 WEEKS 34 DAYS	3 WEEKS 35 DAYS				17
24						24
31						31
Aug. 7						Aug. 7
14						14
21	VAC. 4 WEEKS	VAC. 4 WEEKS	VAC. 4 WEEKS	VAC. 4 WEEKS	VAC. 4 WEEKS	21
28						28
No. of School Days	185	185	181	185	185	No. of School Days
No. of Vacation Days	75	75	79	75	75	No. of Vacation Days



Valley View School near Chicago keeps its classes small by staying open all year, including the summer vacation. Here Mrs. Jean Kwirant teaches third-grade pupils.

Why It Pays To Keep A School Open All Year

by Thomas F. Driscoll

CHICAGO, ILL.

What can a school district do when it has 7000 pupils, room for only 5500, and has run out of funds to build more classrooms? Simple. Do away with the three-month summer vacation, when the buildings stand idle, and send kids to school all year long in rotating shifts.

Last summer such a program was started in a suburban Chicago school district which faced this problem: too many pupils for the number of classrooms it could afford.

Valley View Elementary District, 30 miles southwest of the Loop, launched what it calls the "45-15 Continuous School Year Plan." It is surprisingly simple, and so far has run smoothly without serious objections from either parents, teachers, or pupils.

The figures 45-15 form the heart of the plan. Every youngster goes to school for 45 class days (about nine weeks) and then has a 15-class-day (three-week) vacation. All year long. But in rotating shifts.

Here is the way it works:

The entire school district, composed of about 7000 pupils in five elementary schools and one junior high, is divided into four groups. Three groups are in class while the fourth is on vacation.

Thus, about 5250 pupils attend school —without overtaxing the facilities— and 1750 stay home.

Valley View started the program on June 30, 1970, by sending Group 1 to class. Fifteen class days later, Group 2 started. After another 15 days, Group 3 began.

By the time the next 15-day period ended, it was Aug. 31. Group 1 then went on vacation, and Group 4 took its place. After another 15 days, Group 2 went home and Group 1 started up again. And so on throughout the year.

Weekends, holidays, and traditional Christmas and Easter vacations are enjoyed by all students simultaneously.

In addition, all pupils will get 12 days off together from June 24 to July 6 so that maintenance work can be done on the schools and buses.

No vacation loss

At the end of a calendar year, every pupil will have been in class 180 days as required by Illinois law (four 45-day sessions). He also will have had a total of three months' vacation, plus holidays, just as he used to have during the long, lazy summer.

All children from the same family are put into the same group, so they can always vacation together. Neighborhoods, too, are kept in one group so that friends and playmates can share their free time.

"Basically, 200 years of tradition are being changed," said James Gove, an assistant superintendent who helped to develop the plan.

Said J. Patrick Page, the district's research director:

"The three-month summer vacation is a holdover from the days of agriculture. The kids had to have summers off

the mid-1960's. They expected domestic air travel to continue at the 15 percent average annual gain rate of the past decade.

Instead, the airlines have come upon hard times. TWA's deficit for 1970 will probably reach a staggering $50 million. Pan American, Western, United, Braniff will all lose money.

Their troubles are many. The economy is down, unemployment is up, labor costs in the airline industry rise at an annual rate of 11 percent, airline strikes mean permanent loss of business, savings from the 747 are below expectations. And many Americans have simply stopped flying.

Moreover, by awarding duplicate routes, the Civil Aeronautics Board has severely increased the competition between airlines.

A few years ago, United Airlines, Pan Am, and Northwest enjoyed a lucrative lock on the air route between the Pacific Coast and Hawaii. Today, Continental, Western and TWA fly from California to Honolulu while Braniff and American wing to the islands from inland and Atlantic cities.

Competition has become so fierce that the airlines are battling for passengers with a variety of extras, many of which center on improving the seat space in coach sections.

United Airlines, however, has come up with a super special on its 747's. It boasts two galleys in the underbelly of the airplane, each equipped with four built-in ovens and a freezer.

"Instead of boarding hot food on our aircraft and then reheating it," explains United chef Fred Rigert, "we now board chilled food and heat it in our ovens, so that when it's served it retains all of its original flavor."

Four in the galley

The galleys on the United 747 are manned by four hostesses hardly ever seen by the passengers. These girls cook the meals, keep them warm on heated serving carts, then load them into elevators which transport them to the two main-deck service centers.

Marilyn Rose of Morgan, Utah, the stewardess on PARADE's cover, declares, "Working in the galley is really a treat. I've been flying for United for almost six years now, and working below is a welcome change. I love people and all of that. But sometimes it's good to change the routine, to get away from passengers and take over the food preparation."

Barbara Slack of Manhattan Beach, Calif., another hostess, explains that galley duty has become a favorite of the stewardesses. "We bid for the job on a seniority basis," she points out, "because moving food in and out of



so they could help on the farm. That's no longer necessary."

Valley View's problem was that of the typical suburb. Its population exploded.

In 1953 Valley View had five one-room country schools with a total enrollment of 89. Ten years later, in 1963, enrollment was 2400. Today it is 7000.

In 15 years the district has changed from a languid, rural community to a beehive of subdivisions composed mostly of middle-class workers.

As it grew, residents approved 15 bond issues and built six new schools.

Two years ago they reached the legal borrowing limit, and began searching for an alternative to money and construction. They found it in 45-15, a plan formulated by the district's professional administrators but urged originally by the seven laymen on the school board.

Instantly upon its adoption, 45-15 increased Valley View's building capacity by one-third. It was the equivalent of adding 60 classrooms worth $6 million without spending a cent.

Other economies came with it. There is no interest to be paid on bonds issued for construction. No principal or staff had to be hired for another school. No janitors. No office clerks. There is no depreciation of a new building, no new grass to cut, no more desks to buy or libraries to equip.

Save on buses, too

Valley View needs three-fourths the number of buses, and three-fourths as many textbooks, microscopes, tape recorders, and other devices which every modern classroom must have.

"Economy is our purpose," said Page. "A few other places in the United States have what they call year-round schools, but they are not like ours.

The fact that the plan is new and breaks with tradition was the principal hurdle which the district faced in inaugurating it. But Page listed these specific objections which a school district is likely to hear in proposing a continuous school year:

1. Family vacations will be destroyed if kids have to go to school in summer.

Equal treatment

"Nonsense," said Page. "How many families take a three-month vacation? Every child under our plan will get three weeks off in summer and will know a year in advance what those weeks will be. He will also get three weeks off at three other times during the year.

"A lot of men who live in our district work in the construction trades and have never been able to take a vacation in summer. Now they can go away with their families at other times of the year."

2. Kids won't adjust to such a plan. They need their summers off.

"That's a complete myth," Page said. "We asked our counselors last summer to keep a careful watch for any new problems with pupils. They didn't find any. Only two children complained to a counselor about going to school in summer."

Valley View believes 45-15 is better for pupils because they don't forget as much during a three-week vacation as they used to in three months. Also, a student who has trouble learning need not fail an entire year; he can switch to another group, losing only 45 days.

Earn extra money

3. Teachers don't want to work all summer.

"But they like the extra money they can earn teaching all year," said Page, "especially the men who are supporting a family and usually work all summer in construction or some other field."

At Valley View a teacher may choose to work either the traditional nine months or all year long. A new teacher, fresh out of college, gets $7200 for nine months or $9600 for 12 months. Experienced teachers can earn as much as $18,000.

An unexpected plus for teachers is the 45-day turnover. Explained Mrs. Eileen Ward, a veteran Valley View teacher who chose to work all year long:

"If you have a class that's driving you up the wall, you can think, 'I've only got to put up with them for nine weeks.'"

Finding jobs

4. Students won't be able to get summer jobs.

"We are an elementary district," said Page, "and few of our kids work in summer."

The Illinois State Chamber of Commerce, which has endorsed the 45-15 plan and urged businesses to schedule vacations to cooperate with it, says if a high school adopted the plan, its students would have better employment opportunities. They would be out of school, for example, when college students were not, thus reducing the competition for jobs.

5. Teachers need summer for graduate work.

"We've got four universities within easy driving distance of our district," said Page. "There are many opportunities to take graduate courses on Saturdays and in the evenings."

Page says the only parental objections to 45-15 have come from families who moved into the district in midsummer and found that their children had to start school immediately.

"They were mad," he said, "but not at us. The guy they blamed was the real estate man who didn't tell them about our year-round school."

January 21, 1972

Mr. W. K. Pennebaker
Associate Professor of Education
University of Alaska
College, Alaska 99701

Dear Professor Pennebaker:

Thank you very much for your letter of January 13 and the accompanying information about utilizing schools year round. Your support for this measure is greatly appreciated.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

bcc: Robert L. Thomas
Deputy Commissioner

HB 467

COLLEGE OF BEHAVIORAL SCIENCES & EDUCATION

UNIVERSITY OF ALASKA
COLLEGE, ALASKA 99701

January 13, 1972

Representative Mike Miller
Box 1494
Juneau, Alaska 99801

Dear Mr. Miller:

I read, with interest, the article in the News-Miner yesterday entitled Year-round School Hearing, and support your efforts to get better use from our existing school facilities.

In 1970, the Dade County Public Schools, Miami, Florida published a comprehensive Plant Utilization Study, which explored many alternatives to the typical school year. The enclosed copies which were taken from that study, may be of some interest to you since they deal with extending the school year.

Any local school system would have its own unique problems in moving toward year-round school. I support that portion of the bill which would encourage local districts to explore these alternatives and others, which would improve the utilization of present facilities.

Sincerely,

W.K. Pennebaker

W.K. Pennebaker
Associate Professor of Education

Enclosures:

PLEASE REPLY BY AIRMAIL

PLAN V

THE ROTATING FOUR QUARTER PLAN

Format

This plan divides the school year into four equal quarters. Each pupil is then expected to attend three consecutive quarters and vacation the fourth quarter. All pupils can then attend school for the same length of time as they do under the traditional program, but the school plants are operating fully for 12 months a year. Vacation periods are staggered throughout the calendar year so that 3/4 of the total school enrollment is in session at any given quarter and one quarter of the pupil population is on vacation during any given quarter.

There are several operational designs possible in the rotating four quarter plan. One plan suggests pupils be permitted to attend only three quarters but employ teachers for four quarters. Another variation makes the fourth quarter required for teachers but *optional* for pupils. The sample calendar suggests four quarters of fifty-eight days each. A pupil electing attendance in the fourth quarter would be in enrollment 232 days. Teachers working four quarters would be employed for 245 days or 49 days longer than presently employed.

Plant Capacity

The four quarter plan theoretically increases the capacity of school plants by 33-1/3%. A school having a pupil capacity of 1,200 pupils could conceivably enroll 1,600 pupils and due to the staggered attendance periods, inherent in this plan, have but 1,200 pupils in attendance during any given quarter.

CHART VIII

OPERATION OF THE RORATING FOUR QUARTER PLAN FOR RESCHEDULING THE SCHOOL YEAR

Pupil Attendance Group Each Group Comprises ¼ of the entire student enrollment	*Attendance Quarters*			
	Fall	*Winter*	*Spring*	*Summer*
Group A	Vacation	School	School	School
Group B	School	Vacation	School	School
Group C	School	School	Vacation	School
Group D	School	School	School	Vacation

The rotating four quarter plan requires extensive personnel policy revisions. Policies concerning sabbatical leave, sick leave, professional leave, retirement procedures, etc. . .need to be reviewed in light of the annual employment of teachers.

In the operation of the four quarter plan since only seventy-five percent of the school's membership is in attendance during any given quarter, while twenty-five percent of the pupils are vacationing (see Chart XII) a twenty-five percent reduction in the teaching staff is possible. The extended employment period (see sample calendar) inherent in the plan can be expected to increase the annual salary of instructional personnel by twenty-five percent. These two factors coupled with the reduced need for summer academic programs as they are now operated would decrease the school system's-expenditure for instructional salaries by an estimated 9.1%.

Administration

The four quarter plan appears to present many administrative problems. The comprehensive record keeping required in the areas of pupil registration, achievement recording, and attendance could add considerably to the cost of implementing this program. Inherent in the four quarter plan is a comprehensive revision of the curriculum of the Dade County schools. A one quarter vacation period in a pupil's attendance sequence should not negatively effect the availability of course offerings to any pupil. Thus, each course as it now is known should be segmented into smaller components, more definitive in objectives and structure. This would make it possible to develop a variety of sequential alternatives for each pupil based upon his individual needs and still make available the required general educational courses.

Administrative procedures need to be developed relative to the transferring of pupils in and out of the Dade County schools as well as the rescheduling of pupils enrolled in schools operating on the four quarter plan. The quarterly distribution of tests, the collection of fees, the planning of graduation ceremonies, all represent administrative problems that would exist in a school operating on a four quarter plan. It will also be necessary to obtain a waiver from the State requirement of 180 school days for all pupils.

Advantages

The pupil's work in a four quarter plan could be evaluated more frequently and the costs of failing students could be considerably reduced, since pupils would be required to repeat only the quarter failed, rather than the entire year. Theoretically, fewer buildings would be required, thus reducing the cost of debt service, insurance premiums, and building maintenance.

Pupils would be available to the labor market in small numbers at any given period, thus reducing the number of pupils unemployed. Pupils can feasibly arrange to share employment opportunities over a given school year.

Intensive staff development programs are possible since some teachers who elect to be employed for the fourth quarter are likely not to be needed for instructional programs.

Disadvantages

In this section of the country, summer attendance would require air conditioning of all schools. Community agencies would have to maintain their programs year round thus adding materially to their cost of operation at times other than during the summer months.

Major cleaning and maintenance would be difficult and likely to be more expensive since it would need to be done during evening hours and weekends. Transportation costs would increase since the density of pupils within a school boundary is reduced because the geographic area served by any one school center increases in size to encompass its increased capacity.

The major disadvantage, however, to the four quarter program is the length of time necessary to implement the plan and the time required for the economies to actually be realized. The experience of other communities indicates that it would take approximately three years to convert our curriculum to a four quarter program and four more years for the capital outlay economies to be realized.

CHART XIII

THEORETICAL INCREASE IN CAPACITIES OF DADE COUNTY SENIOR HIGH SCHOOLS OPERATING ON THE ROTATING FOUR QUARTER PLAN

Dade County Sr. High Schools	*Capacity RSD Max. 30*	*Capacity Rotating Four Quarter*
Northeast District		
Mia. Beach	1822	2423
M. Norland*	2787	3707
No. Miami	2753	3661
Northwest District		
Hialeah*	2633	3510
Carol City	2731	3632
No. Central District		
MacArthur	139	185
M. Central	2600	2466
Edison	2086	2774
Northwestern	1953	2604
M. Springs	2600	3458
So. Central District		
Gables	2804	3738
M. Jackson	2445	3178
Miami Sr.*	3266	4344
Southwest District		
M. Coral Pk.	2569	3417
Mia. Killian	2702	3594
Southwest	2627	3474
South District		
M. Palmetto	2787	3707
So. Dade	1906	2541
	43,210 Total County Sr. High School Capacity	*57,469 Total County Sr. High School Capacity Under Rotating 4 Qtr. Plan*

PLAN VII

QUINMESTER PLAN

Forms

The Quinmester Plan is developed around a calendar design that divides the school year into 45 days or 9 week sessions. (See attached calendar, page 30). Each pupil may then elect to attend any four quinmesters during the calendar year. Vacation periods would be staggered throughout the calendar year so that 4/5 of the total school population is in session during any given quinmester and 1/5 of the school population would be on vacation. (See attached chart). Selected students might be considered for attendance during the fifth quinmester, making it possible for them to accelerate their high school graduation.

The summer term, or fifth quinmester, is conceived as being different from present summer programming. The summer term is expected to be an extension of the four other terms and is not meant to be primarily a vehicle for remedial and enrichment work.

The same operational options reported in the four quarter plan (Plan V) are available in this plan. Teachers may elect annual employment (5 quinmesters) so as to total a 234 day employment period not including holidays or elect 4 quinmesters of employment totaling 187 days of employment excluding holidays.

The quinmester plan is essentially a plan to affect savings in secondary school utilization. Although an elementary school format could be developed to allow some acceleration and remedial experience for selected elementary school pupils.

Plant Capacity

The quinmester plan theoretically increases the capacity of school plants by 25%. A school having a capacity of [illegible] pupils could [illegible] and due to the staggered attendance plan it is not [illegible] during any given quinmester. Increased plant capacity could also be realized through an acceleration procedure developed under this plan. The fact that the fifth quinmester coincides closely with the Dade County basis for summer school operations is likely to make attendance in summer school for acceleration purposes more appealing. To realize the maximum benefit from this plan [illegible] to plant facilities [illegible] of the total secondary school population would need to be in attendance each quinmester.

The degree to which pupils avail themselves of the acceleration factor in the quinmester plan will materially affect the utilization economies. A large number of pupils attending the 5th quinmester to [illegible] graduation from senior high school would to an extent negate the [illegible] potential [illegible] increase in plant utilization. Some of the utilization economies would be recovered, however, by the student stations released by students completing their secondary school experience in 5 years instead of the traditional 6 years.

Staffing

The quinmester plan [illegible] some extensive revisions of personnel policies and procedures at the four state [illegible].

In the operation of the quinmester plan since only 80% of a school's membership is in attendance during any given quarter, while 20% of the pupils are vacationing a 20% reduction in the teaching staff is possible. The employment period of the *total* instructional staff however, need not increase since only 4/5 of the *total* instructional staff are required for the fifth quinmester. The instructional staff may, however, be given annual employment status and those persons not required for teaching assignments could be involved in staff development programs or elect to go on leave at this time for university study or travel. The sample calendar (attached) indicates a change in the number of planning days, thus the increase of 45 days of instructional time for pupils is projected to be a 37 day increase in the employment period of the teaching staff.

The factors of reduced staffing needs, the lengthened employment period for the instructional staff plus the elimination of the present summer school academic program would decrease the school system's expenditure for instructional salaries by an estimated 4%.

Administration

The administrative problems created by the quinmester plan are similar to those problems found in the four quarter plan. Record keeping and pupil-teacher scheduling would appear to be the most difficult problems to overcome. These logistic problems would need to be contended with 5 times a year as opposed to 4 times a year under the four quarter plan.

A revision of the Dade County curriculum would be a necessity under the quinmester plan. The cost of this revision is being investigated in light of the fact that curriculum revision is required by both the four quarter plan and the quinmester plan.

Advantages

The quinmester plan has as its major advantage the potential of curriculum improvement and improved plant utilization with minimal calendar alterations. A pupil not attending a fifth quinmester would attend school for 180 days or the exact length of time presently scheduled within a school year. This plan requires little sociological adjustment, and makes attendance during summer school a vehicle for acceleration, as well as remediation and enrichment. The number of pupils failing a year's school work would be reduced considerably and a fifth of the year's work would be repeated instead. Pupils would be given the opportunity to explore various subject areas since a year long course is not involved and the option to take another subject is available within 9 weeks.

Present accreditation standards as to length of school year would be met and no state waiver of length of school year would be required.

A common vacation period is proposed in this plan (see calendar, page 50); therefore, family vacations are still possible even with attendance for the fifth quinmester.

One major advantage of the quinmester plan is that it can be planned in conjunction with the ten hour day Plan and the restructuring of grade level plan.

Disadvantages

The quinmester plan does not provide immediate relief in the area of plant utilization. Attendance at four summer quinmesters would be required for a student to accelerate his graduation from senior high school; thus, the plant utilization economies would not be forthcoming until after the fourth year of operation. The community would likely require a period of adjustment and it is not feasible to expect that during the first few summers of operation that 4/5 of the secondary pupils would enroll for the summer quinmester. This proportion of participation is required for the achievement of maximum utilization economies suggested in the plan.

SAMPLE CALENDAR

QUINMESTER PLAN

1969-70

1st Quinmester — Pre-Planning — August 27-29

Students in session September 1—November 3

Holidays: Labor Day (September 1—Teachers)

Post Planning—November 4

2nd Quinmester — Pre-Planning — November 4

Students in session November 5—January 21

Holidays: Veterans' Day—November 11
Thanksgiving—November 27-28
Christmas/New Year—December 24—January 2

Post Planning—January 22

3rd Quinmester — Pre-Planning — January 22

Students in session January 23—March 26

Holidays: NONE
Easter Vacation—March 27—March 30

Post Planning—March 31

4th Quinmester — Pre-Planning — March 31

Students in session April 1—June 3

Holidays: Memorial Day—May 30

Post Planning—June 4

5th Quinmester — Pre-Planning — June 4

Students in session June 5—August 7

Holidays: July 3—July 4

Post Planning—August 10-11

NOTES

1. Total Instructional days—180 for 4 quinmesters
2. Total instructional days—225 for 5 quinmesters
3. Teachers employed for 4 quinmesters—187 days
4. Teachers employed for 5 quinmesters—234 days
5. Option of deleting post and pre-planning days between quinmesters would serve to extend length of August vacation period.

CHART XVII

OPERATION OF THE QUINMESTER PLAN FOR RESCHEDULING THE SCHOOL YEAR

Pupil Attendance Group	*Attendance Quinmesters*				
Each group comprises 1/5 of the entire student body	*Quinmester I*	*Quinmester II*	*Quinmester III*	*Quinmester IV*	*Quinmester V*
Group A	Vacation	School	School	School	School
Group B	School	Vacation	School	School	School
Group C	School	School	Vacation	School	School
Group D	School	School	School	Vacation	School
Group E	School	School	School	School	Vacation

CHART XVIII
THEORETICAL INCREASES IN CAPACITIES OF DADE COUNTY SENIOR HIGH SCHOOLS OPERATING ON THE QUINMESTER PLAN

Dade County Sr. High Schools	*Capacity RSD Max. 30*	*Capacity Quinmester Plan*
Northeast District		
Mia. Beach	1822	2278
M. Norland*	2787	3484
No. Miami	2753	3441
Northwest District		
Hialeah*	2633	3291
Carol City	2731	3414
No. Central District		
MacArthur	139	174
M. Central	2600	3250
Edison	2086	2607
Northwestern	1953	2441
M. Springs	2600	3250
So. Central District		
Gables	2804	3505
M. Jackson	2445	3667
Miami Sr.*	3266	4083
Southwest District		
M. Coral Pk.	2569	3211
Mia. Killian	2702	3378
Southwest	2627	3284
South District		
M. Palmetto	2787	3484
So. Dade	1906	2382
	43,210 Total County Senior High School Capacity	*54,013 Total County Senior High School Capacity Quinmester Plan*

January 21, 1972

Dr. Roy Box, O.D.
611 W. Willoughby
Juneau, Alaska 99801

Dear Dr. Box:

Representative Mike Miller asked that I forward the attached minutes to you. The material pertains to House Bill 467 and the concept of year round use of schools.

Sincerely,

Sandy Wendte

Sandy Wendte
Secretary to House Local
Government Committee

P. O. Box 1494
Juneau, Alaska 99801
November 8, 1971

Dear Genie:

Before I get into legislative business, let me again extend contratulations and very best wishes to you and Bill. Your marriage was really happy news and Marilyn and I wish you the best.

Now for the legislative part of this letter. Genie, you will recall that in the very final days of the first session, I introduced HB 467, which provides authorization and financial incentives for school districts to operate their schools around the calendar. That is, they would not let the schools stand idle and wasted -- as they do now -- fully one fourth of the year. Students, of course, would still attend school only the same number of days they do at present, but the schools themselves would be utilized year-round, thus increasing the effective school plant of any participating school district by 33 1/3 percent -- at no extra cost in capital outlay by the taxpayers. The bill, by the way, is purely permissive. No school district would be forced to participate if it didn't want to.

In the months since the session ended, I've been doing some sounding-out among school district people, teachers groups, parents, municipalities, and students. I find a lot of support for this idea and so far no one has voiced any opposition to the concept. Thursday I discussed the idea with the State Board of Education, which was meeting in Juneau, and the concept of the rescheduled school year (as the program is called) received unanimous endorsement by the state board. The Department of Education likewise seems much in favor of the idea.

The purpose of this letter is twofold. First, I'd like to give you a little background data (much of which you already know, quite probably) in advance of the hustle and bustle of the session. Second, I'd like to request that you schedule hearings on the bill early in the session.

Thanks much for your consideration, Genie -- and again very best wishes. I look forward to working with you again this session.

Best personal regards,

Mike Miller

SEAK / SC AK

ferry travel

Fish Creek road

State employees:
retirement
longevity
E.S. Stikine Legion
SE AK air carrier competition

Housing

Kenbella Hill
JNU
Community College

HB467

31 January 1972

The meeting was called to order at 1:45. Committee members present were Reps. Chance, Coletta, Moore, Moses, Specking and Whittaker. Bill Overstreet of the School Board Association introduced a movie "To Touch a Child" which deals with Flint, Michigan's community school program. Mr. Overstreet also introduced Juneau's two community school directors Terry Kelly and Joe Miguel, who were once both 6th grade teachers and who had been sent to Flint to observe the program there.

After the movie testimony was heard concerning HB 467 providing state monetary incentives for school districts planning a rescheduled school year. Nat Cole and Bob Thomas of the Department of Education distributed materials drawn up by the department showing financial aspects of a rescheduled school year using Anchorage as an example. Mr. Thomas then clarified this material for the committee. One Item was a planning incentive schedule showing the maximum and minimum payable to various areas if they decided to reschedule based on 1% of each area's foundation payment. Under this schedule if Anchorage rescheduled it would receive $25,000 or 75¢ per student for planning and Nome would receive $12,300 or $15.00 per student for planning purposes. Another set of statistics, using Anchorage as the example, showed that the state would save $489,000 over the first 5 years of using the rescheduled school year, and would save $1,070,000 each year after that. The tax avoidance saving to Anchorage (in not having to build new schools) would be roughly the same as the saving to the state. Mr. Thomas said that if a small district which needed more school space decided to go to a rescheduled school year rather than building a new school it would show an immediate saving.

Rep. Mike Miller, sponsor of the bill, told the committee that Rep. Wright had said that Anchorage would need $100,000 for planning studies and had suggested that maybe the best idea would be for a revolving sum to be allocated to the Department of Education for it to use as needed district by district without setting a statutory maximum. The amount used out of the fund each year would be replaced so the amount of the fund would be maintained. Commissioner Lind agreed with this and stated that adequate planning money must be available.

Rep. Whittaker asked why additional incentives to school districts beyond those used for planning were necessary. Rep. Miller answered that increased costs of maintenance, grounds, transportatic-, etc. would amount to around 5%, but that the state would still be saving on its 50% matching costs. It was also brought out that Valleyview School in Illinois which has been on the 45/15 plan for some time has had a saving of 4% per student.

Next to testify was Bob Arnold, vice president of the Anchorage school board. He first said that he felt it was unfortunate that incentives must be offered for innovation, but that this was a fact. He feels that good planning is necessary and that $25,000

is inadequate for Anchorage for planning purposes - that possibly $75,000 would be sufficient. He agreed with the idea of leaving dispersal of these planning funds to the Department of Education. He thinks it is good to spread the rescheduled year over a period of time in order to gain acceptance. On the matter of hidden costs Mr. Arnold stated that one of the biggest of these has been found to be air conditioning, which would not be a factor in Alaska. He said that he thinks the term "school year" as used in the bill should be redefined in order to give school districts more flexibility as to how the presently-defined school year of 180 days is used, i.e. allowing some of this time to be used for teacher training.

Rep. Chance posed the question of whether it would be possible for a district to implement the rescheduled system in some of its schools and go on with planning in others.

Mr. Arnold said the Anchorage school board agrees with the idea of the rescheduled school year but is not sure how it should be done, what form it should take, etc.

The committee then heard testimony from Sue Greene, a representative of the REFOCUS (Responsible Evaluation For Overall Continuous Utilization of Schools) Committee which is a citizens' advisory committee appointed by the Anchorage school board in August 1971 to investigate alternative school systems, etc. The committee consists of 10 adults, 2 students and 1 military liason representative. REFOCUS decided that it should first identify what were considered to be traits of a good education in Anchorage and, secondly, determine the best program to carry out those qualities. Ms. Greene said she thinks the 1% figure should be the basis of planning incentives but not with a $25,000 maximum. The REFOCUS Committee has met with with people involved in education from kindergarten through post-graduate level, including high school students and those involved in higher education and vocational education. The committee plans to have news articles to inform the public of the available educational alternatives. The committee is still in the process of receiving information and hopes to present its recommendations to the school board in June. Ms. Greene presented the question of what "year round continuous operation"means - does it preclude everyone taking a vacation at once as some rescheduled school plans use. She said that REFOCUS does support HB 467 but thinks that $25,000 as planning incentive for Anchorage would be too low and that $80,000 to $100,000 would be needed in order to hire 2 professionals, an assistant and 2 secretaries for one year - which is the committee's idea of what would be needed for sufficient planning studies.

Bill Klingler, assistant superintendent of facilities and finance for the Anchorage school district, appeared next before the committee. He felt that the 1% figure for planning incentives would be better than setting the maximum limit of $25,000 which he felt was far too low for Anchorage. He said that this type of planning would go forward even without such a grant but that it would be quicker and easier with financial aid. He also saw a need for clarification of the 180-day school term in the bill. Mr. Klingler presented some figures showing additional costs that would be incurred by the school district with the implementation of an extended school year as follows: Student activities (coaches, transportation, maintenance, etc.- $400,000 is now spent, the addition of a 4th quarter would add approx-

imately one-fourth to this figure. Custodial costs - would increase from the $400,000 now spent per year in the beginning but would level off later. Maintenance - $82,000 additional cost. Clerical - $240,000 additional cost. Trucking amd mail deliveries - $70,000 to $75,000 additional cost. Crossing guards - $15,000 increased cost. Heat and electricity - $240,000 to $250,000 increased cost. Administrative costs would increase by one-fourth.

Mr. Klingler said that the 10% offered as implementation incentive for the first 3 years was a little high and that 5% would be quite close to the actual increased costs to the school district for all of the first 5 years of implementation of the rescheduled year. He would like to see the initial study grant monies distributed by the Department of Education with individual districts applying to the department for planning and implementation grants.

The idea was then discussed of whether or not it would be best to set a statutory limit, to be administered at the discretion of the Department of Education, for the first year of implementation of the rescheduled school year of a minimum of 5% and a maximum of 10%. After the first year the maximum amount would be 5% of the foundation matching funds to which the school district was entitled. Rep. Miller thinks it would be best to leave in the maximum of 10% for the first 3 years, at the discretion of the Department of Education, as a built in safety factor. Mr. Klingler agreed with this and thought the limit should be 5% after the first 3 years.

The topic of the definition of 12-month operation was discussed again - would this include community use of the school? Rep. Miller said that it would defeat the purpose of the extended year program for the whole school to take a vacation at once for more than 3 weeks as this would cut the percentage of added use down proportionately. The opinion was expressed that the language of the bill should be changed to say that the 180-day requirement should apply to school use but not to individual child attendance, which would be more than what is required by statute at present. This part of the bill - (d) line 11 - will be changed to read "180 days membership"

Mr. Overstreet would like to see the concept of extended day use of schools included in the bill, perhaps in the form of stating that up to a certain percentage of funds could be used for this type of program to pay for a community school director which is the major cost and which, in his opinion, is the key to the success of a community school. Mr. Klingler said that the Anchorage school board has funded this type of thing in Anchorage for the past 3 years in which youth sponsored activites are permitted to use school facilities rent free but adult activities pay rent. Ms. Greene said that some districts should be able to take advantage of the community school incentive even if they don't use the rescheduled school program. Mr. Arnold supported the community school concept. Mr. Overstreet said that the cost of a community school program was 6% of the school's normal budget. Commissioner Lind thought that community schools might be able to be funded under the foundation program under the heading of supplementary programs, but these must be recommended by the commissioner to the legislature and pass the governor's review. Rep.

Chance expressed the fear that this might be considered non-educational in nature by being considered as supplementary and therefore be knocked out of the budget.. Mr. Overstreet suggested that a percentage of the rescheduled school year incentive could be allocated each year for community schools. Rep. Chance asked for submission to the HWE Committee of a break down of costs, etc. of existing community schools.

Reps. Whittaker anc Colletta state their opposition to the bill on the grounds that innovation and community involvement shouldn't be legislated. Rep. Whittaker also questioned whether some very real problems in education weren't being ignored and the extended school year concept being offered as a panacea.

Mr. Arnold made the point that his school board thinks the rescheduled year is a good thing but might not if no money were available for planning and implementation. Mr. Klingler pointed out that it is hard to get money to be spent when the actual cost saving is deferred for several years as is the case with the rescheduled school year program. Commissioner Lind said that his concept of the advantage of the rescheduled school year was not only one of saving money but the fact that it could tend to loosen up the educational system in ways that would allow teachers and administrators more latitude in many areas, i.e. teachers would be able to attand school other than just with other teachers at summer programs as is now the case. Mr. Klingler said that Anchorage would need to have $60 million more in bonding for needed school over the next 5 years if it does not go to the rescheduled school concept. Rep. Chance said that perhaps the extended school day and rescheduled school year programs should be kept separate and that the committee would soon look into the concept of extended school day with the Department of Education to see if statutory changes were necessary, etc. Rep. Moses moved that a committee substitute be drawn up for HB 467 and brough back to committee for consideration. Thos present agreed. Rep. Chance asked for suggestions by the Department of Education for the committee substitute and for information on the extended school day. Rep. Chance requested that Commissioner Lind investigate for the committee whether the community school concept could be implemented through administrative regulation or if statutory authorization were necessary. The Department of Education will also provide the committee with costs estimates and cost experiences on community schools and bring it back to the committee in 2 weeks. It was suggested that perhaps State Operated Schools might have something along this line.

The meeting was adjourned at 4:45p.m.

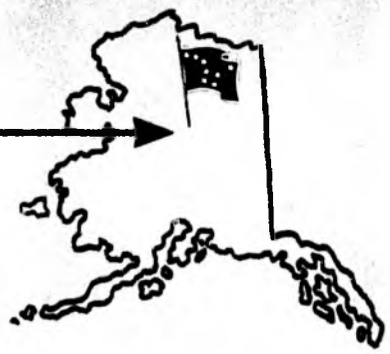
FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

P. O. Box 1250, Fairbanks, Alaska 99701 (907) 456-6616

GEORGE E. TAYLOR
Superintendent of Schools

DAYTON BENJAMIN
Assistant Superintendent

WILLIAM W. VANCE
Business Manager



January 27, 1972

The Honorable Mike Miller
House of Representatives
State of Alaska
Pouch V
Juneau, Alaska 99801

Dear Representative Miller:

The Fairbanks North Star Borough Board of Education has directed me to write to you in support of House Bill No. 467, "An Act providing incentives for continuous year-round school programs within local school districts; and providing for an effective date."

This District presently has a Citizens Committee which is making an in-depth study of the all-year school plan for Fairbanks. It appears that this plan would solve many of our school building problems and it would also provide our youngsters with a better education.

We agree with the Bill as stated, and hope it will become law effective with the new school year, 1972-73.

Sincerely yours,

Dayton Benjamin

Dayton Benjamin
Acting Superintendent of Schools

DB/fk

cc: Members, Board of Education
Mrs. Candace Walker, Chairman
Citizens Committee on Extended School Year

HB
474

HB 474 IS A VERY SIMPLIFIED VERSION WHICH DOES NOT PROTECT THE LOCAL GOVERNMENT FROM THE REVENUE LOSS AND WHICH IMPOSES AN IMPOSSIBLE ADMINISTRATIVE BURDEN AS WELL AS LOSING THE PRESENT DRIVE OR INCOME TAX RETURNS.

Circuit Breaker: Safety Device For The Property Tax

The following is excerpted from a publication of the Advisory Commission On Intergovernmental Relations (ACIR).

The property tax now yields in excess of $40 billion annually. A replacement for this venerable local tax source is not readily at hand despite the widespread interest in relieving this levy of the burden of supporting the local share of elementary and secondary school costs. Even if school costs were miraculously shifted off the local property tax it would still have to yield $20 billion or more and continue as a major revenue producer.

To make sure that the property tax does not do gross violence to equity concepts, it must be equipped with a safety mechanism — a circuit-breaker — that automatically works when the tax becomes excessive in relation to income thereby shielding low income property owners and renters from tax overload situations.

Ability-to-Pay

The State of Wisconsin in 1964 pioneered with an approach to relieve individuals of excessive tax burdens while not heaping new fiscal burdens on localities.

The concept is similar in principle to the circuit-breaker that prevents electrical overload. It protects the poor from tax overload without disrupting the flow of revenue from those able to pay. It is State financed to maintain the fiscal solvency of local governments and State administered to promote the greatest efficiency, provide the widest base, and maintain the dignity of the recipients.

The idea of the circuit-breaker has already caught on in other States and they, in turn, have developed their own plans for shielding low income, elderly property taxpayers from tax overload situations.

For example, the Vermont legislature has taken the position that any residential tax payment in excess of 7 per cent of total family income is excessive. The State rebates to the elderly taxpayer (home owner or renter) that part of the tax payment in excess of the 7 per cent figure. In order to give the renter tax relief, Vermont assumes that 30 per cent of the renter's payment to the landlord goes for property taxes. Wisconsin uses a 25 per cent calculation.

How It Works

The most prevalent type of circuit-breaker program operates in conjunction with the State personal income tax, is administered by the income tax division of the State tax department and is funded entirely out of State money. The State determines the amount of property tax burden it deems what is excessive also varies. The Minnesota circuit-breaker comes into play when the property tax burden exceeds 6 per cent of household income; Vermont's cuts in at 7 per cent; and under the 1969 Wisconsin formula, the circuit-breaker begins to work when the property tax reaches more than 11 per cent of family income.

To avoid providing property tax relief to the little old lady who lives in the mansion on the hill, several of the States have written into the law income ceilings or limits on the amount of rebate. They also have progressive rates to provide the most relief to the most needy cases. Income ceilings range downward from a $10,000 limit in California. the ceiling in Vermont is not explicit.

Who Should Be Eligible?

The flexibility of the circuit-breaker extends to the type of recipients as well as the amount of relief. Except for low-income communities within the same metropolitan area.

Answering the Objections

Like any innovative program, the circuit-breaker has opponents who raise various objections. Most of them can be answered quite simply.

Some complain that the circuit-breaker does not cure the real disease, poverty. True, but something must be done now, while the Federal Government is working out a broad program to eradicate poverty. The circuit-breaker makes sure that States and localities do not impose extraordinary property tax burdens on the poor while poverty remains among us.

Others complain that the circuit-breaker approach makes welfare operators out of State tax collectors. This over-simplified worry is nullified by recent experience which indicates that this approach represents the most

excessive. The excessive amount – with certain restrictions to avoid abuse – is then rebated.

To obtain the relief, the applicant files a statement as a supplement to his income tax return. He lists all forms of money income, including all social security and veterans benefits and railroad retirement payments. After audit, he is allowed a credit against his State income tax liability – if he has sufficient income to pay an income tax – or he receives back in the mail a direct cash refund, the case with 98 per cent of the recipients.

Although the circuit-breaker is part of the imcome tax process, the Wisconsin applicant does not have to pay his property tax bill and then wait until income tax filing time to get his refund. As soon as the property tax bill comes, he may file the statement and receive the cash when he needs it. Because the program is administered by the State tax department and the refund sent through the mails, there is no more stigma than when a Federal income taxpayer receives a tax reduction because he incurred extraordinary medical expenses. Local social welfare workers and county courthouse clerks are bypassed.

In California, Maine, and Pennsylvania the circuit-breaker takes the form of direct State cash rebates to all eligible property taxpayers. Although these States have income taxes they administer the circuit-breaker program separately proving that a State personnal income tax is not a prerequisite to the adoption of the concept.

Determining Overload Situations

The property tax takes a different bite out of householders in different parts of the Nation. Because the average burden varies, Oregon, States using the procedure grant relief only to aged persons, (62 or older). But death of the breadwinner, physical disability or severe unemployment would make the property tax just as devastating to a younger family as to the elderly.

Colorado, Maine, Minnesota, Vermont and Wisconsin at presnt grant circuit-breaker relief to renters as well as homeowners, on the theory that most landlords pass on most of the property tax burden to their tenants. Vermont assumes 30 percent of the rental payment goes for property taxes, Wisconsin assumes 25 per cent, Maine and Minnesota use 20 per cent and Colorado uses a ten per cent figure.

The possibilities don't stop here. A State wanting to provide relief for small farms or businesses could write circuit-breakers into their property taxes as well. The circuit-breaker would assure that the neediest taxpayers in any class would receive the most help.

How Much Does It Cost?

One of the great advantages of the circuit-breaker is that it is a State-financed relief program. Too often State legislators grant relief in the form of partial tax exemptions but force the local governments and school districts to pick up the tab. Local governments and local property owners should not be forced to underwrite property tax relief because it impairs their fiscal position and aggravates tax inequities. This is especially true in metropolitan areas where the poor tend to cluster together within the same jurisdiction. In sharp contrast, State-financed property tax relief in an indirect way tends to reduce intergovernmental fiscal disparities between high and efficient and dignified way to administer a local property tax relief program.

There are some who claim that State-financed property tax relief might encourage local officials to adopt reckless spending policies. The small amount of relief to local governments that the circuit-breaker provides is not enough to make local officials spendthrifts. Besides, the majority of citizens paying property taxes without relief will continue to exert a powerful restraint on local budget expansion.

Those who wish to recover the relief after the death of the homeowner object that the circuit-breaker provides unwarranted aid to the children who will inherit the property. A man's home must be viewed as a rough yardstick of his–not his children's–ability to pay taxes out of current income. When this is demonstrably not the case, the homeowner should be entitled to unconditional relief. It is becoming increasingly repugnant to the public to force the liquidation of an estate in order to pay property taxes, even if the liquidation is held off until the death of the benefited homeowner. In short, the property tax should not be viewed as the poor man's inheritance tax.

Finally, some complain that tax relief for the elderly can enable a homeowner to hold his property off the market thereby working against the highest and best use of land. This cut-off-the-nose-to-spite-the-face logic would deny relief to a substantial body of taxpayers carrying extraordinary burdens in order to take care of a very few exceptional situations. Moreover, this objection vastly overstates the effect that a tax rebate of a couple hundred dollars can have on a person's decision either to sell or to hold the homestead.

HB

488

Amn - HB 488

---Establishment of an accounting system (start) and other specialized services for municipalities and unincorporated communities under 1500 population."

Line 12 all deleted. All material (read) after the word "system" delete all material + insert the following: "

FORM 02-001B

MEMORANDUM State of Alaska

TO: The Honorable Frank R. Ferguson
Alaska State House of Represntatives

Thru: Byron I. Mallott
Director

DATE : February 2, 1972

FROM: Van K. Veselka
Local Government Specialist

SUBJECT: House Bill 488

House Bill 488, attached to this memo, as it states, provides funds for the establishment of accounting systems for cities of the fourth class. My comments on the bill are as follows:

1. I assume by fourth class cities, the bill would apply to the newly designated second class cities (assuming passage of the new municipal code).

2. On a contractual basis, estimating an accounting consultant one week to establish a set of books in a village and to break in a clerk, the money should reach at least 100 villages. If you broke the program into several visits for follow-up, modification of the system, and further training, you could still reach approximately fifty villages with a very good program. This approach would probably be most beneficial and would result in little existing staff time by utilizing consutants almost exclusively. This, of course, would only work if there were sufficient consultants who could relate well enough to the villages to be able to establish an immediate working relationship. If we were to not rely on consultants, it would mean greatly increasing our staff. A possibility would be for the agency to hire on a one-year contractual basis a couple of people who are accountants and who have worked in municipal accounting, and put them on the road for a year. This approach could probably be expected to work with about fifty villages, but it would allow tighter control and monitoring on the part of the agency. The point should be made that the establishment of an accounting system is something that can only be done by being in the village and working with the person there. Other subject areas can be reached by such approaches as seminars, education programs, etc., but not the establishment of accounting systems on a real basis. There are seventy-five fourth class cities now and, thus, we could reach approximately 66% of these communities. This would, no doubt, be a great benefit to these communities.

3. My concerns, though, are that though establishing accounting systems in 66% of the fourth class cities is of general good benefit, how does it relate to a priority ranking of the very immediate problems facing fourth class villages as a result of the Land Claims, such as the development of overall management capabilities in these villages, capability to develop land use plans, to make land selection, and broader view of the matter of community governmental and developmental management. It would appear to me that we would be locked too tightly to working on one functional area at a time when our client, so to speak, has other pressing needs that need to be addressed at the time. An accounting system would be a basic part of any assistance as it is essential to the local governments' operation, but it is still only a part of an overall system. These same monies, with the flexibility to work in the area of assisting the local community in the establishment of an overall planning and management funding system would, in my opinion, enable us to respond to the individual community's needs at any given time, and to develop this response, and its components like an accounting system, on an inter-related basis.

In summary, the basic thrust of the proposed legislation to provide the agency with funds to assist and work directly with the fourth class or village-level communities, is extremely good. I feel we could still, even with the overall approach, produce concrete results in at least sixty per cent of the villages utilizing staff increases and consultants, but I would sincerely hope that we would not be put in the position of being in a village (or have a consultant in a village) at a time when they are in dire need of direct assistance over any given subject area, and not be able to provide that assistance due to the inflexibility of the program. Such a situation, which is not currently uncommon, not only severely weakens our relationship chances of that village to get itself going. It is just generally erroneous and detrimental to come into a village with a prior determination of their needs, i. e. you need an accounting system, rather than coming in to get an assessment with and from them of what their needs are, and then address those needs.

VKV/pak

Attachment

HB

520

FOR THOSE ALASKA STATE HOUSING AUTHORITY EMPLOYEES TRANSFERRED TO STATE EMPLOYMENT BY THIS LEGISLATION,

Alaska State Housing Authority employee benefits, such as retirement, annual leave, sick leave, and medical insurance shall be integrated into the State benefit system as if Authority employment had been State employment, particularly in regard to years of service and vested rights of individual employees.

Introduced: 1/14/72
Referred: Local Government and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

CS FOR HOUSE BILL NO. 520

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act appropriating to the Department of Community and Regional Affairs for local government study; and providing for an effective date."

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

*Section 1. The sum of $200,000 is appropriated from the general fund to the Department of Community and Regional Affairs to fund the cost of a study by staff members of local government. The scope of the study shall include but is not limited to existing difficulties in city-borough relationships, ~~generally and in the Anchorage area in particular~~, opportunities for cooperation between city, borough and state agencies; ~~with~~ full integration of Alaska State Housing Authority as a working division within the Department of Community and Regional Affairs; advantages, disadvantages and estimated costs of implementing a property tax in unorganized borough areas; and other problem areas identified by the commissioner and staff of the Department of Community and Regional Affairs.

*Section 2. This Act takes effect July 1, 1972.

Introduced: 1/14/72
Referred: Local Government and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

CS) HOUSE BILL NO. 520

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act appropriating to the Local Affairs Agency for local government study; and providing for an effective date."

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

* Section 1. The sum of ~~$40,000~~ 200,000 is appropriated from the general fund to the ~~Office of the Governor, Local Affairs Agency~~ Dept of LAA to fund the cost of a study of local government ~~in the Greater Anchorage area.~~ (X)

~~* Sec. 2.~~ The remaining balance of the appropriation made by this Act lapses into the general fund on June 30, 1973.

* Sec. ~~2~~ 3. This Act takes effect on the day after its passage and approval or on the ~~day~~ it becomes law without approval.

July 1, 1972

ALL-AMERICA CITY 1956 & 1965

International
Polar air crossroads of the world

CITY OF ANCHORAGE ALASKA

ANCHORAGE, ALASKA NOV. 23, 1920

POST OFFICE BOX 400
ANCHORAGE, ALASKA
99501

December 30, 1971

Mr. Don Berry, Executive Director
Alaska Municipal League
210 Admiral Way
Juneau, Alaska 99801

Dear Don:

In response to your Bulletin 72-6 regarding Local Government Study Committee, the City of Anchorage expressed its view at the recent Alaska Municipal League Conference in conjunction with Item 32, Part II, Local Governmental Study. This item suggests a study of local government forms and structure throughout Alaska. This is quite different than the Governor's statement in which he is proposing a "technical" local government study of only the Anchorage area. We believe that the problem is more "political" in nature than "technical," and, while the technical aspects need to be developed for the political decision, we certainly would be opposed to any "technical" study limited to only the Anchorage area.

I suggest that you use as a reference for your meeting in early January the report entitled "The State and the Local Governmental System" published by the Institute of Social, Economic and Government Research, University of Alaska, March, 1970. I am sure that you have this report and have read it and, therefore, I need not dwell on the fact that existing local government legislation, particularly in regard to boroughs and borough-city-state relationship, is sadly deficient. The opening paragraph in Chapter IX, "Conclusion," of the report states:

> "The Alaska Constitutional Convention--by creating only a very general framework and looking to its long-run adaptability--forced the people and their representatives to cope with major, still-unresolved political problems: the reconciliation of state responsibility and local self-determination and the definition of the roles and relationships of state, borough, and city government."

This opening paragraph states very well the problem with which we are confronted. In the absence of constitutional guidelines and, further, in the absence of specific legislative guidelines, the borough and city relationships will continue to be in conflict and unresolved until specific powers and relationships are established. Further, the relationship between local

AIRMAIL IS FASTER

governments and the state still remain unresolved. For example, what is the highway responsibility of the state and local governments? You can carry this same example into a half dozen areas ranging from public health to police services.

Don, it would do little good for a "technical" committee to come up with what it considers an answer to the local government problem if the politicians do not agree and fail to enact legislation for implementation. Therefore, this committee should be "politically oriented" and be supplied with sufficient technical staff to provide those types of answer that may be necessary for the political decisions required for a solution. Accordingly, the committee should consist of, primarily, elected officials from local government and state government along with a sufficient number from the executive branches of local and state government to give it balance. In addition, the general public should be represented on it.

To go a little further into the specifics, this group should come up with recommendations as to the specific relationships and responsibility of the state and local government and the boroughs and cities. Standards for annexation is a prime example of a need that has gone unmet for over ten years. I don't feel that the committee should be limited by any particular parameter; instead, the entire local government form and structure should be explored, studied and solutions offered which will be politically acceptable. I could cite a dozen areas of legislature deficiencies, but you are equally aware of them.

If we can be of any further assistance on this subject, please contact me.

Sincerely yours,

Robert E. Sharp
City Manager

RES:ccb

Attachment

cc: Mayor and Council

February 18, 1972

Mr. George W. Anderson
Second Vice President
Alaska Municipal League
204 Franklin
Juneau, Alaska 99801

Dear George:

We are most appreciative of your letter of February 17 and for your earlier testimony before the ouse Local Government Committee. Thanks very much for taking the time to advise us of your views.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

Alaska MUNICIPAL League

TELEPHONE
586-1325

204 FRANKLIN
~~210 ADMIRAL WAY~~
JUNEAU, ALASKA 99801

February 17, 1972

The Honorable Mike Miller
Chairman
House Local Government
Committee
Capital Building
Juneau, Alaska 99801

RE: HB 520

Dear Representative Miller:

We of the Alaska Municipal League respectfully urge the expansion of this bill in scope and funding to enable inclusion of all local governments throughout the state.

Results of this expanded study could very well supply the tools necessary for solving the numerous and varied problems facing local governments. In it's present form the limitations in scope and funding of this bill exclude and delay the assistance needed by our troubled municipalities and boroughs.

We believe a more comprehensive study would result in a strengthened Local Affairs Agency better able to assume and fulfill its responsibility.

Please be assured that I stand ready to present answers or comments to any questions your committee may have.

Sincerely,

George W Anderson

George W. Anderson
Second Vice President

GWA:bf

HB

524

February 15, 1972

Mr. Jim Eastham, Chairman
Legislative Committee
Capitol City Chapter
Alaska Peace Officers Assn.
P. O. Box 9
Juneau, Alaska 99801

Dear Jim:

Thank you so much for your letter of February 11 relative to House Bill 524. In as much as there are apparently a great number of sections which the Alaska Peace Officers Association opposes in this legislation, I am sending a copy of your letter to Representative William Moran, Chairman, House Judiciary Committee. The Judiciary Committee presently is considering this legislation. It might be that you would like to contact Representative Moran and ask to be heard on this bill. This is a vitally important matter and I am sure the committee will be most interested in hearing the views of the Alaska Peace Officers Association.

Again, thanks for writing and best personal regards.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

cc: John G. Reed, President
Capitol City Chapter
Representative William Moran

ALASKA PEACE OFFICERS ASSOCIATION

Post Office Box 9
Juneau, Alaska 99801

February 11, 1972

The Honorable Mike Miller
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99801

Dear Representative Miller:

The Capitol City Chapter, Alaska Peace Officers Association, would like to go on record as opposing House Bill 524, with the following exceptions:

Sec. 11.17.010. ATTEMPT.
Sec. 11.17.020. SOLICITATION.
Sec. 11.17.030. CONSPIRACY.
Sec. 11.19.090. TERRORISTIC THREATS.
Sec. 11.19.130. REASONABLE DETENTION AS DEFENSE.
Sec. 11.27.210. HINDERING APPREHENSION OR PROSECUTION.

The reasons for opposing the remaining sections of the bill are too numerous to mention here, however, we would be happy to outline them for you upon request.

Additionally, we wholeheartedly support House Bill No. 47 relative to first degree murder.

We would like to know your position on these items, and would appreciate your assistance.

Very truly yours,

Jim Eastham, Chairman
Legislative Committee
Capitol City Chapter.

ENDORSEMENT:

John G. Reed, President
Capitol City Chapter

HB

552

Pomeroy :

Put in provision that boys can share rooms with girls within them.

principle → sale and use tax

Question putting 2 "quite complete activities" together in one bill.

2-7-72

Ryan.

"Dold mean unbonstitul" Underfunded.
Every state has a dol to promote econ. dev,
Southern states, have highest e.d. budgets.

Year ago Irene said valuable to increase
industry. ~~Ecol~~ control environ. generally
stabilized, After this year, again
possible to invite business & industry,

Can attract industry, with us now to
them says they not, Abundance of
of ships, and knowledge of resources
"slick presentation."

Can do: extractive minerals, timber,
fish.

oil & gas -- "capital intensive not labor
intensive" Many more
"labor intensive" fishing &
" " but seasonal. Timber
" " . Labor intensive
offers more jobs per Alaskan,

Except for Kodiak, salmon ind. most intense
in area of highest unemp. &

In forest industry: Dept E.D. is promoting use of spruce for construction. Big problem: no intra-AK shipping facilities. Public a tug & barge service - which will meet help's per year or two.

"Starting point is today. You don't go out tomorrow and get fundraising tomorrow!

"Needs a dept that can look at econ. dev. as a whole."

Stabilized water getting out of bed. 4 mos. work, Attx broken. " " " 4 mos work

SL was asked if she minded going under authority w/ local tribal affairs

Carving position abolished
[pres & fiddlehead] farm promoted
hoping to market as medicine

Heaviest thing in Def Eco Dev is program moneys, Dragan and his liaison with EDA program staffed.

Myrt Cheney says:
Carney, Dragan functions back.

Myrt says new ~~Hamm~~ Gov's budget includes all monies previously excluded.

Thomas will function will continue to coordinate, via contract, with Def. Eco Dev.

Ex. Sec. Sand Point

Bottom hyd. Kodiak Island Boro.
(Com Fisheries, AK. Ind, Finance Cap.)

HB112

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

CS FOR HOUSE BILL NO. 552

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act creating a Department of Community and Regional Affairs; and providing for an effective date."

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

* Section 1. AS 44.15.010 is amended by adding a new paragraph to read:

(16) Department of Community and Regional Affairs

* Sec. 2. AS 44 is amended by adding a new chapter to read:

CHAPTER 47. DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

ARTICLE 1. ORGANIZATION AND PURPOSE.

Sec. 44.47.010. COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS. The principal executive officer of the Department of Community and Regional Affairs is the commissioner of community and regional affairs.

Sec. 44.47.020. PURPOSE OF DEPARTMENT. The purpose of the department is to render maximum state assistance to government at the community and regional level.

ARTICLE 2. COMMUNITY AND REGIONAL AFFAIRS

Sec. 44.47.030. POWERS AND DUTIES. The department is authorized to

(1) advise and assist local governments;

(2) serve as staff for the local boundary commission;

(3) conduct studies and carry out experimental and pilot projects for the purpose of developing solutions to community and regional problems;

(4) promote cooperative solutions to problems affecting more than one community or region, including joint service agreements, regional compacts, and other forms of cooperation.

(5) serve as a clearing house for information useful in solution of community and regional problems, and channel to the appropriate authority requests for information and services;

(6) advise and assist community and regional governments on matters of finance, including but not limited to bond marketing and procurement of federal funds;

(7) prepare suggested guidelines relating to the content of notice of bond sale advertisements, prospectuses and other bonding matters issued by local governments;

(8) administer state funds appropriated for the benefit of unorganized regions within the state, allowing for maximum participation by local advisory councils and similar bodies;

(9) carry out those administrative functions in unorganized boroughs that the legislature may prescribe;

(10) study existing and proposed laws and state activities that affect community and regional affairs and recommend to the governor changes in the laws and activities which it considers advisable;

(11) coordinate activities of the state which have impact on Community and regional affairs;

(12) assist in the development of new communities and serve as the agent of the state for purposes of participation in federal programs relating to new communities;

(13) provide planning assistance upon request to community and regional governments, state departments and agencies, and other

planning bodies;

(14) supervise planning, management, and other activities required for local eligibility for financial aid under those federal and state programs which provide assistance to community and regional governments;

(15) administer state, and, as appropriate, federal programs for revenue sharing, grants, and other forms of financial assistance to community and regional governments;

(16) provide staff assistance, as requested, to the Rural Affairs Commission;

(17) apply for, receive and use funds from federal and other sources, public or private, for use in carrying out the powers and duties of the department;

(18) request and utilize the resources of other agencies of state government in carrying out the purposes of this chapter to the extent such utilization is more efficient than maintaining departmental staff, reimbursing the other agencies when appropriate;

(19) carry out other functions and duties, consistent with law, necessary or appropriate to accomplish the purpose of this chapter.

ARTICLE 3. RURAL DEVELOPMENT.

Sec. 44.47.040. POWERS AND DUTIES. To promote development of rural areas of the state the department is authorized to

(1) investigate social and economic conditions of rural areas to determine the need to expand economic opportunities and improve living conditions;

(2) formulate a coordinated program to broaden and diversify the economic base of rural areas;

(3) coordinate administration of emergency relief, surplus

food distribution, or other public assistance programs, except the regular relief and assistance programs of the federal government in rural areas;

(4) formulate and conduct a program of construction of basic facilities to improve health, welfare and economic security and provide employment and income in the rural areas.

(5) promote training and educational programs designed to expand employment opportunities for residents of rural areas.

ARTICLE 4. GENERAL PROVISIONS.

Sec. 44.47.050. DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional Affairs;

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

(3) "community" means home rule cities and boroughs, cities and boroughs of any class, and unorganized boroughs and villages which are social units;

(4) "region" means an area larger than a community, or including all or part of more than one community, but sufficiently integrated that it may be treated as a unit for administration of particular services.

Sec. 44.47.060. REGULATIONS. The department may adopt procedures and regulations to carry out the purposes of this chapter.

* Sec. 3. AS 18.55.020 is repealed and re-enacted to read:

~~Sec. 18.55.020. ALASKA STATE HOUSING AUTHORITY.~~ There is created within the Department of Community and Regional Affairs the Alaska State Housing Authority administered by a board consisting of the commissioner of community and regional affairs, two members designated by the commissioner of community and regional affairs and four members appointed by the governor. Members other than the commissioner of community and regional affairs and his designates serve at the pleasure of the governor

for three year terms. The terms of office shall be staggered. Members appointed by the governor are subject to confirmation by the legislature ~~in the manner provided in AS 39.05.080~~.

* Sec. 4. AS 43.18.010(a)(4)(B)(ii) is amended to read:

(ii) an annual contract with a recognized planning firm to provide land use planning and plan implementation on a consulting basis with a work program outline approved by the Department of Community and Regional Affairs [LOCAL AFFAIRS AGENCY];or

* Sec. 5. AS 43.18.010(a)(4)(B)(iii) is amended to read:

(iii) the state's continuing planning advisory service program through the Department of Community and Regional Affairs [LOCAL AFFAIRS AGENCY];

~~* Sec. 6. AS 43.18.300(h)(1) is amended to read~~:

~~(1) "commissioner" means the commissioner of community and regional [ECONOMIC] affairs~~;

* Sec. 6. AS 44.19.250 is amended to read:

Sec. 44.19.250. LOCAL BOUNDARY COMMISSION. There is in the Department of Community and Regional Affairs [LOCAL AFFAIRS AGENCY] a boundary commisssion. The local boundary commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four major senatorial election districts and one from the state at large. The member appointed from the state at large is the chairman of the commission.

* Sec. 7. AS 44.19.260(a)(3) is amended to read:

(3) consider a local government boundary change requested of it by the legislature, the commissioner of community and regional affairs [THE DIRECTOR OF LOCAL AFFAIRS], or a political subdivision of the state;

and

* Sec. 8. AS 44.19.270 is amended to read:

Sec. 44.19.270. MEETINGS AND HEARINGS. The chairman of the commission or the commissioner of community and regional affairs [DIRECTOR OF LOCAL AFFAIRS] with the consent of the chairman may call a meeting or hearing of the local boundary commission. All meetings and hearings shall be public.

* Sec. 9. AS 44.19.880(a)(10) is amended to read:

(10) assist the governor and the Department of Community and Regional Affairs [LOCAL AFFAIRS AGENCY] in coordinating the activities of state agencies [THE ACTIVITIES OF] which have an impact on the solution of local and regional development problems [PROGRAMS];

* Sec. 10. Whenever the titles "Local Affairs Agency" or "Rural Development Agency" appear in the law of this state, they shall be read as the "Department of Community and Regional Affairs."

* Sec. 11. The following laws are repealed: AS 18.55.970 - 18.55.990; AS 44.19.180 - 44.19.210; AS 44.19.580 - 44.19.620; AS 44.19.880(5); ~~and AS 44.45~~.

* Sec. 12. All litigation, hearings, investigations and other proceedings pending under any law amended or repealed or functions which may be transferred by this Act, continue in effect and may be continued and completed notwithstanding any such transfer or amendment or repeal provided for in this Act. Certificates, orders, rules or regulations issued or filed under authority of law amended or repealed by this Act or functions which may be transferred by this Act, remain in effect for the term issued, unless or until revoked, vacated, or otherwise modified under the provisions of this Act. All contracts or other obligations created by any law amended or repealed by this Act or by virtue of functions which may be transferred by this Act, and in effect on the effective date of this Act, remain in effect unless or until

revoked, or modified under the pr visions of this Act. Appropriations, records, equipment and other property of agencies of the state integrated with the Department of Community and Regional Affairs established under this Act are transferred to the department. Appropriations and other money available and to become available to agencies the functions, powers and duties of which have been transferred to the Department of Community and Regional Affairs established under this Act shall be available for the objects and purposes for which appropriate or otherwise made available, subject to the terms, restrictions, limitations or other requirements imposed under this section of federal law.

* Sec. 13 ~~14~~. This Act takes effect July 1, 1972.

Introduced: 1/26/72
Referred: Local Government and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 552

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act creating a Department of Community and Regional ~~Development~~ AFFAIRS; and providing for an effective date."

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

* Section 1. AS 44.15.010(~~24~~) is amended by adding a new paragraph ~~subsection~~ to read:

(16) Department of Community and Regional ~~[ECONOMIC]~~ Affairs ~~Development~~ ~~AFFAIRS~~

* Sec. 2. AS 44 is amended by adding a new chapter to read:

CHAPTER 47. DEPARTMENT OF COMMUNITY AND REGIONAL ~~DEVELOPMENT~~ AFFAIRS

ARTICLE 1. ORGANIZATION AND PURPOSE.

Sec. 44.47.010. COMMISSIONER OF COMMUNITY AND REGIONAL ~~DEVELOPMENT~~ AFFAIRS. The principal executive officer of the Department of Community and Regional ~~Development~~ Affairs is the commissioner of community and regional ~~development~~ affairs.

Sec. 44.47.020. PURPOSE OF DEPARTMENT. The purpose of the department is to render and coordinate maximum state assistance ~~to the political, social and economic development of Alaska~~ at the community and regional level.

ARTICLE 2. COMMUNITY AND REGIONAL ~~DEVELOPMENT~~ AFFAIRS.

Sec. 44.47.030. POWERS AND DUTIES. The department is authorized to

(1) advise and assist local governments;

(2) serve as staff for the local boundary commission;

(3) conduct studies and carry out experimental and pilot

projects for the purpose of developing solutions to community and regional problems;

(4) promote cooperative solutions to problems affecting more than one community or region, including joint service agreements, regional compacts, and other forms of cooperation;

(5) serve as a clearing house for information useful in solution of community and regional problems, and channel to the appropriate authority requests for information and services;

(6) advise and assist community and regional governments on matters of finance, including but not limited to bond marketing and procurement of federal funds;

(7) prepare ~~regulations~~ guidelines relating to ~~governing~~ the content of notice of bond sale advertisements, prospectuses and other bonding matters issued by local governments;

~~(8) [illegible] of economic potential at the community and regional level including planning [illegible] bodies and with private enterprise;~~

(9) administer state funds appropriated for the benefit of unorganized regions within the state, allowing for maximum participation by local advisory councils and similar bodies;

(10) carry out those administrative functions in unorganized boroughs that the legislature may prescribe;

(11) study existing and proposed laws and state activities that affect community and regional affairs and recommend to the governor changes in the laws and activities which it considers advisable;

(12) coordinate activities of the state which have impact on community and regional affairs;

(12) ~~promote~~ assist in the development of new communities and serve as the agent of the state for purposes of participation in federal programs relating to new communities;

(13) (14) provide planning assistance upon request to community and regional governments, state departments and agencies, and other planning bodies;

(14) (15) supervise planning, management, and other activities required for local eligibility for financial aid under those federal and state programs which provide assistance to community and regional governments;

(15) (16) administer state, and, as appropriate, federal programs for revenue sharing, grants, and other forms of financial assistance to community and regional governments;

(16) (17) review and approve or reject applications for small business loans provided for in AS 45.95, evaluating applications in accordance with the extent to which the enterprise to be assisted by the loan (A) meets needs created by governmental action, such as construction of airports, highways, and ferry terminals; (B) conforms to local comprehensive plans (C) provides opportunity for acquisition of job sk.l's (D) can be carried out without adverse effect on e. ironmental quality and competing uses for the same natural resources;

(17) (18) provide staff assistance, as requested, to the Rural Affairs Commission, ~~the Council of Economic Advisors, and the Fisheries Marketing and Development Board;~~ NOT NECESSARY

(18) (19) apply for, receive and use funds from federal and other sources, public or p rate, for use in carrying out the powers and duties of the department;

(19) (20) Request and utilize the resources of other agencies of state government in carrying out the purposes of this chapter to the extent

such utilization is more efficient than maintaining departmental staff, reimbursing the other agencies when appropriate;

(21) carry out other functions and duties, consistent with law, necessary or appropriate to accomplish the purpose of this chapter.

ARTICLE 3. RURAL DEVELOPMENT.

Sec. 44.47.040. POWERS AND DUTIES. To promote development of rural areas of the state the department is authorized to

(1) investigate social and economic conditions of rural areas to determine the need to expard economic opportunities and improve living conditions;

(2) formulate a coordinated program to broaden and diversify the economic base of rural areas;

(3) coordinate administration of emergency relief, surplus food distribution, or other public assistance programs, except the regular relief and assistance programs of the federal government in rural areas;

(4) formulate and conduct a program of construction of basic facilities to improve health, welfare and economic security and provide employment and income in the rural areas;

(5) promote training and education programs designed to expand employment opportunities for residents of rural areas.

ARTICLE 4. FISHERIES MARKETING AND DEVELOPMENT ADVISORY BOARD.

Sec. 44.47.050. FISHERIES MARKETING AND DEVELOPMENT ADVISORY BOARD. A Fisheries Marketing and Development Advisory Board is established in the Department of Community and Regional Affairs.

Sec. 44.47.060. COMPOSITION. The board consists of seven members whose knowledge, experience and professional background qualify them

to review and evaluate proposals and staff work in the area of fisheries marketing and development. The commissioner of ~~community and regional~~ economic development, the commissioner of fish and game, or their designates, and a representative from the college of biological sciences and renewable resources of the University of Alaska, or his designate, may sit as ex officio members of the board. Members other than ex officio members, are subject to confirmation by the legislature in the manner provided in AS 39.05.080.

Sec. 44.47.070. APPOINTMENT AND TERMS. Members are appointed by the governor and serve at his pleasure for terms of three years, except that, of the members first appointed two shall be appointed for terms of one year, two for terms of two years, and three for terms of three years.

Sec. 44.47.080. CHAIRMAN AND MEETINGS. The board shall select one of its members as chairman. The board shall meet at least quarterly in the state capitol, and at such other times and places as circumstances require. Meetings may be called by the governor or by the chairman with concurrence of two other members.

Sec. 44.47.090. FUNCTIONS OF THE BOARD. The board shall review, analyze, and submit to the governor its recommendations and comments on proposals prepared by the Department of Fish and Game, the Department of ~~Community and Regional Development~~ Economic Dev and other agencies of the state government in the area of fish marketing and development, including particularly, proposals designed to

(1) assist and promote local processing efforts;

(2) foster development of new fishery products;

(3) make available at the local level technical and management training designed to enable a maximum number of Alaskans to manage their own business affairs in the area of fish processing and marketing.

Sec. 44.47.095. COMPENSATION AND PER DIEM. Members of the board receive no salary for their services on the board but are entitled to per diem and travel expenses authorized by law for boards and commissions.

Sec. 44.47.100. ANNUAL REPORT. The board shall make an annual report to the governor before the end of each fiscal year.

Sec. 44.47.110. ECONOMIC DEVELOPMENT. To promote balanced economic development of the state the department is authorized to

(1) formulate a continuing program for basic economic development, promotion, planning and research;

(2) seek investors for development of industrial, commercial, mining, recreational, agricultural, and other economic enterprises, within the state;

(3) provide technical assistance to potential investors and industries by drawing on professional, specialized, and technical employees of the department and other agencies;

(4) provide technical assistance to the political subdivisions of the state which wish to attract industrial and commercial investment.

ARTICLE 4. GENERAL PROVISIONS.

Sec. 44.47.~~100~~ 050. DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional ~~Development~~;

(2) "commissioner" means the commissioner of community and regional ~~development~~;

(3) "community" means home rule cities and boroughs, cities and boroughs of any class, and unorganized boroughs and villages which are social units;

(4) "region" means an area larger than a community, or including all or part of more than one community, but sufficiently integrated that it may be treated as a unit for administration of particular services.

Sec. 44.47.~~130~~ 060. REGULATIONS. The department may adopt procedures and regulations to carry out the purposes of this chapter.

* Sec. 3. AS 18.55.020 is repealed and re-enacted to read:

Sec. 18.55.~~020~~ 020. ALASKA STATE HOUSING AUTHORITY. There is created within the Department of Community and Regional Development the Alaska State Housing Authority administered by a board consisting of the commissioner of community and regional ~~development~~ affairs, two members designated by the commissioner of community and regional ~~development~~ affairs and four members appointed by the governor. Members other than the commissioner of community and regional ~~development~~ affairs and his designates serve at the pleasure of the governor for three year terms. The terms of office shall be staggered. Members appointed by the governor are subject to confirmation by the legislature in the manner provided in AS 39.05.080.

* Sec. 4. AS 41.25.010 is amended to read:

Sec. 41.25.010. GRANTS FOR TOURIST DEVELOPMENT. A political subdivision of the state, a nonprofit organization formed under AS 10.20.010 - 10.20.060, or a bona fide nonprofit civic, fraternal, or service organization which is certified by the commissioner of community and regional [ECONOMIC] development [AND PLANNING] as qualified as developing tourist attractions as one of its purposes is eligible to receive tourist attraction development matching money from the state.

* Sec. 5. AS 41.25.020 is amended to read:

Sec. 41.25.020. USE OF MATCHING MONEY. Tourist attraction

development matching money may be obtained for the purpose of developing tourist attractions of historical or contemporary interest found to be worthwhile by the ~~commissioner of community and regional~~ [ECONOMIC] ~~development [AND PLANNING AND~~ THE DIRECTOR OF TOURISM]. Available money shall be divided on a fair and equitable basis between applicants. No applicant may receive more than $1,000 on first application. Tourist attraction development may include the production, preservation, and display of historical documents, artifacts, totem poles, historical markers, native dances, blanket tossing, native handicraft, and art, and any other worthwhile tourist attraction dealing with Alaskan history or culture. Tourist attraction development does not include the preparation and distribution of community and other advertising material.

* Sec. 6. AS 41.25.030 is amended to read:

Sec. 41.25.030. QUALIFYING FOR MATCHING MONEY. In order to qualify for tourist attraction development matching money, the applicant shall submit and have approved by the ~~commissioner~~ of ~~community and regional~~ [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF TOURISM,] plans, programs, contracts, or agreements to be used for carrying out the development of the tourist attraction.

* Sec. 7. AS 41.25.050 is amended to read:

Sec. 41.25.050. ADMINISTRATION OF SECS. 10 - 50 OF THIS CHAPTER. The ~~commissioner of community and regional~~ [ECONOMIC] ~~development~~ [AND PLANNING AND THE DIRECTOR OF TOURISM] shall administer secs. 10 - 50 of this chapter. All participating subdivisions and organizations shall submit to the ~~commissioner of community and regional [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF TOURISM]~~ complete reports covering both the expenditure of state and local matching money for tourist attraction programs. These reports,

in the case of programs extending over 12 months, shall be submitted annually. Reports on shorter matching programs shall be submitted at the completion of the program.

* Sec. 4. AS 43.18.010(a)(4)(B)(ii) is amended to read:

(ii) an annual contract with a recognized planning firm to provide land use planning and plan implementation on a consulting basis with a work program outline approved by the Department of Community and Regional Development [LOCAL AFFAIRS AGENCY]; or

* Sec. 5. AS 43.18.010(a)(4)(B)(iii) is amended to read:

(iii) the state's continuing planning advisory service program through the Department of Community and Regional Development [LOCAL AFFAIRS AGENCY];

* Sec. 6. AS 43.18.300(h)(1) is amended to read:

(1) "commissioner" means the commissioner of community and regional [ECONOMIC] ~~development~~ affairs;

* Sec. 7. AS 44.19.250 is amended to read:

Sec. 44.19.250. LOCAL BOUNDARY COMMISSION. There is in the Department of Community and Regional ~~Development~~ Affairs [LOCAL AFFAIRS AGENCY] a local boundary commission. The local boundary commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four major senatorial election districts and one from the state at large. The member appointed from the state at large is the chairman of the commission.

* Sec. 8. AS 44.19.260(a)(3) is amended to read:

(3) consider a local government boundary change requested of it by the legislature, the commissioner of community and regional ~~development~~ affairs [THE DIRECTOR OF LOCAL AFFAIRS], or a political subdivision

of the state; and

* Sec. 9. AS 44.19.270 is amended to read:

Sec. 44.19.270. MEETINGS AND HEARINGS. The chairman of the commission or the commissioner of community and regional ~~development~~ affairs [DIRECTOR OF LOCAL AFFAIRS] with the consent of the chairman may call a meeting or hearing of the local boundary commission. All meetings and hearings shall be public.

* Sec. 10. AS 44.19.880(a)(10) is amended to read:

(10) assist the governor and the Department of Community and Regional ~~Development~~ Affairs [LOCAL AFFAIRS AGENCY] in coordinating the activities of state agencies [THE ACTIVITIES OF] which have an impact on the solution of local and regional development problems [PROGRAMS];

* ~~Sec. 15. AS 44.60.020 is amended to read:~~

Sec. 44.60.020. SMALL BUSINESS DEVELOPMENT CORPORATION OF ALASKA. The Small Business Development Corporation of Alaska is a public corporation of the state. The corporation is an instrumentality of the state within the Department of Community and Regional [ECONOMIC] Development, but has a legal existence independent of and separate from the state.

Sec. 16. AS 44.61.020 is amended to read:

Sec. 44.61.020. CREATION OF AUTHORITY. There is created the Alaska Industrial Development Authority. The authority is a public corporation of the state and a body corporate and politic within the Department of Community and Regional Development [CONSTITUTING A POLITICAL SUBDIVISION WITHIN THE DEPARTMENT OF ECONOMIC DEVELOPMENT], but with separate and independent legal existence.

* Sec. 17. AS 45.95.070(3) is repealed and re-enacted to read:

(3) the commissioner of community and regional development certifies that the application accords with the standards set forth in

~~AS 44.47.050(17)~~

* Sec. ~~28~~ 11. Whenever the titles "Local Affairs Agency" or "Rural Development Agency" appear in the law of this state, they shall be read as the "Department of Community and Regional ~~Development~~ Affairs."

* Sec. ~~29~~ 12. The following laws are repealed: AS 18.55.970 - 18.55.990; AS 44.19.180 - 44.19.210; AS 44.19.580 - 44.19.620; AS 44.19.880(5); and AS 44.45.

* Sec. ~~30~~ 13. All litigation, hearings, investigations and other proceedings pending under any law amended or repealed or functions which may be transferred by this Act, continue in effect and may be continued and completed notwithstanding any such transfer or amendment or repeal provided for in this Act. Certificates, orders, rules or regulations issued or filed under authority of law amended or repealed by this Act or functions which may be transferred by this Act, remain in effect for the term issued, unless or until revoked, vacated, or otherwise modified under the provisions of this Act. All contracts or other obligations created by any law amended or repealed by this Act or by virtue of functions which may be transferred by this Act, and in effect on the effective date of this Act, remain in effect unless or until revoked, or modified under the provisions of this Act. Appropriations, records, equipment and other property of ~~the Department of Economic Development and other~~ agencies of the state integrated with the Department of Community and Regional ~~Development~~ Affairs established under this Act are transferred to the department. Appropriations and other money available and to become available to ~~the Department of Economic~~ Development ~~and other~~ agencies the functions, powers and duties of which have been transferred to the Department of Community and Regional Development established under this Act shall be available for the objects and purposes for which appropriate or otherwis made available, subject to the terms, restrictions, limitations or other requirements imposed under this section

or federal law.

* Sec. 14. This Act takes effect July 1, 1972.

Introduced: 1/26/72
Referred: Local Government
and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

HOUSE BILL NO. 552

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act creating a Department of Community and Regional Development; and providing for an effective date."

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

* Section 1. AS 44.15.010(14) is amended to read:

(14) Department of Community and Regional [ECONOMIC] Development

* Sec. 2. AS 44 is amended by adding a new chapter to read:

CHAPTER 47. DEPARTMENT OF COMMUNITY AND REGIONAL DEVELOPMENT

ARTICLE 1. ORGANIZATION AND PURPOSE

Sec. 44.47.010. COMMISSIONER OF COMMUNITY AND REGIONAL DEVELOPMENT. The principal executive officer of the Department of Community and Regional Development is the commissioner of community and regional development.

Sec. 44.47.020. PURPOSE OF DEPARTMENT. The purpose of the department is to render maximum state assistance to the political, social and economic development of Alaska at the community and regional level.

ARTICLE 2. COMMUNITY AND REGIONAL DEVELOPMENT.

Sec. 44.47.030. POWERS AND DUTIES. The department is authorized to

(1) advise and assist local governments;

(2) serve as staff for the local boundary commission;

(3) conduct studies and carry out experimental and pilot

projects for the purpose of developing solutions to community and regional problems;

(4) promote cooperative solutions to problems affecting more than one community or region, including joint service agreements, regional compacts, and other forms of cooperation;

(5) serve as a clearing house for information useful in solution of community and regional problems, and channel to the appropriate authority requests for information and services;

(6) advise and assist community and regional governments on matters of finance, including but not limited to bond marketing and procurement of federal funds;

(7) prepare regulations governing the content of notice of bond sale advertisements, prospectuses and other bonding matters issued by local governments;

(8) provide advice and assistance on efficient development of economic potential at the community and regional level including planning, feasibility studies and negotiations with government bodies and with private enterprise;

(9) administer state funds appropriated for the benefit of unorganized regions within the state, allowing for maximum participation by local advisory councils and similar bodies;

(10) carry out those administrative functions in unorganized boroughs that the legislature may prescribe;

(11) study existing and proposed laws and state activities that affect community and regional affairs and recommend to the governor changes in the laws and activities which it considers advisable;

(12) coordinate activities of the state which have impact on community and regional affairs;

how many? what kind?

(13) promote the development of new communities and serve as the agent of the state for purposes of participation in federal programs relating to new communities;

(14) provide planning assistance upon request to community and regional governments, state departments and agencies, and other planning bodies;

(15) supervise planning, management, and other activities required for local eligibility for financial aid under those federal and state programs which provide assistance to community and regional governments;

(16) administer state, and, as appropriate, federal programs for revenue sharing, grants, and other forms of financial assistance to community and regional governments;

(17) review and approve or reject applications for small business loans provided for in AS 45.95, evaluating applications in accordance with the extent to which the enterprise to be assisted by the loan (A) meets needs created by governmental action, such as construction of airports, highways, and ferry terminals; (B) conforms to local comprehensive plans (C) provides opportunity for acquisition of job skills (D) can be carried out without adverse effect on environmental quality and competing uses for the same natural resources;

(18) provide staff assistance, as requested, to the Rural Affairs Commission, the Council of Economic Advisors, and the Fisheries Marketing and Development Board;

Is this board & Eco. Dev. or ADFG? or Commerce?

(19) apply for, receive and use funds from federal and other sources, public or private, for use in carrying out the powers and duties of the department;

(20) utilize the resources of other agencies of state government in carrying out the purposes of this chapter to the extent

such utilization is more efficient than maintaining departmental staff, reimbursing the other agencies when appropriate;

(21) carry out other functions and duties, consistent with law, necessary or appropriate to accomplish the purpose of this chapter.

ARTICLE 3. RURAL DEVELOPMENT.

Sec. 44.47.040. POWERS AND DUTIES. To promote development of rural areas of the state the department is authorized to

(1) investigate social and economic conditions of rural areas to determine the need to expand economic opportunities and improve living conditions;

(2) formulate a coordinated program to broaden and diversify the economic base of rural areas;

(3) coordinate administration of emergency relief, surplus food distribution, or other public assistance programs, except the regular relief and assistance programs of the federal government in rural areas;

(4) formulate and conduct a program of construction of basic facilities to improve health, welfare and economic security and provide employment and income in the rural areas;

(5) promote training and education programs designed to expand employment opportunities for residents of rural areas.

ARTICLE 4. FISHERIES MARKETING AND DEVELOPMENT ADVISORY BOARD.

Sec. 44.47.050. FISHERIES MARKETING AND DEVELOPMENT ADVISORY BOARD. A Fisheries Marketing and Development Advisory Board is established in the Department of Community and Regional Affairs.

Sec. 44.47.060. COMPOSITION. The board consists of seven members whose knowledge, experience and professional background qualify them

to review and evaluate proposals and staff work in the area of fisher marketing and development. The commissioner of community and regional development, the commissioner of fish and game, or their designates, and a representative from the college of biological sciences and renewable resources of the University of Alaska, or his designate, may sit as ex officio members of the board. Members other than ex officio members, are subject to confirmation by the legislature in the manner provided in AS 39.05.080.

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(1) assist and promote local processing efforts;

(2) foster development of new fishery products;

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Sec. 44.47.095. COMPENSATION AND PER DIEM. Members of the board receive no salary for their services on the board but are entitled to per diem and travel expenses authorized by law for boards and commissions.

Sec. 44.47.100. ANNUAL REPORT. The board shall make an annual report to the governor before the end of each fiscal year.

ARTICLE 5. ECONOMIC DEVELOPMENT.

Sec. 44.47.110. ECONOMIC DEVELOPMENT. To promote balanced economic development of the state the department is authorized to

(1) formulate a continuing program for basic economic development, promotion, planning and research;

(2) seek investors for development of industrial, commercial, mining, recreational, agricultural, and other economic enterprises, within the state;

(3) provide technical assistance to potential investors and industries by drawing on professional, specialized, and technical employees of the department and other agencies;

(4) provide technical assistance to the political subdivisions of the state which wish to attract industrial and commercial investment.

ARTICLE 6. GENERAL PROVISIONS.

Sec. 44.47.120. DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional Development;

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

(3) "community" means home rule cities and boroughs, cities and boroughs of any class, and unorganized boroughs and villages which are social units;

(4) "region" means an area larger than a community, or including all or part of more than one community, but sufficiently integrated that it may be treated as a unit for administration of particular services.

Sec. 44.47.130. REGULATIONS. The department may adopt procedures and regulations to carry out the purposes of this chapter.

* Sec. 3. AS 18.55.020 is repealed and re-enacted to read:

Sec. 18.55.020. ALASKA STATE HOUSING AUTHORITY. There is created within the Department of Community and Regional Development the Alaska State Housing Authority administered by a board consisting of the commissioner of community and regional development, two members designated by the commissioner of community and regional development and four members appointed by the governor. Members other than the commissioner of community and regional development and his designates serve at the pleasure of the governor for three year terms. The terms of office shall be staggered. Members appointed by the governor are subject to confirmation by the legislature in the manner provided in AS 39.05.080.

* Sec. 4. AS 41.25.010 is amended to read:

Sec. 41.25.010. GRANTS FOR TOURIST DEVELOPMENT. A political subdivision of the state, a nonprofit organization formed under AS 10.20.010 - 10.20.060, or a bona fide nonprofit civic, fraternal, or service organization which is certified by the commissioner of community and regional [ECONOMIC] development [AND PLANNING] as qualified as developing tourist attractions as one of its purposes is eligible to receive tourist attraction development matching money from the state.

* Sec. 5. AS 41.25.020 is amended to read:

Sec. 41.25.020. USE OF MATCHING MONEY. Tourist attraction

development matching money may be obtained for the purpose of developing tourist attractions of historical or contemporary interest found to be worthwhile by the commissioner of community and regional [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF TOURISM]. Available money shall be divided on a fair and equitable basis between applicants. No applicant may receive more than $1,000 on first application. Tourist attraction development may include the production, preservation, and display of historical documents, artifacts, totem poles, historical markers, native dances, blanket tossing, native handicraft, and art, and any other worthwhile tourist attraction dealing with Alaskan history or culture. Tourist attraction development does not include the preparation and distribution of community and other advertising material.

* Sec. 6. AS 41.25.030 is amended to read:

Sec. 41.25.030. QUALIFYING FOR MATCHING MONEY. In order to qualify for tourist attraction development matching money, the applicant shall submit and have approved by the commissioner of community and regional [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF TOURISM,] plans, programs, contracts, or agreements to be used for carrying out the development of the tourist attraction.

AIP Direction

* Sec. 7. AS 41.25.050 is amended to read:

Sec. 41.25.050. ADMINISTRATION OF SECS. 10 - 50 OF THIS CHAPTER. The commissioner of community and regional [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF TOURISM] shall administer secs. 10 - 50 of this chapter. All participating subdivisions and organizations shall submit to the commissioner of community and regional [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF TOURISM] complete reports covering both the expenditure of state and local matching money for tourist attraction programs. These reports,

in the case of programs extending over 12 months, shall be submitted annually. Reports on shorter matching programs shall be submitted at the completion of the program.

* Sec. 8. AS 43.18.010(a)(4)(B)(ii) is amended to read:

(ii) an annual contract with a recognized planning firm to provide land use planning and plan implementation on a consulting basis with a work program outline approved by the Department of Community and Regional Development [LOCAL AFFAIRS AGENCY]; or

* Sec. 9. AS 43.18.010(a)(4)(B)(iii) is amended to read:

(iii) the state's continuing planning advisory service program through the Department of Community and Regional Development [LOCAL AFFAIRS AGENCY];

* Sec. 10. AS 43.18.300(h)(1) is amended to read:

(1) "commissioner" means the commissioner of community and regional [ECONOMIC] development;

* Sec. 11. AS 44.19.250 is amended to read:

Sec. 44.19.250. LOCAL BOUNDARY COMMISSION. There is in the Department of Community and Regional Development [LOCAL AFFAIRS AGENCY] a local boundary commission. The local boundary commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four major senatorial election districts and one from the state at large. The member appointed from the state at large is the chairman of the commission.

* Sec. 12. AS 44.19.260(a)(3) is amended to read:

(3) consider a local government boundary change requested of it by the legislature, the commissioner of community and regional development [THE DIRECTOR OF LOCAL AFFAIRS], or a political subdivisior

of the state; and

* Sec. 13. AS 44.19.270 is amended to read:

Sec. 44.19.270. MEETINGS AND HEARINGS. The chairman of the commission or the commissioner of community and regional development [DIRECTOR OF LOCAL AFFAIRS] with the consent of the chairman may call a meeting or hearing of the local boundary commission. All meetings and hearings shall be public.

* Sec. 14. AS 44.19.880(a)(10) is amended to read:

(10) assist the governor and the Department of Community and Regional Development [LOCAL AFFAIRS AGENCY] in coordinating the activities of state agencies [THE ACTIVITIES OF] which have an impact on the solution of local and regional development problems [PROGRAMS];

* Sec. 15. AS 44.60.020 is amended to read:

Sec. 44.60.020. SMALL BUSINESS DEVELOPMENT CORPORATION OF ALASKA. The Small Business Development Corporation of Alaska is a public corporation of the state. The corporation is an instrumentality of the state within the Department of Community and Regional [ECONOMIC] Development, but has a legal existence independent of and separate from the state.

* Sec. 16. AS 44.61.020 is amended to read:

Sec. 44.61.020. CREATION OF AUTHORITY. There is created the Alaska Industrial Development Authority. The authority is a public corporation of the state and a body corporate and politic within the Department of Community and Regional Development [CONSTITUTING A POLITICAL SUBDIVISION WITHIN THE DEPARTMENT OF ECONOMIC DEVELOPMENT], but with separate and independent legal existence.

* Sec. 17. AS 45.95.070(3) is repealed and re-enacted to read:

(3) the commissioner of community and regional development certifies that the application accords with the standards set forth in

AS 44.47.030(17).

* Sec. 18. Whenever the titles "Local Affairs Agency" or "Rural Development Agency" appear in the law of this state, they shall be read as the "Department of Community and Regional Development."

* Sec. 19. The following laws are repealed: AS 18.55.970 - 18.55.990; AS 44.19.180 - 44.19.210; AS 44.19.580 - 44.19.620; AS 44.19.880(5); and AS 44.45.

* Sec. 20. All litigation, hearings, investigations and other proceedings pending under any law amended or repealed or functions which may be transferred by this Act, continue in effect and may be continued and completed notwithstanding any such transfer or amendment or repeal provided for in this Act. Certificates, orders, rules or regulations issued or filed under authority of law amended or repealed by this Act or functions which may be transferred by this Act, remain in effect for the term issued, unless or until revoked, vacated, or otherwise modified under the provisions of this Act. All contracts or other obligations created by any law amended or repealed by this Act or by virtue of functions which may be transferred by this Act, and in effect on the effective date of this Act, remain in effect unless or until revoked, or modified under the provisions of this Act. Appropriations, records, equipment and other property of the Department of Economic Development, LAA, RDA and other agencies of the state integrated with the Department of Community and Regional Development established under this Act are transferred to the department. Appropriations and other money available and to become available to the Department of Economic Development and other agencies the functions, powers and duties of which have been transferred to the Department of Community and Regional Development established under this Act shall be available for the objects and purposes for which appropriate or otherwise made available, subject to the terms, restrictions, limitations or other requirements imposed under this section

or federal law.

* Sec. 21. This Act takes effect July 1, 1972.

Alaska State Legislature

House of Representatives

March 29, 1972

MEMORANDUM

TO: George Hohman, Chairman
House Finance Committee

FROM: Mike Miller, Chairman
House Local Government Committee

George -

As I indicated to you Saturday, the House Local Government Committee has now completed work on a "package" of important legislation dealing with local government in Alaska. It would be very much appreciated if you could schedule an afternoon appearance on this subject before the Finance Committee. At that time, I would suggest that you hear comments from the Local Affairs Agency and other agencies within the administration which might wish to be heard, the Alaska Municipal League and the House Local Government Committee.

Following is a very brief synopsis plus a few comments on each of these bills:

HB 552

This is a bill establishing a new Department of Community and Regional Affairs. In its original form, the bill envisioned a new department consisting of the Local Affairs Agency, the Rural Development Agency, present ASHA planning people, the Department of Economic Development plus some additional new or existing sub-agencies. The House Local Government Committee is proposing a committee substitute -- and this has the concurrence of the administration -- which eliminates the Department of Economic Development from the new department and instead leaves that department intact and as-is. (Incidently, several members of the Local Government Committee have indicated a desire to make other arrangements for the present Department of Economic Development. These arrangements have not been reduced to writing, however, and in any case are not pertinent to this package of legislation.)

One of the great opportunities of HB 552 is to incorporate the existing ASHA staff into the new department where it can meet not

REPRESENTATIVE MIKE MILLER

COMMITTEES
CHAIRMAN, LOCAL GOVERNMENT COMMITTEE
MEMBER, RULES AND STATE AFFAIRS COMMITTEE

only its existing ASHA commitments but can also direct its experience and expertise toward meeting some of the horrendous non-ASHA planning problems that exist throughout the state. At present, the ASHA planning staff is totally funded with federal dollars. As I believe the administration will indicate, there is a compelling need to supplement those federal dollars with some additional state funding in order to broaden the base of the existing operation.

It is the feeling of the Local Government Committee -- and the feeling as well of the municipalities, several educators, and a number of other legislators -- that cabinet status for the local government function of the state is long overdue. The work of local government touches, directly and constantly, upon the health, the homes, the environment, and the taxability of every person who lives within the jurisdiction of some sort of municipality. The Local Affairs Agency has been serving this constituency rather well considering the inadequacies of the present structure, however, with departmental status they could do much better. (And, in fact, they must do much better in the future in view of the challenges of new and existing boroughs, new forms of regional government, new problems and new opportunities.) This projected new department is an outgrowth of the Alaska Constitutional Convention whose delegates clearly foresaw the need for such a department when the time was right. The time is right, right now.

HB 596

This bill, suggested by the Governor, recognizes that in many bush areas there is a crying need for some very basic and very elemental forms of local self-government. In such areas even 2nd or 3rd class boroughs are much too sophisticated to be wanted or useful. The bill sets the machinery in motion which will divide the state into unorganized boroughs and which will provide a vehicle for state financial aide to these localities.

HB 597

This was a much publicized bill establishing a 15 mill tax, with certain exemptions, in the unorganized borough. Because there are many considerations unanswered (relative to estimates of how much revenue such a tax would create; how much taxable property there is; how much it would cost to administer tax collections and distribution) the committee opted to request the Legislative Council to conduct a thorough study of these questions in the interim between sessions. This study, too, has the concurrence of the administration.

HB 598

This bill establishes a 20 mill tax on oil transportation facilities (pipelines) throughout the state and reallocates monies collected back to the organized and unorganized boroughs of the state. The reallocation formula is not based on simple population but is instead based on a formula which takes into consideration the relative wealth of an area, population, cost of doing business in a given municipality, and other factors.

Within our committee there was some discussion concerning two points which you might wish to explore further. One was a suggestion of mine that instead of redistributing the entire 20 mill tax amount the state could reallocate a certain number of these mills (perhaps one or two or more) directly to the municipality in which the tax resource is located. As a practical example, pipe stacked in the North Slope Borough, North Star Borough, or in Valdez would be taxed at 20 mills but one or two or more of those mills would go directly to the borough concerned and the balance of the millage would go to the state for reallocation to boroughs throughout the state. The entire foundation for HB 598 rests on the premise that the taxable wealth included in materials which will make up the pipeline is a state-wide resource. The premise also anticipates that if such a tax resource were not to be considered of a state-wide nature and if it were limited to a local municipality only, the resource would be vastly under-used. Nonetheless it should be recognized that the pipeline will make its greatest impact on those areas where the pipeline itself is located. Therefore, it seems only fair that a special portion of that tax should be granted exclusively to those impact areas in order to help solve the problems created there.

A second suggestion has been made by at least two members of the committee who feel that this tax should be levied only on pipe 30 inches or greater in diameter. This would have the effect of leaving smaller feeder lines within the taxing jurisdiction of a local municipality. Our committee did not discuss this concept in depth, however, I personally feel it may have considerable value.

Regardless of how we handle the details, I think it is very important to realize that a source of taxation such as this is necessary if we are going to provide needed revenue to fund the new unorganized boroughs anticipated by HB 596.

HB 521

One of the biggest problems in trying to deal with the proposed tax in the unorganized borough was the fact that we really don't know how much taxable wealth exists in the unorganized borough. Further, a certain amount of elementary mapping work needs to be

done in order to create the new administrative units envisioned by HB 596. This bill merely allocates monies for a program of assessment and basic mapping in the unorganized borough so that the problems raised in the other legislation can intelligently be resolved.

HB 488

This bill appropriates monies to the Local Affairs Agency to provide technical assistance and contractual services for the establishment of an accounting system for cities of the fourth class. This bill is not technically part of the local government package discussed above. The bill does, however, identify an existing and very critical problem which exists in the bush. That problem is lack of administrative experience and/or training on the part of new small municipalities which have sprung up throughout the state. The problem is, as indicated previously, a critical one and it is hoped by the committee that either through passage of this bill or by inclusion in the budget document that monies dealing with this issue will be allocated.

HB 552 - Reference to Alaska Statutes
House Local Government Committee

Page 1, Line 10 - AS 44.15.010 (14)
Section AS44.15.010 is a listing of the Departments in the executive branch. This would change the name of the Department of Economic Development.

Page 3, line 15 - AS45.95 (SLA 1971)
Chapter AS45.95 deals with Small Business Loans. This program is presently under the Department of Commerce. Section 17 of HB 552 on Page 10, line 27 changes the wording in one section of AS45.95 from the "Department of Commerce" to the "Department of Community and Regional Development", but the bill doesn't change the wording "Department of Commerce" in the rest of the chapter.

Page 5, line 8 - AS39.05.080
Section AS39.05.080 deals with the method of making appointments and legislative confirmation.

Page 7, line 7 - AS18.55.020
The present statute places the Alaska State Housing Authority under the Department of Commerce. The present board of ASHA consists of the Commissioner of Commerce and four residents of the state. Page 11, line 5 of HB 552 repeals certain sections of AS18.55.970 - AS18.55.990.

Page 7, line 18 - AS39.05.080
See page 5, line 8.

Page 7, line 19, 20 - AS41.25.010
Sections AS41.25.010 - AS41.25.050 deal with tourist attraction development matching funds from the state. The underlined wording is substituted for the words in brackets in this section.

Page 7, line 22 - AS10.20.010 - AS10.20.060
Sections AS10.20.010 - AS10.20.060 are the criteria for the establishment of nonprofit organizations.

Page 7, line 28, 29 - AS41.25.020
The underlined wording is substituted for the words in brackets in this section.

Page 8, line 14, 15 - AS41.25.030
The underlined wording is substituted for the words in brackets in this section.

Page 8, line 21, 22 - AS41.25.050
The underlined wording is substituted for the words in brackets in this section.

Page 9, line 4 - AS43.18.010 (a) (4) (B) (ii)
Chapter AS43.18 is the state aid to local government program. Section (a) (4) deals with the $2.00 per capita sharing for land use planning. Subsection (ii) and (iii) are the requirements for planning assistance for municipalitites under 12,000 pepulation. The underlined wording is substituted for the words in brackets in this section.

Page 9, line 10 - AS43.18.010 (a)(4)(B)(iii)
See preceding reference. The underlined wording is substituted for the words in brackets in this section.

Page 9, line 14 - AS43.18.300 (h)(1)
Section AS43.18.300 sets up state grants to local governments for community facilities. Subsection (h)(1) defines "Commissioner". The underlined wording is substituted for the words in brackets in this section. HB 552 doesn't change the wording in subsection AS43.18.300 (c) "Department of Economic Development."

Page 9, line 17, 18 - AS44.19.250
Sections AS44.19.250 - AS44.19.340 establish the Local Boundary Commission. The underlined wording is substituted for the words in brackets in this section.

Page 9, line 26 - AS44.19.260 (a)(3)
AS44.19.260 is a listing of the Local Boundary Commissions powers and duties. The underlined wording is substituted for the words in brackets in this section.

Page 10, line 2, 3 - AS44.19.270
The underlined wording is substituted for the words in brackets in this section.

Page 10, line 8 - AS44.19.880 (a)(10)
Section AS44.19.880 is the duties of the Alaska Planning and Research division. The underlined wording is substituted for the words in brackets in this section.

Page 10, line 13, 14 - AS44.60.020
Sections AS44.60.020 - AS44.60.120 deal with the Small Business Development Corporation of Alaska. The underlined wording is substituted for the words in brackets in this section.

Page 10, line 20, 21 - AS44.61.020
Sections AS44.61.010 - AS44.61.050 creates the Alaska Industrial Development Authority. HB 552 doesn't change the membership of the Alaska Industrial Development Authority from the Commissioner of Economic Development to the Commissioner of Community and Regional Development in sections AS44.61.030 and AS44.61.040. The underlined wording is substituted for the words in brackets in this section.

Page 10, line 27 - AS45.95.070 (3)
Chapter 45.95 deals with the Small Business Loan program. Section AS45.95.070 deals with the eligibility of persons for these loans.

Page 11, line 1 - AS44.47.030 (17)
See subsection 17 on page 3, line 14 of HB 552. Chapter AS44.47 is the new chapter created by HB 552.

Page 11, line 5 - AS18.85.970 - AS18.55.990
Section AS18.55.970 allows the Alaska State Housing Authority to assist cities, public utility districts, boroughs or platting authorities in planning.
Section AS18.55.980 allows the local jurisdictions to make its fund available to ASHA for planning.
Section AS18.55.990 allows ASHA to accept grants and contracts with the Federal Government and other sources.

Page 11, line 6 - AS44.19.180 - AS44.19.210
This section creates the Local Affairs Agency.

Page 11, line 6 - AS44.19.580 - AS44.19.620
This section creates the Rural Development Agency.

Page 11, line 6 - AS44.19.880 (5)
Section AS44.19.880 refers to the duties of the Alaska Planning and Research Division. Subsection (5) now reads "Provide research assistance to any state or private development bank authorized by the legislature."

Page 11, line 7 - AS44.45
Chapter AS44.45 creates the Department of Economic Development and Planning. The following are the articles in AS44.45.

1. Organization
2. Division of Industrial Development
3. Division of Planning and Research
4. Alaska Travel Division
5. Tourism Advisory Board
6. General Provisions
7. Rampart Dam Development Committee

Jim Fischer
Director, ISER
U of A
College, Alaska 99701

all info on HB 552

copy of bills: 580
581
582

sent 2/19/72

get manilla envelopes

Harold Pomeroy
4048 Wright Street
Anchorage, Alaska 99504

Mike,

Vic Fisher will call back when he has confirmed his schedule.

Harold Pomeroy
272-7375

INSTITUTE OF SOCIAL, ECONOMIC AND GOVERNMENT RESEARCH

UNIVERSITY OF ALASKA
COLLEGE, ALASKA 99701

February 11, 1972

Representative Mike Miller
Chairman
Local Government Committee
Alaska State Lesiglature
Pouch V
Juneau, Alaska 99801

Dear Mike:

I am very interested in the enactment of legislation for a Department of Community and Regional Development, as per House Bill No. 552 or other legislation. I believe it is tremendously important to start any such department with the appropriate authority, responsibility and structure. Therefore, the enabling legislation will be extremely important. Perfection is something that may never be achieved, but each of the proposals so far can be significantly improved.

I will be glad to work with you and your committee, in so far as you are interested in such a system and time permits.

I also have a great interest in a number of other items for your committee, such as House Bill No. 520 dealing with a study of local government. On such items also I'll be glad to provide what assistance you desire and I could give.

Tom Morehouse would probably also be able to provide very substantial help to you and the committee. Without specific requests from Juneau, however, neither he nor I are in a position to know what is transpiring in committee and what assistance could be rendered. I will therefore at this time leave the initiative for utilizing our services in your hands.

I do hope that after this session we will not again be saying to each other that one of these days something must be done about local government, including a department and the unorganized borough. We have done this for as many years as I can remember, with all suggestions for constructive action either buried or lost during the closing rush of

the session. I hope that timely action this year will produce some constructive results. And if we can be of help toward this end, please let me know.

Best personal regards,

Victor Fischer
Director, ISEGR

VF/jb

cc: Dick Whittaker

P.S. I currently anticipate being in Juneau February 23-24.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

OFFICE OF THE GOVERNOR

RURAL DEVELOPMENT AGENCY / POUCH A JUNEAU 99801

March 13, 1972

RECEIVED
MAR 13 1972
LOCAL AFFAIRS AGENCY

TO: Byron Mallott
Director, Local Affairs Agency

FROM: Don Perkins, Director
Rural Development Agency DP

SUBJECT: CS for House Bill 552, An Act Creating a Department of Community and Regional Affairs

Byron, should there be hearings this week please submit this memorandum from me whereas I am personally in full accord with the creation of this Department and believe that such a department and the proposed organizational structure we have mutually discussed would be an assist to both the rural and urban communities and their citizens and the overall effectiveness of our agencies in being combined would tend to add strength to a unified effort in the full utilization of our technical assistance staff and ASHA's planning and research people.

STATE
of ALASKA

MEMORANDUM

OFFICE OF THE GOVERNOR

TO: The Honorable Mike Miller
Alaska House of Representatives
Pouch V -- Juneau

DATE : March 9, 1972

FROM: Byron I. Mallott BIM
Director
Local Affairs Agency

SUBJECT: Comments on Proposed Organizational Chart for CSHB552

The enclosed proposed organization chart reflects as closely as possible budgeted funding levels for the proposed department and transferred agencies and functions for FY 1973. However, certain positions have been modified and several new ones added to reflect, what, in my judgment, is an essential staffing pattern. Such changes will be explained and pointed out in a subsequent memorandum.

You will note that the Commissioner's office contains both the Administrative Division and the Division of Community Development Planning and Research. This was done to centralize (and to emphasize that centralization) two major department-wide functions, namely, planning and research, and administration.

The importance of this centralization is reflective of the fact that the three major line agencies transferred to the department are maintained almost in toto as separate divisions within the department, namely, the Local Affairs Agency, Rural Development, and the State Economic Opportunity Office.

Coordination among the divisions and ultimate division and allocation of program responsibility will take place at a policy level within the commissioner's office and also through utilization of the following procedure:

Division directors, deputy commissioner and commissioner will function as a staff committee to develop policy, priority and program specifically for the Division of Community Development Planning and Research which serves to coordinate and develop in detail divisional planning and research. In other words, the Division of Community Development Planning and Research serves as planning and research staff arm both, for each division and department-wide.

The establishment of three separate divisions, in my judgment, is necessary for the initial organization and in fact does reflect a logical breakout of program functions. Placing the transferred agencies within the department as separate divisions will allow a much more rapid departmental gear-up with a minimum of administrative and program confusion. This approach also reflects realistic budgetary restraints. Furthermore, such a divisional system, at least currently, reflects logical and reasonable program separation.

Finally, organizational and program adjustments and changes can certainly be made more logically and reasonably upon the basis of operational experience than upon prior assumptions.

This proposed structure is certainly open to suggested change, but represents at this point the thinking of the three principal agencies involved.

It is pointed out that the Alaska State Housing Authority's Planning Department which will form the nucleus of the planning and research division, of necessity, was not consulted.

The Local Boundary Commission will be transferred from the Office of the Governor to the Department with the Division of Local Government Assistance serving as commission staff.

The Division of Rural Development Assistance will serve, as requested, as staff to the Rural Affairs Commission.

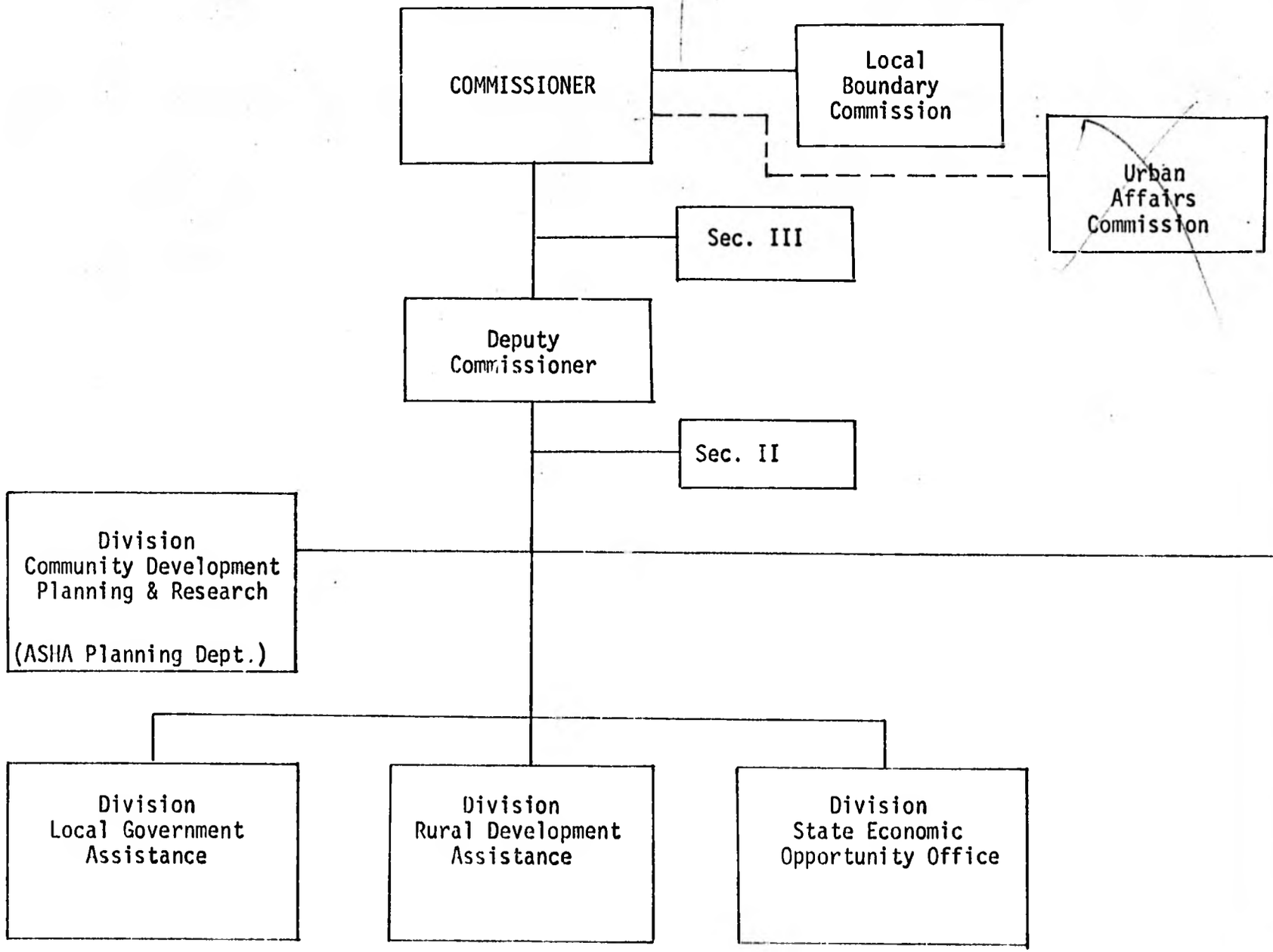
An Urban Affairs Commission is included in the organizational chart more because it has been included in other proposed organizational charts for the Department than because a policy decision has been made regarding its creation. House Bill 112 does include an Urban Affairs Commission but such a commission does not presently exist.

BIM/jp

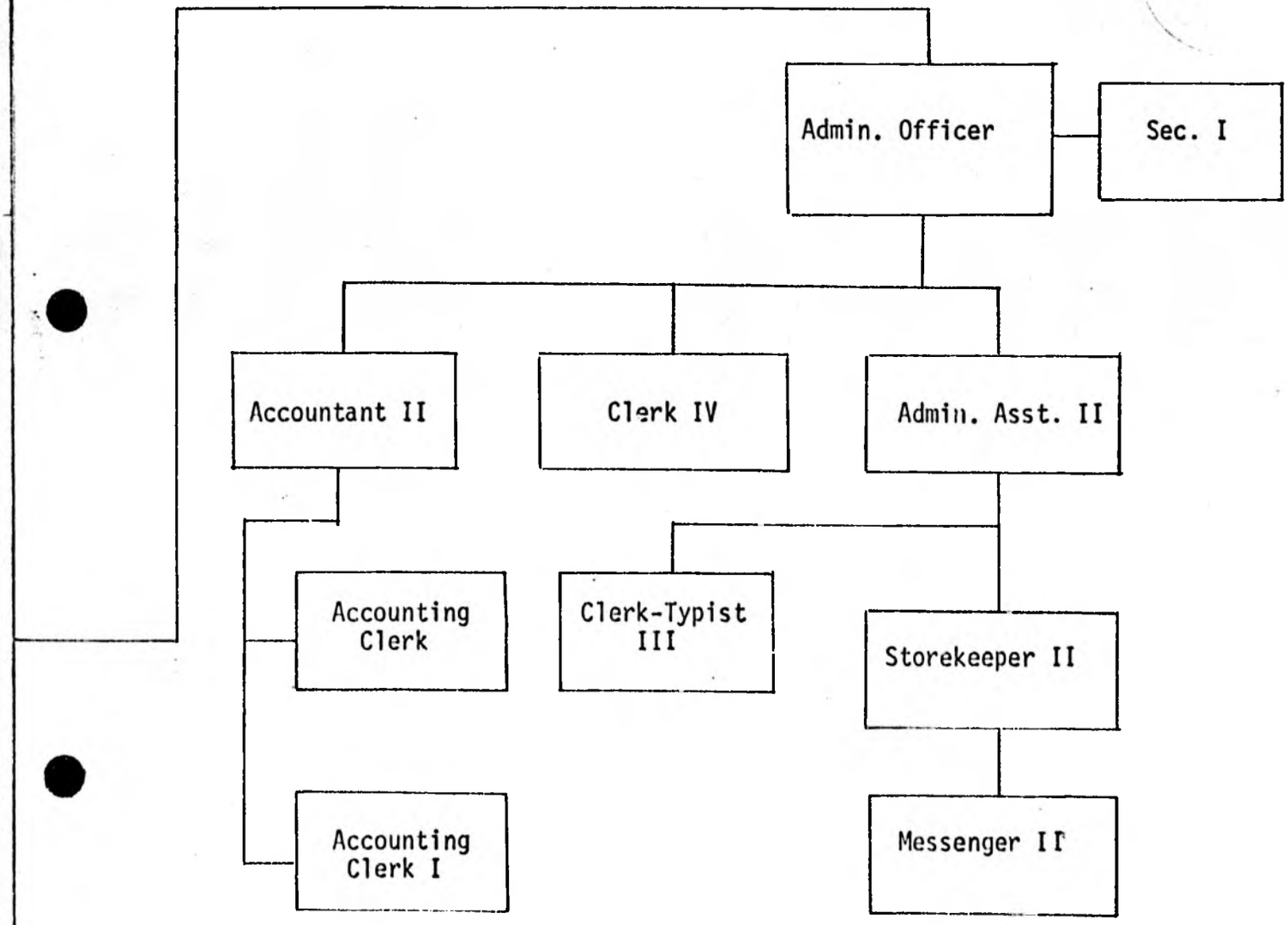
Enclosure

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

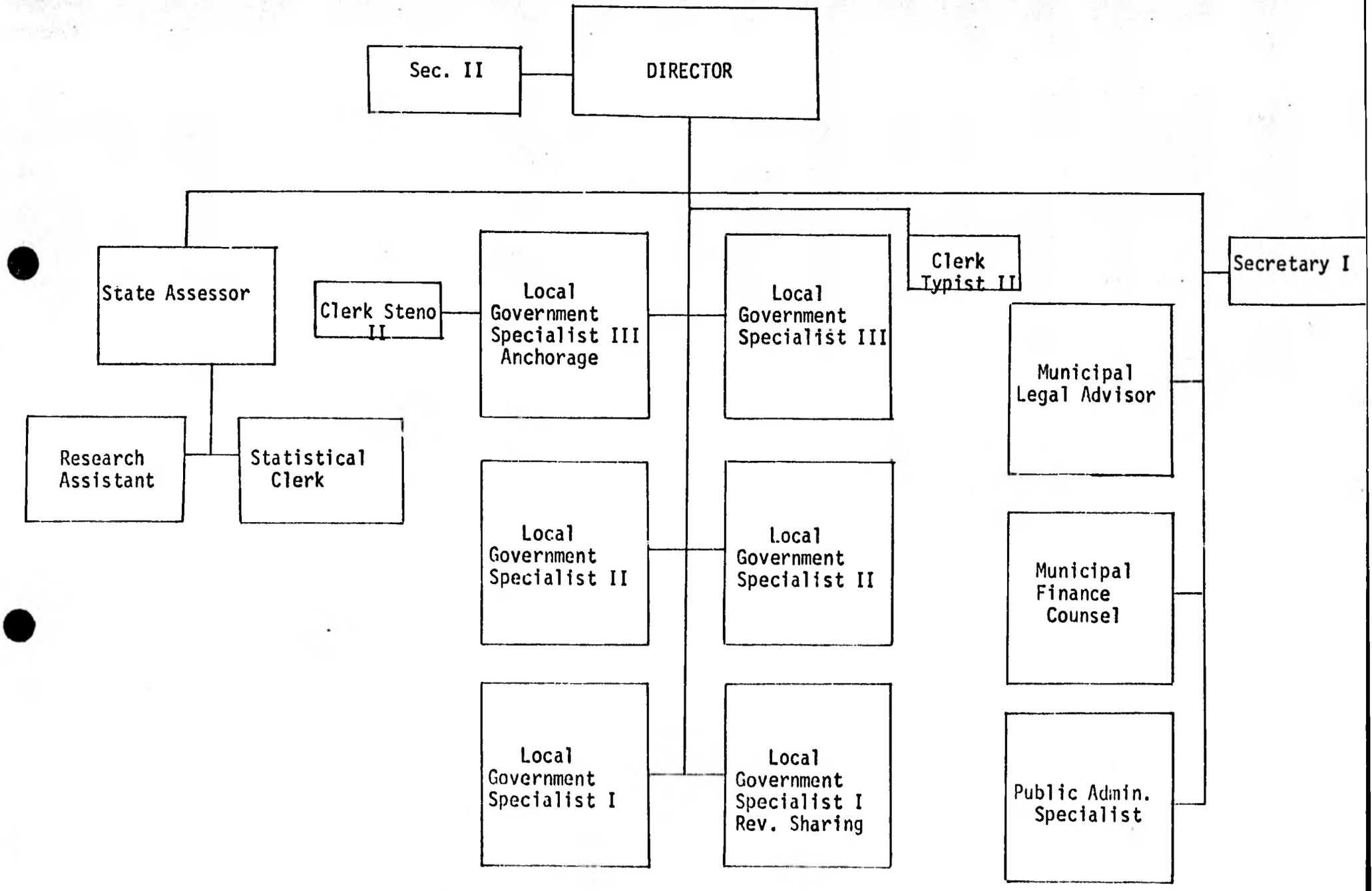
OFFICE OF THE COMMISSIONER



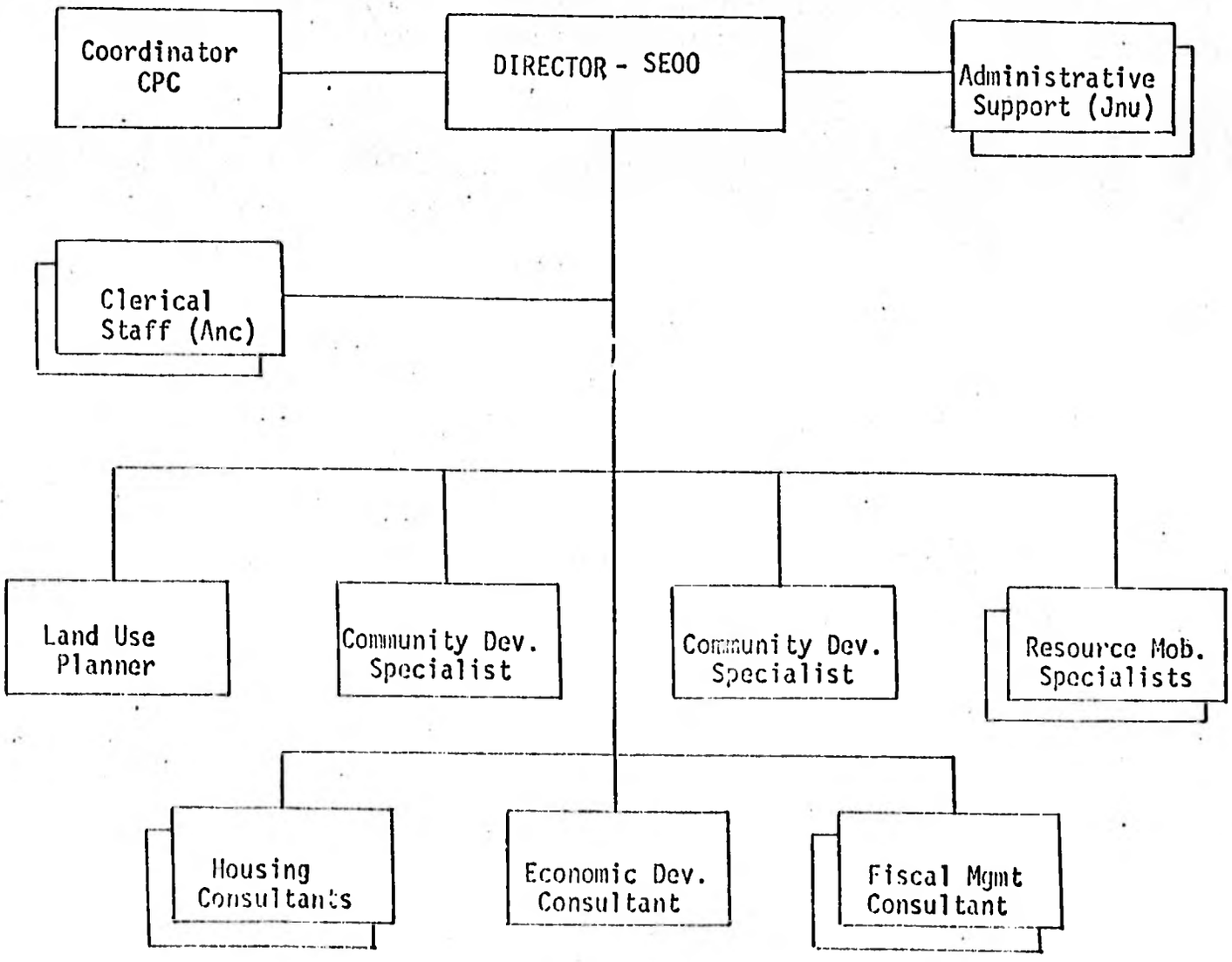
DIVISION OF ADMINISTRATIVE SERVICES



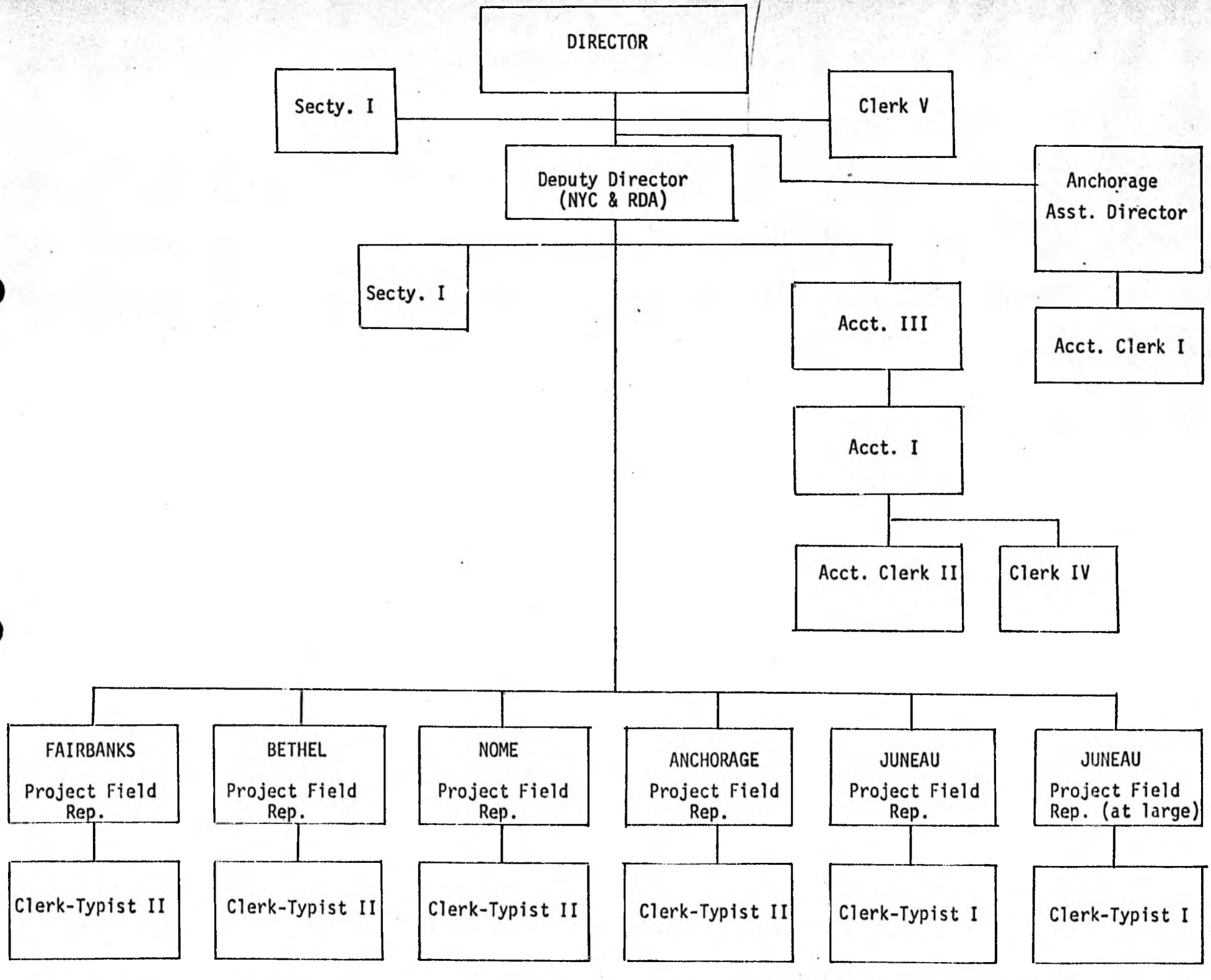
DIVISION OF LOCAL GOVERNMENT ASSISTANCE



DIVISION OF STATE ECONOMIC OPPORTUNITY OFFICE



DIVISION OF RURAL DEVELOPMENT ASSISTANCE



SUMMARY OF LOCAL GOVERNMENT PROGRAM

By the Attorney General's office

House Bills 552, 596, 597, and 598 are designed to function together as a program for keeping the states constitutional promise with respect to the rural areas of the state.

HB 596 is the starting point of the program. That bill provides for establishment of borough boundaries which conform to statutory and constitutional standards.

The unorganized boroughs so formed will serve as administrative units for provision of state services and for the revenue sharing features of the proposed property taxes.

The people within each unorganized borough may at their option proceed toward organization either as boroughs of a particular class or as home rule boroughs. This option provides the flexibility necessary to accommodate different conditions within the state, as well as state level review of local government organization.

The second feature of the program is the Department of Community and Regional Development created in HB 552. As the number of local government units increases the need for increased state capacity to meet local government needs is apparent. The new department is designed to have the capability to assist local government units to solve a wide variety of problems, including problems related to economic development. The department is impowered particularly to serve as the arm of the legislature in providing services to unorganized boroughs. In addition, the department administers the revenue sharing under the proposed property tax bills.

HB 597 provides for a general property tax of 15 mills. The tax includes a $50,000. personal exemption and a credit for the amount of tax paid to any organized city or borough. A local effort exclusion is designed to eliminate whole cities and boroughs from the reach of the tax where the local tax effort is such that the

total of all local taxes is greater than the revenue that would be raised under the state tax. Because of the exemption, credit and exclusion features, it is anticipated that very little, if any, additional tax would be paid by an individual resident of any organized city or borough.

The tax is structured as a statewide tax because of the view of the Department of Law that a special kind of tax levied only within the unorganized borough could be challenged on equal protection grounds. Some commentators have suggested that the tax could be levied on the unorganized borough by the legislature acting in its capacity as assembly of the unorganized borough. The difficulty with such an approach is that under present law the assembly of a first class borough would not have the power to enact a tax with the special features of the proposed tax. Accordingly, it may be doubted that the legislature acting as an assembly would have such power.

It has been suggested that the 15 mill rate of the state tax will compel the cities and boroughs to raise their tax rates to 15 mills in order to exclude the state tax. However, this view neglects the effect of the $50,000 exemption. To illustrate, in every case where a taxpayer owned as much as 100,000 dollars worth of taxable property was located levied at a rate of 7.5 mills or more, no state tax would be paid on that property since 15 mills on the $50,000 taxable by the state would be equaled and cancelled out by 7.5 mills levied on the full 100,000 value.

If only the individual level were considered, it would be possible for a person owning a great deal of property located in an area where the tax rate was very low to pay a small amount of state

tax. However, the local effort exclusion provides that if the total tax revenue from all tax sources exceeds the state tax, no tax is paid by anyone within that city or borough. Because of the $50,000 exemption and the exemption of certain whole classes of property, it is virtually certain that established municipalities would be excluded under this provision, since the great majority of people would pay no state tax but would pay some municipal tax, if only a sales tax.

The revenue sharing feature of the tax implements a major purpose of the program. That purpose is to make available the resources to enable new boroughs to provide an adequate level of services for their inhabitants. Under HB 597 the legislature is authorized to appropriate the full amount of net revenue from the tax for the benefit of unorganized boroughs. The "authorized to appropriate" formula is dictated by the state constitutional prohibition against earmarking of tax revenues.

The revenue appropriated is administered by the new Department of Community and Regional Development. The money will be held in separate accounts for each particular unorganized borough. The share of each unorganized borough will be determined in accordance with a formula which takes account of population, present wealth, and the cost of providing services. In other words, if it cost twice as much to provide services in one area as in another the first area would receive twice the revenue per capita in order to insure the same level of service. If the first area were also only half as wealthy in terms of taxable revenue per capita as the second area,

the share of the first area would again double per capita with respect to the second area.

HB 598 is designed to complement HB 597. HB 598 provides for a tax of 20 mills on property used in the exploration for and transportation of unrefined oil and gas. The class of property subject to the tax is oil and gas field equipment of all kinds except those types of property production exemption under the provisions of the severance tax. The 20 mill rate was selected as the approximate level of tax to which such property is subject by organized boroughs at the present time.

The oil and gas property tax is exclusive of all other state and local taxes on the same property, including the 15 mill tax under HB 597. Local governments which now tax property of the same category as that taxable under HB 597 would continue to tax that property which is part of its tax base as of January 1, 1972. New property of that class, that is, property which becomes taxable after January 1, 1972 wherever located would be subject to the 20 mill state tax exclusively.

The rationale for the state tax as the exclusive tax on oil property is that such property provides immense taxable value to certain areas without regard to the level of services required in those areas. It is believed that the vast revenue anticipated from taxation of oil and gas related property is properly considered a state resource rather than the exclusive property of the area where the property is located. Any other approach would lead to such great disparities in the ability of local government to provide necessary services that equal protection problems arise. Recent court cases

in California, Texas and elsewhere have held that the level of school financing cannot depend on the relative taxable wealth of school districts. The Department of Law has indicated its belief that the same principle is applicable to other essential local government services.

However, it is also felt that this revenue like other property tax revenue is properly utilized for the benefit of local governments. Accordingly, the revenue from the state oil and gas property tax is distributed to all local government units, including cities, organized boroughs and unorganized boroughs, in accordance with the same formula that governs distribution of the general property tax revenue under HB 597.

Though far from complete or perfect, it is believed that the program outlined above, if enacted, would provide a dramatic proof of the state's willingness to move in an innovative manner toward creation of a fair and workable statewide system of local government.

EXAMPLE OF OPERATION OF HB 597

WITHIN ORGANIZED BOROUGH

CASE - Juneau Service Area #4
Auke Bay

TOTAL assessed value real and personal		13,255,000
TOTAL held by persons owning over $50,000		4,295,900
per capita exemption under HB 597	50,000	
no. of persons owning more than 50,000	x 47	
TOTAL exemption	2,350,000	2,350,000
TOTAL taxable under HB 597		1,945,900
mill rate under HB 597		.015
TOTAL tax due under HB 597		29,188.50

Amount levied by borough

tax base	13,255,000	
mill rate	.0119	
	157,734	157,734
tax base	13,255,000	
2.5 mill rate	.0025	
	33,137.50	33,137.50

* In borough wide analysis sales tax and cigarette tax would be added to borough property levy.

re preamble to 552 as suggested in L.D. committee 2/28 & believe these ideas are worth working into proper wording P.

for Mike Miller

The affairs of local government become progressively more complex, especially by reason of inter-governmental relations involving grants and partnership in financing. Many activities are the outgrowth of changing national policies and consciousness throughout society, oriented to services directly to people and to quality of life, in areas beyond the traditional basic local governmental functions of education, a library, streets, utilities, police and fire protection, a park.

Most of the local governments serve such small populations that it is almost impossible for each separately to afford the knowledgeable personnel necessary to secure the benefits of community activities and developments in which various state and federal government agencies are ready to participate.

By means of a Department of Community Affairs the state can furnish a needed field service of specialists to aid local governments to develop and improve their services and activities more efficiently and economically than can be accomplished separately. The department can also be the orderly means through which to secure expertise available in other departments for much needed assistance to local governments and which on an uncoordinated basis would be less efficient, more expensive.

It is desirable to preserve and to promote local authority; nevertheless, inter-governmentally sponsored and financed programs have significant aspects of partnership in government. These considerations demand increasingly sophisticated inter-governmental relations. The predominant state interest in healthy, efficient and effective local governments requires that the state be adequately equipped for the role outlined in this preamble.

The rapidity of change and the challenge of developments to improve the quality of life demand a strong state role to ensure maximum effectiveness in support of local government from all levels and sources. This requires an authoritative state function in coordination, multi-agency concerted actions and liaison.

This preamble is descriptive of the predominant purposes of this chapter.

HEP/ 3-11-72

PROGRAM CATEGORY: Development AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Dept. Summary

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	767.7	902.6	704.7	927.8	927.8
200 .TRAVEL	135.8	160.9	188.8	267.0	267.0
300 CONTR. SERVICES	369.7	649.7	633.2	899.0	899.0
400 COMMODITIES	11.5	15.1	18.3	22.8	22.8
500 EQUIPMENT	2.3	3.9	2.4	6.9	6.9
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	6,704.3	7,649.0	8,761.0	8,899.5	8,799.5
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	7,991.3	9,381.2	10,308.4	11,023.0	10,923.0
900 INTER-AGENCY CHARGES*	35.5	39.5	47.8	52.1	52.1
FUNDING: GENERAL FUND	7,611.6	8,697.6	9,562.2	10,198.5	10,098.5
FEDERAL	351.7	644.6	645.4	693.1	693.1
REQ'D GF MATCH	28.0	39.0	100.8	131.4	131.4
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

PROGRAM CATEGORY: Development AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Technical Assistance

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	289.1	311.9	[2]209.8	291.1	291.1
200 TRAVEL	43.9	46.1	44.2	57.0	57.0
300 CONTR. SERVICES	150.8	429.9	442.6	590.7	590.7
400 COMMODITIES	2.6	5.7	6.1	8.1	8.1
500 EQUIPMENT	.3	1.7	1.6	4.6	4.6
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	[1]-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	486.7	795.3	704.3	951.5	951.5
900 INTER-AGENCY CHARGES*	30.0	31.5	34.6	34.6	34.6
FUNDING: GENERAL FUND	350.7	422.2	268.6	437.1	437.1
FEDERAL	122.5	360.6	361.4	409.1	409.1
REQ'D GF MATCH	3.5	12.5	74.3	104.9	104.9
OTHER	-0-	-0-	-0-	-0-	-0-

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

FY 71 & 72 amounts are combined totals of Local Affairs Agency general assistance & State assessor's office, Rural Development Agency administration & planning and research, community planning assistance

1 PDA grants shown in financial assistance to communities

2 This reflects deletion of $26.7 for partial funding of 7 positions in the Office of Planning and Research and $52.2 for 3 positions deleted in Rural Development, the Rural Development grants administration will be performed in the administrative services division

PROGRAM CATEGORY: Development AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Human Resources

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	105.9	152.7	143.5	150.9	150.9
200 .TRAVEL	58.7	75.6	63.1	63.1	63.1
300 CONTR. SERVICES	97.9	144.3	102.9	163.4	163.4
400 COMMODITIES	6.2	2.1	1.8	2.3	2.3
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	10.3	62.0	50.0	50.0	50.0
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	279.0	436.7	361.3	429.7	429.7
900 INTER-AGENCY CHARGES*	-0-	5.0	5.0	5.5	5.5
FUNDING: GENERAL FUND	25.3	126.2	50.8	119.2	119.2
FEDERAL	229.2	284.0	284.0	284.0	284.0
REQ'D GF MATCH	24.5	26.5	26.5	26.5	26.5
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

FY 71 & 72 amounts are from SEOO

PROGRAM CATEGORY: Development AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Local Boundary Comm.

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	12.0	12.6	11.8	11.8	11.8
200 .TRAVEL	-0-	11.2	11.2	17.0	17.0
300 CONTR. SERVICES	-0-	8.3	8.1	8.1	8.1
400 COMMODITIES	-0-	.3	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	12.0	32.4	31.1	36.9	36.9
900 INTER-AGENCY CHARGES*	-0-	-0-	-0-	-0-	-0-
FUNDING: GENERAL FUND	12.0	32.4	31.1	36.9	36.9
FEDERAL					
REQ'D GF MATCH					
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

Economic Research &

PROGRAM CATEGORY: Development AGENCY: Community & Reg. Dec. ORGANIZATIONAL UNIT: Developmen. Div.

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	199.6	251.3	[1]194.3	194.3	194.3
200 .TRAVEL	22.9	14.0	20.0	26.6	26.6
300 CONTR. SERVICES	85.1	41.0	43.4	73.4	73.4
400 COMMODITIES	1.2	5.0	5.3	5.3	5.3
500 EQUIPMENT	1.5	2.2	.8	.8	.8
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	75.0	37.5	37.5	37.5	37.5
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	385.3	351.0	301.3	337.9	337.9
900 INTER-AGENCY CHARGES*	-0-	-0-	-0-	-9-	-0-
FUNDING: GENERAL FUND	385.3	351.0	301.3	337.9	337.9
FEDERAL					
REQ'D GF MATCH					
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

FY 71 & 72 amounts are from Industrial Development Division in Dept. of Economic Development

1. This reflects the transfer of position #2006 to the Office of the Commissioner and position #2008 to the Community Development Section of the Local Assistance Division.

PROGRAM CATEGORY: DEVELOPMENT AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Office of the Commissioner

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	161.1	174.1	[1]122.6	151.8	151.8
200 .TRAVEL	10.3	14.0	[2] 48.9	[3]101.9	101.9
300 CONTR. SERVICES	35.9	26.2	31.2	43.4	43.4
400 COMMODITIES	1.5	2.0	4.0	4.0	4.0
500 EQUIPMENT	.5	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	209.3	216.3	206.7	301.1	301.1
900 INTER-AGENCY CHARGES*	5.5	3.0	3.2	7.0	7.0
FUNDING: GENERAL FUND	209.3	216.3	206.7	301.1	301.1
FEDERAL					
REQ'D GF MATCH					
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

1. Reflects transfer of 2 positions to Office of Tourism (Storekeeper III & Messenger II); 1 position to Division of of Admin. Services (Accountant II); deletion of 3 positions (Admin. Officer II, Clerk Steno III & Clerk I); also 2 positions added from Industrial Development Division (Dev. Spec.(Anchorage) & Clerk Steno II (Anchorage))
2. Includes $29.9 travel for Rural Affairs Commission.
3. Includes $45.0 travel $15.0 each for A.I.F.C. Steering Committee; Urban Affairs Commission; Fisheries Marketing & Advisory Board.

PROGRAM CATEGORY: DEVELOPMENT AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Administrative Services Division

CODE	ACTUAL FY 71	AUTHORIZED - [illegible] 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES	-0-	-0-	22.7	127.9	127.9
200 .TRAVEL	-0-	-0-	1.4	1.4	1.4
300 CONTR. SERVICES	-0-	-0-	5.0	20.0	20.0
400 COMMODITIES	-0-	-0-	1.1	3.1	3.1
[illegible]00 EQUIPMENT	-0-	-0-	-0-	1.5	1.5
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-
700 GRANTS	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	30.2	153.9	153.9
900 INTER-AGENCY CHARGES*	-0-	-0-	5.0	5.0	5.0
FUNDING: GENERAL FUND	-0-	-0-	30.2	153.9	153.9
FEDERAL					
REQ'D GF MATCH					
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

PROGRAM CATEGORY: DEVELOPMENT AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Financial Assistance to Communities

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES					
200 .TRAVEL					
300 CONTR. SERVICES					
400 COMMODITIES					
500 EQUIPMENT					
600 LAND & STRUCTURES					
700 GRANTS	[1]6,619.0	[1]7,549.5	[1]7,499.5	[1]7,638.0	[1]7,538.0
800 MISCELLANEOUS					
TOTAL	6,619.0	7,549.5	7,499.5	7,638.0	7,538.0
900 INTER-AGENCY CHARGES*	-0-	-0-	-0-	-0-	-0-
FUNDING: GENERAL FUND	6,619.0	7,549.5	7,499.5	7,638.0	7,558.0
FEDERAL					
REQ'D GF MATCH					
OTHER					

*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

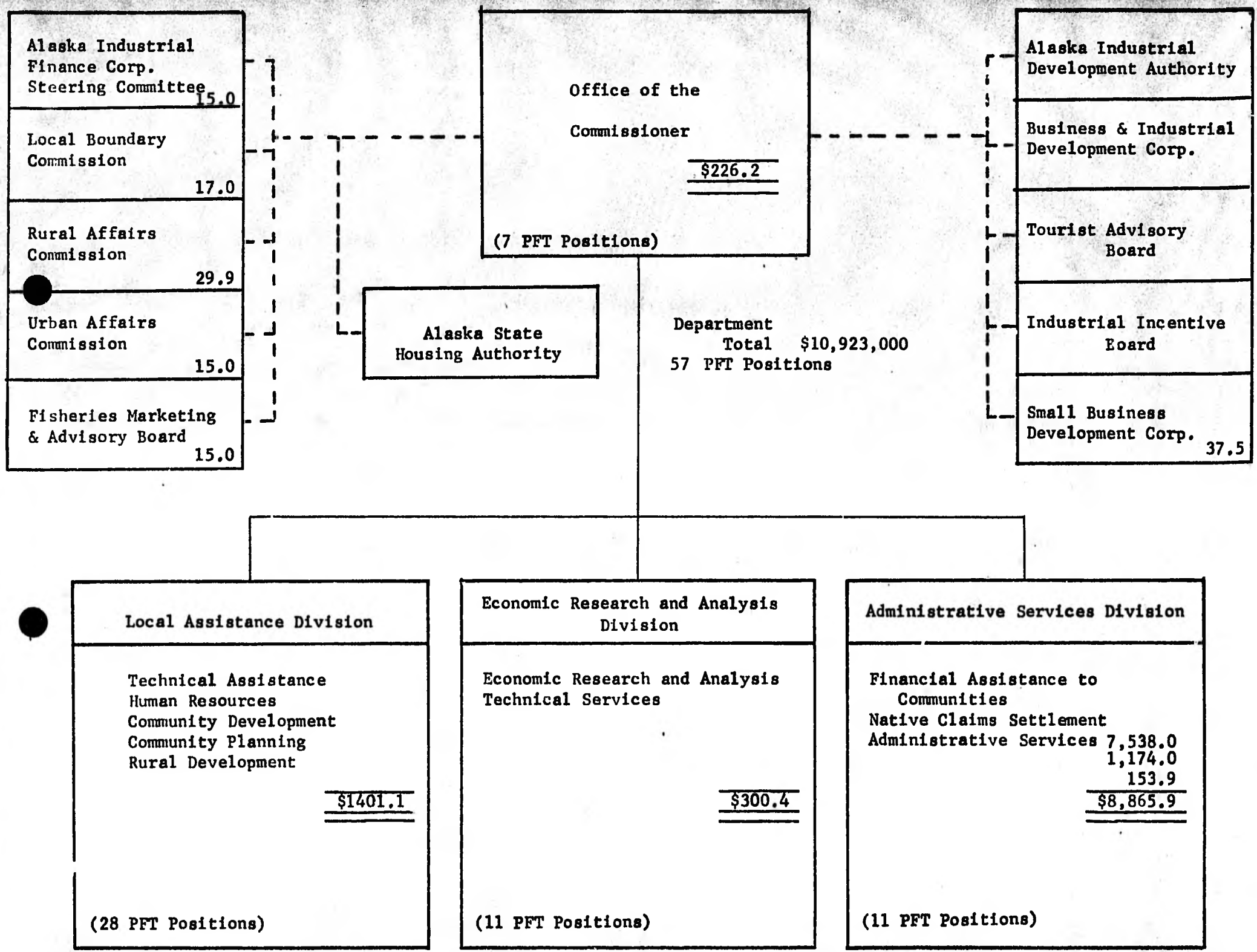
	FY 71	FY 72	Maintenance FY 73	Request FY 73	Gov. Rec. FY 73
Municipal Services Revenue Sharing	6,333.7	7,100.0	7,100.0	7,200.0	7,100.0
Rural Development Grants	385.3	449.5	399.5	438.0	438.0

PROGRAM CATEGORY: DEVELOPMENT AGENCY: Community & Reg. Dev. ORGANIZATIONAL UNIT: Native Claims Settlement

CODE	ACTUAL FY 71	AUTHORIZED - FY 72	MAINTENANCE FY 73	REQUEST FY 73	GOVERNOR'S RECOMMENDED FY 73
100 PERSONAL SERVICES					
200 .TRAVEL					
300 CONTR. SERVICES					
400 COMMODITIES					
500 EQUIPMENT					
600 LAND & STRUCTURES					
700 GRANTS	-0-	-0-	1,174.0	1,174.0	1,174.0
800 MISCELLANEOUS					
TOTAL	-0-	-0-	1,174.0	1,174.0	1,174.0
900 INTER-AGENCY CHARGES*	-0-	-0-	-0-	-0-	-0-
FUNDING: GENERAL FUND	-0-	-0-	1,174.0	1,174.0	1,174.0
FEDERAL					
REQ'D GF MATCH					
OTHER					

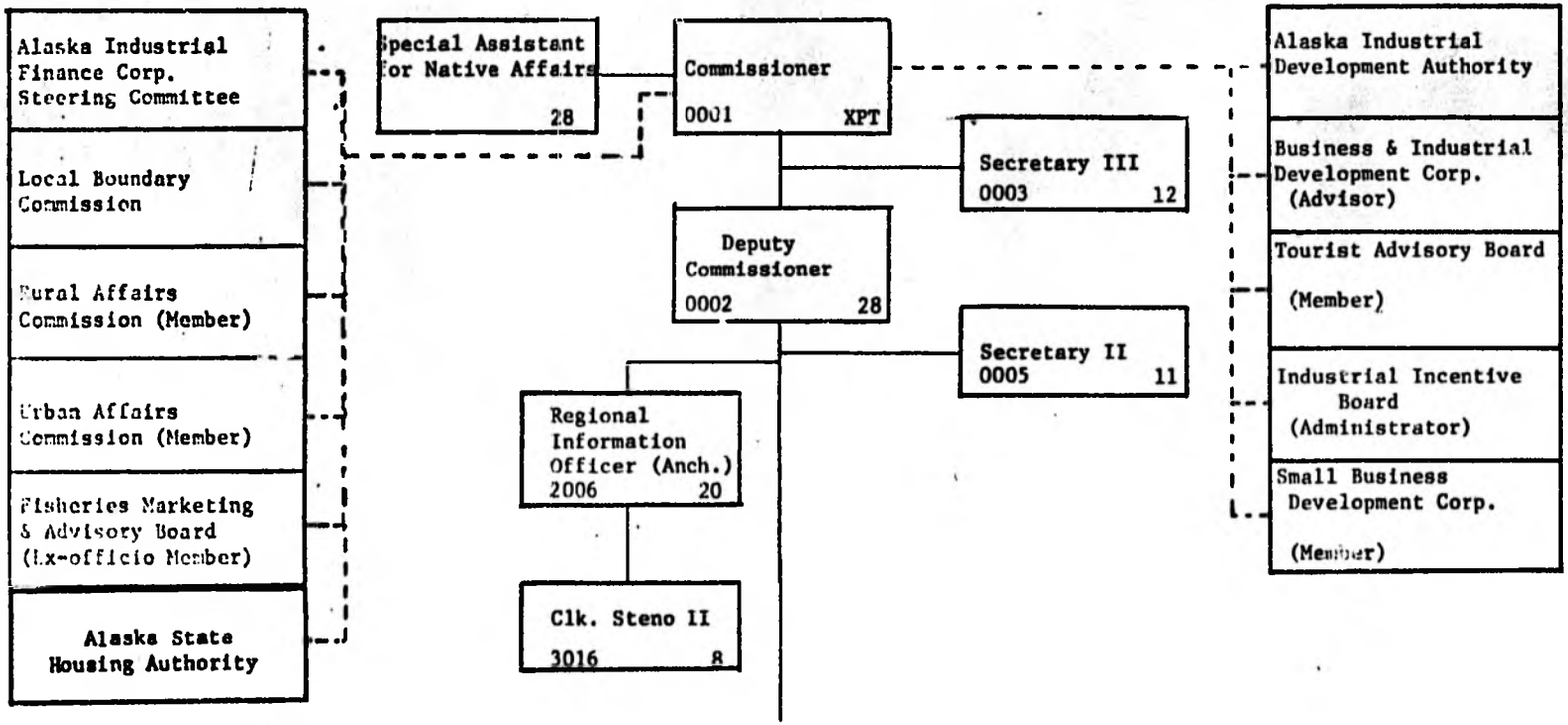
*INTER-AGENCY CHARGES ARE INCLUDED UNDER EACH CODE. THEY ARE SHOWN IN TOTAL FOR INFORMATIONAL PURPOSES ONLY.

DEPARTMENT OF REGIONAL AND COMMUNITY DEVELOPMENT

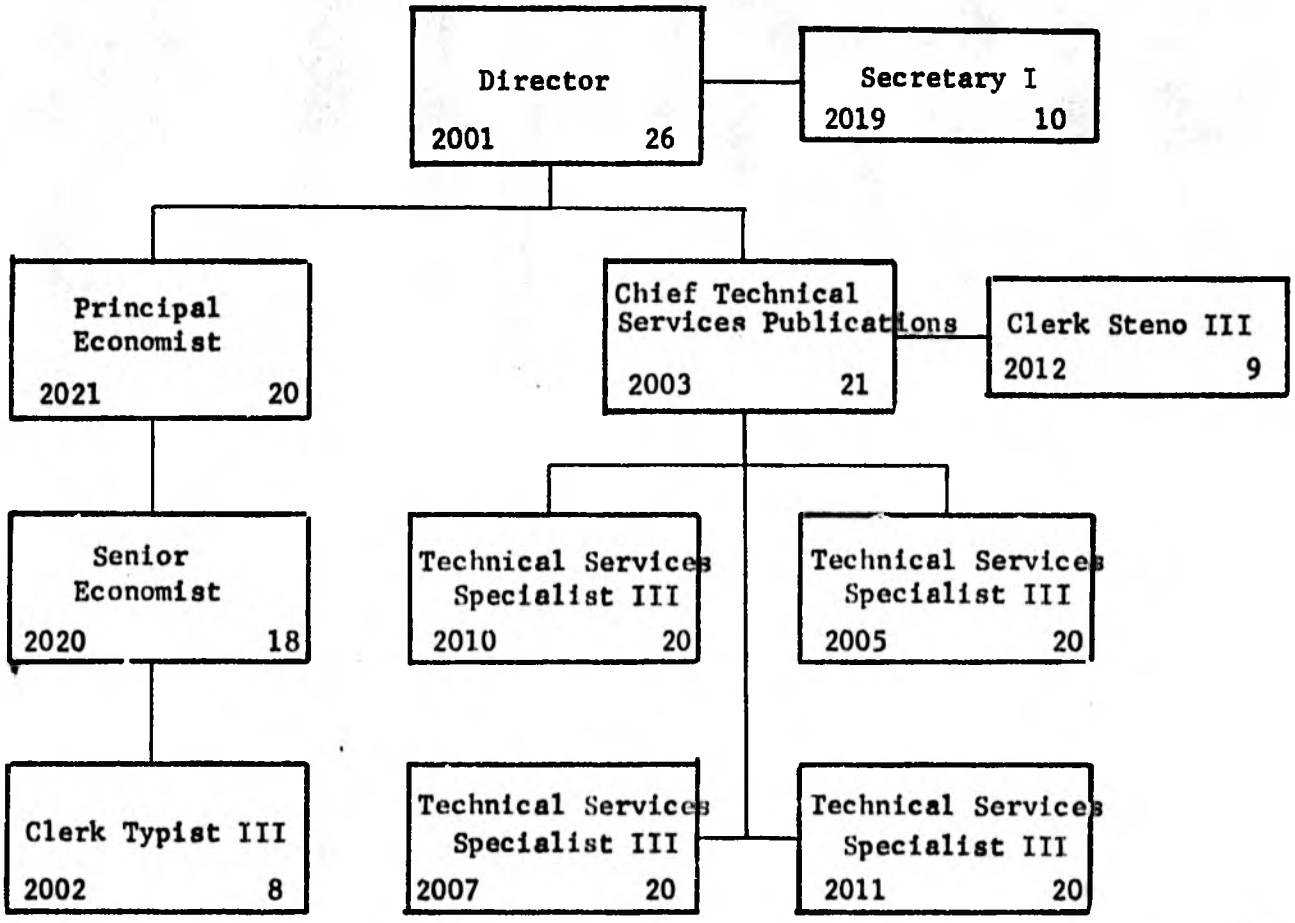


DEPARTMENT OF COMMUNITY AND REGIONAL DEVELOPMENT

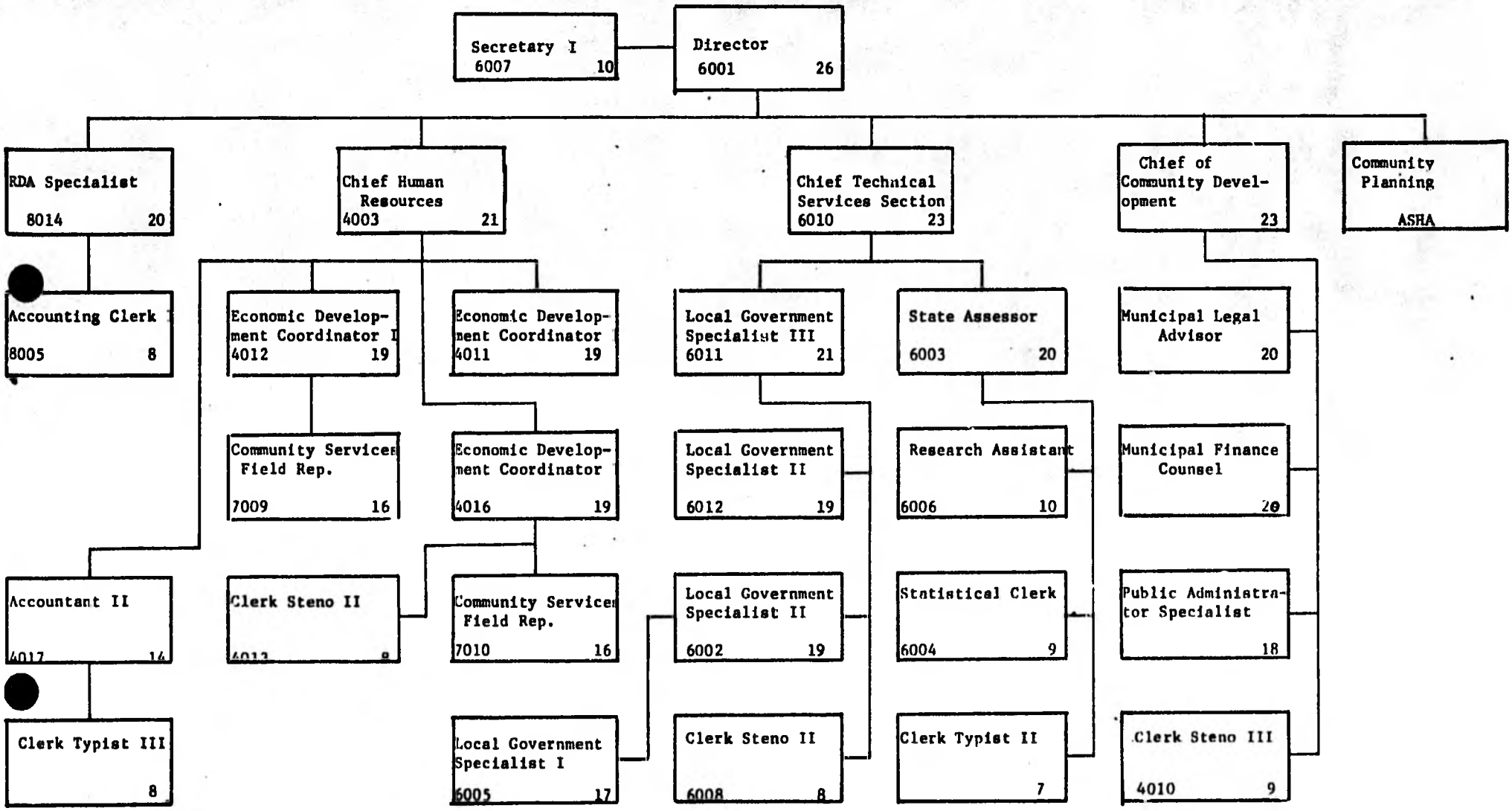
Office of the Commissioner



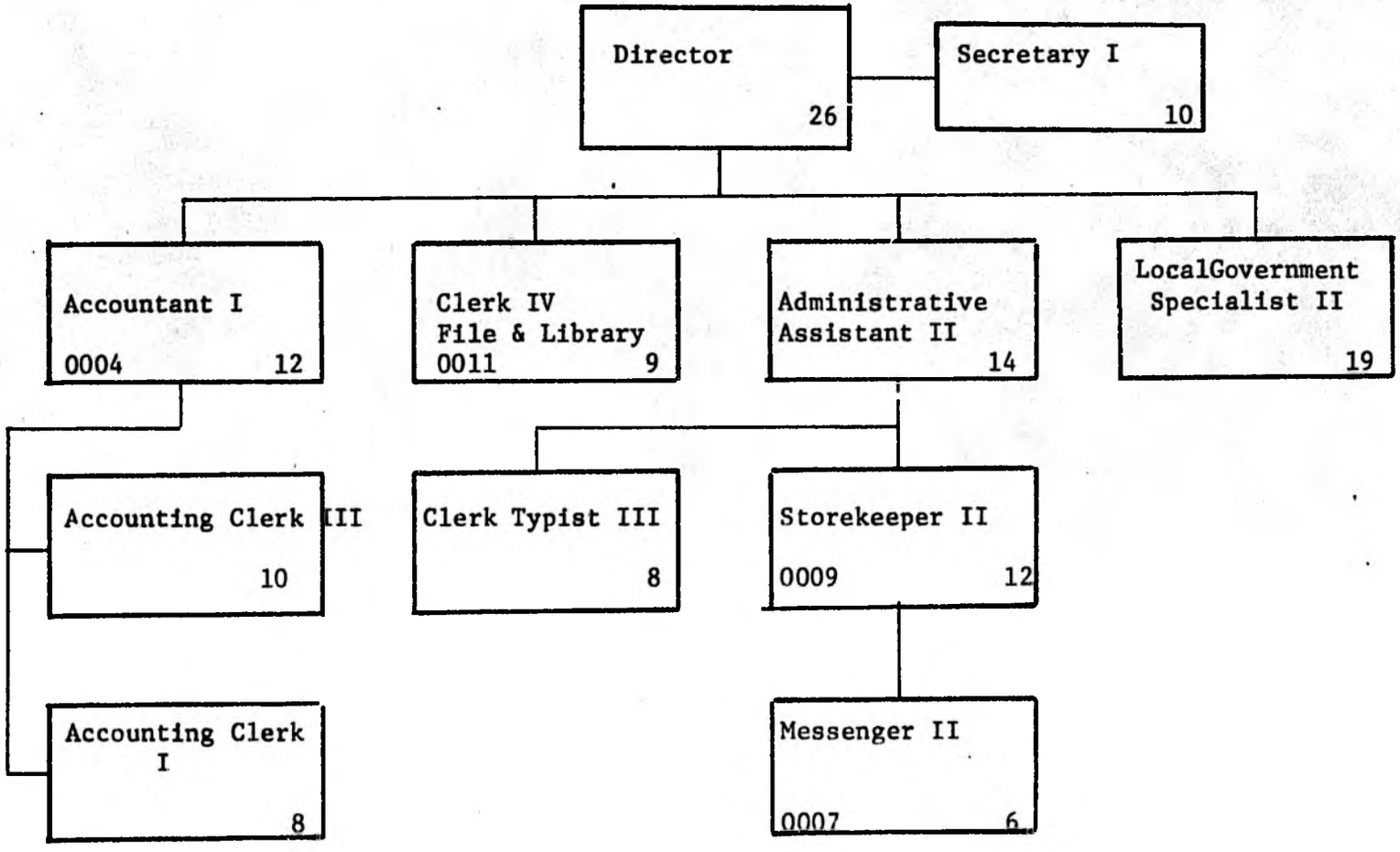
ECONOMIC RESEARCH AND ANALYSIS DIVISION

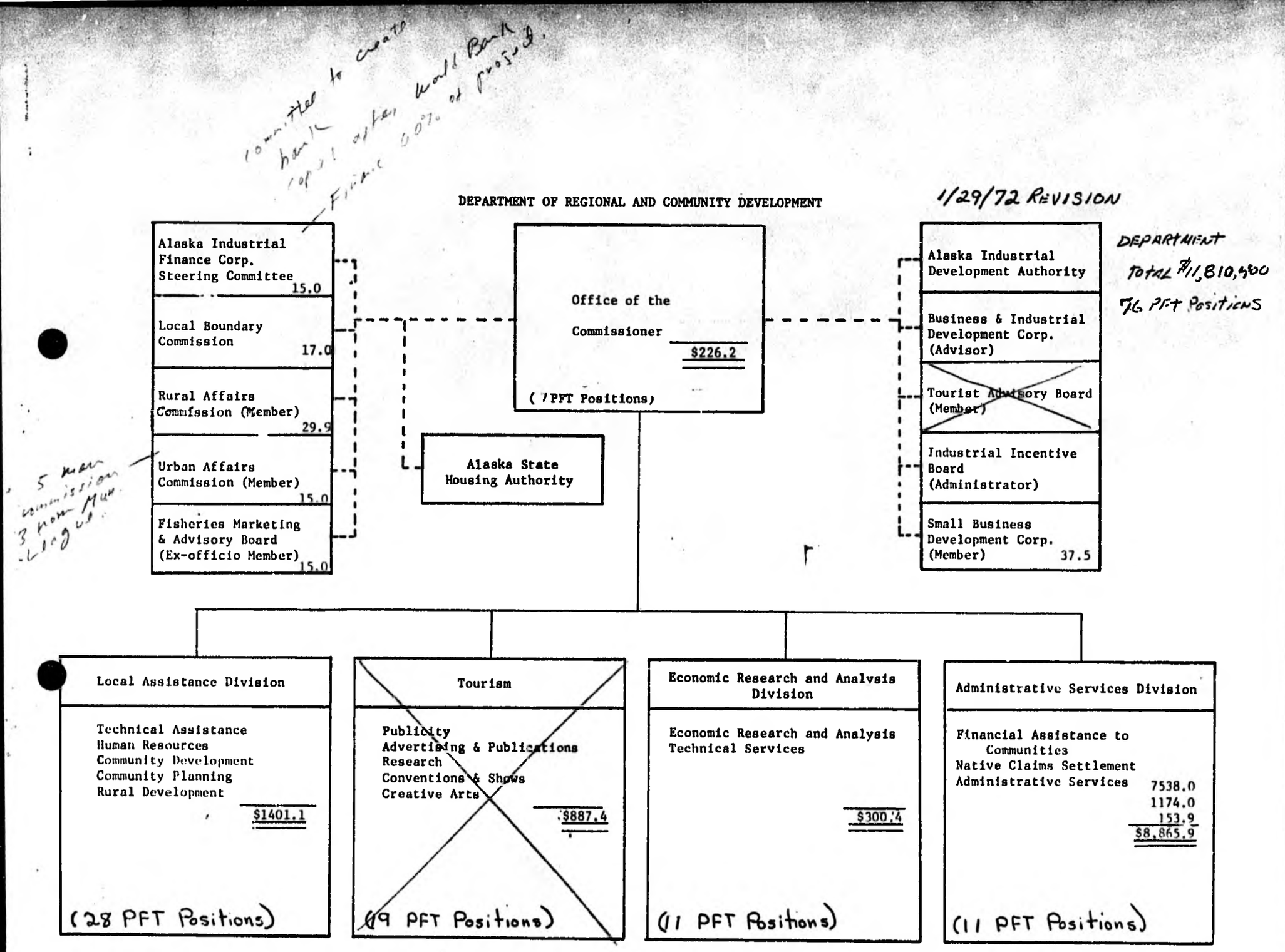


DIVISION OF LOCAL ASSISTANCE



DIVISION OF ADMINISTRATIVE SERVICES

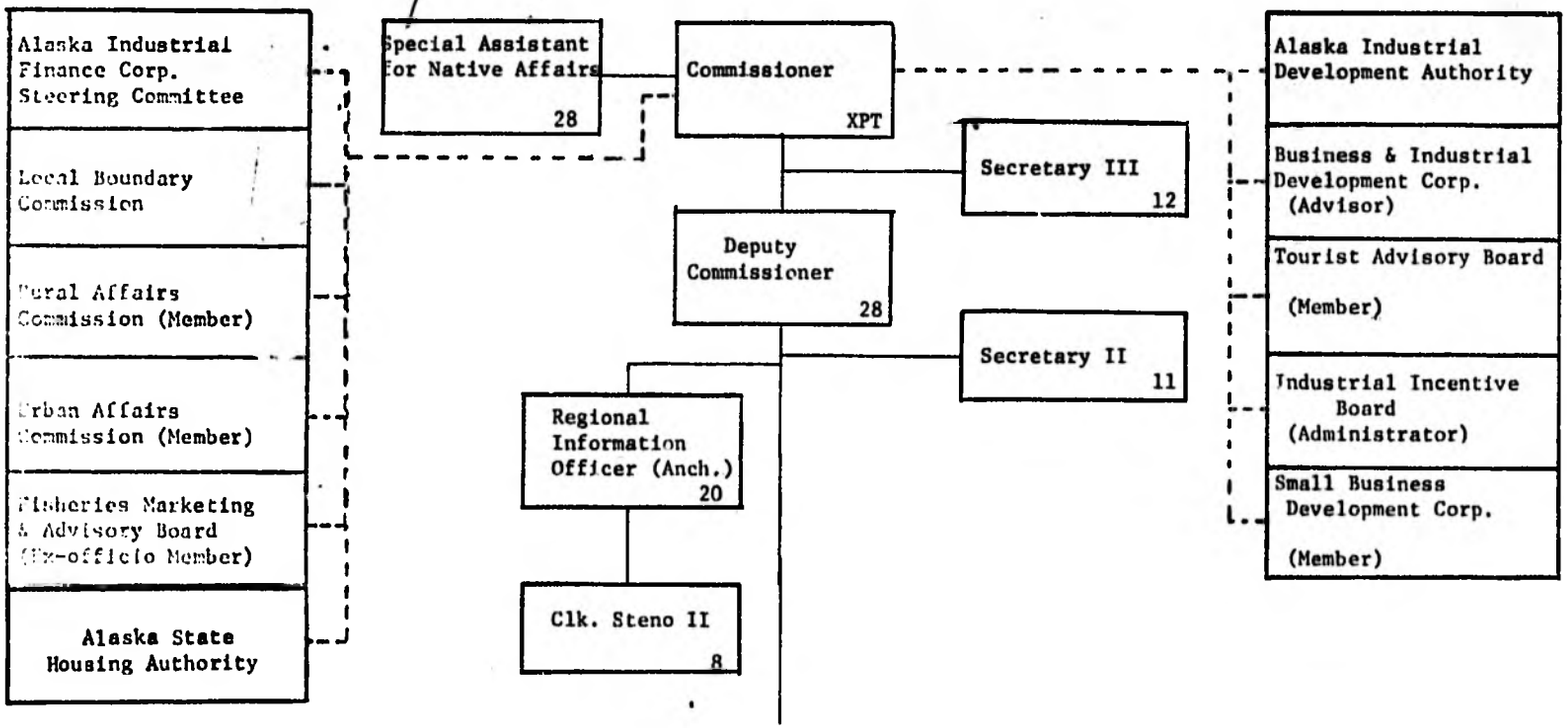



DEPARTMENT OF REGIONAL AND COMMUNITY DEVELOPMENT
1/29/72 REVISION
DEPARTMENT TOTAL $11,810,400
76 PFT Positions
Alaska Industrial Finance Corp. Steering Committee 15.0
Local Boundary Commission 17.0
Rural Affairs Commission (Member) 29.9
Urban Affairs Commission (Member) 15.0
Fisheries Marketing & Advisory Board (Ex-officio Member) 15.0
Office of the Commissioner $226.2
(7 PFT Positions)
Alaska State Housing Authority
Alaska Industrial Development Authority
Business & Industrial Development Corp. (Advisor)
Tourist Advisory Board (Member)
Industrial Incentive Board (Administrator)
Small Business Development Corp. (Member) 37.5
Local Assistance Division
Technical Assistance
Human Resources
Community Development
Community Planning
Rural Development
$1401.1
(28 PFT Positions)
Tourism
Publicity
Advertising & Publications
Research
Conventions & Shows
Creative Arts
$887.4
(9 PFT Positions)
Economic Research and Analysis Division
Economic Research and Analysis
Technical Services
$300.4
(11 PFT Positions)
Administrative Services Division
Financial Assistance to Communities 7538.0
Native Claims Settlement 1174.0
Administrative Services 153.9
$8,865.9
(11 PFT Positions)

Lawson wife Nat. Corp.

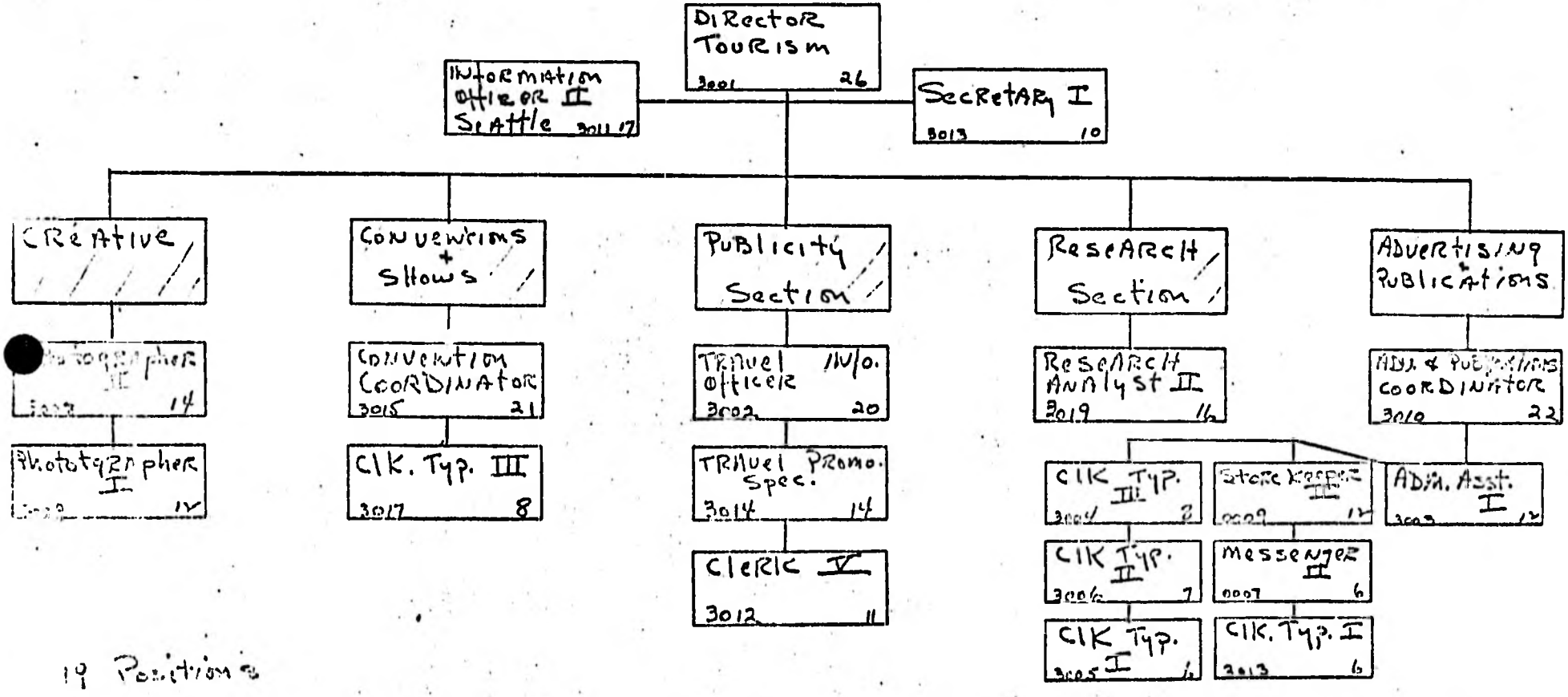
DEPARTMENT OF COMMUNITY AND REGIONAL DEVELOPMENT

Office of the Commissioner



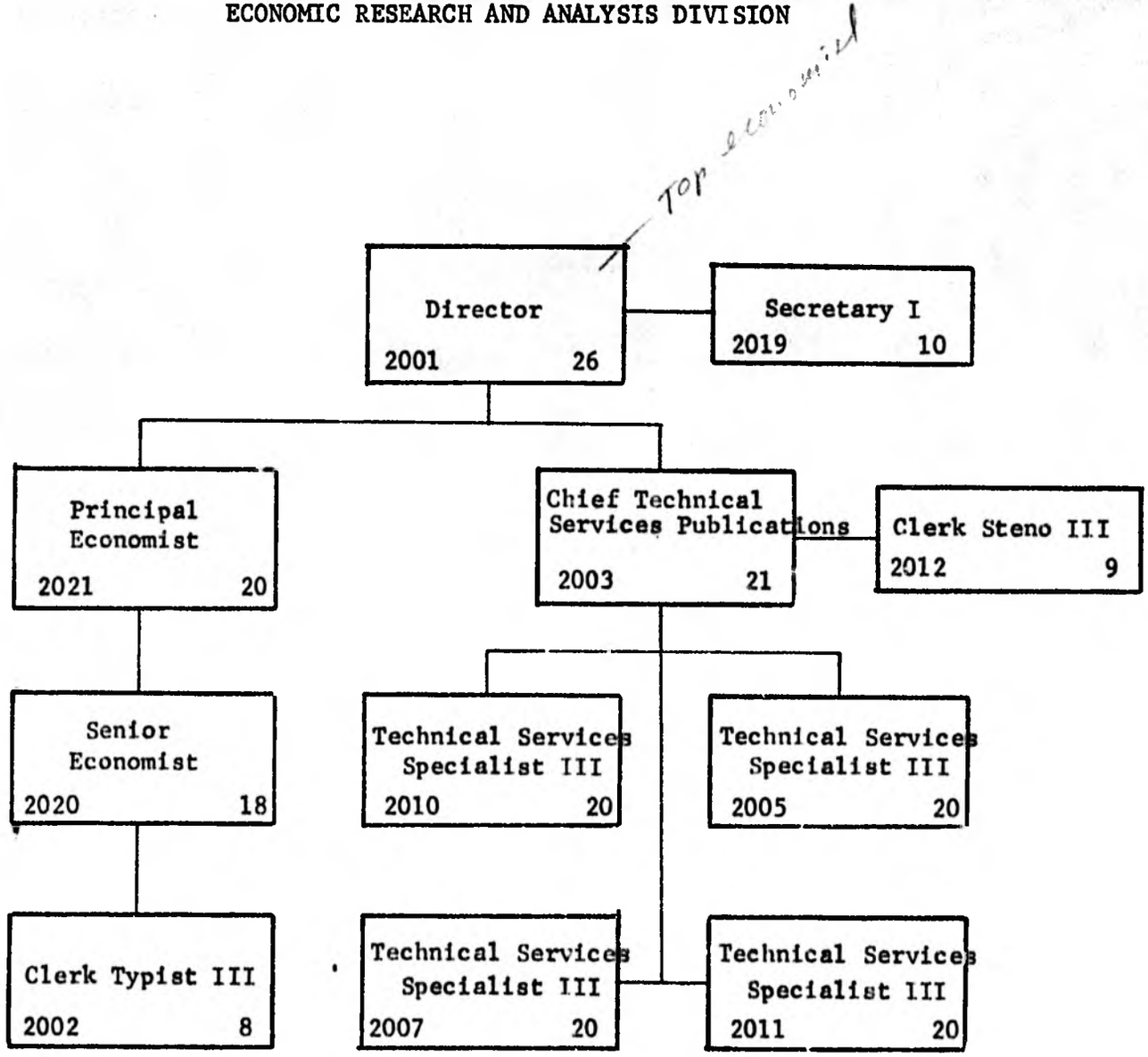
Division of Tourism

H.
TRANSFERRED To ANOTHER OPERATIONAL DEPARTMENT.

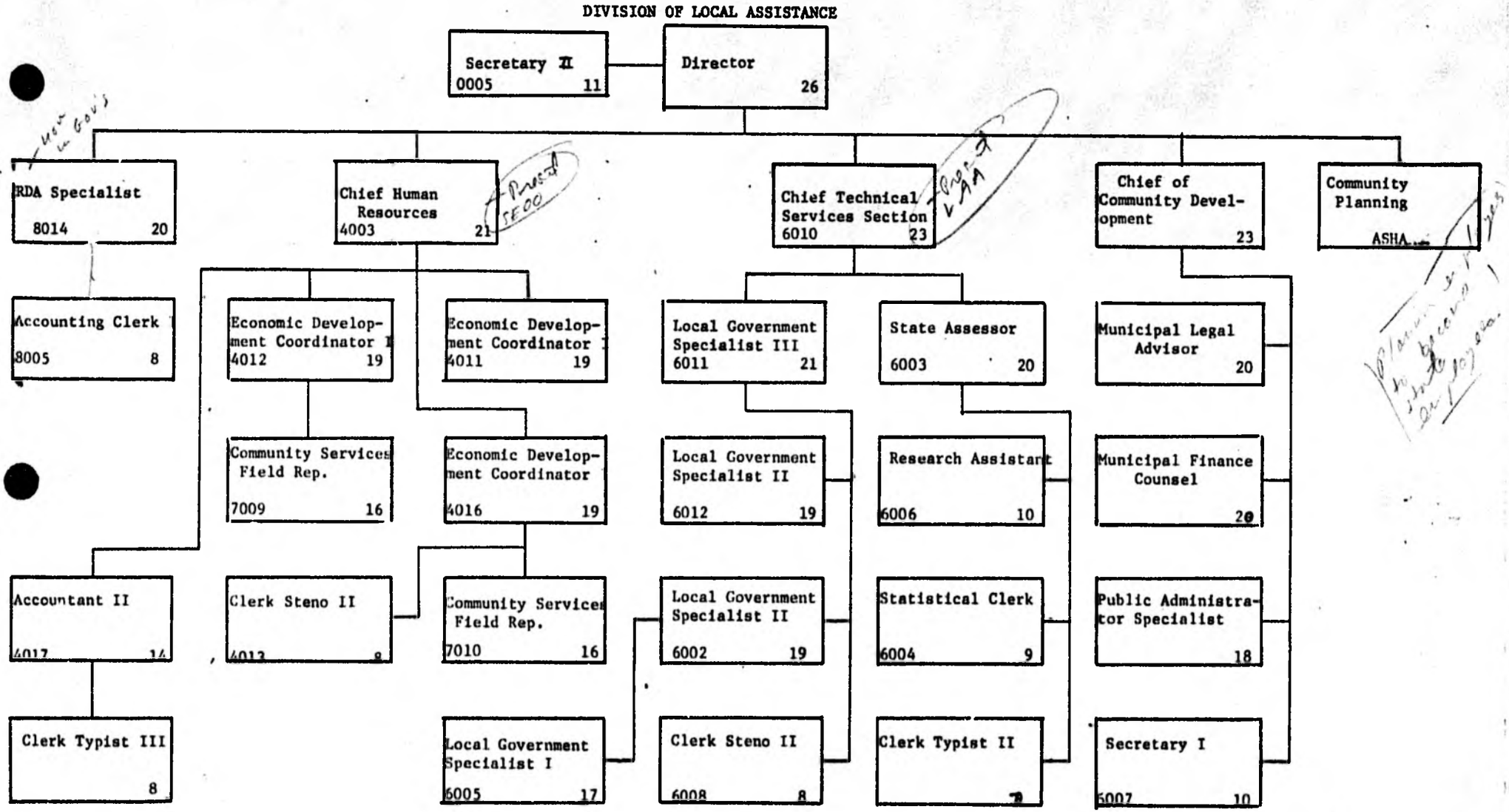


19 Positions

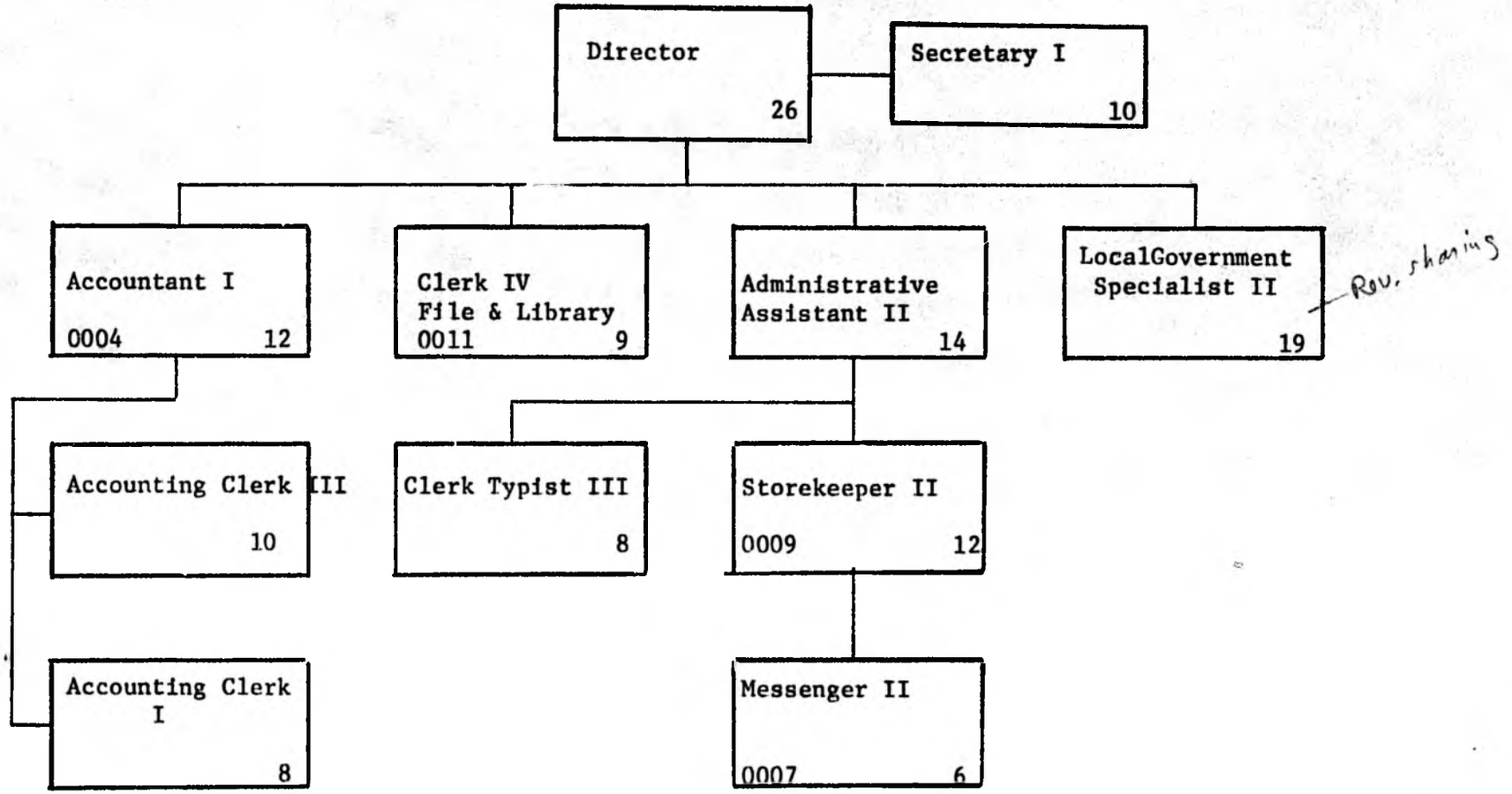
ECONOMIC RESEARCH AND ANALYSIS DIVISION



DIVISION OF LOCAL ASSISTANCE



DIVISION OF ADMINISTRATIVE SERVICES



March 13, 1972

Mrs. Gradelle Leigh
506 Northward Building
Fairbanks, Alaska 99701

Dear Mrs. Leigh:

Thank you for your letter of March 2 relative to HB 552. This bill has been passed out of the House Local Government Committee. However, the elements which would have placed the Economic Development function within the new proposed Department of Community and Regional Affairs have been deleted. It is not precisely clear without some additional hearings what the committee chooses to do relative to the Economic Development role. It is entirely possible that the department will remain as it is. There is desire among at least one or two committee members to combine the department with some other agency, perhaps the Department of Natural Resources. As I mentioned, this will be discussed further and you may be sure that your views will be passed on to the committee.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

Land – Commercial

Phone: 452-3845

Gradelle Leigh
Realtor
506 Northward Building
Fairbanks, Alaska 99701

March 2, 1972

Representative Mike Miller
Box 1494
Juneau, Alaska 99801

Dear Representative Miller:

It has come to my attention that legislation to weaken the Department of Economic Development has been filed in the House and is now in your Local Affairs Committee.

In my opinion, this type of negative thinking indicates unbelieveable irresponsibility on the part of the sponsors. The State administration should realize that the orderly intelligent development of our State must depend on attracting more than the petroleum industry. Our excellent relationship with Japanese industry is largely the result of work of the Department of Economic Development. Hopefully, in a few years the Department may also develop a market for our raw materials with China. Surely, we should increase our efforts to achieve planned economic growth.

During recent years I have asked and received assistance from the Department in trying to develop our Interior Alaska economy. I have been very favorably impressed with the serious efforts to help us although its activities were constrained by a totally inadequate budget. We are indeed fortunate to have Mrs. Ryan and her competant staff doing such a splendid job under difficult circumstances.

Of course, being politically oriented, you must be fully aware of the machinations that preceded the introduction of this regressive bill. Meanwhile, I earnestly hope that you will use your good offices to see that this bill receives a merciful death and decent burial.

Kindest regards,

Gradelle Leigh

Mrs. Gradelle Leigh

March 13, 1972

Mr. Ronald L. Usher
City-Borough Manager
The City & Borough of Juneau
155 South Seward Street
Juneau, Alaska 99801

Dear Ron:

Thanks much for your letter of March 6 and for your suggested amendments to HB 552. Enclosed for your information is the committee's substitute bill which was passed out Friday, March 10. As you can see, we completely separated the government function from the economic function, with the result that the department would be concerned only with local government affairs.

Again, thanks for your help and assistance.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

enc: 1

155 SOUTH SEWARD ST.
JUNEAU, ALASKA 99801

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA

586-3300

March 6, 1972

Honorable Mike Miller
Alaska House of Representatives
Capitol Building
Juneau, Alaska 99801

Dear Mike:

Attached is a copy of House Bill 552 with the amendments recommended by the Alaska City Managers' Association.

Very truly yours,

Ronald L. Usher

Ronald L. Usher
City-Borough Manager

RLU:pw

attachment

Introduced: 1/26/72
Referred: Local Government and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 552

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For ar Act entitled: "An Act creating a Department of Community and Regional Development; and providing for an effective date."

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

* Section 1. AS 44.15.010(14) is amended to read:

(14) Department of Community and Regional [ECONOMIC] Development

* Sec. 2. AS 44 is amended by adding a new chapter to read:

CHAPTER 47. DEPARTMENT OF COMMUNITY AND REGIONAL DEVELOPMENT

ARTICLE 1. ORGANIZATION AND PURPOSE.

Sec. 44.47.010. COMMISSIONER OF COMMUNITY AND REGIONAL DEVELOPMENT. The principal executive officer of the Department of Community and Regional Development is the commissioner of community and regional development.

Sec. 44.47.020. PURPOSE OF DEPARTMENT. The purpose of the department is to render maximum state assistance to the political, social and economic development of Alaska at the community and regional level.

ARTICLE 2. COMMUNITY AND REGIONAL DEVELOPMENT.

Sec. 44.47.030. POWERS AND DUTIES. The department is authorized to

(1) advise and assist local governments;

(2) serve as staff for the local boundary commission;

(3) conduct studies and carry out experimental and pilot

projects for the purpose of developing solutions to community and regional problems;

(4) promote cooperative solutions to problems affecting more than one community or region, including joint service agreements, regional compacts, and other forms of cooperation;

(5) serve as a clearing house for information useful in solution of community and regional problems, and channel to the appropriate authority requests for information and services;

(6) advise and assist community and regional governments on matters of finance, including but not limited to bond marketing and procurement of federal funds;

~~(7) prepare regulations governing the content of notice of bond sale advertisement, prospectuses and other bonding matters issued by local governments;~~

(7) ~~(8)~~ provide advice and assistance on efficient development of economic potential at the community and regional level including planning, feasibility studies and negotiations with government bodies and with private enterprise;

(8) ~~(9)~~ administer state funds appropriated for the benefit of unorganized regions within the state, allowing for maximum participation by local advisory councils and similar bodies;

(9) ~~(10)~~ carry out those administrative functions in unorganized boroughs that the legislature may prescribe;

(10) ~~(11)~~ study existing and proposed laws and state activities that affect community and regional affairs and recommend to the governor changes in the laws and activities which it considers advisable;

(11) ~~(12)~~ coordinate activities of the state which have impact on community and regional affairs;

(12) ~~(13)~~ promote the development of new communities and serve as the agent of the state for purposes of participation in federal programs relating to new communities;

(13) ~~(14)~~ provide planning assistance upon request to community and regional governments, state departments and agencies, and other planning bodies; Provide assistance to community and regional governments

(14) ~~(15)~~ / ~~supervise~~ in the planning, management, and other activities required for local eligibility for financial aid under those federal and state programs. ~~which provide assistance to community and regional~~ governments;

(15) ~~(16)~~ administer state, and, as appropriate, federal programs for revenue sharing, grants, and other forms of financial assistance to community and regional governments;

~~(17) review and approve or reject applications for small business loans provided for in AS 45.95, evaluating applications in accordance with the extent to which the enterprise to be assisted by the loan (A) meets needs created by governmental action, such as construction of airports, highways, and ferry terminals; (B) conforms to local comprehensive plans (C) provides opportunity for acquisition of job skills (D) can be carried out without adverse effect on environmental quality and competing uses for the same natural resources;~~

(16) ~~(18)~~ provide staff assistance, ~~as requested~~, to the Rural Advisory Coun of Community Affairs Commission, ~~the Council of Economic Advisors, and the Fisheries Marketing and Development Board;~~

(17) ~~(19)~~ apply for, receive and use funds from federal and other sources, public or private, for use in carrying out the powers and duties of the department;

(18) ~~(20)~~ utilize the resources of other agencies of state government in carrying out the purposes of this chapter to the extent

such utilization is more efficient than maintaining departmental staff, reimbursing the other agencies when appropriate;

(19) ~~(21)~~ carry out other functions and duties, consistent with law, necessary or appropriate to accomplish the purpose of this chapter.

~~ARTICLE 3.--RURAL DEVELOPMENT.~~

~~Sec. 44.47.040.--POWERS AND DUTIES.--To promote development of rural areas of the state the department is authorized to~~

(20) ~~(1)~~ investigate social and economic conditions of communities and rural areas/~~of rural areas~~ to determine the need to expand economic opportunities and improve living conditions;

(21) ~~(2)~~ formulate a coordinated program to broaden and diversify the economic base of communities and/rural areas;

(22) ~~(3)~~ coordinate administration of emergency relief, surplus food distribution, or other public assistance programs, except the regular relief and assistance programs of the federal government in rural areas;

(23) ~~(4)~~ formulate ~~and conduct~~ a program for providing/~~of construction of~~ basic facilities to improve health, welfare and economic security and provide employment and income in communities and/the rural areas;

(24) ~~(5)~~ promote training and education programs designed to improve administration of governmental services ~~expand employment opportunities~~ for residents of rural areas.

~~ARTICLE 4.--FISHERIES MARKETING AND DEVELOPMENT ADVISORY BOARD.~~

~~Sec. 44.47.050.--FISHERIES MARKETING AND DEVELOPMENT ADVISORY BOARD.--A Fisheries Marketing and Development Advisory Board is established in the Department of Community and Regional Affairs.~~

~~Sec. 44.47.060.--COMPOSITION.--The board consists of seven members whose knowledge, experience and professional background qualify them~~

ARTICLE 3
ADVISORY COUNCIL ON COMMUNITY AFFAIRS

Sec. 44.47.040. ADVISORY COUNCIL ON COMMUNITY AFFAIRS. (a) The advisory council on community affairs within the department shall consist of the commissioner as chairman, and six other members appointed by the governor and confirmed in their appointment by the legislature. Two members shall be elected municipal officers appointed by the governor and recommended for appointment by the Board of Governors of the Alaska Municipal League; two members shall be legislators from each house respectively; two members shall be appointed at large from among the citizens of the state. Terms of members shall be two years. Of the members first appointed three shall serve for a term of one year each, and three shall serve for a term of two years each. Members first appointed may be reappointed for successive two-year terms. Vacancies for the balance of the unexpired term shall be filled in the same manner as original appointments.

(b) The council shall consult with and advise the commissioner with respect to the affairs and problems of local government and rural areas and the work of the department and conduct such studies of specific local governmental needs as the commissioner may direct. The council shall give initial priority to proposals for revision of the local government laws of the state and submit its evaluation and recommendations to the legislature as promptly as possible after formation of the council.

(c) The council shall meet at least annually at the call of the commissioner and at other intervals or times as the council may direct. The council may adopt bylaws governing its proceedings.

(d) Members of the council shall not receive compensation for their services, but they shall receive the same travel and per diem allowances as provided by law for board members.

(e) The department shall provide clerical services and furnish equipment for the council. Within the limit of available funds, the commissioner may employ and compensate staff personnel necessary for the work of the council and may retain on an independent contract basis consultants and other persons to facilitate the purpose of the council.

(f) The council shall make an annual report to the legislature.

-to review and evaluate proposals and staff work in the area of fisheries marketing and development. The commissioner of community and regional development, the commissioner of fish and game, or their designees, and a representative from the college of biological sciences and renewable resources of the University of Alaska, or his designate, may sit as ex officio members of the board. Members other than ex officio members, are subject to confirmation by the legislature in the manner provided in AS 39.05.080.

Sec. 44.[illegible].070. APPOINTMENT AND TERMS. Members are appointed by the governor and serve at his pleasure for terms of three years, except that of the members first appointed two shall be appointed for terms of one year, two for terms of two years, and three for terms of three years.

Sec. 44.[illegible].080. CHAIRMAN AND MEETINGS. The board shall select one of its members to chairman. The board shall meet at least quarterly in the state capitol, and at such other times and places as circumstances require. Meetings may be called by the governor or by the chairman with concurrence of two other members.

Sec. 44.[illegible].090. FUNCTIONS OF THE BOARD. The board shall review, analyze, and submit to the governor its recommendations and comments on proposals presented by the Department of Fish and Game, the Department of Community and Regional Development and other agencies of the state government in the area of fish marketing and development, including particularly proposals designed to

(1) assist and promote local processing efforts;

(2) foster development of new fishery products;

(3) make available at the local level technical and management training designed to enable a maximum number of Alaskans to manage their own business affairs in the area of fish processing and marketing.

~~Sec. 44.47.095. COMPENSATION AND PER DIEM. Members of the board receive no salary for their services on the board but are entitled to per diem and travel expenses authorized by law for boards and commissions.~~

~~Sec. 44.47.100. ANNUAL REPORT. The board shall make an annual report to the governor before the end of each fiscal year.~~

~~ARTICLE 5. ECONOMIC DEVELOPMENT.~~

~~Sec. 44.47.110. ECONOMIC DEVELOPMENT. To promote balanced economic development of the state the department is authorized to~~

~~(1) formulate a continuing program for basic economic development, promotion, planning and research;~~

~~(2) seek investors for development of industrial, commercial, mining, recreational, agricultural, and other economic enterprises, within the state;~~

~~(3) provide technical assistance to potential investors and industries by drawing on professional, specialized, and technical employees of the department and other agencies;~~

~~(4) provide technical assistance to the political subdivisions of the state which wish to attract industrial and commercial investment.~~

4

ARTICLE 6: GENERAL PROVISIONS.

44.47.050

Sec. ~~44.47.110.~~ DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional Development;

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

(3) "community" means home rule cities and boroughs, cities and boroughs of any class, and unorganized boroughs and villages which are social units;

(4) "region" means an area larger than a community, or including all or part of more than one community, but sufficiently integrated that it may be treated as a unit for administration of particular services.

44.47.060

Sec. ~~44.47.130.~~ REGULATIONS. The department may adopt procedures and regulations to carry out the purposes of this chapter.

~~* Sec. 3. AS 18.55.020 is repealed and re-enacted to read:~~

~~Sec. 18.55.020. ALASKA STATE HOUSING AUTHORITY. There is created within the Department of Community and Regional Development the Alaska State Housing Authority administered by a board consisting of the commissioner of community and regional development, two members designated by the commissioner of community and regional development and four members appointed by the governor. Members other than the commissioner of community and regional development and his designates serve at the pleasure of the governor for three year terms. The terms of office shall be staggered. Members appointed by the governor are subject to confirmation by the legislature in the manner provided in AS 39.05.080.~~

~~* Sec. 4. AS 41.25.010 is amended to read:~~

~~Sec. 41.25.010. GRANTS FOR TOURIST DEVELOPMENT. A political subdivision of the state, a nonprofit organization formed under AS 10.20.010 - 10.20.066, or a bona fide nonprofit civic, fraternal, or service organization which is certified by the commissioner of~~ community and regional ~~[ECONOMIC] development [AND PLANNING]~~ as qualified as developing tourist attractions are one of its purposes is eligible to receive tourist attraction development matching money from the state.

~~* Sec. 5. AS 41.25.020 is amended to read:~~

~~Sec. 41.25.020. USE OF MATCHING MONEY. Tourist attraction~~

development matching money may be obtained for the purpose of developing tourist attractions of historical or contemporary interest found to be worthwhile by the commissioner of community and regional [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF TOURISM]. Available money shall be divided on a fair and equitable basis between applicants. No applicant may receive more than $1,000 on first application. Tourist attraction development may include the production, preservation, and display of historical documents, artifacts, totem poles, historical markers, native dances, blanket tossing, native handicraft, and art; and any other worthwhile tourist attraction dealing with Alaskan history or culture. Tourist attraction development does not include the preparation and distribution of community and other advertising material.

* Sec. 6. AS 44.25.030 is amended to read:

Sec. 44.25.030. QUALIFYING FOR MATCHING MONEY. In order to qualify for tourist attraction development matching money, the applicant shall submit and have approved by the commissioner of community and regional [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF TOURISM,] plans, programs, contracts, or agreements to be used for carrying out the development of the tourist attraction.

* Sec. 7. AS 44.25.050 is amended to read:

Sec. 44.25.050. ADMINISTRATION OF SECS. 10--50 OF THIS CHAPTER. The commissioner of community and regional [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF TOURISM] shall administer secs. 10--50 of this chapter. All participating subdivisions and organizations shall submit to the commissioner of community and regional [ECONOMIC] development [AND PLANNING AND THE DIRECTOR OF TOURISM] complete reports covering both the expenditure of state and local matching money for tourist attraction programs. These reports,

~~in the case of projects extending over 12 months, shall be submitted annually. Reports on shorter matching programs shall be submitted at the completion of the program.~~

* ~~Sec. 8.~~ Sec. 3 AS 43.18.010(a)(4)(B)(ii) is amended to read:

(ii) an annual contract with a recognized planning firm to provide land use planning and plan implementation on a consulting basis with a work program outline approved by the Department of Community and Regional Development [LOCAL AFFAIRS AGENCY]; or

* ~~Sec. 9.~~ Sec. 4. AS 43.18.010(a)(4)(B)(iii) is amended to read:

(iii) the state's continuing planning advisory service program through the Department of Community and Regional Development [LOCAL AFFAIRS AGENCY];

* ~~Sec. 10.~~ Sec. 5. AS 43.18.300(h)(1) is amended to read:

(1) "commissioner" means the commissioner of community and regional [ECONOMIC] development;

* ~~Sec. 11.~~ Sec. 6. AS 44.19.2[illegible] is amended to read:

Sec. 44.19.250. LOCAL BOUNDARY COMMISSION. There is in the Department of Community and Regional Development [LOCAL AFFAIRS AGENCY] a local boundary commission. The local boundary commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four major senatorial election districts and one from the state at large. The member appointed from the state at large is the chairman of the commission.

* ~~Sec. 12.~~ Sec. 7. AS 44.19.2[illegible](a)(3) is amended to read:

(3) consider a local government boundary change requested of it by the legislature, the commissioner of community and regional development [THE DIRECTOR OF LOCAL AFFAIRS], or a political subdivision

of the state; and

* ~~Sec. 13.~~ AS 44.19.270 is amended to read:

Sec. 8.

Sec. 44.19.270. MEETINGS AND HEARINGS. The chairman of the commission or the commissioner of community and regional development [DIRECTOR OF LOCAL AFFAIRS] with the consent of the chairman may call a meeting or hearing of the local boundary commission. All meetings and hearings shall be public.

*~~ Sec. 14.~~ AS 44.19.880(a)(10) is amended to read:

Sec. 9.

(10) assist the governor and the Department of Community and Regional Development [LOCAL AFFAIRS AGENCY] in coordinating the activities of state agencies [THE ACTIVITIES OF] which have an impact on the solution of local and regional development problems [PROGRAMS];

*~~ Sec. 15. AS 44.60.020 is amended to read:~~

~~Sec. 44.60.020. SMALL BUSINESS DEVELOPMENT CORPORATION OF ALASKA. The Small Business Development Corporation of Alaska is a public corporation of the state. The corporation is an instrumentality of the state within the Department of Community and Regional [ECONOMIC] Development, but has a legal existence independent of and separate from the state.~~

*~~ Sec. 16. AS 44.61.020 is amended to read:~~

~~Sec. 44.61.020. CREATION OF AUTHORITY. There is created the Alaska Industrial Development Authority. The authority is a public corporation of the state and a body corporate and politic within the Department of Community and Regional Development [CONSTITUTING A POLITICAL SUBDIVISION WITHIN THE DEPARTMENT OF ECONOMIC DEVELOPMENT], but with separate and independent legal existence.~~

*~~ Sec. 17.~~ AS 45.95.070(3) is repealed and re-enacted to read:

Sec. 10.

(3) the commissioner of community and regional development certifies that the application accords with the standards set forth in

AS 44.47.030(17).

* ~~Sec. 18.~~ Sec. 11. Whenever the titles "Local Affairs Agency" or "Rural Development Agency" appear in the law of this state, they shall be read as the "Department of Community and Regional Development."

* ~~Sec. 19.~~ Sec. 12. The following laws are repealed: AS 18.55.970 - 18.55.990; AS 44.19.180 - 44.19.210; AS 44.19.580 - 44.19.620; AS 44.19.880(5); and AS 44.45.

* ~~Sec. 20.~~ Sec. 13. All litigation, hearings, investigations and other proceedings pending under any law amended or repealed or functions which may be transferred by this Act, continue in effect and may be continued and completed notwithstanding any such transfer or amendment or repeal provided for in this Act. Certificates, orders, rules or regulations issued or filed under authority of law amended or repealed by this Act or functions which may be transferred by this Act, remain in effect for the term issued, unless or until revoked, vacated, or otherwise modified under the provisions of this Act. All contracts or other obligations created by any law amended or repealed by this Act or by virtue of functions which may be transferred by this Act, and in effect on the effective date of this Act, remain in effect unless or until revoked, or modified under the provisions of this Act. ~~Appropriations, records, equipment and other property of the Department of Economic Development and other agencies of the state integrated with the Department of Community and Regional Development established under this Act are transferred to the department. Appropriations and other money available and to become available to the Department of Economic Development and other agencies the functions, powers and duties of which have been transferred to the Department of Community and Regional Development established under this Act shall be available for the objects and purposes for which appropriated or otherwise made available, subject to the terms, restrictions, limitations or other requirements imposed under this section.~~

~~or federal law.~~

Sec. 14.

* ~~Sec. 21.~~ This Act takes effect July 1, 1972.

February 28, 1972

Mr. Mike Dean, President
Chamber of Commerce
Box 649
Petersburg, Alaska 99833

Dear Mike:

I appreciate very much your letter relative to HB 552 which is now under consideration by the House Local Government Committee. Your views on this bill will certainly be noted by the committee. I rather anticipate that a committee substitute for HB 552 will be drafted very shortly. We will look forward to hearing your further evaluations at that time.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

CHAMBER of COMMERCE

Box 649

Petersburg, Alaska 99833

February 21, 1972

Representative Mike Miller, Chairman
Local Affairs Committee
State House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Mike:

House Bill No. 552 is now in your committee, as we understand it, and it is a matter of much concern to the Petersburg Chamber of Commerce. At our last meeting we voted unanimously to write you expressing our total opposition to this bill as it is now written.

Mainly, we object to any concept which would weaken the autonomy of home rule cities, for we believe the best government is that which is localized with a firsthand knowledge of the problems of that particular community.

Secondly, we believe that economic development is best administered in a division specializing on that only. We believe that H. B. 552, as it now stands, will open the door to a new set of problems.

We urge that your committee not recommend its passage.

Very truly yours,

Mike Dean

Mike Dean, President

sb

cc: Senator Pete Meland
Representative Ernie Haugen

February 17, 1972

Mr. Harold Pomeroy
4048 Wright
Anchorage, Alaska

Daar Mr. Pomeroy:

Representative Mike Miller asked me to notify you that the House Local Government Committee is having a meeting on February 25 at 10:00 in the House Conference Room. Victor Fischer, Director, ISEGR, will be speaking on House Bill's 552, 596, 597 and 598. Enclosed are copies of these bills.

Sincerely,

Terry Gardiner
Committee Assistant

enc. 4

February 15, 1972

Mr. John P. Bowers
City Manager
City of Petersburg
P. O. Box 329
Petersburg, Alaska 99833

Dear John:

Thank you for your letter of February 10 relative to House Bill 552. We will, as you requested, enter this letter as testimony in opposition to the bill. We appreciate your advising us of your views in this matter.

Best personal regards.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

CITY OF PETERSBURG

P. O. Box 329 • Petersburg, Alaska 99833

February 10, 1972

Mike Miller, Chairman
Local Government Committee
House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Mike:

At the regular City Council meeting held on February 9, 1972, the City Council, City of Petersburg, directed me to write to you about HB 552.

It was the opinion of the majority of the Council that HB 552 is, as it is written now, not at all satisfactory. They wish to register strong opposition to its passage, and I would ask that this letter be entered into the testimony of any hearings held by your committee on the piece of legislation.

Thank you for your consideration of this matter.

Sincerely,

CITY OF PETERSBURG

John P. Bowers
City Manager

JPB/sme
cc: Senator Pete Meland
Representative Ernie Haugen

CITY OF PETERSBURG IN THE STATE OF ALASKA
CORPORATE SEAL
APRIL 20, 1910

HB

564

February 18, 1972

MEMORANDUM

TO: George W. Easley, Commissioner
Department of Public Works
FROM: Mike Miller, Chairman
House Local Government Committee

RE: House Bill's 564, 610, 612

George -

The attached three bills will be up for discussion at a meeting of the House Local Government Committee Monday morning at 9:00 a.m. We would appreciate it if you or a member of your staff could be present to give the departments views on this proposed legislation.

Introduced: 1/31/72
Referred: Local Government and Finance

IN THE HOUSE BY SWANSON AND MOORE

HOUSE BILL NO. 564

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act appropriating to the Department of Public Works; and providing for an effective date."

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

* Section 1. The sum of ($680,000) Delete to read 1,030,000 is appropriated from the general fund to the Department of Public Works for the purchase and operation of construction service units. Unexpended balances from this appropriation shall lapse on June 30, 1973.

* Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

HB

582

February 9, 1972

Honorable William A. Egan
Governor of Alaska
Pouch A
Juneau, Alaska 99801

Dear Governor Egan:

As Chairman of your Tourism Advisory Board, I am submitting this brief report on our meeting in Juneau, February 3-4, 1972. Eleven of the twenty-five members attended and participated in the discussions. All Board members greatly appreciated your taking time from your busy schedule to speak with us on Friday morning.

Our agenda included a review of travel related legislation by Representative Mike Miller, a report by the new Travel Director Guy Russo on future prospects for the visitor industry and a progress report from Bill Morris and Bert Esmond on the expansion programs of the Marine Transportation Division.

The Board discussed the proposed reorganization of the Alaska Travel Division and noted your introduction of HB 581 and HB 582 which would place the Division and Board within the Office of the Governor. The Board felt that the Division had functioned creditably within the Department of Economic Development but we would not oppose a transfer, providing all former functions were also transferred. Specifically, the Board recommended that the Community Matching Grant Program be made a part of the Travel Division if the Division is to be moved. If the momentum of the Travel Division's program is to be maintained, the program must be fully funded and staffed.

Because we recognize the unique position of the Travel Division as the State's promotional arm, we propose that a Sales Promotional Fund, not to exceed $3,000, be included in the budget. This money would be used to defray unusual but necessary expenditures incurred by the Director and the Convention Coordinator in promoting travel to Alaska.

Recognizing that the number of campers visiting Alaska will continue to grow, we strongly urge that all affected departments re-examine their programs in order to keep pace. We suggest improvement of existing camper sites and construction of new facilities.

Tour ship visitors will continue to play an important part in the Alaska travel scene. The Board noted the need for improved port facilities and felt that perhaps State or municipal officials might wish to consider the creation of port authorities.

The members reaffirmed their position that the Tourism Advisory Board be streamlined to more effectively carry out its duties. We recommend that the Board be reduced to nine members, one of whom would be either the executive director or an officer of the Alaska Visitors Association.

Additionally, we urge the annual appointment of a recognized travel authority from outside Alaska to serve in an ex-officio capacity. Although we propose three meetings a year, the ex-officio member would only be invited to attend one in order to keep travel cost to a minimum.

The Board further recommended that the Tourism Advisory Board be established in line with other boards and commissions in so far as travel and per diem are concerned. We estimate that under this proposal the Board could be totally funded with an annual appropriation of $7,500.

It appears the most effective way of implementing our recommendations on streamlining the Board would be to incorporate the provisions in your bill, HB 582. We urge you do so.

This summarizes our actions and recommendations. Should you have any specific questions, I would be happy to discuss them in more detail with you.

Sincerely,

Don Dickey, Chairman
Tourism Advisory Board

cc: Guy Russo
Tourism Advisory Board

February 13, 1970

Honorable Keith H. Miller
Governor of Alaska
State Capitol Building
Juneau, Alaska 99801

Dear Governor Miller:

As Chairman of your Tourist Advisory Board, I am pleased to report that the Board held a meeting here in Juneau on the afternoon of February 5. The attendance was small primarily because eight members' terms had expired on January 31, 1970, and the meeting notice was not given as early as we would like since we had not received confirmation from the Senate and House as to when the travel presentation would be given to the joint session. This date, in past years, has determined the winter meeting date for the TAB and the Alaska Visitors Association.

The following Board members, in addition to myself, were in attendance:

Joyce Gallahor, Nome
Celeste Cordo, Ketchikan
Al Parrish, Fairbanks
Bob Chernich, Anchorage
Jim Dodson, Jr., Anchorage
Don Berry, Juneau

Also attending was Bill Schafer, Director of the Alaska Travel Division, with his staff members Mike Miller, Eric McDowell and Dutch Denr. Mr. Jay Rockey and Mr. Don Kraft of our advertising firm Murray/Kraft/Rockey, Inc. were also in attendance as observers, as was Mr. Yoshio Katsuyama, Director of the Alaska State Office in Tokyo.

Attached is a copy of the memorandum which was sent to all Advisory Board members advising them of the meeting and indicating the agenda items. All of those items were reported on by the appropriate individuals and discussion was held on each item.

The agenda item which consumed the majority of our time and discussion was the future of the Tourist Advisory Board. It was the unanimous decision of the Board to recommend to you that the Board, as it exists today, be dissolved and that a new Board under the same name be structured to make it a little more meaningful and responsive to the Alaska travel industry. The Board, therefore, respectfully requests your consideration of the following:

Total membership of the new Board would be eleven: seven members to be appointed by you; two members from the Alaska Visitors Association who would be the President and Executive Director and who would automatically be members of the Board by virtue of their positions; and two members outside of Alaska, appointed by you, who are prominent in the tourist industry, nationally or internationally, and who have no economic ties whatever with Alaska and the travel industry in Alaska. The Board further feels that the Tourist Advisory Board should be established as other Boards and Commissions are insofar as travel and per diem reimbursement are concerned. It is felt that the Board should meet at least three times per year, one of which would be in Juneau. The other meetings could be anywhere in the State. The two advisory or ex officio members would be called to meet with the Board only once a year.

It was felt that the smaller board of people who are vitally interested in the tourist industry could be very helpful to your office. There are state agencies other than the travel division that are directly or indirectly involved in the tourist industry such as Parks and Recreation, Highways, Department of Labor, and others. As recommendations are received by your office, they can be evaluated and put into the proper channels for action.

Based on holding three meetings per year, the new Board could be totally funded with an appropriation of $10,000.

Also attached is a suggested press release covering the newly constituted Board and the action of the prior Tourist Advisory Board. Attached in addition is a list of prospective Board members, names and addresses.

We respectfully request your favorable consideration of this proposal. I would be pleased to discuss this with you personally if you should desire, and would be happy to assist in drafting any

necessary legislation.

Sincerely,

Don Dickey, Chairman
Tourist Advisory Board

attachments

Prospective Board Members:

Mr. Don Dickey
Alaska State Chamber of Commerce
208 NBA Building
Juneau, Alaska 99801

Mr. ... E. Ellis
Box 1059
Ketchikan, Alaska 99901

Mr. Dean Williams
1401 Martin Road
Juneau, Alaska 99801

Mrs. Neil Bergt
% Interior Airways
Fairbanks, Alaska 99701

Mr. Jim Binkley
P. O. Box G
Fairbanks, Alaska 99701

Mrs. Joyce Gallaher
Box 875
Nome, Alaska 99762

Mr. Jim Dodson, Jr.
Box 4-1146
Spenard, Alaska 99503

Mr. Mel Harris
Pan American Airways
Fairbanks, Alaska 99701

Mr. Hans Beckerworth
General Manager
Hickel Hotels
Anchorage, Alaska 99501

Alaska Visitors Association

Mr. John Munroe, President
and
Mr. Frank Seymour, Executive Director

Prospective Advisors

Mr. Edward Barnet, Head
School of Travel Industry Management
College of Business Management
University of Hawaii
Honolulu

Mr. Bob Sullivan, Executive Director
San Francisco Convention Bureau
San Francisco, California

NEWS
Office of the Governor
of ALASKA

Keith H. Miller, Governor

February 26, 1970
-56-

JUNEAU--Serious consideration is being given by the office of Governor Keith H. Miller to reduce the size of the Tourist Advisory Board from 25 members to a 9-member board, it was announced today.

In a report to the Governor following a two-day meeting in Juneau, the Tourist Advisory Board recommended the new structure.

The report proposes seven Alaskans to be appointed by the Governor and two ex officio members to be appointed from the ranks of national or international tourism. Of the seven Alaskan members, it is recommended that two would come from the newly reorganized Alaska Visitors Association, namely the President and the Executive Manager; the ex officio members would be travel promotion leaders and experts who have no direct economic ties with the Alaska travel industry but whose expertise in the field could be especially valuable to the State.

The Tourist Advisory Board was authorized by the Legislature in 1959, establishing the 25-man board with overlapping three-year terms. At that time, it was under the Department of Commerce. Later, legislative action moved the board to the Department of Economic Development.

-30-

State Capitol Building, Pouch A, Juneau, Alaska 99801 *(907) 586-5365*

September 4, 1970

The Honorable Keith H. Miller
Governor, State of Alaska
Pouch A
Juneau, Alaska 99801

Dear Governor Miller:

In just two weeks September 17-19, the Alaska Visitors Association will hold their annual conference in Ketchikan. As Chairman of your Tourist Advisory Board, I have been invited to speak as a panel participant on the role of State and private cooperation in the promotion of Alaska tourism. In order to intelligently discuss the subject, I feel it is necessary that I have some understanding as to the present and future status of this board.

You will recall that on February 13, following our last meeting, I wrote suggesting a complete revision of the board. In order that we might more effectively serve you and fullfil our responsibility, the board recommended reducing the existing 35 members to a 9 member board plus two outside advisors for a total of 11. We suggested that 7 members be appointed by you--that two members of the Alaska Visitors Association, namely the president and executive director, would automatically be members of the board and two members outside of Alaska would be appointed by you because of their prominent role in the tourist industry but having no economic ties in Alaska and the travel industry in our state. On February 26, your office issued a news release indicating you were giving serious consideration to our recommendations. Because I have not heard specifically what your intentions are for the future of this board, I am writing for clarification.

I realize if you were to restructure the board to the smaller size and, if for the first time travel and per diem were to be provided as was proposed, your appointments and proposals would undoubtedly require legislative confirmation next session. My purpose in writing you at this time is to remind you of our recommendations and to learn what action you propose so that I might inform the AVA delegates during my presentation. I am attaching a copy of our recommendations and the news release referred to in this letter.

May I have your thinking, Governor?

Sincerely,

Don Dickey, General Manager

enclosures

HB

588

Alaska State Legislature

House

JUNEAU ALASKA

May 24, 1972

Mr. Richard Pierson
R.R. 4, Box 4628
Juneau, Alaska 99801

Dear Mr. Pierson:

You will be pleased to know that House Bill 588, about which you wrote earlier this year, passed the House today by a vote of 25 to 9. The measure now goes to the Senate and I am very hopeful of its passage by that body.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

May 9, 1972

Mr. Richard Pierson
R.R. 4, Box 4628
Juneau, Alaska 99801

Dear Mr. Pierson:

Thank you for your recent telegram relative to HB 588 which would include correctional officers as peace officers under the terms of the Public Employees Retirement System. At the present time, this bill is under consideration by the Finance Committee. I am sending a copy of your letter to George Hohman, Chairman, so that he can consider your views on the subject.

I appreciate your taking the time to express your views and I will certainly take them into consideration when it comes time to vote on this issue.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1972 MAY 5 AM 10 06

[illegible]

JUNEAU ALASKA 5

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

March 1, 1972

Mr. Roger V. Endell
Acting Asst. Superintendent
S.E.R.C.I.
P. O. Box 309
Juneau, Alaska 99801

Dear Mr. Endell:

Thank you for your recent letter relative to HB 588 which would include correctional officers as peace officers under the terms of the Public Employees Retirement System. At the present time, this bill is under consideration by the Judiciary Committee and I understand that hearings will be held on the subject within the next two weeks. By copy of this letter, I am asking the Chairman of the Judiciary Committee to consider your letter as testimony relative to the bill. In addition, I am asking that he advise me when hearings are scheduled so that I, in turn, can contact you in case you wish to make a personal appearance.

Thank you for making your views known to me.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

February 28, 1972

The Honorable Mike Miller
Alaska State House of Representatives
Pouch"V" State Capitol Building
Juneau, Alaska 99801

Dear Mr. Miller:

I am writing to ask for your support of House Bill #588 relating to the coverage of correctional officers under the Public Employees Retirement System which is presently in the House Judiciary Committee.

As Assistant Superintendent I am responsible for the actions involving many correctional officers under my supervision at the Southeastern Regional Correctional Institution here in Juneau. Our duties and responsibilities in our efforts to rehabilitate and reintegrate the offender bring us constantly in contact with individuals who are not only capable but also sometimes actively involved in making mental as well a physical attacks on our personnel.

I believe this bill would do a great deal to encourage a high caliber of professional career correctional personnel to stay in the Division and to continue to do a job that is difficult but nevertheless essential toward the betterment of Alaskan society.

I'm sure that you can visualize the difficulties in asking personnel in their fifties and sixties to handle young and physicially stronger offenders when a situation becomes difficult. The records will show that officers have been abused and sometimes seriously injured in serving the State of Alaska in this occupation. I feel that the families of our personnel deserve the support of the elected officials of the State in considering this measure. I hope that you will give your sincere attention to the passage of this bill, and I thank you for your consideration

Very truly yours,

Roger V. Endell

Roger V. Endell
Acting Asst. Superintendent

dh

February 23, 1972

Mr. Jerome G. Gyurci
Correctional Officer II
R.R. 4, Box 4104-29
Juneau, Alaska 99801

Dear Mr. Gyurci:

Thank you for your recent letter relative to HB 588 which would include correctional officers as peace officers under the terms of the Public Employees Retirement System. At the present time, this bill is under consideration by the Judiciary Committee and I understand that hearings will be held on the subject within the next two weeks. By copy of this letter, I am asking the Chairman of the Judiciary Committee to consider your letter as testimony relative to the bill. In addition, I am asking that he advise me when hearings are scheduled so that I, in turn, can contact you in case you wish to make a personal appearance.

Thank you for making your views known to me.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

The Honorable Mike Miller

This letter is in regards to the change in House Bill 588 to include Correctional Officers under the Public Employees Retirement System.

I think as a Correctional Officer we should be included in the same early retirement system as are the peace officers & fireman, as our work is somewhat related.

I am very much in support of this bill & hope you will do all you can to help it pass.

Thank you for any interest & time you can give to House Bill 588

Yours Very Truly
Jerome S. Lyrici
Correctional Officer II
R.R. 4 Box 4104-29
Juneau, AK.
99801

February 23, 1972

Mr. LeRoy B. Messing
Route 4, Box 4104-15
Juneau, Alaska 99801

Dear Mr. Messing:

Thank you for your recent letter relative to HB 588 which would include correctional officers as peace officers under the terms of the Public Employees Retirement System. At the present time, this bill is under consideration by the Judiciary Committee and I understand that hearings will be held on the subject within the next two weeks. By copy of this letter, I am asking the Chairman of the Judiciary Committee to consider your letter as testimony relative to the bill. In addition, I am asking that he advise me when hearings are scheduled so that I, in turn, can contact you in case you wish to make a personal appearance.

Thank you for making your views known to me.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

Le Roy B. Messing
R# 4 Box 4104-15
Juneau, Alaska 99801
February 17, 1972

The Honorable Mike Miller
Alaska State House of Representatives
State Capetil Building
Pouch V Juneau, Alaska 99801

Dear Sir:

am writing this letter in regards to House Bill # 588
I support this bill, as a member of the Alaska Correctional Association, and as an employee working in the Juneau area of the Correctional Field.

At present my position is in the Southeastern Regional Correctional Institution at Lemon Creek.

As a C.O. II my experience is considerable into the hazards of the position. One of the hazards is the Constant Chance of harassment we can receive from disenchanted inmates, whether physical or mental

I feel the chance of confrontation is much greater when an officer has reached the 55 yr. bracket, simply because the young inmate thinks (or can think) the old man an easy Mark.

Therefore I support H. B. # 588 whole heartedly

Thank you for any consideration given to my letter

Cordially
Le Roy B. Messing

March 15, 1972

Sgt. Henry Stuart
Correctional Officer II
Northern Regional Correctional
Institution
P. O. Box 317
Fairbanks, Alaska 99701

Dear Sgt. Stuart:

Thank you for your recent letter relative to HB 588 which would include correctional officers as peace officers under the terms of the Public Employees Retirement System. At the present time, this bill is under consideration by the Finance Committee. I am sending a copy of your letter to George Hohman, Chairman, so that he can consider your views on the subject.

I appreciate your taking the time to write and will certainly take your views into consideration when it comes time to vote on this issue.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

March 1, 1972

The Honorable Mike Miller
Alaska State House of Representatives
Pouch "V" State Capitol Bldg.
Juneau, Alaska 99801

Dear Sir:

Herein lies my request for passage of House Bill 588, The Public Employees Retirement System. I personally feel that the nature of my job as a Correctional Officer for the State of Alaska warrants our being classified as members of the Department of Public Safety. The duties carried out by Correctional Officers are many times hazardous physically as well as mentally. There is always present the physical threat of those mentally sick with whom we have to deal with in our routine work. There is normally the physical threat present made by inmates which we house in our Institytions. This latter threat may continue into our personal lives as well. We are on call 24 hours a day, and our working hours consist of one of the three eight (8) hour shifts which make up our working day. Under the working conditions of which we as Correctional Officers have to preform there is little or no opportunity for planning for recreation in our personal lives as is possible in other areas of employment where normal working hours are a must. The above conditions can be a ruin to our health. It is therefore my request that you consider these conditions and consider us Correctional Officers for re-classification as Peace Officers under the passage of House Bill, 588. Thank you.

Respectfully yours,

Henry C. Stuart

Sgt. Henry Stuart
Correctional Officer II

Evidently only adults
Correctional officers & Superintendents
to the Retirement System
House Judiciary will be
considering HB538 during
the next 2 weeks

HB

596/597

598

FISCHER

HB520 →
HB521 →

HB 598 → MORE APPROPRIATE THAN 997

5-5-2

In Favor of combining
- Much greater outreach than present department

- There is a question of fit. In a time of state deficits, can we afford?

Views concerning getting a community person started

Feels the Dir has lots of specific tasks that she is responsible for

Need to be consistent in letter - email. Ex could incorporate in one letter, then use by area people.

- ISHA should be fully integrated, not just on paper.

2-16-12

Handout:

Future:

Large - sick - corporate takeover

History for industry in our area but
some people stay same place.

Physician surgeon will equal approx.
half of current value of this

1.

2

3.

- Many
- Some
- Surgeon
- Some
- Some

— Boats —

— N. Slope boro: used for 50 times
higher per capita

— used here, historically by Iñupiat

(LI 22 ofty appropriate)

The local Boundary Commission, shall hold hearings at appropriate places within the unorganized Boro prior to proposing tentative division of the unorganized area into ~~the~~ unorganized Boros. Following the ~~the~~ publication of tentative Boroughs of the unorganized Boros, the local Boundary Commission shall hold at least one hearing within the confines of the ~~to~~ proposed tentative Unorganized Boro prior to making final recommendation as to the division of the unorganized Boro.

Delete all of Sec 2

& add

Sec 2 - Nothing in This Act
May be Construed to affect any
Bona organizational petitions
Now pending OR pending in
the future, but Local
Governing Committees shall
take into consideration the wishes
of the majority of the Members in
the Workplace Unit in
Considering any Organizing
Petitions.

Introduced: 2/7/72
Referred: Local Government and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 596

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for boroughs in the unorganized borough; and providing for an effective date."

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

* Section 1. AS 07 is amended by adding a new chapter to read:

CHAPTER 04. BOUNDARIES AND ORGANIZATION OF BOROUGHS IN THE UNORGANIZED BOROUGH.

ARTICLE 1. BOUNDARIES, ADMINISTRATION AND INCORPORATION.

Sec. 07.04.010. BOUNDARIES. By the tenth day following the convening of the first session of the Eighth Legislature, the Local Boundary Commission shall propose to the legislature a division of the unorganized area of the state into unorganized boroughs. The Local Boundary Commission may propose adjustments to the boundaries of existing boroughs to the extent necessary to secure conformity with the standards for borough boundaries set forth in the statutes and in the Constitution of the State of Alaska. A proposed adjustment of existing boundaries shall provide for those transitional matters the commission considers necessary or appropriate. The boundaries proposed by the Local Boundary Commission become effective 45 days after presentation or at the end of the session whichever is earlier, unless disapproved by resolution concurred in by a majority of the members of each house. The proposed division is not subject to modification by the legislature as an alternative to disapproval, and if disapproved by the legislature the proposed division made in accordance with this section is of no effect.

Sec. 07.04.020. ADMINISTRATION. Unorganized boroughs shall be administered by the Department of Community and Regional Development as prescribed by the legislature.

Sec. 07.04.030. ADVISORY COUNCIL. In each unorganized borough the lieutenant governor, within 60 days of the establishment of unorganized boroughs in the manner provided in sec. 10 of this chapter shall provide for election of an advisory council of 11 members. The council may participate in an advisory capacity in the development and implementation of state programs and projects relating to the borough. Elections of council members shall be held every four years.

Sec. 07.04.035. COUNCIL MEMBERSHIP. At the time of election and during their tenure advisory council members shall be qualified voters of the state and residents of the borough. A vacancy on the advisory council shall be filled by a person qualified for election to the advisory council and selected by majority vote of the remaining members of the council. If a majority of seats on the advisory council are vacant concurrently, the lieutenant governor shall fill the vacancies by appointment of persons qualified for election to the advisory council.

Sec. 07.04.040. INCORPORATION. A percentage, determined in accordance with AS 07.10.020(8), of the qualified voters of an unorganized borough may petition for organization of the borough as a borough of the first, second or third class in the manner provided in AS 07.10 and 07.17, except that the petition need not include matter relating to boundaries.

ARTICLE 2. HOME RULE CHARTERS.

Sec. 07.04.050. ADOPTION OF CHARTER. An unorganized borough established under this chapter may adopt a home rule charter in the manner prescribed by AS 29.40.010 - 29.40.030 and AS 29.85.110(a) - (d),

except that the advisory council elected in accordance with sec. 30 of this chapter shall perform the duties assigned to city councils, and except that the charter commission shall consist of 11 members. Vacancies on the charter commission shall be filled in the same manner as vacancies on the advisory council.

Sec. 07.04.060. ORGANIZATION. The charter commission shall initiate organization of the borough in accordance with the terms of the charter by submission of the charter to the Department of Community and Regional Development. The charter shall be submitted within one year of the first meeting of the commission. The department shall review the charter in light of the circumstances of the particular borough and, within 120 days from receipt shall transmit the charter, together with its findings and recommendations, to the Local Boundary Commission.

Sec. 07.04.070. HEARING. The Local Boundary Commission shall hold at least one hearing in the area proposed to be organized for the purpose of hearing public comment on the charter.

Sec. 07.04.080. LOCAL BOUNDARY COMMISSION DETERMINATION. The Local Boundary Commission, within 90 days from receipt of the charter and the recommendations and findings of the Department of Community and Regional Development, shall determine whether the charter meets standards for organization established by the laws and the Constitution of the State of Alaska and by regulations adopted by the commission.

Sec. 07.04.090. REJECTION OF CHARTER. If the Local Boundary Commission determines that the charter fails to meet the standards for organization it shall reject the charter stating in writing its reasons for the rejection.

Sec. 07.04.100. AMENDED CHARTER. A charter commission, within 60 days of rejection, may prepare and submit to the Department of

Community and Regional Development an amended charter fairly meeting the stated objections to the original charter. The amended charter shall be evaluated in the same manner as the original charter. No more than one original and one amended charter may be submitted within one 12 month period.

Sec. 07.04.110. RATIFICATION OF CHARTER. If the Local Boundary Commission determines that the charter meets the standards for organization it shall notify the lieutenant governor. As soon thereafter as practicable the lieutenant governor shall provide for an election in the borough on the question of whether or not the charter is ratified and for election of the officers provided for in the charter. The election shall be preceded by publication and posting of the proposed charter by the lieutenant governor substantially in the manner provided for other charter elections in AS 29.85.150.

Sec. 07.04.120. CERTIFICATION OF RESULTS. If a majority of the votes cast by the qualified voters of the borough are against ratification the lieutenant governor shall so certify and shall certify that the charter is defeated. If a majority of the votes cast by the qualified voters on the question are in favor of ratification the lieutenant governor shall so certify and declare that the borough in which the election was held is an organized borough and a municipal corporation in accordance with the terms of the charter. The lieutenant governor shall also certify the names of those candidates who received the greatest number of votes for the offices established by the charter.

Sec. 07.04.125. VOTERS, ELECTIONS AND COSTS. (a) A person is qualified to vote in a borough election authorized in this chapter if he is qualified to vote in state elections and if he is a resident of the borough.

(b) The lieutenant governor shall supervise elections under this

chapter as provided for supervision of other borough elections under AS 07.10.120(d).

(c) The state through the office of the lieutenant governor shall assume the costs of elections and charter preparation under this chapter.

* Sec. 2. Nothing in this Act may be construed to affect any organization petition pending on the effective date of this Act. All such petitions shall be acted upon in the manner provided by law in effect prior to the effective date of this Act.

* Sec. 3. AS 07.05.010 and AS 07.05.040 are repealed.

* Sec. 4. This Act takes effect July 1, 1972.

Introduced: 2/7/72
Referred: Local Government and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 597

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for assessment, levy, collection and distribution of a property tax; and providing for an of effective date."

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

* Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 77. PROPERTY TAX.

ARTICLE 1. LEVY, ASSESSMENT AND COLLECTION.

Sec. 43.77.010. LEVY OF TAX. An annual tax of 15 mills is levied each tax year, beginning January 1, 1973, on the full and true value of taxable real and personal property located in the state.

Sec. 43.77.020. EXEMPTIONS. The following property is exempt from the tax levied in sec. 10 of this chapter:

(1) an owner-occupied single family dwelling, and the land it stands on, including but not limited to condominiums to the extent of the interest of an owner, and household goods and personal effects, including but not limited to farm equipment, inventory, mechanic's tools and other equipment necessary to the business of the taxpayer and other property of the taxpayer of any description otherwise taxable under this chapter; however, an exemption under this paragraph may not exceed $50,000;

(2) property exempt under AS 29.10.336;

(3) unimproved land;

(4) aircraft weighing 6,000 pounds or less;

(5) boats and vessels otherwise taxed by a city or borough.

Sec. 43.77.030. CREDIT. A credit is allowed to an owner on the tax payable with respect to particular property under this chapter equal to the full amount of ad valorem tax levied by a city or borough on the same property for the same tax year and not satisfied by means of a tax credit or by means of a tax incentive.

Sec. 43.77.040. LOCAL EFFORT EXCLUSION. No return need be filed nor tax paid by any person with respect to property located in a city or borough for any tax year as to which the Department of Revenue certifies that the amount of tax which would be levied under this chapter in the city or borough for that year exceeds the amount of revenue raised or anticipated from all local taxes in the city or borough during the tax year next preceding.

Sec. 43.77.050. ASSESSMENT. Assessment of property in unorganized boroughs subject to the tax levied under this chapter shall be carried out by the office of the state assessor in the Department of Community and Regional Development in the manner provided in AS 29.10.378 - 29.10.453 for first class cities, except that the state assessor in the Department of Community and Regional Development shall function in place of the local assessor and a state assessment review officer shall function in place of the city council sitting as a board of equalization.

Sec. 43.77.060. STATE ASSESSMENT REVIEW OFFICERS. The commissioner of community and regional development shall appoint at least five qualified persons to serve at his pleasure as state assessment review officers. At least one such person shall be appointed from each of the four judicial districts.

Sec. 43.77.070. COMPENSATION, PER DIEM AND EXPENSES. State assessment review officers receive no compensation but are entitled to per diem and expenses authorized by law for boards.

Sec. 43.77.080. POWERS AND DUTIES. Each state assessment review officer has the powers and duties with respect to assessment in unorganized boroughs of a city council sitting as a board of equalization with respect to first class cities.

Sec. 43.77.090. HEARINGS. The commissioner of community and regional development shall assign annually at least one state assessment review officer to hear assessment appeals at appropriate locations in each election district.

Sec. 43.77.100. REAL PROPERTY RECORDING. To assist in assessment of real property subject to tax under this chapter, no recorder may accept for filing any document of transfer unless the document shows on its face a legal description of the property, the names and addresses of the buyer and seller, the date of the sale, and the purchase price, attested to by the transferee, except that, the recorder may accept, in place of this information on the document of transfer, a sworn statement of the transferee containing the same information. The statement shall be held in confidence for use only by the office of the state assessor.

Sec. 43.77.110. COLLECTION AND ENFORCEMENT. The tax levied in this chapter is payable in full to the Department of Revenue on September 30 of the tax year. A penalty of ten per cent shall be added to delinquent taxes and interest at the rate of six per cent a year shall accrue on all unpaid taxes, excluding penalties, from the due date until paid in full. Collection of the tax levied in this chapter shall be carried out by the Department of Revenue in the manner provided in AS 29.10.456 - 29.10.537 and AS 29.10.348 - 29.10.351 for first class cities.

Sec. 43.77.120. PROCEEDS OF TAX. Money collected under this chapter shall be deposited in the general fund.

Sec. 43.77.130. LIEN FOR TAX. The tax levied under this chapter and interest and penalty set out in sec. 110 of this chapter are liens upon the property assessed and taxed. With respect to property located outside an organized borough and outside of a city, the tax liens provided by this chapter are prior and paramount to all other liens or encumbrances against the property assessed. With respect to property located in cities and boroughs the tax liens provided by this chapter are prior to all liens and encumbrances against the property assessed except liens for taxes levied by the city or borough.

Sec. 43.77.140. FALSE STATEMENT. A person who knowingly makes a false statement in a return required under this chapter as to the amount, location, kind or value of property subject to taxation with intent to evade the taxation is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $500 or by imprisonment for not more than five days, or by both, together with the costs of prosecution.

ARTICLE 2. REVENUE SHARING AMONG UNORGANIZED BOROUGHS.

Sec. 43.77.160. DISTRIBUTION OF PROCEEDS. The legislature is authorized to appropriate each year as shared revenue for the benefit of unorganized boroughs an amount equal to the net amount of revenue raised under this chapter in the preceding year on property located in unorganized boroughs. Revenue so appropriated shall be administered by the Department of Community and Regional Development. The department shall hold and utilize for the benefit of each unorganized borough an amount determined in accordance with secs. 170 - 190 of this chapter.

Sec. 43.77.170. DIRECT RETURN. From the appropriation authorized under sec. 160 of this chapter an amount equal to the net revenue

raised by a five mill levy on property taxable under this chapter within each unorganized borough shall be held and used for the benefit of the unorganized borough where the particular property is located.

Sec. 43.77.180. DISTRIBUTION. Revenue appropriated under sec. 130 of this chapter, less revenue allotted in accordance with sec. 170 of this chapter, shall be held and used for the benefit of each unorganized borough in accordance with the ratio of its distribution index to the sum of the distribution indices of all unorganized boroughs.

Sec. 43.77.190. DISTRIBUTION INDEX. The distribution index of each unorganized borough is based upon its wealth, cost of services, population and area and is determined by the following formula:

$$D = \frac{FaCP}{2 F_p}$$

where D = distribution index

F_a = average fiscal capacity of unorganized boroughs

F_p = fiscal capacity of the particular unorganized borough

C = cost of service which is the cost as determined by the state assessor for each tax year in each particular unorganized borough of providing education, water, sewer, police, fire, administrative and other government services expressed as a percentage of the average cost of such services in all unorganized boroughs.

P = population of the particular unorganized borough as a percentage of total population of unorganized boroughs.

Sec. 43.77.200. DEFINITIONS. In this chapter

(1) "taxable real and personal property" means property not exempt from taxation under the constitution and laws of the state; particularly the term does not include property exempt under sec. 20 of this chapter, in AS 29.10.342, in AS 29.10.343 and in

29.10.344; the term otherwise includes property exempted from taxation by home rule charter provision and property exempted from execution under AS 09;

(2) "real property" means property defined in AS 29.10.552(1);

(3) "personal property" means property as defined in AS 29.10.552(3) excluding money on deposit;

(4) "unimproved land" means land with respect to which the state assessor in the Department of Community and Regional Development determines that no current physical addition or alteration which enhances the utility, value, or income producing potential exists;

(5) "fiscal capacity" means the total assessed value within an organized borough divided by its population.

Sec. 43.77.210. REGULATIONS. The Department of Community and Regional Development and the Department of Revenue may adopt regulations as appropriate to carry out their respective duties under this chapter.

* Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

IN THE HOUSE BY THE LOCAL GOVERNMENT COMMITTEE

HOUSE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

Relating to a study of the ramifications of a statewide property tax.

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

WHEREAS legislation is pending before the legislature which, if enacted, would levy a real and personal property tax of 15 mills in the state with certain exemptions provided for; and

WHEREAS the proposed legislation further provides for a revenue-sharing program for distribution of the net proceeds of the proposed tax to unorganized boroughs; and

WHEREAS at the present time many questions remain concerning estimates of how much revenue such a tax would create; how much taxable property there is, especially in those areas comprising the unorganized borough; how much it would cost to administer the tax collections and distribution; and additionally, there is a lack of knowledge about the effects of many other aspects of the proposed legislation; and

WHEREAS the only manner in which reasonably accurate information can be garnered concerning these matters is through thorough study and evaluation of the unorganized borough;

BE IT RESOLVED by the Alaska Legislature that the Legislative Council is requested to direct and oversee a study of the practical effects of the proposed legislation (HB 597), to be conducted by the Local Affairs Agency, the Department of Revenue, the Department of Administration, and all other appropriate agencies and persons as determined by the council; and be it

FURTHER RESOLVED that in addition to directing and coordinating the

work of the executive departments involved, the council shall do everything it considers necessary for the successful, impartial analysis of this legislation, including the holding of public hearings in the unorganized borough; and be it

FURTHER RESOLVED that the Legislative Council submit its report, including a summary of what the effects of this legislation would be on the unorganized borough, to the First Session of the Eighth Legislature.

with in two days --

Introduced: 2/7/72
Referred: Local Government and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 598

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for a state tax on property used in connection with exploration for and transportation of unrefined oil and gas; and providing for an effective date."

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

* Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 56. OIL AND GAS EXPLORATION AND TRANSPORTATION PROPERTY TAX.

Sec. 43.56.010. LEVY OF TAX. (a) An annual tax of 20 mills is levied each tax year, beginning January 1, 1973, on the full and true value of all the taxable real nd personal property employed in the state in the exploration for and transportation of unrefined oil and gas, except that the tax levied under this section does not apply to property ith respect to which an ad valorem tax is payable to a city or borough on January 1, 1972 and on January 1 of any succeeding year during which a tax is levied under this section.

Sec. 43.56.020. EXEMPTIONS. In addition to property excluded under sec. 90(6) of this chapter, the following property is exempt from the tax levied under this chapter

(1) producing oil or gas leases;

(2) machinery, appliances and equipment used in and around a well producing oil or gas and actually used in the operation of a well; and

(3) oil and gas produced in the state upon which gross

production taxes are paid.

Sec. 43.56.030. IN LIEU OF OTHER TAXES. Payment of the tax levied under this chapter is in lieu of all ad valorem taxes on property subject to tax under this chapter now or hereafter imposed by the state, or by a city or a borough.

Sec. 43.56.040. ASSESSMENT AND COLLECTION. Property subject to the tax levied under this chapter shall be assessed and collected in the manner provided in AS 43.77.050 - 43.77.090, AS 43.77.110, and AS 43.77.130 - 43.77.140.

Sec. 43.56.050. DEPOSIT IN GENERAL FUND. The annual revenue from the tax levied under this chapter shall be deposited in the general fund.

Sec. 43.56.060. AUTHORIZATION OF APPROPRIATION. There is authorized to be appropriated each year an amount equal to the sum of the amounts deposited in the general fund under sec. 50 of this chapter. The amount appropriated under authority of this section shall be administered by the Department of Community and Regional Development.

Sec. 43.56.070. DISTRIBUTION. As soon as practicable following the annual appropriation provided for in sec. 60 of this chapter, the Department of Community and Regional Development shall distribute to the treasurer of each taxing unit, and shall segregate and hold for the benefit of each unorganized borough, an amount which bears the same ratio to the total amount of the annual appropriation as the distribution index of the governmental unit bears to the sum of the distribution indices of all ~~governmental~~ organized boro units.

Sec. 43.56.080. DISTRIBUTION FORMULA. The distribution index of each governmental unit is based on its cost of services, wealth and population and is determined annually in accordance with the following formula

$$D = \frac{PCF_a}{F_p}$$

where D = distribution index

P = total population of the governmental unit as a percentage of the statewide total population

C = cost of service index

F_p = fiscal capacity

F_a = statewide fiscal capacity.

Sec. 43.56.090. DEFINITIONS. In this chapter

(1) "taxing unit" means any organized borough or city levying ad valorem taxes whether located within or outside an organized borough;

(2) "governmental unit" means an organized borough or a city levying ad valorem taxes whether located within or outside an organized borough, and an unorganized borough;

(3) "fiscal capacity" means the ratio of total taxable assessed value to total population within a governmental unit;

(4) "statewide fiscal capacity" means the ratio of total taxable assessed value to total population for the state as a whole;

(5) "cost of service index" means the cost as determined by the state assessor in the Department of Community and Regional Development for each tax year in each particular governmental unit of education, sewer, water, police and fire protection, road construction and other governmental services expressed as a percentage of the average cost of those services in the state as a whole;

(6) "taxable real and personal property" means property not exempt from taxation under the constitution and laws of the state or of the United States, but does not include any subsurface estate or property used in a consumer distribution system. The term includes

otherwise taxable property exempted from taxation under home rule ordinance or charter.

Sec. 43.56.100. REGULATIONS. The Department of Community and Regional Development and the Department of Revenue may adopt regulations as appropriate to carry out their respective duties under this chapter.

* Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

STATE
of ALASKA

MEMORANDUM

TO: Representative Mike Miller

DATE:

FROM: Rick Garnett

SUBJECT:

Last minute changes threw this out of final form. However,it contains the major changes that we had in mind. when the time comes to print we can run it off together with any committee changes since we have it on MTST.

DISCUSSION COPY

The Local Bnd. Committee

IN THE HOUSE

BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

CS for HOUSE BILL NO. 598

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for a state tax on property used in connection with transportation of unrefined oil and gas; and providing for an effective date."

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

* Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 56. OIL AND GAS

TRANSPORTATION PROPERTY TAX.

Sec. 43.56.010. LEVY OF TAX. An annual tax of 20 mills is levied each tax year beginning January 1, 1973, on the full and true value of taxable real and tangible personal property employed in the transportation of unrefined oil and gas. With respect to a facility employed for part of a tax year in such a manner as to render it taxable under this chapter or partly so employed for a full tax year, the value of the facility taxable under this chapter shall be proportionate to the employment. Property taxable under this chapter does not include property employed in the construction of facilities taxable under this chapter as distinct from the facilities themselves; however, with respect to pipelines and other facilities taxable under this chapter which may be under construction or awaiting construction, full and true value for each tax year prior to completion shall be measured by the costs incurred or accrued with respect to the facility as of the assessment date. The tax levied under this chapter does not apply to property with respect to which an ad valorem tax is payable to a city or borough on January 1, 1972 and on January 1 of any succeeding year during which a tax is levied under this chapter.

Sec. 43.56.020. EXEMPTIONS. In addition to property excluded under sec. 150(6) of this chapter, the following property is exempt

from the tax levied under this chapter

(1) producing oil or gas leases;

(2) machinery, appliances and equipment used in and around a well producing oil or gas and actually used in the operation of a well; and

(3) oil and gas produced in the state upon which gross production taxes are paid.

Sec. 43.56.030. IN LIEU OF OTHER TAXES. Payment of the tax levied under this chapter is in lieu of all ad valorem taxes on property subject to tax under this chapter now or hereafter imposed by the state, or by a city or a borough.

Sec. 43.56.040. ASSESSMENT. Assessment of property subject to the tax levied under this chapter shall be carried out by the office of the state assessor in the Department of Community and Regional Affairs substantially in the manner provided in AS 29.10.378 - 29.10.453 for first class cities, except that the state assessor in the Department of Community and Regional Affairs shall function in place of the local assessor, and the State Assessment Review Board shall function in the place of the city council sitting as a board of equalization.

Sec. 43.56.050. STATE ASSESSMENT REVIEW BOARD. The commissioner of community and regional affairs shall appoint at least five qualified persons to serve at his pleasure as a State Assessment Review Board. At least one such person shall be appointed from each of the four judicial districts.

Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State Assessment Review Board shall be compensated and are entitled to per diem and expenses authorized by law for boards.

Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review

Board has the powers and duties with respect to assessment of property taxable under this chapter of a city council sitting as a board of equalization with respect to first class cities.

Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in this chapter is payable in full to the Department of Revenue on September 30 of the tax year, except that, the Department of Revenue may by regulation provide for prepayment of taxes and payment by installments. A penalty of ten per cent shall be added to delinquent taxes and interest at the rate of eight per cent per annum, or four percentage points above the per annum rate charged member banks for advances by the 12th Federal Reserve District that prevailed on the first day of the month preceding the commencement of that calendar quarter, whichever is greater, shall accrue on all unpaid taxes, excluding penalties, from the due date until paid in full. Collection of the tax levied under this chapter shall be carried out by the Department of Revenue substantially in the manner provided in AS 29.10.456 - 29.10.537 and 29.10.348 - 29.10.351 for first class cities.

Sec. 43.56.090. LIEN FOR TAX. The tax levied under this chapter and interest and penalty set out in sec. 080 of this chapter are liens upon the property subject to tax under this chapter. The liens provided by this section are prior and paramount to all other liens or encumbrances upon the same property.

Sec. 43.56.100. FALSE STATEMENT. A person who knowingly fails to file a return when due or makes a false statement in a return required under this chapter as to the amount, location, kind or value of property subject to taxation with intent to evade the taxation is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $1000 or by imprisonment for not more than six months,

or by both, together with the costs of prosecution.

Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The annual revenue from the tax levied under this chapter shall be deposited in the general fund.

Sec. 43.56.120. AUTHORIZATION OF APPROPRIATION. There is authorized to be appropriated to the Department of Community and Regional Affairs each year an amount equal to the sum of the amounts deposited in the general fund under sec. 110 of this chapter, less costs incurred or anticipated in administration of the tax for the year of levy.

Sec. 43.56.130. DISTRIBUTION. As soon as practicable following the annual appropriation provided for in sec. 120 of this chapter, the Department of Community and Regional Affairs shall distribute to the treasurer of each taxing unit, and shall segregate and hold for the benefit of each unorganized borough, an amount which bears the same ratio to the total amount of the annual appropriation under sec. 120 of this chapter as the distribution index of the governmental unit bears to the sum of the distribution indices of all governmental units.

Sec. 43.56.140. DISTRIBUTION INDEX. The distribution index of each governmental unit is based on its cost of services, wealth and population and is determined annually in accordance with the following formula

$$D = \frac{PCF_a}{F_p}$$

where D = distribution index

P = total population of the governmental unit as a percentage of the statewide total population

C = cost of service index

F_p = fiscal capacity

F_a = statewide fiscal capacity.

Sec. 43.56.150. DEFINITIONS. In this chapter

(1) "taxing unit" means any organized borough or city levying ad valorem taxes whether located within or outside an organized borough;

(2) "governmental unit" means an organized borough or a city levying ad valorem taxes whether located within or outside an organized borough, and an unorganized borough;

(3) "fiscal capacity" means the ratio of total taxable assessed value to total population within a governmental unit;

(4) "statewide fiscal capacity" means the ratio of total taxable assessed value to total population for the state as a whole;

(5) "cost of service index" means the ratio as determined by the state assessor of the average cost of materials and personal services, weighed equally, in a particular governmental unit to the average cost of materials and personal services in the state as a whole for each tax year. In determining the cost of service index the state assessor may utilize such standards of reference as federal cost of living data, state employee regional pay differentials and other measures and standards which in his opinion tend to reflect cost differentials of construction materials, labor, and other components of the overall cost of local government operations;

(6) "taxable real and tangible personal property" means property not exempt from taxation under the constitution and laws of the state or of the United States, but does not include any subsurface estate or property used in a consumer distribution system. The term includes otherwise taxable property exempted from taxation under home rule ordinance or charter.

Sec. 43.56.160. REGULATIONS. The Department of Community and Regional Affairs and the Department of Revenue may adopt regulations as appropriate to carry out their respective duties under this chapter, including regulations governing determination of the population valuation and cost factors in sec. 140 of this chapter.

* Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

April 6, 1972

MEMORANDUM

TO: George Hohman, Chairman
House Finance Committee

FROM: Mike Miller, Chairman
House Local Government Committee

George -

Attached is a letter which I requested from the Administration relative to estimates of income available to each borough and the unorganized borough under HB 598. As Rich Garnett indicates, these are rough guesses, but they nonetheless represent some idea of how revenues would be distributed. I would like to renew my suggestion, however, that some of the funds destined for the unorganized boroughs be considered, instead, for funding this proper and responsive department.

March 15, 1972

MEMORANDUM

TO: John Rader, Chairman
Senate Local Government Committee

FROM: Mike Miller, Chairman
House Local Government Committee

John -

Vic Fischer requested that we provide you with copies of the minutes of his testimony to the House Local Government Committee relative to the administration's "package' in the unorganized borough. The minutes are attached. However, inasmuch as our minutes are necessarily brief and capsulized, I would strongly recommend that you listen to the tapes of Mr. Fischer's presentation. The tapes are also attached and we would like to have them back when you are through with them. Mr. Fischer's presentation to the House Local Government Committee was very beneficial and constructive.

distributed 3/16/72
to all members

Alaska State Legislature

House of Representatives

March 15, 1972

MEMORANDUM

TO: Members of the House Local Government Committee

FROM: Mike Miller, Chairman
House Local Government Committee

SUBJECT: Governor's recommended package relative to creation of unorganized boroughs and taxation in the unorganized borough.

As you are aware, the committee is currently considering HB's 521, 596, 597, 598. HB 521 was passed out today and on Friday I would like for the committee to consider the other three bills.

The following are my recommendations, all of which are open for additional thought and amendments.

HB 596 - I believe we should pass this bill essentially as is. It sets up the framework by which the present unmanageable unorganized borough can be divided into smaller units. This is a bill with which a beginning can be achieved along the road toward an eventual local government for these areas.

HB 597 - Although there is merit in establishing a degree of taxation in the unorganized borough, there seems to be a great number of questions relative to technique and procedure. Too, there is question as to the amount of wealth that exists in the unorganized borough. And, there has been question in the committee whether 15 mills is an appropriate tax amount. This leads me to believe that the legislature, through its legislative council, should continue to explore these questions in the interim between sessions, should hold hearings on the subject both within and outside the unorganized borough, and should return next session with a definitive bill to recommend on this subject. I am having a resolution drafted to accomplish this.

HB 598 - Basically, I think there is a lot to be said in favor of this bill however, I do have one amendment I would like to suggest. Instead of simply taxing the oil interests at a rate of 20 mills, and then distributing these taxes on the formula suggested in the bill, I would strongly suggest that we assign 5 mills out of the

REPRESENTATIVE MIKE MILLER

COMMITTEES
CHAIRMAN, LOCAL GOVERNMENT COMMITTEE
MEMBER, RULES AND STATE AFFAIRS COMMITTEE

20 to be given directly to the organized or unorganized borough where the taxable property is located. The balance of the 15 mills would be distributed state-wide as per the Governor's formula. For your information, the following is a breakdown of distribution among the unorganized boroughs and the unorganized areas as well. These figures assume that the State Assessor's office is correct in its estimate of $300 million of taxable property presently in the North Slope area, $50 million around Fairbanks and approximately $50 million in Valdez.

Bristol Bay Borough	$ 174,000
Sitka Borough	96,000
Juneau Borough	258,000
Fairbanks Borough	928,000
Anchorage Borough	1,680,000
Kenai Borough	198,000
Ketchikan Borough	186,000
Kodiak Borough	126,000
Mat-Su Borough	120,000
Haines Borough	24,000
North Slope Borough	1,560,000
Unorganized Borough	2,650,000

I am hopeful we can resolve this question before Clem leaves over the weekend.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

March 6, 1972

The Honorable Mike Miller, Chairman
House Local Government Committee
Alaska State Legislature
Juneau, Alaska 99801

Re: HB 598

Dear Chairman Miller:

Your suggested amendment of HB 598 may be accomplished by inserting a new section after sec. 060 along the following lines:

> From the appropriation authorized under sec. 060 of this chapter, an amount equal to the revenue raised by a five mill levy on property taxable under this chapter shall be remitted to the treasurer of the taxing unit or held and used by the Department of Community and Regional Affairs for the benefit of the unorganized borough, as the case may be, in which the property is located.

A corresponding change in the following section would make it clear that the amount of revenue distributed by formula is the total revenue raised less the five percent remitted to the area where the property is located.

In order to preserve some of the equalization effect of the distribution formula, we suggest that the fiscal capacity of each area where taxable property is located be adjusted to account for the direct payment. That is, in assessing the wealth of an area which receives 25% of the proceeds from the tax on property in the area, it is equitable to treat tnat area as though its tax base included 25% of the value of the taxable property in the area.

Granting to the area the revenue from the first five mills is tantamount to leaving 25% of the property as part of the local tax base. In such case, that 25% would be included in the calculation of the area's fiscal capacity. The same should be true where only the form of the transaction is varied by the State collecting the full tax and remitting 25% of the revenue.

Examples 1) and 2) below illustrate the estimated comparative effect of calculating with and without reattribution on revenue allotted to the North Slope.

Example 3) shows the North Slope share without a direct return.

Example 4) and 5) show the North Slope share with 2.5 mill and 3.5 mill direct returns respectively.

Example 6) shows estimated revenue to organized boroughs assuming 5 mill direct return.

Example 7) shows estimated revenue to the unorganized area as a whole.

Once pipeline construction is under way, the figures involved will increase by multiples of 10 or more.

All calculations are estimates only. Exact operation of the distribution formula must await accurate assessment figures for the unorganized parts of the State and cost of service figures for all areas.

It will be noted by comparison of examples 3, 4, & 5 that the North Slope receives more revenue without direct return than with return at 2.5 or 3.5 mills. This is because the formula as originally conceived was designed to take full account of the existing poverty level of rural areas such as the North Slope.

Addition of wealth directly makes that area more on a par with other parts of the State, and accordingly reduces its share under the formula.

Present estimate of total 598 property:

North Slope	300,000,000	
Fairbanks	50,000,000	
Valdez	50,000,000	400,000,000

Total revenue = 400,000,000
02
8,000,000.00

1) Share of North Slope (with reattribution)

$$\frac{.02 \times 300{,}000{,}000}{4} + \frac{\frac{PCFa}{Fp}}{270{,}838} \times 6{,}000{,}000$$

Where P = population = 3,312
C = cost of service = 2
Fa = state average fiscal capacity (value per capita) = 9,923
Fp = North Slope fiscal capacity = $\frac{81{,}000{,}000}{3{,}312}$ (75,000,000 reattributed + 6 others) = 24,456

$$1{,}500{,}000 + \frac{3{,}312 \times 2 \times \frac{9{,}923}{24{,}456}}{270{,}838} \times 6{,}000{,}000 = 1{,}560{,}000$$

= 19.5 percent of total revenue

2) Share of North Slope (without reattribution)

$$1{,}500{,}000 + \frac{3{,}312 \times 2 \times \frac{9{,}923}{1{,}811}}{270{,}838} \times 6{,}000{,}000 = 2{,}340{,}000$$

= 29.2 percent of total revenue

3) Share of North Slope without direct return

$$\frac{3{,}312 \times 2 \times \frac{9{,}923}{1{,}811}}{270{,}838} \times 8{,}000{,}000 = 1{,}144{,}000$$

= 14.3 percent of total 598 revenue

4) Share of North Slope with 2.5 mill (12.5%) direct return

$$(12.5\% \times 6{,}000{,}000) + \frac{3{,}312 \times 2 \times \frac{9{,}923}{12{,}832}}{270{,}838} \times 7{,}000{,}000 = \$876{,}000$$

= 10.9 percent of total 598 revenue

5) Share of North Slope with 3.5 mill (17.5%) direct return

$$(17.5)(6{,}000{,}000) + \frac{3{,}312 \times 2 \times \frac{9{,}923}{16{,}757}}{270{,}838} \times 6{,}600{,}000 = \$1{,}142{,}000$$

= 14.2 percent of total 598 revenue

6) Estimate of Distribution Among Organized Boroughs (with 25% direct return)

Fa / Fp	Boroughs	Multiplier x Total Revenue	Share	$ Per Capita
2.2	Bristol Bay	.029 x 6 million	174,000	49.32
.75	Sitka	.016 x 6 million	96,000	15.43
.87	Juneau	.043 x 6 million	258,000	19.43
1	Fairbanks	250,000 + .113 x 6 million	928,000	30.95
.74	Anchorage	.280 x 6 million	1,680,000	16.32
.57	Kenai	.033 x 6 million	198,000	12.80
.86	Ketchikan	.031 x 6 million	186,000	18.53
.90	Kodiak	.021 x 6 million	126,000	19.52
.85	Mat-Su	.020 x 6 million	120,000	18.56
.93	Haines	.004 x 6 million	24,000	17.10
2 x .41	North Slope	1,500,000 + .010 x 6 million	1,560,000	471.48
		TOTAL	5,350,000	
			AVERAGE	26.15

7) Estimated Total to Unorganized Areas

	8,000,000	Total
	5,350,000	To Organized
	2,650,000	To Unorganized
5 mills to Valdez	250,000	
	2,400,000	remainder of unorganized boroughs

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

April 3, 1972

The Honorable Mike Miller, Chairman
House Local Government Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Chairman Miller:

You asked for estimates of the amounts of revenue which would be distributed to organized boroughs under HB 598 in the first year.

Our assumption is that the tax will produce approximately $8,000,000 total revenue.

The figures on page 4 of our letter of March 6, 1972, show estimated distribution if 25% of the revenue attributable to particular property is returned directly to the municipality where the property is located.

Without direct return, the 2,000,000 otherwise allotted directly to Valdez, Fairbanks and the North Slope would be spread over all the boroughs in the same proportions as the first 6,000,000.

Reference to the share of a borough means the share of the borough itself and tax levying cities within the borough, as available assessment figures apply to the borough as a whole.

The share of the North Slope is based on an assumption that costs there are twice as great as for the state as a whole and that per capita wealth is approximately one fifth the state average. If the North Slope cost and wealth figures turn out to be closer to the statewide norm, that borough's share would be reduced.

If it is desired to insure a certain absolute minimum to the North Slope we recommend following your earlier thought and allotting to the place where taxable property is located a certain millage off the top.

It should be stressed that these estimates are only slightly better than guesswork because of the present lack of valuation and

cost data for the whole state.

Borough	Multiplier x Total Revenue	Share	$ Per Capita
Bristol Bay	.029 x 8 million	232,000	66.20
Sitka	.016 x 8 million	128,000	20.58
Juneau	.043 x 8 million	344,000	25.51
Fairbanks	.113 x 8 million	904,000	29.16
Anchorage	.280 x 8 million	2,240,000	21.77
Kenai	.033 x 8 million	264,000	16.11
Ketchikan	.031 x 8 million	248,000	24.70
Kodiak	.021 x 8 million	168,000	26.27
Mat-Su	.020 x 8 million	160,000	24.38
Haines	.004 x 8 million	32,000	23.93
North Slope	.143 x 8 million	1,144,000	345.14
	TOTAL	5,864,000	
		AVERAGE	29.59

Estimated Total to Unorganized Areas

8,000,000 Total
5,864,000 To Organized
2,136,000 Outside Organized boroughs

per capita outside organized areas = $\frac{2,136,000}{70,670} = 30.16$

I trust these estimates will be of some assistance.

Yours very truly,

JOHN E. HAVELOCK
ATTORNEY GENERAL

By: Richard W. Garnett III

Richard W. Garnett III
Assistant Attorney General

RWG:fw

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL / POUCH K — STATE CAPITOL
JUNEAU 99801

File w/ 596-7-8

February 28, 1972

The Honorable Mike Miller, Chairman
House Local Government Committee
Alaska State Legislature
Juneau, Alaska

Dear Chairman Miller:

I would like to take the opportunity to comment on several conspicuous errors, confusions and misstatements reportedly made by Mr. Victor Fischer, Director of the Institute of Social, Economic and Governmental Research at the University of Alaska, in his testimony before your Committee last Saturday involving House Bills 596, 597 and 598. I fear the trend in Mr. Fischer's do-little-or-nothing approach is that decision making in rural Alaska will become more and more subject to control by large commercial enterprises, particularly oil related industry, not the people of the region.

To begin with, Mr. Fischer has apparently muddled the two tax proposals made by the Administration in his mind and believes that both are to be applied Statewide. On the contrary, the proposed 15 mill property tax will be collected only from the unorganized borough, and it will be distributed only to the unorganized borough. Only the proposed 20 mill tax on oil and gas exploration and transportation property, which is in lieu of all other taxes on the same property, will be levied and distributed Statewide. It is important to note that the Trans-Alaska pipeline will be the greatest source of revenue available for distribution to local governments under this 20 mill tax.

Mr. Fischer has said that he found the general property tax measure based on "extremely disturbing and obnoxious" principles. The principle underlying both tax measures is that the money be collected and distributed fairly and evenly. It is a principle derived from the equal protection clause of the Constitution of the United States. This principle is not implied, but is spelled out by a detailed distribution formula in each measure based on number of people and cost of services.

The potential conflicts between State and local areas envisioned by Mr. Fischer evaporate on a more careful

reading of the bills involved. His view that the organization of a prospectively wealthy borough would be opposed by the remainder of the unorganized borough is not sufficiently thought out. Currently in Alaska there are inherent inter-regional conflicts between taxing and non-taxing areas. Governor Egan's taxing proposals will reduce these conflicts significantly, providing money where there is now little or none.

The conflict Mr. Fischer envisions between those areas of the unorganized borough that have differing potential for wealth shows no sign of materializing. On the contrary, the continuing unity of the various Native regions of the State augers well for future cooperation among regions. The Administration's unified approach has strengthened the prospect of cooperation and diminishes the likelihood that major commercial interests will attempt to play one region off against another as would occur if each new region made a separate decision to tax or not to tax and at what level, as envisioned by Mr. Fischer. The unity of purpose, despite wealth differentials, is illustrated by the Alaska Federation of Natives, which, though it represents a majority of the residents of the unorganized borough, has endorsed the creation of the North Slope Borough, the richest region within it. In addition, noting that the proposed revenues in the area of that proposed borough would far exceed the requirements of the borough, representatives of the Arctic Slope Native Association stated in testimony before the Local Boundary Commission that they were not opposed to legislation that would result in a substantial share of the revenue derived from property tax revenues raised in the North Slope being distributed on a Statewide or other revenue-sharing basis where needed. This type of action demonstrates the irrelevance of Mr. Fischer's gloomy predictions of inter-regional warfare.

It is ironic that Mr. Fischer endorses the idea of creating local government units throughout the State, as embodied in HB 596, while attacking the financial measures which will make a meaningful level of service in those local government units possible. Surely, the creation of governmental units without the necessary funding would do no more than create bitterness and disillusionment as expectations of local government service founder for want of funds.

This package of legislation, together with Governor Egan's proposed Department of Community and Regional Development, is designed to avoid the chaos that would be created

by an inequitable or nonexistent formula of revenue distribution. While further testimony may develop some points that may be cured by minor amendments, the proposals are sound and will serve to allow the people in Alaska's rural areas to advance themselves.

I regret the necessity of having to criticize Mr. Fischer's testimony on these measures since he is both a respected member of Alaska's academic community and a principal architect of the Borough provisions of the State Constitution. Doubtlessly, a heavy burden of other responsibilities to be discharged while he was in Juneau precluded him from giving the measures before the House Local Government Committee the careful study that usually precedes his comments.

Sincerely,

John E. Havelock
Attorney General

JEH:jt

cc: Victor Fischer

WILLIAM A. EGAN
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 20, 1972

The Honorable Mike Miller
Chairman, Local Government
Committee
Alaska House of Representatives
Pouch V, Capitol Building
Juneau, Alaska 99801

Dear Chairman Miller:

At my request a bill providing for a property tax in the unorganized borough was placed before the Legislature as House Bill 597. The same bill has been introduced for consideration by the Senate as Senate Bill 365.

The bill was conceived in response to a growing conviction within my Administration and throughout the State that the present property tax structure is wasteful and inequitable. It is wasteful because it permits potential sources of revenue to remain untapped merely because of their location within presently unorganized areas of the State. It is inequitable because persons residing within presently organized areas pay an ad valorem tax by way of contributing to the cost of the services they receive, while persons and industries located outside organized areas make no such contribution.

The inequity of the present situation exists also among organized areas. The accident of location of natural resources leads to great disparities among regions in the amount of revenue which may be raised by ad valorem taxes. Because of the nature of the property involved, the disparity in wealth bears little or no relation to the relative need for services among the various areas.

In an effort to meet these issues, I proposed a tax which would reach property now escaping all tax, which would, to a large extent, equalize the tax burden as between organized and unorganized areas, and which would mitigate, through a revenue-sharing formula, the unnatural revenue allocation which will persist under a hands-off local taxation policy.

Both the House and Senate Local Government Committees have held hearings on the bill in question. The bill has been criticized, often in a helpful and constructive manner, with respect to particular aspects of its operation. Some of the views expressed reflect confusion over the more complex features of the bill, others reflect differences of philosophy with respect to exemptions, and some reflect an adamant refusal to face the realities of the State's financial situation and in particular the desperate need for revenue in support of local goverment activities as the State's capability to provide this support levels off.

With the prospect of revenue from oil severance taxes and royalties receding daily it is my firm belief that the State cannot afford a cavalier attitude toward any source of public revenue. Such an attitude would be particularly inappropriate with respect to a universally accepted, tried and proven method of revenue raising such as the ad valorem property tax.

It is my firm conviction that the assumptions and ideas behind the proposal embodied in House Bill 597 and the basic machinery contained in that bill for implementing those ideas have been untouched by the testimony presented before the Local Government Committees. Many of the technical problems cited may be dealt with by simple amendments. Other difficulties which have been raised are of a sort customarily handled through regulations adopted by the taxing authority.

My Administration has not sought to mask the difficulties of administering a program such as that proposed in House Bill 597. The problems are quite real. Ad valorem property taxation is a highly complex subject. Such taxes have been the topic of a large volume of legislation and perhaps an even larger volume of litigation. Several times in the past the State of Alaska has attempted unsuccessfully to discover means to tap this elusive but essential revenue raising source on a Statewide basis.

However, I believe that Alaska, as a matter of economic necessity as well as social policy, will have to eliminate the waste and inequity of current taxes levied on the value of property within its borders, even though initial costs in terms of dollars and administrative adjustment may be considerable.

The most egregious problem with respect to levy and collection of an ad valorem tax is the present lack of reliable, factual information on the location, type, and

value of property within the present unorganized areas. Because the State, as a whole, has never been the subject of a thorough mapping and assessment effort, these crucial items of information may only be estimated.

Yet these and other difficulties will not be diminished by indefinite delay. The sooner we can begin, the more nearly ready the State will be to secure for its people a fair share of taxation from development we know will come.

Those of us who have faith in the future development of Alaska believe strongly that within a relatively short period of time substantial development will take place in presently unorganized areas. We also believe that such development should pay its fair share for the support of government services the demand for which will be generated by the development itself.

In spite of my conviction that a property tax will, in the near future, become an important source of revenue, I acknowledge a need in the short run for more exact information concerning the impact of the tax. Accurate data on the value and location of property within the State is important to the design of the tax.

In addition, we recognize that major development in the unorganized areas will proceed only after the oil transportation problems presently plaguing the State are resolved, and only when investment activity stemming from the Native Claims Settlement begins.

A relatively short delay in implementation of this tax measure could yield significant benefits in terms of certainty and equity in its operation. Accordingly, I propose that the Legislature delay action on House Bill 597 and Senate Bill 365 until the next legislative session so that some of the unknowns presently surrounding operation of the proposed tax can be dealt with.

As a necessary adjunct to such delay, I endorse the proposal of the House Local Government Committee to submit the question of an ad valorem tax in the unorganized borough to the Legislative Council for study of its practical and legal aspects and for hearings to elicit public sentiment on the most desirable form for such a tax. The study should be undertaken in conjunction with the new Department of Community and Regional Affairs and should be broad enough to allow a report on the use of property taxes and regional equalization generally.

Our experience with House Bill 597 has been instructive, both to the Administration and, I believe, to the Legislature and the public. We are now in a better position to deal with the technical problems that exist than we were at the commencement of this session.

I am convinced that careful consideration of the ad valorem tax idea by the Legislative Council and Department together with suggestions from the public and whatever expert assistance may be required, will further demonstrate the necessity and the feasibility of a tax and equalization program substantially similar to that contained in House Bill 597.

Sincerely,

William A. Egan
Governor

FORM 02-001B

J- 596, 597, 598

MEMORANDUM

State of Alaska

DEPARTMENT OF LAW

TO: Byron I. Mallott
Director
Local Affairs Agency

DATE : February 24, 1972

FROM: John E. Havelock
Attorney General

SUBJECT: North Slope Borough Proposal

By: Richard W. Garnett III
Assistant Attorney General

Some time ago you asked each department to comment on the proposed North Slope Borough. The Department of Law postponed its comment until this time because we believed that legal questions would arise only after the record before the Local Boundary Commission was complete.

A representative from this office attended the Barrow hearing. Recordings of the hearing and the exhibits offered by all parties were utilized for study and review of the present state of the record.

The basic decision on borough incorporation is committed by law to the commission and to the people of the area proposed for incorporation. This being so, the scope for commentary on the legality of the proposal is limited. The following comments are directed toward evaluation of the record before the commission and are intended to point out the areas of possible vulnerability should the incorporation be approved by the commission and subsequently tested in court.

Legal Setting. The Constitution of Alaska defined boroughs as a new entity, previously unknown to Alaska government, and, as they hoped, a new start in regional government for America as a whole.

The constitutional limitations on the formation of boroughs were very broad, allowing for maximum flexibility, but required that the legislature set further standards for the new form of government and prescribe the manner and condition of their formation.

The legislature has the power to establish boroughs on its own initiative. When it does so, it is bound only by the broad limitations in the constitution. The legislature has also prescribed the manner in which boroughs may be formed by local option, providing both a procedure which must be followed if a borough is to be formed by local option and substantive standards for the approval of a proposed borough by the Local Boundary Commission to which the power to approve has been delegated by the legislature. In prescribing these procedures and substantive

rules the legislature can be and in fact has been more restrictive on the formation of boroughs through administrative action than it might be in acting directly through an exercise of legislative power.

The Supreme Court of Alaska has indicated that it will compel compliance with the procedures prescribed by the legislature in actions taken by the Boundary Commission. See United States Smelting, Mining and Refining Company v. Local Boundary Commission, et al., No. 727, Sept. 29, 1971. There is no reason to suppose that they will depart from the rule defined in the U. S. Smelting case in proceedings of the Local Boundary Commission undertaken under AS 07.10.110.

One of the rules of administrative action to which the courts will hold the Local Boundary Commission is that any action taken by the commission, or any other administrative body exercising powers of some consequence, must be supported by evidence with respect to each substantive requirement established by the legislature in its delegation of power. See, e.g., Atlantic Ref. Co. v. Public Service Com., 360 U.S. 378. It need not be uncontradicted; it need not conform to formal legal rules of evidence. See, e.g., Dickerson v. U.S., 346 U.S. 389. But there must be some evidence in a form upon which reasonable men might make informed judgments in the course of their affairs.

There is also substantive law to the effect that this evidence must be of record, in a form reviewable by the court. See, e.g., Crowell v. Benson , 285 U.S. 22. That the members of the commission or the Director of the Local Affairs Agency have personal knowledge of issues and facts not of record which bring them to the conclusion that a proposed borough in fact meets substantive standards does not get the commission past the procedural hurdle. It is this legal proposition which the commission should keep in mind as it reviews the record in this proceeding.

Constitutional Guidelines. The proposed borough raises the most fundamental questions about the nature of boroughs.

The minutes of the convention include some discussion of the nature and size of boroughs. On page 2621, Vol. 4 of the minutes, borough size was discussed:

> "COGHILL: For instance, would Fort Yukon, Big Delta, Nenana, Fairbanks be in one borough?
>
> PRESIDENT EGAN: Mr. Victor Rivers.
>
> V. RIVERS: Well, it would not seem to me that that would be a feasible arrangement. The matter of size is one of that changes with time, and the trend in the states is as the population increases

is to give larger areas and consolidate counties into larger groups. They had a great deal of trouble in the old days because they could not travel so very far and they tried to tie a county down to the size you could drive a horse to the boundary and back in one day. That concept has fallen by the board. The idea of how large these would be would have to be determined by the state advisory group in local government working with the people to decide as to what extent their boundaries should cover. That doesn't mean one type of economy; most any area will have a composite type of economy. You have a common interest in certain types of economic activities, and insofar as possible, it would be the determination to try to make an entity or an area that had common interests but would not be so big as to be unwieldy but would not be so small as to be too expensive. It is a matter of the exercise of judgment which has been left to the local level with the advice and assistance of the state department in connection with local government.

COGHILL: Mr. Rivers, I realize it is being left to a power, but I was trying to get the Committee's thinking as to how big they would be. Would they be about the same size as our election districts as set up by the apportionment board, or smaller?

V. RIVERS: I did some research on size and counties, Mr. Coghill, and the Texas Charter set up that the counties should be 900 square miles. Now, there are other areas that run as high as 2,500 square miles, and that is in the nature of a large county, although in some counties they run as high as 4,000 square miles but that is in isolated instances; but around the neighborhood of anywhere from 1,000 to 2,500 square miles seems to be about the average of the larger size counties."

And on page 2627:

"DAVIS: Mr. Rivers, I realize that under the article as it is written that the boundaries of boroughs are going to be set by a board established by the legislature. But I would like to pursue a little bit further the question that Mr. Coghill had asked about what the Committee's thinking is concerning areas that might properly fit into a borough, and since I am familiar with it and so are you with our own area,

I thought I might ask somewhat of the thinking of the Committee in an area such as that. Would your idea of a borough for the Anchorage area comprise, say the area from Portage to the Knik Bridge or something like that including the greater Anchorage area and possible Chugiak, or would it include the Anchorage area plus the Matanuska Valley, or would it be, say the Seward area and Anchorage and the Matanuska Valley all together? What is your thinking about the size of an area like that?

V. RIVERS: Mr. Davis said I am familiar with that area. We discussed various areas through the Territory; in our thinking, of course, we must allow for the changes that occur due to the changes required by time and the area which you first described would probably, from Portage to Knik Bridge, would embrace an area of probably 500 square miles or 400 square miles, and would be about what I would visualize as the initial borough, but I can readily see as 50 years pass by, where, under the consolidation plan some of them might consolidate and bring in the further area you mentioned. The first step would probably be not of a nature so large as to be too unwieldy. The next step, as transportation, communications, and roads develop, might well result in having it twice as large by a consolidation of one or more of these borough areas and their boundaries. Does that answer your question?"

Though the area of the proposed North Slope Borough is over 87,500 square miles, or approximately 21 times the largest figure mentioned in the course of convention discussion on borough size, we do not believe that size alone would rule out a North Slope Borough. In our view the constitutional vision could encompass such a borough provided other prerequisites of local option borough government were present.

Statutory and Constitutional Standards. Whatever insights may be gleaned from the minutes of the convention, the source of specific standards is Article X, section 3 of the constitution which provides:

> The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which

boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

The standards which must be met in proceedings before the commission under this provision are set forth in AS 07.10.130 which provides:

> No area may be incorporated as an organized borough unless it conforms to the following standards.
>
> (1) The population of the area proposed for incorporation shall be interrelated and integrated as to its social, cultural, and economic activities. The population shall be qualified and willing to assume the duties arising out of incorporation, shall have a clear understanding of the nature of the undertaking for which they ask, and shall be large enough and stable enough to warrant and support the operation of organized borough government.
>
> (2) The boundaries of the proposed organized borough shall conform generally to the natural geography of the area proposed for incorporation shall include all areas necessary and proper for the full development of integrated local government services, but shall exclude all areas such as military reservations, glaciers, icecaps, and uninhabited and unused lands unless such areas are necessary or desirable for integrated local government.
>
> (3) The economy of the proposed organized borough shall encompass a trading area with the human and financial resources capable of providing an adequate level of governmental services. In determining the sufficiency and stability of an area's economy, land use, property valuations, total economic base, total personal income, present and potential resource or commercial development, anticipated functions, expenses, and income of the proposed organized borough, shall be considered.
>
> (4) The transportation facilities in the area proposed for incorporation shall be of such a unified nature as to facilitate the communication and exchange necessary for the development of integrated local government and a community of interests. Means of transportation may include surface (both water and land) and air. Areas which are accessible to other parts of a proposed organized borough by water or air only may not be

included within the organized borough unless access to them is reasonably inexpensive, readily available, and reasonably safe. In considering the sufficiency of means of transportation within a proposed organized borough, existing and planned roads and highways, air transport and landing facilities, boats and ferry systems, and railroads, shall be included.

As the statute is worded, compliance with each of the statute standards is a prerequite to incorporation.

Before discussing in detail the extent to which the record supports formation of the proposed first class borough, we wish to comment briefly upon the relation between the proposal and HB 596, which provides for division of the entire state into boroughs. In our view, standards for borough incorporation must be read in light of the powers to be exercised by the borough. Because a borough with extensive power affects the people of the area more profoundly than a limited borough or unorganized borough, it follows that the applicable standards may be applied with greater strictness in the former case than in the latter. HB 596 provides initially for unorganized boroughs. Accordingly, a North Slope borough created in accordance with HB 596 could in theory meet constitutional and statutory standards even if it were determined that an unlimited first class borough does not.

In addition, HB 596 provides for legislative approval of boundaries drawn under its authority. Where the borough is in effect formed by legislative action, the boundaries must be deemed in conformity with statutory standards, as the legislature has plenary power over creation of local government units within the state. The same presumption of validity does not of course apply to boundaries created by the commission under statutory standards and subject only to local option approval.

The Record. In our view, the present record may need supplementation to withstand judicial scrutiny of the incorporation in several respects, including the requirements

1) That the population be qualified and willing to assume the duties arising out of incorporation, and have a clear understanding of the nature of the undertaking for which they ask.

2) That the boundaries exclude glaciers, icecaps, and uninhabited, unused lands unless such areas are necessary or desirable for integrated local government.

3) That areas which are accessible to other parts of a proposed borough by water or air only may not be included within the organized borough unless access to them is reasonably inexpensive, readily available and reasonably safe.

The requirements are discussed in order below:

1. Nature of undertaking: Between July 25, and August 4, 1971, representatives from the Local Affairs Agency visited each of the five villages in the proposed borough. The agency scheduled in each village a hearing for discussion of the borough proposal, and prepared a report of each meeting.

With respect to Kaktovik, the agency report noted:

> Both the Kaktovik city council members present and the most knowledgeable persons in the audience evidenced little knowledge about governmental structure and operation...
>
> It was obvious at our meeting that the Kaktovik city council had not conducted any work sessions on the North Slope Borough petition and had not as yet formulated any position statements on the petition...
>
> Local self-government of the Kaktovik community is still in embryonic stage, the city of Kaktovik having been incorporated only in March of this year. Accordingly, it was not surprising to find that the concept of municipal government for the local community, much less the area wide borough concept, is not yet very well understood in Kaktovik.

With respect to Anaktuvuk Pass, like Kaktovik quite remote physically from Barrow, the agency representatives report similar impressions expressed as follows:

> As in other communities visited on this trip, the officials, and residents of the village exhibited little knowledge about the Arctic Slope Native Association petition for the North Slope Borough...
>
> Parenthetically, it might be noted that clear statements of opposition cannot really be expected because of the general lack of knowledge of the borough concept [of] government.

In Barrow, Wainwright and Point Hope the agency found varying degrees of interest in the proposal and in each case noted that a considerable educational effort would be needed to provide any assurance of a basic understanding of borough government among the people.

The proposed at-large election of the borough assembly and preemptive effect of the borough's areawide first class city powers on fourth class cities are only illustrative of the tremendous impact the borough would have on citizen participation in local government on the North Slope. The commission may lack sufficiently positive evidence of an understanding of these and other operational features of the borough on the part of the average citizen. Granted that an educational program might improve the situation, a court nevertheless might find that the statute contemplates a higher level of understanding by the populace prior to formation than has been exhibited to the commission.

2. Territory: A borough is not to include uninhabited and unused lands unless such areas are necessary or desirable for integrated local government. In our view a court would find that the area does include uninhabited and unused lands, as those terms are normally used. The issue is whether such lands are necessary or desirable for integrated local government. With respect particularly to the western part of the borough, a court could conclude, on the basis of the record, that the degree of integration which could be achieved between Barrow and the combined total of 222 inhabitants of Kaktovik and Anaktuvak Pass does not warrant inclusion of those villages.

3. Transportation: The statute requires that where air or water afford the only link between different areas of a proposed borough such travel must be reasonably inexpensive, readily available and reasonably safe.

The cost, schedule and routing of commercial air travel from Barrow to each of the remaining villages in the area, as reported by the Local Affairs Agency, are as follows:

Point Hope-Kotzebue-Fairbanks-Barrow: The one-way fare is about $149.00 and would require an overnight in Kotzebue unless a charter was available from Point Hope to Kotzebue.

Anaktuvuk Pass-Fairbanks-Barrow: The one-way fare is $130.00. Schedule flights from only Anaktuvuk Pass to Fairbanks are available on Tuesdays and Saturday. The Tuesday flight only can make same day connections to Barrow.

Kaktovik-Fairbanks-Barrow: The one-way fare is $122.00 and in the winter months, regularly scheduled flights to and from Kaktovik to Fairbanks are scheduled for Wednesday only. A charter flight (skis or pontoons only) might be available between these two cities

because wheel planes owned and operated by charter groups are not allowed to land on the gravel strip at Kaktovik.

There is an I.T.T. charter (Wien Consolidated F27) running between Barrow and Kaktovik as well as Kaktovik and Barrow. This charter services the DEWline stations, and, if space is available and permission is granted from I.T.T. in Fairbanks, persons may ride the charter. The one-way fare is $49.00.

Wainwright-Barrow: Scheduled mail flights are available two days a week. The on-way fare is $22.00. Charter flights are usually available.

It may be argued that weekly or biweekly flights with round trip costs up to $300.00 do not amount to readily available, reasonably inexpensive travel. The possibility, presented by petitioners at the Barrow hearing, that the state may subsidize airline traffic among the five villages probably would be considered too remote and contingent to meet a standard which speaks in terms of conditions existing as of the time of incorporation.

Prudhoe Bay. The discussion above is directed toward the constitutional concept of a borough and the extent to which the five existing villages meet the statutory standards for incorporation. The installation at Prudhoe Bay must also be considered. With respect to the statutory standards, is the population at Prudhoe Bay "interrelated and integrated as to its social, cultural and economic activities" with the rest of the North Slope area? The record is bare of evidence on this point, except testimony of an oil company representative of the self-containment of Prudhoe Bay.

Another point likely to be raised in a court challenge to the borough is the constitutionality of including Prudhoe Bay in light of its remoteness from other population centers in the area and the fact that it contains the only substantial concentration of taxable property on the North Slope.

A number of authorities indicate that a municipality may not include remote, sparcely populated areas for the sole purpose of taxation, where the area taxed will receive little or no benefit from the municipality. See, e.g., cases in 62 C.J.S., "Municipal Corporations," § 9, p. 86, 2 McQuillen, Municipal Corporations, (3rd Ed.) §2.23a, p. 696. If, however, such areas are integral parts of the territory proposed for incorporation the fact that services would not immediately be commensurate with taxation does not appear to be an absolute bar to inclusion.

Summary and Recommendations. In order to avoid the disruptive effect of a court decision overturning incorporation of a North Slope Borough, the commission should consider whether the record before it is adequate to satisfy each element of the statutory standards.

If the commission feels that the record is adequate in all respects, it should, of course, approve the petition.

As its second alternative, if the commission is satisfied that a sufficient hearing has been had on all points prerequisite to formation of a borough, and the weight of evidence is against formation of the borough, it may deny the petition.

Finally, if the commission does not believe that an adequate hearing has been had on all points, it may wish to seek possible additional evidence. If, even with additional evidence, the commission is unable to satisfy itself that the record supports compliance with the statutory standards, it should postpone approval until such time as a more readily sustainable proposal can be formulated.

RWG:rw

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

HUMBLE OIL & REFINING CO.

HB-599
~~SB-365~~

Alaska ~~H.B. 597~~
State Property Tax of 15 mills
on Real and Personal Property

As indicated by our testimony on H.B. 598, we are not opposed to broad based property taxes generally, but we are opposed to property taxes which classify or exempt certain property so that the tax becomes discriminatory. Once exemptions are granted, there is a continuous erosion of the tax base by new of exemptions.

The exemptions provided by this bill are so large that they effectively classify property so that only business property in the unorganized area is subject to tax.

Again, as with H.B. 598 to so classify property in this manner is an inequitable method of raising revenue. The homestead exemption is too great. A comparable homestead exemption in other states permitting such an exemption would be between $5,000 - $10,000 based on 100% valuation.

Also, the exemption for unimproved land is unnecessary and inequitable. There is no reason for land owners or speculators to benefit by exemption from this tax.

This bill, if enacted, should also specify that oil and gas reserves and the equipment necessary to produce such reserves are not subject to this tax. Such property is already subject to State production tax.

H/SMBLE OIL & REFINING CO.

Re: Alaska H.B. 598
State Property Tax of 20 mills on Property Used in Exploration for and Transportation of Unrefined Oil and Gas

Our comments today are made generally in opposition to a narrow-based property tax on certain types of property. We are not opposed to property taxes generally, as they are one of the primary revenue sources for local governments, but we are opposed to this type of "special" property tax. A selective tax of this type is unfair and discriminatory in that it singles out a particular activity for taxation without imposing a similar burden on other activities. Thus, a taxpayer owning property used in exploration for or in transportation of oil or gas, in addition to paying the same taxes other taxpayers pay, must pay this additional tax.

One thing that helps to attract new business to a state is a stable and fair tax policy. A tax such as proposed by this bill indicates neither a stable nor a fair tax policy. By singling out particular activities for a special tax, Alaska's ability to attract new businesses in the future could be impaired. New businesses could anticipate that a special tax may be in their future in Alaska. A special tax on exploration equipment will also tend to discourage exploration efforts in Alaska with the resulting shift in effort to other parts of the world. While recognizing that all taxpayers desire to lower their tax burden, adequate employment opportunities are also important. These opportunities depend upon a tax system that is fair to commercial and industrial taxpayers.

Further, such a special tax is unfair in that the particular industry would be paying more than its fair share of the cost of government. The U. S. Constitution requires equal protection of the laws to all taxpayers and

any selective tax imposed on one or few taxpayers always raises the question of constitutionality. All industries and taxpayers should pay for the cost of government not just the specially taxed industry. A special tax would also have the tendency to cause the cost of government to go up unnecessarily since so few taxpayers are footing the bill.

Heavy dependence by a state on a narrow-based tax can create serious problems. For example, Texas, at one time, relied heavily on a severance tax. When it became necessary to limit production, the state had a severe budgetary crisis. The crisis could have been averted if the state had not been so dependent on this one tax.

Another comment we would like to make is in regard to property taxes generally. The rate of a property tax levy should not be a fixed rate, but should be a variable rate up to a certain maximum with some relationship to budgetary needs to arrive at a proper rate. For a state to raise more money that it actually needs to run its programs is inconsistent with the way government should function. In states with large pipeline investment, the average effective property tax rate on this type of investment is less than 10 mills -- even though such states have a greater population density.

Another point that we would like to make is that once a state begins a system of taxation which classifies different kinds of property, there is no logical stopping point. The different types of property to be subject to tax and the rate of tax can become political footballs with little relationship to economic considerations.

In conclusion, we are not opposing this bill just because it is a tax bill, nor are we opposing it just because it is a property tax bill. We are opposing it because it is an unfair and discriminatory tax falling on few taxpayers. We believe that a broad-based tax program, with our company paying its fair share, which raises sufficient revenues to pay for the cost of government is preferable.

March 13, 1972

HB 596, 597, 598

Introduction
Background
Return in Lieu Bought

HB 597 ~~as introduced~~ the so called state property tax in the unincorporated borough is actually a statewide property tax as well as mine. I have nothing against a statewide property tax. Many of the states in which I have had experience have statewide property tax laws. Although the trend by Constitutional amendments in many states is to eliminate the state from the property tax business. I am opposed to a statewide property tax that incorporates so many exemptions as are implemented in ~~SB 100~~ HB 597. ~~Other~~ Other than my reasons for fair and equitable ~~statewide~~ property tax as a tax to be used across all taxable property in the state, placed in the general fund and used for the benefit of all. The bill does not meet these criteria. Lets discuss the exemptions provided.

Sec. 43.77.010 read

020 read

(1) read

Since the $150,000 exemptions applicable to the taxpayer and not the property owned by the taxpayer, lists all the property in the section. It would be fair to say that any taxpayer not otherwise exempt by this chapter that owns $150,000 in value is taxable.

Unimproved land be exempt - What is unimproved land? Under the definition section, unimproved land means (read definition) I submit that those going to bravery ~~or~~ and any decision for the occasion to make or amend the definition. It guarantees ~~that~~ that all taxable real property owned

land in the state, outside the cities and publish the fact that an oil well is going to be drilled on any piece of that land the value of that land will increase. Just as if you contacted someone owning so called unimproved land in the Ennis area zoned for Light Industry and Tourist facilities, the value of that land is going up. ~~The value of land also increases if~~ Now it would be complete flap just as the oil well may be a flop but still the value increased. The clearing of land also increases the value. Under this situation I feel that there is any ~~increase~~ of land should be in Ennis.

Roads and streets in a city or Borough are exempt. I wonder why the $20,000 exemption doesn't apply to the particular class of property?

Now then after your $20,000 exemption the balance of your property is assessed & taxes paid to the city or borough. In Juneau instead of the balance of your property in the locality of 10 mills, as an example, then only 5 mills of the state levy would apply. (Ref. Chapter 77 to Sec. 43.77.045 which I have just the opposite (Redistribution)

In speaking on property exempting and I wanted to bring to the attention of the fact on case involving federal land. One Borough official remarked that federal land in the Borough is exempt from taxes so many of their properties would be taxable by the state.

What the City should do, I feel is a very costly program / assessment / administration. All property in Ennis will have to be appraised to determine what property is taxable even tho the $20,000

exemption applies. Maps will have to be prepared for assessing and parcel numbering system. Extend present taxing districts. Appraisal firms will have to be hired to do this work and they don't come cheap. It would be impossible to do this work prior to the Jan. 1, 1973 taxing date.

As a result, the tax will be paid by fee to five major industries and commercial properties in the Borough of the remaining in the unorganized Borough. What incentive will there be living in the unorganized Borough have to organize as Boroughs due to providing them with tax revenues.

Turning to HB 593 - This is a discriminatory tax which operates by a present well-organized Borough to all taxing units in the unorganized Borough on a very complicated formula basis. Additionally precludes the creation of this proper by legislature of property was not taxed on January 1st. Due to the complexities of the tax, the Borough will not be able to collect taxes in time for the Borough to meet its financial obligations. If the Borough is unable to collect taxes the TAPS pipeline and facilities and the North Star Borough will be the taxing jurisdiction the line may pass through. The Borough would be required to tax the pipeline that Fairbanks is now constructing. Fairbanks feels that the Denali Borough should be able to tax the line because they

are providing related services from tax revenues. A portion of the lands will be in a special fire protection district. All of the lands will be in a special hospital district and in the borough school district.

There are many differences in the kinds of exploration and transportation systems. For example, the transportation of crude oil and gas is carried out by pipelines but tankers carry loads of crude oil, barges carry crude oil, barges and ships carry loads of oil. Airplanes and helicopters are used for exploration purposes. Many specialty companies in Anchorage, Kenai, and Soldotna stock equipment and supplies for exploration purposes. Once state leases have been sold and tracts of wildcat drilling rigs will be moved and stacked waiting for drilling. The tracts of land will then be explored and production, should the tracts prove to be productive, will begin. The wildcatting, the greatest risk of the development, is done by large oil companies with huge financial resources and they are prepared, having the capital, to attempt to prove that they are losing thousands of dollars in the search.

In many cases, a determining factor is the existence of roads or trails to remote areas. Roads present environmental problems and people in the oil business hate this. Helicopters are used often, sometimes after considering all the problems and costs ends up being a very expensive way of having a few people on the ground for a few days. Airplanes are also used.

Mr. Chairman, that concludes my statement. I will attempt to answer any questions.

SUMMARY OF LOCAL GOVERNMENT PROGRAM

House Bills 552, 596, 597, and 598 are designed to function together as a program for keeping the states constitutional promise with respect to the rural areas of the state.

HB 596 is the starting point of the program. That bill provides for establishment of borough boundaries which conform to statutory and constitutional standards.

The unorganized boroughs so formed will serve as administrative units for provision of state services and for the revenue sharing features of the proposed property taxes.

The people within each unorganized borough may at their option proceed toward organization either as boroughs of a particular class or as home rule boroughs. This option provides the flexibility necessary to accommodate different conditions within the state, as well as state level review of local government organization.

The second feature of the program is the Department of Community and Regional Development created in HB 552. As the number of local government units increases the need for increased state capacity to meet local government needs is apparent. The new department is designed to have the capability to assist local government units to solve a wide variety of problems, including problems related to economic development. The department is impowered particularly to serve as the arm of the legislature in providing services to unorganized boroughs. In addition, the department administers the revenue sharing under the proposed property tax bills.

HB 597 provides for a general property tax of 15 mills. The tax includes a $50,000. personal exemption and a credit for the amount of tax paid to any organized city or borough. A local effort exclusion is designed to eliminate whole cities and boroughs from the reach of the tax where the local tax effort is such that the

total of all local taxes is greater than the revenue that would be raised under the state tax. Because of the exemption, credit and exclusion features, it is anticipated that very little, if any, additional tax would be paid by an individual resident of any organized city or borough.

The tax is structured as a statewide tax because of the view of the Department of Law that a special kind of tax levied only within the unorganized borough could be challenged on equal protection grounds. Some commentators have suggested that the tax could be levied on the unorganized borough by the legislature acting in its capacity as assembly of the unorganized borough. The difficulty with such an approach is that under present law the assembly of a first class borough would not have the power to enact a tax with the special features of the proposed tax. Accordingly, it may be doubted that the legislature acting as an assembly would have such power.

It has been suggested that the 15 mill rate of the state tax will compel the cities and boroughs to raise their tax rates to 15 mills in order to exclude the state tax. However, this view neglects the effect of the $50,000 exemption. To illustrate, in every case where a taxpayer owned as much as 100,000 dollars worth of taxable property was located levied at a rate of 7.5 mills or more, no state tax would be paid on that property since 15 mills on the $50,000 taxable by the state would be equaled and cancelled out by 7.5 mills levied on the full 100,000 value.

If only the individual level were considered, it would be possible for a person owning a great deal of property located in an area where the tax rate was very low to pay a small amount of state

tax. However, the local effort exclusion provides that if the total tax revenue from all tax sources exceeds the state tax, no tax is paid by anyone within that city or borough. Because of the $50,000 exemption and the exemption of certain whole classes of property, it is virtually certain that established municipalities would be excluded under this provision, since the great majority of people would pay no state tax but would pay some municipal tax, if only a sales tax.

The revenue sharing feature of the tax implements a major purpose of the program. That purpose is to make available the resources to enable new boroughs to provide an adequate level of services for their inhabitants. Under HB 597 the legislature is authorized to appropriate the full amount of net revenue from the tax for the benefit of unorganized boroughs. The "authorized to appropriate" formula is dictated by the state constitutional prohibition against earmarking of tax revenues.

The revenue appropriated is administered by the new Department of Community and Regional Development. The money will be held in separate accounts for each particular unorganized borough. The share of each unorganized borough will be determined in accordance with a formula which takes account of population, present wealth, and the cost of providing services. In other words, if it cost twice as much to provide services in one area as in another the first area would receive twice the revenue per capita in order to insure the same level of service. If the first area were also only half as wealthy in terms of taxable revenue per capita as the second area,

the sha[illegible] of the first area would again double per capita with respect to the second area.

HB 598 is designed to complement HB 597. HB 598 provides for a tax of 20 mills on property used in the exploration for and transportation of unrefined oil and gas. The class of property subject to the tax is oil and gas field equipment of all kinds except those types of property production exemption under the provisions of the severance tax. The 20 mill rate was selected as the approximate level of tax to which such property is subject by organized boroughs at the present time.

The oil and gas property tax is exclusive of all other state and local taxes on the same property, including the 15 mill tax under HB 597. Local governments which now tax property of the same category as that taxable under HB 597 would continue to tax that property which is part of its tax base as of January 1, 1972. New property of that class, that is, property which becomes taxable after January 1, 1972 wherever located would be subject to the 20 mill state tax exclusively.

The rationale for the state tax as the exclusive tax on oil property is that such property provides immense taxable value to certain areas without regard to the level of services required in those areas. It is believed that the vast revenue anticipated from taxation of oil and gas related property is properly considered a state resource rather than the exclusive property of the area where the property is located. Any other approach would lead to such great disparities in the ability of local government to provide necessary services that equal protection problems arise. Recent court cases

in California, Texas and elsewhere have held that the level of school financing cannot depend on the relative taxable wealth of school districts. The Department of Law has indicated its belief that the same principle is applicable to other essential local government services.

However, it is also felt that this revenue like other property tax revenue is properly utilized for the benefit of local governments. Accordingly, the revenue from the state oil and gas property tax is distributed to all local government units, including cities, organized boroughs and unorganized boroughs, in accordance with the same formula that governs distribution of the general property tax revenue under HB 597.

Though far from complete or perfect, it is believed that the program outlined above, if enacted, would provide a dramatic proof of the state's willingness to move in an innovative manner toward creation of a fair and workable statewide system of local government.

EXAMPLE OF OPERATION OF HB 597

WITHIN ORGANIZED BOROUGH

CASE - Juneau Service Area #4
Auke Bay

TOTAL assessed value real and personal		13,255,000
TOTAL held by persons owning over $50,000		4,295,900
per capita exemption under HB 597	50,000	
no. of persons owning more than 50,000	x 47	
TOTAL exemption	2,350,000	2,350,000
TOTAL taxable under HB 597		1,945,900
mill rate under HB 597		.015
TOTAL tax due under HB 597		29,188.50
Amount levied by borough		
tax base	13,255,000	
mill rate	.0119	
	157,734	157,734
tax base	13,255,000	
2.5 mill rate	.0025	
	33,137.50	33,137.50

* In borough wide analysis sales tax and cigarette tax would be added to borough property levy.

miller

Sigwien T. Savok
Buckland, AK. 99727
Feb. 4, 1972

Senator William L. Hensley
Box 33
Kotzebue, AK. 99752

Dear Senator:

After reading your speech made on January 22, 1972 about levying taxes on unorganized boroughs on the Senate Floor I am a little perturbed on how the tax payers in our region are going to understand. We are in the process of understanding what profit, and non-profit corporations are. This I feel is still a scramble with many of our people.

Now we are facing organized, and unorganized boroughs. This to me is much more complicated for we in the sticks are not familiar with this. Also when the state government started this borough system they should first complete the process. There is no reason to rush this levy upon our tax payers who are not prepared. We in the past have been trying to go along with the many changes our state government has had which are, Village IRA, 4th Class City, District, and now organized and unorganized boroughs. When are our lawmakers at the capitol going to stop jumping from one thing to the other whether complete, or incomplete. What will happen in the future when taxes are to be made, and we have to explain things like profit and non-profit, and organized and unorganized. This is no time to have our people mixed-up.

Senator Hensley I agree with your speech and am willing to put my future into an understanding form of State Government.

Cordially,

Sigwien T. Savok

Sigwien T. Savok

MIKE MILLER



Camp Denali

McKinley Park, Alaska 99755

Winter Address
Box D, College, Alaska
99701

Box D, College, Alaska 99701
February 8, 1972

Governor William A. Egan
State Capitol
Juneau, Alaska 99801

Dear Governor Egan:

RE: Property tax for the unorganized borough

We have read with dismay your proposal for placing a tax on property valued above $50,000 in areas outside organized boroughs. The object as stated is to raise needed revenues for the State of Alaska, and to distribute the tax burden more equitably between those living in the boroughs and those who pay no property taxes because they live outside of local government boundaries.

While there is certainly some justification for requiring some property owners and businesses outside of organized boroughs to contribute their share of the cost of state government and services, there should be a more comprehensive definition of just who should pay than the criteria of property assessed at over $50,000.00.

For example, property owners in areas such as Big Delta, get the benefits of year-round road maintenance, state police, schools, visiting health nurse, etc. - as much or more than we receive living in a rural area of the North Star Borough. On the other hand, our place of business, which is a wilderness tourist camp in the Kantishna area just north of the boundary of Mt. McKinley National Park, has only a 2½ month season of operation, because the road through the park is closed by snow most of the year (and maintained by the Federal Government when it is open). We have one mile of access road from the boundary of the park to our camp entrance, and this we have had to maintain largely through our own efforts during the twenty years we have been in business. There are no schools closer than 120 miles away; and we get no federal, state, or local

services. We must provide for our own needs - road maintenance, snow removal, electricity, etc. We have no telephone or bus service, must go 90 miles for our mail, get no health services, fire protection, nor police services.

We have built Camp Denali entirely with our own efforts and money; our operation has cost the State of Alaska not one cent in services or subsidies. We do contribute considerably to the tourist income of the State of Alaska. In our twenty years of continuous operation, we have provided services and facilities which have attracted several thousand visitors and recreationists to enjoy a vacation at Camp Denali, and these guests have distributed a goodly amount of money throughout the state as they visited other areas in connection with their stay with us. In the building and operation of Camp Denali we have spent and will continue to spend a sizable amount of money, most of which goes to support other Alaskan businesses. In addition, because Camp Denali is too inaccessible to provide a year-round living situation, we reside in the North Star Borough for nine months of the year, and pay property and sales taxes to the local government unit.

We find it ironic that the state should give tax incentives and subsidies to attract new businesses and industry to Alaska, yet propose to tax those businesses which are already here and contributing to the economy and good public relations of Alaska without costing the state a dime. A recent news story in the Fairbanks Daily News Miner related how spokesmen for the Alaska Visitor's Association have proposed a $5 million loan fund to finance facilities outside of the Anchorage and Fairbanks areas, pointing out that state banks hesitate to loan money to the travel industry because they feel it is seasonal and a high risk. Placing high property taxes on such property could tip the scales for many a business between getting by and total failure.

Since Camp Denali provides accommodations for over 40 persons, our buildings and capital improvements, even though built largely by our own hands using local materials (ie: logs, etc.) over a period of 20 years, would no doubt be appraised far above the $50,000 minimum at present building values.

We have presented our own case as an example. We are sure there are many other Alaskans who would be hurt by the proposed property tax on land outside of organized boroughs. For instance, what about the roadhouses and resorts along the Denali and Steese highways, which are also remote, get little state services, yet because of no winter road maintenances, have only a summer income, and must live in town during the winter? Many, like ourselves, would be forced out of business with a property tax assessment on top of all the other obstacles to making a living in the "bush".

We hope that you will take into consideration these small businesses in the bush in setting up tax regulations, so that you don't sink us while aiming at the big boys (Prudhoe Bay oil wells, etc.)

Sincerely,

Celia M. Hunter

Ginny Hill Wood

Celia M. Hunter & Ginny Hill Wood
Co-Owners and Operators

DUPERE & ASSOCIATES, INC.
510 6TH STREET
JUNEAU, ALASKA 99801

TELEPHONE 586-3553

February 22, 1972

STATEMENT OF
ROBERT J. DUPERE, CONSULTANT TO
THE ARCTIC SLOPE NATIVE ASSOCIATION
IN RESPONSE TO THE LETTER DATED FEBRUARY 15, 1972
FROM DIRECTOR, LOCAL AFFAIRS AGENCY,
CONCERNING

"Specifically, the Commission is interested in obtaining written response concerning the following House Bills:

H.B. 596: An Act providing for boroughs in the unorganized borough and providing for an effective date.

H.B. 597: An Act providing for assessment, levy, collection and distribution of a property tax; and providing for an effective date.

H.B. 598: An Act providing for a State tax on property used in connection with exploration for and transportation of unrefined oil and gas; and providing for an effective date."

GENERAL COMMENT

The petition for the North Slope Borough and the subsequent incorporation of such borough if the people saw fit to vote for same does not (I repeat -- does not) conflict with the intent of the Administration's package reflected in H.B. 596, 597 and 598. This is especially so if the ultimate goals of said package are home rule boroughs throughout the State in place of what is now known as the unorganized borough.

THE UNORGANIZED BOROUGH BILL, H.B. 596:

To the extent that the purpose of H.B. 596 is greater control by the people of a region over their own affairs, H.B. 596 is a step in the right direction. Although the bill does not direct the Boundary Commission to

divide the State into unorganized boroughs on a regional basis, the effect of the proposed AS 07.04.010 would be to create regional governments that would have much in common in terms of area and population with the proposed North Slope Borough.

The proponents of the North Slope Borough also look favorably on the proposed AS 07.04.040, by which an unorganized borough can organize itself. Clearly this provision, as does the whole bill, reflects the premise that regional boroughs are feasible, although in terms of population served and extent of area, they may differ from some of the presently existing boroughs.

A more direct and decisive approach could be considered -- legislation directing an election on 1st class boroughs for each of the federally recognized regional Native areas, excluding presently organized boroughs; thereafter, as is the plan for the North Slope Borough, a charter commission can draft a home rule charter in accordance with current law which can tailor local government to fit the circumstances.

If the area did not vote favorably for a borough, then the provision of Sec. 07.04.030, Advisory Council, per H.B. 596, should come into play.

H.B. 596 is consistent with the North Slope Borough proposal because the North Slope people are already providing leadership and direction toward local self-government which is apparently the ultimate goal of the Administration's package.

So, why hold up progress in this regard?

STATEWIDE MINIMUM PROPERTY TAX, H. B. 597:

H.B. 597 provides for a minimum 15-mill tax rate statewide. Utilizing the Local Affairs consultant's projections, the following distribution

of North Slope taxes is projected for the State if said bill is passed:

	Assessed Value	To North Slope Borough Millage	To North Slope Borough Revenue	Balance to State Millage	Balance to State Revenue
June 30, 1972	$260,000,000	2.2	$575,000	12.8	$3,328,000
June 30, 1973	$260,000,000	3.1	$810,000	11.9	$3,094,000
June 30, 1974	$325,000,000	2.6	$860,000	12.4	$4,030,000

These taxes are left over for other State purposes; this would also be the case of the present boroughs. Example: The Fairbanks North Star Borough has a 5-mill levy; thus 10 mills would go to the State.

TRANSPORTATION PROPERTY TAX, H. B. 598:

This bill allows the Kenai Borough and to an extent the Anchorage Borough to continue to tax the present oil and gas transportation facilities and future exploration facilities since these Boroughs had such taxes in effect on January 1, 1972 while all other boroughs will be denied the power to tax such facilities. The borough on the immediate short end of this bill will be the Fairbanks North Star Borough which will receive the impact burden during the pipeline construction and during the intense exploration and drilling of the fields; however, the North Star Borough would be prohibited by AS 43.56.010 from levying taxes on oil facilities within its territorial limits that have yet to be constructed.

While the future tax base of the proposed North Slope Borough is lessened by this bill with revenues going to the General Fund of the State, this bill still would not cripple the North Slope Borough. It would, of course, cripple the tax base of Valdez, where a $100,000,000 transport facility is planned.

But it would appear that a more equitable bill would be to structure the tax provisions along the lines of H.B. 597 which gives credit for the local tax per AS 43.77.030 and allows all future boroughs to include said improvements within their tax base if they need to sell bonds and raise funds to meet the local service needs.

This bill with the modifications outlined can be a very valuable State/Borough/City government fund-raising tool.

UNIFORM STATEWIDE SALES AND USE TAX

It would appear for consistency the Administration should have introduced a statewide consumer sales and use tax. Such a tax could eliminate most of the regressive features of the present local sales taxes by exempting the basic necessities of life; such as fuel, food, clothing, rentals; and charge for luxury and high value items; thus eliminating the present situation where a 3% sales tax provides the only local revenue in areas in which the poorest people in the nation reside. Thus, following H.B. 597, credit should be given to those who pay such taxes locally.

UNIFORM LOCAL INCOME TAX

The Administration's package should have also contained a "local" option for a hitch-hike local income tax for local governments -- preferably on the borough level.

Thus, those areas that receive impact employment far ahead of the investment in plant and improvements may gain the capacity to meet the operating budget pressures and the capital improvement needs for the basic utilities, streets, and educational facilities.

The local option could be anywhere from 20% to 30% of the State's income tax or 3.2% to 4.8% of the amount paid in Federal taxes.

HAROLD E. POMEROY
4048 WRIGHT STREET
ANCHORAGE, ALASKA 99504

March 14, 1972

Senator John Rader
Chairman
Senate Local Government Committee
Pouch V - State Capitol
Juneau, Alaska 99801

Dear Senator Rader:

Thank you for the courtesies extended to me yesterday by you and the members of the Committee. The following summary of my views concerning the bills being considered is submitted in the hope this may be useful when the Committee is making its determinations.

SENATE BILL FOR "DEPARTMENT OF COMMUNITY AFFAIRS"

The economic development function should be removed from the bill; the bill has a separate primary purpose -- to assist and to improve local governments, in their development, and particularly in their ever-more intricate inter-governmental relations. The House Local Government Committee has already removed economic development from the bill (HB 552).

SENATE BILL 363 -- ORGANIZATION IN THE UNORGANIZED BOROUGH

The basic purpose to initiate action in the unorganized borough is timely. The provisions for "unorganized boroughs" are constructive. Sections 07.05.040 and 050 indicate intent that present law for organized boroughs shall be considered suitable to unique conditions of the remote areas. Isolating distances, population distribution and local government financing considerations are so different from elsewhere that workable "regional" borough government, particularly with respect to borough-local city government relations, seems to require an additional class of borough, or other legislative provision to fit the situation. For one illustration: Most cities/villages have too little capacity to raise revenue from normal local sources for urgent community purposes; the legislature is responsible for ensuring that an appropriate portion of any available revenue shall be allocated to cities on an equitable basis for their local community purposes.

SUGGESTIONS: a) Drop from 363 all reference to organized and charter boroughs; b) provide for investigation to determine what additional provisions of the borough act appear appropriate, with specific recommendations to be made to the legislature by _____(date) next session. Provide a suitable appropriation to implement the provisions of sections 07.04.010, 020, 030, 035 and foregoing suggestions (a) and (b) from date of enactment of SB 363 to 6/30/73. Perhaps include a statement of purpose in 363 to the effect the intent is to initiate action for improvement of governmental service in the unorganized borough and provide the basis for enactment of such provisions of law as are appropriate for "regional" boroughs at the first session of the eighth legislature.

SENATE BILL 365 -- 15 MILL TAX -- FOR REVENUE IN THE UNORGANIZED BOROUGH

This is a legitimate source of revenue urgently needed in the communities in the unorganized borough. It is consistent with application of the property tax now to $2.7 billion in property in organized boroughs and cities. Due to the spotty distribution of productive enterprises of substantial value in the unorganized borough, there is no other feasible and rational source for significant amounts of needed revenue -- unless the legislature were to tap a new source, such as a statewide sales tax, or drastically increase the income tax.

The effect of the revenue to be made available will be the means to secure matching grants for numerous programs for community developments and services so badly needed. The infusion of money will produce economic benefits that will exceed by far any local individual property tax payments. There are two reasons for this: major productive enterprises will pay an overwhelmingly large percentage of the total property tax; the grant and shared cost programs can double or triple the actual total cash coming into the community for public services.

A moderate "homestead" exemption -- of owner occupied homes -- will accomplish the principal legitimate purpose for which an exemption can be defended. There should not be blanket exemption of unimproved land. There is no logic in freeing the owner of a "wilderness estate" purchased from the State as "a good investment" from paying a property tax on the investment, for example. There is no logic in freeing the owner of a $50,000 seiner and gear from paying any property tax, while the owner of a $100,000 crab boat and gear with which he makes his living pays a tax on $50,000. Boats and vessels should not be exempt, as provided in Sec. 43.77.010 (5), as there are industry work boats, and floating drilling vessels, that are worth from hundreds of thousands of dollars to several million dollars each.

The cost and time required for property mapping and assessing has been grossly exaggerated. I have "expertise" in this field from directing and directly participating in this task for 15,000 parcels in the Kenai Peninsula Borough when it was organized. I am confident the job in the unorganized borough can be completed in about 14 months at less than half the million dollar figure that has been tossed out.

The cost of the mapping and assessing -- which will be a valuable asset for many uses other than its primary purpose -- can be advanced by the State and recovered from the proceeds of the first tax levy. The work will have to be done in any event for unorganized regional boroughs which choose to organize, following the initial actions under SB 365.

Notes on the mapping and assessing are in attachments.

The provisions for distribution of the revenue from the 15-mill levy should provide that a sum per capita, weighted by the differences in costs of public services among regions, should be returned to each incorporated community. The total so distributed should probably be at a rate that would return not less than 75 percent of all the revenue available, to the communities for their local internal use, if all communities in a region were incorporated.

SENATE BILL 364 -- 20 MILL TAX

With respect to SB 364 -- 20 mill tax, I can do no more than repeat that it is reasonable to apply the ad valorem tax to such property equally with the application of the same tax to all other property normally subject to the property tax. To apply the tax to one segment of one industry seems to me to be inequitable and to create an uncertainty as to what to expect in the future. -- Is a policy being established and what is it?

Respectfully,

Harold E. Pomeroy

HEP/kd

Attachments

NOTES ON MAPPING AND ASSESSING IN THE UNORGANIZED BOROUGH

It is not necessary to draw assessor maps for all the geography of the unorganized borough. Large areas that are unoccupied can be accounted for by township listings or by use of USGS sheets.

Large areas with one or two -- or a very few ownerships -- can have these spotted on USGS sheets by paste-ons of parcel numbers, and even other information.

The Division of Lands has data, by auction, for all parcels it has sold. An auction list shows each parcel by description, appraised value, bid price, its sale later "over the counter" if not sold at the auction. Where there is a subdivision instead of scattered parcels, there is a map.

The Division of Lands has a card index of all parcels sold since Statehood. This is invaluable and a great time saver, together with status plats and other data the Division is always generous with supplying.

If there has been a Division of Lands sale of "wilderness estates" land around a lake, and this is all the private ownership land in the township in which it is located, the basic record can be the auction map. From this, a suitable map can be redrawn for parcel numbering, if necessary. The general location can be spotted on a USGS sheet.

For properties in the foregoing illustration, each owner can be sent a suitable form for reporting cabins and other improvements. From this, plus the Division of Lands data, a suitable first assessment can be made without assessor on the ground inspection.

In many Native villages there has been primarily land occupation for dwelling purposes rather than formal ownership. Values of the dwelling sites, even if owned, are usually low, as is the value of dwellings. Assuming at least a "homestead" exemption, there are many villages in which the assessing job will be negligible -- at least for the initial record and for several years. To strain out the lower value exempt properties there can be a suitable form for reporting individual family dwellings and other property of consequence. A review of these can eliminate thousands of properties without on the ground individual inspections and appraisal of value. This will be entirely satisfactory for the initial assessing -- and indefinitely -- with subsequent development and new building of value to be accounted for in a normal way as it occurs.

After accounting for an overwhelming percentage of excluded properties as indicated above, there will be many villages in which there may be as few as a half dozen properties requiring precise records and evaluations.

For some of the larger communities, such as Kotzebue and Bethel, for which ASHA has recently made comprehensive development planning studies and reports, there is land use and other data of great value accumulated by ASHA.

The following home rule, first and second class cities in the unorganized borough area levy the property tax and, therefore, are already mapped and assessed: Cordova, Petersburg, Valdez, Wrangell, Eagle, Nenana, Nome, Skagway, Unalaska, Craig, Dillingham, King Cove, Pelican, Yakutat. Hoonah, Kake, Klawock, Hydaburg and Saint Mary's have the property tax power but are not presently exercising it.

Mining claims are recorded in the Division of Mines and Geology, Department of Natural Resources. They don't have to be visited for assessing or mapping, except for the handfull that are developed to the point of improvements of significant value.

"Fringe" properties such as inactive mines that have, in effect, been "abandoned on site" as to improvements due to cost of removal greater than recovery value, don't have to be visited for record purposes initially, if at all. Example: While assessing in the Kenai Peninsula Borough, the assessor planned to fly to Nuka Bay -- a $175 charter -- to inspect a mine property. Instead, the [illegible]er who took supplies to a squatter at Nuka Bay peridocially, was interviewed and supplied adequate information for the record. I don't know if the property has been visited to this day unless the assessor wanted a scenic outing.

In Prince William Sound on 21-mile-long Knight Island, there is one 14-acre private property containing old cannery buildings. The property has been purchased for progressive development as a lodge. One of the old buildings is being used now. The price paid for the property can be secured. The owners have many snapshots of the property. It is not necessary to visit the island, neither for the initial assessing nor for mapping. Adequate information can be secured by mail. The property can be spotted on the USGS sheet. In subsequent years a special assessor's map can be drawn showing the one parcel on the island to a desired scale, if this is advantageous.

As to land patented to Natives, there will be accurate U.S. patents describing the parcels and the parcels can be located on BLM plats or other records. Squatter use of dwelling sites by villagers and along streams does not impose on the assessor the obligation, or necessity for assessing purposes, of surveying villages. Rough descriptions of the properties from the reports of owners/squatters, already referred to, will be adequate for record purposes initially.

H.E.P.

HCP/ed

HAROLD E. POMEROY
Swift Water
BOX 747 — SOLDOTNA, ALASKA 99669
1015 Wright Street, Anchorage
(907)

February 23, 1972

Local Boundary Commission
c/o State Economic Opportunity Office
911 East Fourth Avenue
Anchorage, Alaska 99501

Gentlemen:

This responds to letter from Mr. Elliott's office inviting comments on AS's 305, 307 and 308. The activities of John are to be applauded.

These bills are evidence of the need for legislation on the subjects to which they are addressed: (a) formation of the unorganized boroughs, (b) a source of revenue for the activities in the unorganized boroughs, (c) the reasons, potentials of unknown but size of taxes of statewide import rather than local.

Each of the bills can be faulted in one particular and then could be persuasive arguments for total rejection. This would be unfortunate as the subjects require attention. The final needs of the State and all its people, and of the people most directly affected, will be decided by John and his staff in all.

In H.B. 305 the Legislature would take the one fresh step in borough government since providing for organized boroughs — that of activating the unorganized boroughs. This of itself is good.

In providing that the Boundary Commission shall define the permanent boundaries of "unorganized boroughs", and successor boroughs which may follow them, a step has been missed. The Legislature first needs to ask and have

answered the question: what additional provisions of borough legislation are required to fit the conditions which prevail in the unorganized borough. Until there is a decision on this the Boundary Commission would have to guess as to boundaries suitable for future boroughs, as there are now no clear directions to go by.

Sections 07.[illegible].040 and 050 concerning incorporation of organized and charter boroughs lead to the mistaken inference - whatever may be intended - that present provisions of law for organized and charter boroughs are in general suitable to the conditions of the unorganized borough. This wouldn't alter the facts. The [illegible] distinction prevailing as between the urban and unsettled areas of the State in the remaining outlying and remote areas when the framers of the Constitution provided that ".. the entire state shall be divided into boroughs, organized or unorganized.." now in little change today. The legislature [illegible] national and logical inference from the provisions of the Constitution by enacting specific legislation for organized boroughs, and not one will be established, designated the unorganized borough and indicated action to be taken in it. In most of the unorganized borough's area most of the conditions prevailing when the Constitution was adopted sixteen years ago are likely to exist in little changed for another sixteen years or longer.

The legislature set [illegible] for unorganized borough and provided for action in it, but even if action [illegible], pertinent questions today are: Is the present situation [illegible] transition from unorganized status to organized borough to fit conditions? Why should [illegible] should [illegible] the present [illegible] conditions exist?

The pertinent point seems to be the question of what kind of a "regional" borough might be suitable to the needs of the unorganized borough and best fit the natural conditions predominant there? This question can be examined without loss of time while action is being initiated to the unorganized borough along the lines contemplated by HB 707.

The purpose of HB 707 is [illegible] in the unorganized borough to secure a [illegible] growth so that activities important throughout the unorganized borough can be initiated in consideration. Unless such a plan is adopted to [illegible] [illegible] by [illegible] local [illegible] [illegible] [illegible]

installations at Prudhoe Bay may exceed the total assessed value of all boroughs and cities in the State. By the time the gas transmission facilities and lines are also installed the assessed value on the North Slope may be a third of the present total assessed value in the State. The assessed value per capita would be about 10 times as much on the North Slope as the average in all other taxing jurisdictions.

Pertinent to the subject of disparity among localities in capacity to pay the cost of public services is a Daily News "Alaska Forum" column, 11-17-71, copy attached. I believe this contains information useful to the Commission in its work.

The State Administration recognizes that the unique property tax resource situation that is developing in the State will create an unprecedented injustice among the people in their ability to afford needed public services and facilities and that the State cannot afford the luxury and extravagance of ignoring the problem.

HB 507 is a partial solution but the condition is of such magnitude that more extensive measures are required. In fact it is a statewide property tax that is needed, with all proceeds allocated back to local and regional governments. Such a tax may be applied and administered in several ways, some perhaps more acceptable than others, but political difficulties might be insurmountable in any event.

The piecemeal approach of HB 507 may be more readily accepted from some standpoints. However, the very fact that it is piecemeal creates some very serious questions that cannot be resolved.

The question is not simply whether to do anything at all about the subject to which HB 593 is addressed; it is rather to seek the soundest and most equitable action that is feasible. The problems should not be permitted to overshadow the fact that the bill approaches a subject with which the Legislature must deal or it will have made a very bad decision indeed.

On the question "as to how these bills should affect any action the Commission may take on the North Slope Borough petition": it seems that in the face of the far reaching implications of the three bills and the import of the subjects with which they deal, action approving the petition would be inappropriate.

The [illegible] made me by counsel who [illegible] as a citizen. On [illegible] this I feel [illegible] to testify before the House Local Government Committee on the [illegible] Bills.

[illegible]

[illegible]

WPP/r

Equalizing cost of public services

Anchorage Daily News, Wednesday, November 17, 1971—7

Alaska Forum

Harold E. Pomeroy



Today's Alaska Forum guest columnist is Harold E. Pomeroy, former chairman of the Kenai Peninsula Borough. He also served as Alaska director of Civil Defense.

Mr. Pomeroy spent his entire career in public administrations. Before moving to Alaska, he was U.S. secretary of the Allied Mission for Austria; mayor of South Gate, Calif.; field advisor for the League of California Cities.

By HAROLD E. POMEROY

Revenue sharing is commonly thought of primarily as shifting costs of government activities from one level of government to another. The principal reasons are that local governments are confronted with disproportionate costs for essential services in relation to their tax resources and that higher levels of government — state and federal — have greater tax resources from which to draw. For the same reasons states are more and more looking to the federal government for revenue sharing. Revenue sharing not only has the effect of lifting a percentage of the cost an activity from one level of government to another; it tends to equalize the total tax burden among local governments with widely varying tax resources. This problem deserves and must receive more attention than it has gotten up to now.

The California Supreme Court has highlighted the inequality among local school districts in capacity to pay for education. An example showed that one district raised twice as much money per school child with half the tax rate of another district. This means that in the poorer district the people would have to pay a four-mill tax rate to raise as much money per child as a one-mill rate would raise in the more affluent district. The court said this is unconstitutional.

THE SITUATION at which the court has struck is an intolerable inequity. In 1931 I spent one year correcting such an inequity in Los Angeles county. The Los Angeles metropolitan school system had four times the assessed value per school child of the Huntington Park school system. This was largely an area of bedroom communities. The workers peopled the factories in the metropolitan area and their purchases in downtown Los Angeles constributed significantly to the prosperity of the downtown merchants. The industrial city of Vernon, in the metropolitan area adjacent to the bedroom area, had $50 million assessed value and a population of 23. It was obvious that the people and resources of the entire area affected by the proposed school consolidation were interdependent in the production of an economically healthy society.

The consolidation effort was successful. It is regrettable that it has taken 40 years for school financing inequity to come to the nationwide attention it is now receiving.

In sate support of education, Alaska has a long head start on other states, except for Hawaii, which finances schools entirely from state level. Our program minimizes the local inequalities in capacity to raise money for schools by state support of 90 per cent of the cost of standard operations, equalized to take into account variations in assessed value per school child. In state support of capital improvements the program is less adequate.

EVEN THOUGH there is less inequity among local school districts here than elsewhere in financing education, it is a matter of relative severity. The discrimination to which the California court addressed itself does exist to some degree. The subject will likely be considered in the next legislative session.

The state is not in a comfortable position to take over any larger part of the local school costs unless additional state revenues are secured. There is a choice of two obvious ways to do this: increase present state taxes or levy a new state tax such as a statewide sales tax; tap the property tax by a statewide levy for school purposes.

It seems unlikely the legislature will, in the next two or three years, increase state taxes significantly if at all. Many local government officials would undoubtedly oppose use of a statewide property tax levy on the ground that this would be the first step in encroachment on the area of ad valorem property taxation which has in practice been reserved to the local governments.

STATE EXPENDITURES for education in the unorganized borough, the area of the state outside the 10 organized boroughs, could be eased by the legislature levying a property tax area wide in the unorganized borough for education throughout the area. The revenue thus secured locally for the local share of school costs would reduce the costs now paid directly out of state revenues by a like amount. The money saved would help a little in minimizing further the inequities in local school costs among the organized borough and city school districts. The tax in the unorganized borough could also give an immense boost in improving the educational program in the rural and remote areas of the state.

There is much merit in the legislature taking action to levy a tax in the unorganized borough. At the same time the property tax should be thoroughly studied in the light of a unique development in potentially taxable property resources. This is the concentration of huge investments in petroleum industry installations in a few locations dictated by where oil and gas are found.

A significant related consideration is that except for the temporary exploration and development activity boom periods, the operations are highly capital intensive with the ratio of investments to worker as high as $1 million to one—far more for the pipeline.

THE SITUATION described can cause a wide disparity among localities and local governments in capacity to pay for necessary and desirable services, and in grossly inequitable taxation. The inequity is not confined to financing education; it is significant as to other functions and services of government. A current local government proposal is a good illustration.

The proposal is that the Kenai — North Kenai area secede from the Kenai Peninsula Borough and establish a separate one. There will probably be another gas liquefaction plant in the area. The investment may be between $50 million and $80 million and there may be no more than 35 or 40 workers. The assessed value of the proposed borough might be from $30,000 to $40,000 per capita compared with about $8,000 for the remainder of the Kenai Peninsula Borough. Put in terms of services, one mill of tax rate in the proposed borough would buy four or five times as many library books as the same tax in the remaining Kenai Peninsula Borough. Thus the homeowners and other taxpayers in the Kenai Peninsula Borough would have to pay four or five times as much in taxes as the proposed borough to secure the same level of public service.

It is the unique situation which is developing in industrial investments subject to the property tax that would be responsible for the glaring inequity in tax burden for a given level of public services among the people of the Kenai Peninsula if a separate borough were tolerated. The prospective additional liquefaction plant for the North Kenai area is illustrative. The plant might require a taxable investment of $60 million or more and yet account for only 200 of the

population of the area by reason of requiring so few workers. The assessed value would be $300,000 per capita for this added population on the basis of the figures used for this illustration. The plant itself would be self contained—another predominant characteristic of such installations—and require neither water, sewer, power nor any other local government service of significance. This is 25 times the assessed value per capita in the Anchorage Area Borough.

PUBLIC SERVICES are becoming progressively more extensive, intensive and expensive. The trend is unlikely to be reversed as the demand continues for more and better services and needs mount continuously, particularly for people services, as the complications and pressures of society increase.

We cannot afford to treat the organization of local government as a sporting proposition, as a game of chance, to see who is going to get the greatest advantage over his neighbor.

The needs of the state and local governments will continually put pressure on all sources of revenue. The state must be alert to guard against inefficient and ineffective application of any of the available forms of taxation and any narrowing of the tax base.

THE UNIQUE characteristic of oil and gas development, production, processing and transportation investments confronts the state with he necessity of treating the application of the ad valorem tax to such investments as a matter of state concern. The taxable value of the pipeline project may equal about half of all the property in the state now subject to the property tax. Even if the state should secure ownership of the project the taxable property in the Prudhoe Bay area will reach several hundred million dollars in value by the time the natural gas starts to market.

The state's concern for the well-being of the people is paramount. The state's stake in financing local government is large and will grow more in the future. In addition to school support and revenue sharing for police, fire, road and recreation services, millions of dollars are being committed to paying a portion of local water and sewer systems.

In large part the petroleum industry properties cannot be considered the exclusive province of local governments which might be able to capture them. If this problem were to be ignored there would be the growth of situations of insupportable inequities and inefficiencies in taxation and loss of revenue urgently needed to moderate the problem of many small communities with such meager tax resources that the people suffer various degrees of privation in needed public services.

IT IS NOT likely that all inequities in capacity to raise revenue for public services will be equalized soon. To do so would require that the state raise all revenue and parcel it out equally. This would inevitably sharply restrict local freedom to act. We can insure that inequities are not permitted to become more severe and thus avoid bigger problems to untangle in the future. The Kenai case has been used as an example as it precisely illustrates the luxury of inequality and unfairness that we cannot afford, that in the public interest must be avoided or minimized.

It should be noted that the problem of disparity in tax resources which this statement singles out as a matter for immediate major concern originates out of the developments of major natural resources the revenues from which should inure largely to the benefit of all the people equally. The disparity is not arising out of the local industry and initiative of the people of one community as compared with another of generally equal opportunities and potentials.

We can do no better than to take our basic guidance from section one of article one of the Constitution of Alaska which states in part: ". . . all persons are equal and entitled to equal rights, opportunities and protection under the law . . .".

Supplement to testimony presented before House Local Government Committee, February 28, 1972. (These notes dictated following the meeting, as time did not permit completion of oral discussion.)

With reference to HB 596:

This is extension of remarks on prepared statement concerning the assumption in this bill that present legislation for organized boroughs does fit the conditions in the remote areas that, in fact, are vastly different from those in the areas of most of the presently organized boroughs. In this connection, it is noted that once an organized borough is put in operation it may proceed to home rule charter status. In fact, because of deficiencies in present legislation to fit unique conditions in the unorganized borough, it would be virtually essential that a borough incorporated under present law to prepare a charter to make up for the absence of suitable state legislation to meet the conditions.

Unfortunately, the result of this would be tantamount to saying that the state doesn't really care what the financial, organizational and jurisdictional arrangements are going to be in the huge regions of the unorganized borough that may become organized boroughs. The state must have a paramount concern in framework of government subordinate to it, both from the standpoint of interest of the citizens concerned, and as to the states' responsibilities for various governmental services and activities and effective relationships between the State and the subordinate governments in discharging these responsibilities.

To summarize:

It is unsound to leave the matter of organized borough like government in the unorganized borough to a "business is usual" approach. It is the state that must provide the basic policies and

standards for regional borough type governments suitable to the unique conditions of the remote areas.

With reference to HB 597:

Sec. 43.77.170 places a 5 mill limit on "direct return". A mill rate has little meaning for this purpose as the assessed value of property subject to taxation may vary greatly from place to place and time to time. If the feature of this section is to be in the bill, I would have the direct return based upon dollars in tax revenue per capita. This would be fair and equitable.

With reference to the $50,000 exemption:

I have the uncomfortable feeling that this goes too far. The revenue raised by a tax in the unorganized borough will be a stimulus to activity that will raise economic levels and improve tax paying capacity. I can't get away from the reaction that any tax program that seems to be based heavily on the proposition "tax everybody else but us" is rather unhealthy.

With reference to Sec. 43.77.030 and 040 -- "Credit" and "Local Effort Exclusion", I wonder if the effect would not be, in any local jurisdiction in which the total local tax take would be less than the state levy, that the local jurisdiction would simply increase the local ad valorum rate so that to "keep the money at home rather than let it go to the state". I have not given much thought to this, but if my concern seems valid, perhaps the committee should give the matter some consideration.

With reference to HB 598:

I refer to my extemporaneous addition to the last paragraph on Page 4 of my written statement in which I said following "However, the very fact that it is piecemeal creates some very serious questions that must be resolved": For example, by applying to oil industry property only, it has significant aspects of a special additional tax on oil and gas, as distinguished from a tax state-wide on all non-renewable source industrial property, for example, or on all property normally subject to the property tax (barring some exemptions that might be determined desirable).

Undoubtedly, the members of the committee have taken note of a certain inequity in exempting from the tax any property to which the ad valorum tax is paid to a city or borough on January 1, 1972. There is such property to a very substantial value in the Kenai Pennsula Borough and which now pays a 5 mill tax. Some of this property is also under industrial incentive tax exemption. This adds to the inequality in taxation as between this property and that which would be taxed under HB 598.

As long as the property tax is a significant source of revenue for public purposes -- and is likely to continue to be for an indefinate time -- I believe the legislature must address itself to the problem of disparity among localities in capacity to pay for public service: rather than just accept come what may in great wealth in one locality and poverty in another. It is a poor approach, however, to pick out one class of property of one industry rather than looking at the whole situation.

TESTIMONY BY WALTER LEVY AND MILTON LIPTON

BEFORE ALASKA HOUSE FINANCE COMMITTEE

3/15/72 & 3/16/72

JUNEAU, ALASKA

(George Hohman, Chairman)

APPROVED
9:35 p.m.

Present: All members except Mr. Wright. Mr. Walter Levy and Dr. Milton Lipton, oil consultants, were also present.

Chairman Hohman called the meeting back to order.

Mr. Wright explained to the committee that basically the Committee was concerned with the potential problem that might occur upon completion of the pipeline. He stated that the pipeline would be running through unorganized boroughs, and the boroughs could use property tax on it over 10 to 30 mills. He said that would be a considerable amount of money. Mr. Wright stated that he is told that the oil and the line should be taxed for the benefit of the State as a whole. He then read the letter Mr. Kirk's proposed on property taxation.

Dr. Lipton stated that they were very uninformed about the whole picture of oil in Alaska. He said, for example, he would not touch the tax responsibility of local governments because of statute, so he would not recommend that. Dr. Lipton believes, in its view, control is.

As for taxing the oil, if they did not tax the local communities should be entitled to put in a 10 to 20 mill tax. He said that is not excluded up to now by the government tax. He assumed the property tax applies to pipelines. Consequently, it seemed that when the government taxation introduced it also took care of property, so he thought that the exclusion of property tax line was based upon oversight.

Mr. Hohman thought it was an oversight. He said that the oversight was in the Alaska property tax. He said that the pipeline would be taxed on property tax, but that the oil, in so much as the oil is produced and sold is not taxed.

Mr. suggested there would be a problem if they did nothing on the [illegible]. He said it would be for them to decide whether to tax it at all, or whether they would like to have the local entity tax it or include it in the State's severance tax. He [illegible].

Mr. [illegible] that they had a [illegible] for property taxes to which is taken care of by a severance tax.

He thought they should look particularly at Texas and Louisiana. He felt the State should not get completely out of line with the precedence for severance tax. Mr. Levy felt that if by any chance the severance tax picture is not clear in some states, then it would be necessary to pick those most suitable to the State's interest.

He wondered whether the local communities should be allowed to take property tax on the line. He said it would really serve no purpose as it goes through a town even without such imposition, as he didn't know what would happen.

Another thing Mr. Levy felt pertinent was that the line was not excluded from taxation. He said they should have a property tax on oil that would be completely in line with the property tax on another item of real property. He wouldn't recommend singling out the oil industry for either a higher or lower rate. He stressed they should not move ahead without knowing how severance tax is handled in other states.

Mr. Lipton said that information was available to them in connection with the whole policy of taxation on oil and gas from the Legislative Council. This was published in January of 1970. He added that Louisiana has a cents per barrel production severance tax. The State statutes provide no further or additional license to be added or any additional value added to land.

Mr. Levy said they would have to have a more careful look at what added property taxes may or may not be possible. He said their attempt was to establish the level of severance tax. He said they should not look at refineries or pipelines, as it was quite possible localities could still levy on such facilities.

Mr. Lipton said it was their indication that Louisiana could do this. Mr. Lipton said that in Texas where there is a relatively low severance tax, local taxing is permitted.

Mr. Wardell reported that he had said earlier--if the boroughs were allowed to tax, it would be a lot of money, about $70 million. He said if the severance tax was fair and reasonable if it exempted the pipeline from ad valorem taxes. Mr. Levy said he couldn't say what was fair and reasonable. On the other hand, he said that if every industrial facility in the State has to pay ad valorem taxes, there should be provision in any that all facilities be exempt.

Mr. Pitt referred to electrical connections in the State [illegible] Mr. Pitt felt that some types of industries should be able to levy on [illegible] rather than [illegible] facilities, such as several

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government boundaries. It was Mr. Fink's feeling that it was more fair and equitable to take a percentage of the proceeds.

Mr. Levy indicated that it was his instinct that the taxing power should be taken out of local government. He thought that would be reasonably safe. Secondly, he thought that at this time it would be better to postpone the decision of what was to be done until the problems connected with the pipeline would be resolved.

Mr. Levy said that he had testified that afternoon on the potential of the ad valorem tax as further bargaining for contract. He told the committee they should get copies of the transcript of his earlier testimony. He said that if a tax were in effect which meant $70 million a year, it was really very high.

Mr. Fink said that the Governor proposed ownership, because he felt it was the only way to get the value out of it for the State. He said that the Rapid Committee was suggesting it be exempted for the same reason. Mr. Fink said the State has the rights-of-way and can impose several conditions, but this tax is designed to produce revenue. The fear with that the pipeline would be completed that the State could lose control of the oil by its price. The other problem is that this is a huge borrowing with a small number of people. Mr. Fink said that some of the legislators felt that all the Governor and pipeline Rapid Committee's bills did, was to get the State a piece of the pie. Mr. Fink thought it would be fair enough for the State and the industry if they didn't have to fight on a population and right-of-way. At the same time they could accomplish the Governor's purpose of not jeopardizing the right of the State to take all of the taxes through ad valorem taxing.

Mr. Levy felt that the whole problem was to pass pipeline legislation that was fair and acceptable to all parties and which encourages a future oil production and exploration in all areas. He went on to say that the intent of the Governor was not to get increased revenue, but to give a legislative lever so that the State can get revenue from the oil which would be equitable from their point of view and to stop a tax which would deprive the state of its rightful share. He said that bill was designed so that only if everything else failed, the revenue would accrue through a severance tax. He felt that it was the intent of the Governor's proposal to obtain revenue. Mr. Levy went on to say that the severance tax was a fair type of revenue producer for which there is precedent and which is not discriminatory. He pointed out that Alaska, which has something to say didn't have to handle new labor, when they decided on the property valuation, it could drop, it could that what was its share was. Whether testimony was influenced by local boosters, he said that governor would have to be fed a story that they, the Legislature, would be hard to handle.

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Mr. Upton asked whether in the minds of the committee they would consider the necessity or the value of a proposed statewide or Cook Inlet project, in as the present time if it were set for [illegible] that there was a [illegible] million pipeline in the offing, or if it was that [illegible] provided the money [illegible] bill. Mr. Pihl said that the Governor had a pledge [illegible] by [illegible] vetoing that was going to be [illegible] Mr. Upton point that through the [illegible] of that [illegible]. Mr. Pihl said they couldn't be [illegible] [illegible] [illegible].

Mr. Levy said they could also consider a [illegible] veto. He said that it was hard to say what to do since everything was up in the air. He said that if another $70 million a year was put into it, that could be added to the cost of operation. He stated that he could think of various ways of handling it depending on how the other problems were resolved.

Mr. Pihl said that the Governor thought the State was going broke and had everything [illegible] public of that opinion. Mr. Pihl added that the legislature could adjourn without doing something to [illegible] people that the State was going to get its fair share of the oil.

Mr. Levy said the oil severance tax is one of the means of obtaining revenue in the future. By not passing the veto now, they weren't [illegible], because at the present time there isn't much to tax, but there won't be until the facilities are constructed or even put up in operation. Mr. Levy felt they had to extend the [illegible] of the boroughs, but he would hate to freeze an oil valuation at any particular percentage or any product percentage. He said he would hate to set up a formula now which would only have to be changed later.

Mr. Pihl said that with the political thing in Alaska if they had a proposed project in the area would go up instead of down. Mr. Pihl then asked whether Mr. Levy felt negotiations were [illegible] [illegible]. Mr. Levy felt a tariff was important which had been [illegible] by federal legislation and interstate commerce. He said that the whole thrust of getting that was to have [illegible] maximum valuation of notes and taxation [illegible] recognizing the special circumstances of Alaska. Mr. Levy said that if the I.C.C. formula for tariffs were to be [illegible], to get back in the early part of the operation when they were running [illegible], the value at the well-head, [illegible] million barrels, today would probably not be more than $1.00. Mr. Levy said that if a fair tariff was established, [illegible] would value would be $1.75 to $1.80 or more. That is [illegible] per cent point. The fact that this flow [illegible] was [illegible] in the past is because [illegible]

the pip[illegible] first proposed is now supposed to cost $1 billion; [illegible] it is going to cost $3.5 billion. Also the market [illegible] thought to be available in California and Chicago [illegible] amount of it is limited to California because the new [illegible] pipeline from Seattle to Chicago will probably not be [illegible].

It was Mr. Levy's feeling that the ad valorem tax applied to everybody. He said that it is was not the general rule of the [illegible] to exclude the ad valorem tax on facilities which are not production facilities, he saw no reason why they shouldn't have one -- if other oil producing states [illegible]; however, he did not feel it should be imposed until it could see the whole pipeline picture.

Mr. Gibson said he didn't know how they could evaluate the [illegible] value of Alaska. Mr. Fink said they would just send out questionnaires and what he said was the value would be the value -- if reasonable, they could accept it.

Mr. Gibson said he felt the oil companies testimony indicated they didn't want to get involved in rid-of-any-possible-[illegible] actions. He said that if the oil industry would [illegible] that they agreed to the above. Mr. Levy said they could [illegible] precedence on the basis that [illegible] oil companies with [illegible] in the pipeline would [illegible] the reduced well head [illegible] in the pipeline operation. Those without [illegible] in the pipeline will not have that possibility. He said he thought the [illegible] should be based [illegible] only when they could [illegible].

Mr. Fink asked Mr. Levy if in the mind of the world protected [illegible] it was [illegible] part of a pipeline. Mr. Levy said it didn't have that protection. In other places, there [illegible] distinction between the oil value and the transportation cost. [illegible], in Texas they provide a main [illegible] that prevents [illegible]. He said that the well [illegible] the oil in Texas [illegible] the basis for cost [illegible] the oil in Texas would be $1. He said that transportation cost [illegible] 20¢ per barrel from Texas to Chicago, and the cost [illegible] getting the oil from Texas is recoverable in the [illegible] the oil that enters the Chicago refinery. He explained that in Alaska the oil will have a fixed value and [illegible] transportation cost by tanker to California. [illegible] by pipeline from the North Slope to Valdez, [illegible] the well head price. He said that, in fact, Texas and Louisiana oil were "price makers" on the market. Alaska won't have that possibility. Mr. Levy said that it was [illegible] important, aside from [illegible], that any oil field [illegible] pay its [illegible] costs which are [illegible].

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It [illegible]'m that the long-run interest of the State is to [illegible] get the maximum value out of the resource [illegible] and gas resources the State has, both [illegible] and future.

Mr. [illegible] said that the main problem at Alyeska is the [illegible] in transportation cost. The difference between $2 billion and $2.5 billion has to come out of the value of 10 billion barrels of recoverable reserves. Mr. Bryson said he made three of their testimony before the legislative committees this week has been whether the oil industry, State regulations or, pipeline regulations are impeding progress on the Trans-Alaska [illegible]. He said the economic interests of the State can be protected by legislation and negotiations with the industry.

Mr. Pike asked why they were against the State of Alaska building a pipeline, and Mr. Levy replied that in other places, such a pipeline would be a $100 million venture. In Alaska, it would be $2.5 billion, and that is what makes the difference. In addition to the financing, there would be tremendous risks to the State. Mr. Levy said they couldn't say they were opposed to State participation or option to participate in the pipeline.

Mr. Pike asked if they had opposed State ownership of the pipeline when it was thought to be a $1 billion venture. Mr. Levy said that even then it was a little "stiff". He said they could not oppose it as a last resort, but would fight it.

Mr. Pike said it shouldn't cost to discourage the oil industries, and it seemed feasible that the oil companies would very discouraged if they had right-of-way and additional regulations.

Mr. Levy stated that because of the precentation of the oil industry is not like "cards". He said that if they said there should be no record [illegible] since [illegible] was doing such a fantastic job, he'd like to have it documented by facts and figures. He didn't [illegible]. He said that if the oil industry [illegible] discouraged them, they [illegible]. That was what they had to face. He stated that if they were discouraged because of [illegible] of the State, but to quote, Mr. Levy admitted that the right-of-way legislation included road permits, which should perhaps be straight. He told the Committee that a change of his testimony from [illegible] and that [illegible] on the subject.

Mr. [illegible] what [illegible] would be if the State

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wanted to participate in the pipeline. Mr. Levy said he'd like to say the lowest percentage which would do the maximum job for them because the lowest would cause the least financial drain.

Mr. Haugen asked whether the state's interest would be protected on a percentage basis low, and Mr. Levy said they would have more power. He said they would be on the inside and party to all arrangements, even those not openly arrived at. He said they had expanded a little more in their testimony that afternoon.

Mr. Levy said that the maximum one would consider was about 16.67 in the pipeline because they would gain an equity that would be lost in amortization. He said it was still in the state's best interest to keep as low a transportation cut as could fairly and reasonably be arrived at.

Mr. Levy went on to say that with participation in the pipeline, if they felt it should be expanded or new fields brought in, they would have quite a right as a minority stockholder to insist and if the others didn't want to, the state could go ahead on its own account. He pointed out that they would have more as a partner than they did now. Mr. Pink asked if they couldn't be out-voted and Mr. Levy said a minority could not be "repelled".

Mr. Pink asked who would pay for the State, and Mr. Levy said they could probably have a public corporation to hold title and solve off funding, rights, etc.

Mr. Lipton said they would have to opt for the lowest rate consistent with long range transportation problems and economic value to the State and have the highest rate the market can pay with maximum of the 16%. He said there were financial problems.

Mr. Levy said that if they set the maximum rate under 16%, the oil companies would call them names.

Mr. Haugen didn't feel the State should be involved. Mr. Levy said there were peculiar circumstances in Alaska, and they should protect their right to have an option to participate by introduction this legislation. Mr. Lipton pointed out that the Indians need to exercise their option, but they could opt in later if they felt it served a proper economic time. However, the rights should be established now, since it could be 8 to open the State will need.

Mr. Pink asked if there were other states with such an arrangement. Mr. Lipton knew of no other state that was a partner, but

he also didn't know of a [illegible] state with the problems Alaska faces.

Mr. Fink said the State was trying to get into a business, it just wanted to get part of the income. It seemed to him that the best way to deal with the least difficulties was to let the industry develop the business.

Mr. Levy said that an ad valorem tax was not the way and $70 million was not the way. Everything else went against it.

Mr. Fink thought they should initiate a cents per barrel tax, and let the companies do what they wanted, but under right of way if the State felt that a new producer was getting "shafted" the State could come in. It appeared to him this would be much simpler.

Mr. Levy was not certain the oil companies would sign such a lease. He didn't think the State could give up its responsibility for continuing surveillance of oil.

Mr. Fink asked the purpose of regulations, and Mr. Levy said it wasn't explained also. It said that it was important that a monopoly wouldn't be imposed, so the surveillance was necessary.

Mr. Lipton said that pipeline regulations were not unique to Alaska. He stated that Texas has tough regulatory statutes over its pipelines. There are quite a range of regulations on pipeline statutes of various states. He didn't think the oil industry could reasonably take the position--when transportation was so important--of objecting to arrangements over regulating statutes. He pointed out that Texas had never relied upon I.C.C. regulations to take care of its pipeline.

Mr. Levy said that when they had been threatened by oil people that if they didn't "behave", they would move to Canada. He asked whether they had found that the oil people were discouraged by the regulations there. He explained that the Canada Energy Board had complete control in Canada. The C.E.B. has control over trans-Canada pipelines, with an all rate of return on capital use of 9% which includes cost trends. It also has the right of interfering with private businesses, which Mr. Levy had made it possible to operate.

Mr. Lipton said that when the severance tax was under review there the industry was very opposed to a change in it. The problem was interwoven on the concept of a rate schedule. Regulations are in effect which vary according to production and are not for the control of the State.

Mr. Fink said a condition of right of way should be that if any

other company wanted to become a member of the pipeline and if the State had that own. ership option, the new company could buy up to whatever percentage of the book value was there.

Mr. Levy said they had a common carrier provision already, and if that provision was added, it would really put a burden on the oil company.

Mr. Fink said that if the State had an option for 10%, they could tell new companies they could buy up to 18% if that would encourage them to drill for oil. Mr. Levy said that might be considered if they couldn't establish a reasonable formula for tariffs. Mr. Levy added that the idea of costs per barrel--from the oil company point of view--would create further problems. However, it might be what they have to face.

Mr. Levy gave the committee members copies of the Canadian National Energy Act, revised as of 1971.

Mr. Fink said that the cents per barrel tax wouldn't effect that at all. Mr. Levy said they didn't rule that out, they just say that this is not the time and there may never be the time. He said it was a problem and it would undermine the confidence of the oil companies.

Mr. Levy said that the price could go up to $2 a barrel under the present F.P.C. rule instead of 60¢ or 80¢. Mr. Fink asked whether the State would end up in court if it had rules saying it couldn't go up that high and F.P.C. said that it could. Mr. Levy thought that instead of ending up in court they would come to a fair agreement.

Mr. Lipton said that his opinion of the per barrel tax was that it was not necessary. He stated that the nature of the severance tax presently was based on the value of oil at the well-head. It was his feeling that on this phase of the issue one could still live with the present form of severance tax. He didn't feel it was necessary to do it as a device for other purposes. He said that if they felt in all other respects that things were getting complicated, he would not deny that a per barrel proposal for oil would be a way for the legislature to look at the protection of the State's financial interest.

Mr. Lipton said that he realized that draft bill had tried to come to grips with at least some of the problems involved with cents per barrel taxation. He noted there were other problems which hadn't been taken into account, such as the location of the oil. He thought that the present severance tax was workable and said that unless they had very strong reasons for moving away from it, he would not advise it.

Mr. [illegible] that what Mr. Kirk was proposing would [illegible] 25% [illegible] than the present formula would yield. Mr. [illegible] pointed out that production was still four years away and [illegible] was time to take a good look. He thought they should follow the policy decided to do the best possible job.

Adjourning [illegible] adjourned at 9:25 p.m.

[illegible]

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HOUSE FINANCE [illegible]
March 16,
8:35 a.m.

Present: All members except Mr. Dick D. Mr. E. Lipton, Oil Consultant, and Mr. Joel D. Hurt were also present.

Oil Discussion: Chairman Hobson called the meeting to order and said the committee would continue discussion with Mr. Lipton.

Mr. Lipton said in Alyeska each company will set a tariff for transportation of oil -- it is possible there will be as many pipeline tariffs posted as there are participants in the pipeline. He said it is not unusual for different participants to post different tariffs. Mr. Lipton noted the competitive system in the Lower Mainland said that one company may be the initiative to post a lower tariff. The resulting tariff will presumably be closer to the same by virtue of low populations. He spoke of the struggle of British Petroleum, saying that they would have to transportation of other people's oil would be more than offset by a relatively high tariff.

Mr. Lipton referred to the tariff structure at Alyeska, saying it is based on tariffs which are actually negotiated with the oil companies' investigations and risks.

Mr. Lipton said the oil companies in their testimony constantly referred to the 10% reputation. He said he did not know whether they seriously meant this or not. He said what is important is that the private oil company is in a very difficult position to petitioner's volunteer that it is not entitled to the highest tariff by law, when they do not know where they will end up. He said if the State comes up with regulations inconsistent with the interest of the companies, the companies can begin to talk negotiations. He said it is the intent to have state regulations in order to not upset the legislature. He said they should carefully set out to the business to determine what rates, procedures and principles are in the "public interest of the State". He added Alaska will have a say [illegible]. In any case for interstate [illegible] will end up with an unreasonable rate so the companies will challenge this.

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Mr. Upton said if it turns out there rates are fair and reasonable then the oil companies will know how the state feels. He said by Fall they could get a rate hearing then the FPC regulation. He added that the risks Alaska will face, should they take an ownership of the pipeline, will be the same as the risks the companies will take. Mr. Upton added that the rate making role of the regulation -- it is a protection role.

Mr. Bird asked if the companies do [illegible] different rates could that be to the State's advantage. Mr. Upton said there may be many reasons [illegible] different shipping. He said that one advantage is that by showing that posts a lower rate will create an environment that would not be the other companies justify a higher rate. The major thrust of opinion is that perhaps a company that posts a lower rate in good faith with a reasonable rate and doesn't have to [illegible].

In response to Mr. Bird, Mr. Upton said the state may be in a position to argue that the prevailing market value is set by the higher rate on the basis of lower transportation costs. He said that could be the basis for the state receiving royalty oil, even though it might object to the higher transportation rate.

Mr. Upton said the Federal government is now reviewing the rates of all pipelines [illegible].

Mr. Upton spoke on the advantages of having a multiplicity of owners. Mr. Bird said since there are [illegible] there would be a tremendous body of books to audit. Mr. Bird said that all of the companies were responsible for the operation of the minimum of capital. He said he would assume the borrowing would be a joint venture. Mr. Upton said they did not know this. Mr. Bird said all the companies would use the same pumps, same pipes and the same labor. Mr. Upton said all their operating costs may not be the same. He said if Alyeska is operating on 70% of the capacity it does not mean each owner is using 7% of the capacity. Mr. Bird asked what advantage the state would have to allow the companies to charge different rates. Mr. Upton said [illegible] that the way in which Alyeska is [illegible]. The present expectation could place they will [illegible] on the pipeline.

3/16/77

he added that this may change. Mr. Lipton said the oil companies are needed now in that if the Interstate Movement to the refinery in Fairbanks proceeds there is a Pipeline there, the cost of the oil to this refinery will depend on the tariff between Prudhoe Bay and Fairbanks. He said what is a Fair tariff. Mr. Lipton said this tariff would have to be subject to state review. This may not matter in the overall scheme but it will matter to the people in Fairbanks.

In answer to Mr. Fink, Mr. Lipton said the state does not have any regulatory machinery yet and that is what he is proposing.

Mr. Lipton said he had talked with Fairbanks about the cost of gas transported from Cook Inlet. He said this has never been subject to review. He added that he did not think both Anchorage felt that gas is cheap and you hear the people in Japan who are receiving the gas. Mr. Fink said that would be a matter that is subject to regulation.

Mr. Fink asked if in Cook Inlet each company is charging a different rate. Mr. Lipton said it was his impression that this is a corporation entity and not individual companies. He said it was his understanding there is only one tariff on Cook Inlet.

Mr. Fink said maybe the oil companies would prefer individual tariffs. Mr. Lipton said he was not sure but would guess this would provide them with certain benefits.

(Discussion followed. Mr. Lipton said he would take the position that it would be legal idea for the industry or one kind to tell about Alyeska as the best way to bring oil down in the world and to be willing to put it that it is invisible. He said he felt there was no question that the date on the operating cost and interest charges will at the state [illegible], despite the fact it is held at unrealistic [illegible].

Mr. Lipton said the companies will be filing with the assembly their annual report of accounting. They will have on it a lot of [illegible] an accumulation of expenditures from beginning to ending. When the

3/16/72

pipeline is finished ICC will know the capitalization and everything involved -- then the companies will file tariffs. This will be the rates charged by each owner of the pipeline unless the ICC says no, it exceeds the rate making rule. Unless this is exceeded it automatically becomes the tariff. Mr. Lipton explained the 8% rate. This is 8% after tax profit to the pipeline operator including interest payment -- this is on total capital after all costs. He said the question has come up; can the state do anything about it. He said the whole purpose of the Governor in suggesting ownership, the purpose behind the administration's regulatory bill, the purpose behind the Pipeline Committee's leasing bill and the purpose behind an option to buy an equity, all of this is to provide the state with a bargaining position so they can in effect get the companies to agree to a very fair and reasonable rate. He said there are alternatives. One alternative is to force ICC into a review of rate procedures.

Mr. Lipton said if the state has its own concept of a fair and reason ble rate then the companies will know what position the state is taking. Before the pipeline is operating there will be an agreement. Mr. Lipton said the companies can be made satisfied if they know what the state means by reasonable approach. In answer to Mr. Fink, Mr. Lipton said he was talking about intrastate rates. He said there is a body of legal opinion which feels the state might have jurisdiction over all oil from Prudhoe Bay to Valdez. He said if the state does not claim jurisdiction it will not have it. He said this would provide the state with an opportunity for determining what is a fair and reasonable rate for the movement of oil from Prudhoe Bay to Valdez. He said hopefully this would enable companies to undertake serious negotiations because there would be a "handhold". He said if the state did not do this they may have the possibility of determining the prevailing rate of the oil of the North Slope. He said if the state would have to protest before ICC they will be in a position to do so. He said a regulatory bill should not have to be something so strange that the oil companies would rise up in protest. There are existing pipeline regulations in other states and Mr. Lipton said he did not feel the companies would have very much of a reason to complain. He said the state regulatory body should

3/16/77

not have the right to impose rates upon the pipeline. It should have the right to suspend rates but to impose a rate and insist the pipeline operator be bonded this before the final adjudication has been reached was too far. Mr. Lipton said he hoped that he was not making a plea for extreme legislation that will upset the "apple cart". He said they know what powerful incentive there is for oil companies to participate. He said the oil companies are entitled to a fair break but so is Alaska. Mr. Lipton said it is important to get started early.

Mr. Pihl said the ICC determines a fair rate but asked if they look at the depreciation schedule and amortization schedule. Mr. Lipton answered there is an ICC rate of depreciation which applies to all pipelines. He said they allow depreciation for there and.

Mr. Pihl suggested the construction of the pipeline with a building. He said if he had a building and charged rent in the first two or three years there could be immediate profit before [illegible] of the building. Mr. Lipton said during the first year of operation at /1[illegible] if they were to apply the ICC 5% rate to [illegible] and figured it over only 600,000 barrels a day the tariff would be so high the well head value would be [illegible]. He said obviously they will not do this. He said they will look at the capital cost picture and rate of through-put and try to work out a tariff. He said as the through-put builds up the tariff will go down further.

In answer to Mr. Pihl, Mr. Lipton said the amortization is not related to the total amount of oil that will flow through the pipeline. He said for valuation purposes by ICC they depreciate over 30 years on a straight line basis and for taxes they depreciate over 22 years on a formula of years digit basis. Discussion followed.

Mr. Pihl asked how they could automatically assume the cost of the pipeline will be from $3.5 to $4 billion. Mr. Lipton said this is subject to error but they hope the [illegible] error on the one side will be offset by [illegible] on the other side. Mr. Lipton said as far as he knew none of the companies had an agreement with this cost. Mr. Lipton said the biggest thing is to get the tariff low to cover under ICC regulations is the return of capital -- this [illegible].

3/16/73

of their well head value. Mr. Lipton said he would, if they work out an equalized tariff.

Mr. Lipton said they also feel that the impact of combination as a way of receivership could be detrimental to a company like Standard Oil of California (SOC) is not in the pipeline. He said they would be paying with both hands. He said that they are most concerned with is to protect the state's revenue interest in the value of oil produced.

Mr. Lipton said in addition to the taxing power Mr. Vind spoke about, another factor in the state income tax. He added that they could move the corporate income tax. The revenue in it's not playing. The state would have to change this income by [illegible] from the federal code. Mr. Vind in this way the company would know full well what the impact would be with the income tax [illegible].

Mr. Burgener said in view of the "spoiler" history of [illegible] at the federal level and at the state level this [illegible], how can [illegible] to be the state could do something different than other people have done. Mr. Lipton said the state should try to use their viewing [illegible] and [illegible] if this were not [illegible] it would be very different.

The meeting recessed at 10:00 a.m.

-350-

3/10/77

HB
600

02-001B

STATE
of ALASKA

MEMORANDUM

TO: The Honorable Mike Miller, Chairman
House Local Government Committee
Alaska State House of Representatives

DATE : February 19, 1972

FROM: Byron I. Mallott, Director
Local Affairs Agency
Office of the Governor

SUBJECT: HB-600- State Aid to Federal Law Cities

The following fiscal analysis of HB 600 is based on the premise that each IRA Council would be empowered to provide and would be providing the services listed, two years after each initially became eligible for grants in aid under AS 43.18.010.030. Therefore, this analysis should be considered an estimate of each active IRA Council's potential level of participation.

AKIACHAK - Population 312 - Police Protection, Fire Protection, Parks and Recreation, Road Maintenance.

$8940

ATKA - Population 88 - Police Protection, Fire Protection, Parks and Recreation, Road Maintenance.

$4760

KLUCKWAN - Population 102 - Police Protection, Fire Protection, Water Pollution, Parks and Recreation.

$2244

KWETHLUK - Population 408 - Police Protection, Fire Protection, Parks and Recreation, Road Maintenance, Health Facilities

$12,910

KWIGILLINGOK - Population 148 - Police Protection, Fire Protection, Parks and Recreation

$2960

KWINHAGAK - Population 340 - Police Protection, Fire Protection, Parks and Recreation

$6800

METLAKATLA - Population 1050 - Police Protection, Fire Protection, Water Pollution, Land Use Planning, Transportation, Parks and Recreation, Road Maintenance, Health Facilities.

$43,450

MINTO - Population 168 - Police Protection, Fire Protection, Water Pollution, Land Use Planning, Parks and Recreation, Road Maintenance.

$4932

NIKOLSKI Population 57 - Police Protection, Fire Protection, Parks and Recreation, Road Maintenance

$4140

NOATAK - Population 293 - Police Protection, Fire Protection, Parks and Recreation, Road Maintenance
$7360

PERRYVILLE - Population 94 - Police Protection, Fire Protection, Water Pollution, Parks and Recreation, Road Maintenance
$3568

TANACROSS - Population 84 - Police Protection, Fire Protection, Water Pollution, Parks and Recreation, Road Maintenance
$2748

TATITLEK - Population 111 - Police Protection, Fire Protection, Water Pollution, Parks and Recreation, Road Maintenance
$2742

TETLIN - Population 114 - Police Protection, Fire Protection, Transportation, Parks and Recreation, Road Maintenance
$3750

TUNUNAK - Population 274 - Police Protection, Fire Protection, Water Pollution, Parks and Recreation, Road Maintenance
$6478

TYONEK - Population 232 - Police Protection, Fire Protection, Water Pollution, Transportation, Parks and Recreation, Road Maintenance
$8514

UNALAKLEET - Population 434 - Police Protection, Fire Protection, Water Pollution, Land Use Planning, Parks and Recreation, Road Maintenance
$16,416

VENETIE- Population 112 - Police Protection, Fire Protection, Water Pollution, Parks and Recreation, Road Maintenance
$3214

Total $145,926

Representative Tillion has asked that we address ourselves to the question of the impact of Tyonek's eligibility on the Kenai Borough's entitlement.

The Kenai Borough is presently qualifying for funds on an area wide basis under the categories of Air Pollution Control and Land Use Planning. The application under Air Pollution Control is based on participation in the Tri-Borough Air Pollution Control Program; the Land Use Planning entitlement is based on the fact the Borough exercises mandatory area wide planning and zoning authority. Therefore, the qualification of Tyonek for funds under the Police and Fire Protection, Water Pollution Control, Parks and Recreation, Transportation and Road Maintenance categories would not effect the Kenai Borough's entitlement.

BIM/DA:da

STATE
of ALASKA

MEMORANDUM

OFFICE OF THE GOVERNOR

TO: The Honorable John E. Havelock
Attorney General
Department of Law

DATE : February 28, 1972

FROM: Byron I. Mallott
Director
Local Affairs Agency

SUBJECT: House Bill No. 600

On Monday, February 21, the House Local Government Committee reported out HB No. 600 with a "do pass" recommendation. This bill has now gone to the House Finance Committee.

During committee discussion on this bill, the agency presented testimony including the fiscal impact to the state should the legislation be enacted. The agency pointed out certain questions which should be evaluated prior to the bill's being reported out onto the House floor. These questions are stated as follows:

1. May federal Indian Reorganization Act (IRA) business corporations legally receive and expend state funds for "municipal" purposes within either organized cities or boroughs or unincorporated areas?

   Discussion:

   IRA corporations organized under the provisions of the Wheeler-Howard Act have as their primary purpose the transaction of business within predominantly Indian or Native communities. We are generally aware that the Wheeler-Howard Act also provides for the establishment of minimum local self-government for Indian communities through the adoption of a constitution and by-laws provided by the Secretary of the Interior. It becomes a question, therefore, whether or not a community which has adopted an IRA charter containing provisions for minimum local government can exercise such powers in the face of Sections 2 and 7 of Article X, the Alaska Constitution.

2. If IRA corporations are in fact "closed" to all but persons of Native origin, is the State Legislature in any way impeded from authorizing disbursement of state general fund monies through AS 43.18.010 to communities as defined in HB No. 600?

   Discussion:

   It would appear that allocation of state shared revenues to these corporations would carry with it the requirement that the funds so allocated be expended wholly for public purposes, i.e. municipal services, authorized by federal

IRA charters. That this necessarily follows is buttressed by AS 43.18.010 (f) which states, in part, that "funds received by a city, borough or service area under this section may be expended for any public purpose for which it has power to expend public funds..." (emphasis added).

3. Could an IRA corporation located within the boundaries of a municipality incorporated under state law be eligible for revenue sharing allocations?

Discussion:

It is conceivable that situations may exist where communities are incorporated both under the federal Wheeler-Howard Act and also under Titles 29 and 7 of the Alaska Statutes. While the intent of the proposed bill must be to make communities which have organized as IRA corporations but not as municipal corporations eligible for revenue sharing funds, it would seem that the bill, as written would not preclude funding of both an IRA corporation and a municipality within the same community.

The above are some of the questions which have immediately surfaced with respect to HB 600. The agency respectfully requests that your office provide this agency and the Legislature with an opinion discussing these questions as well as any other important implications generated by this bill of which we are not presently aware.

The attachments to this memorandum provide a picture of the fiscal aspects which would ensue if the legislation were to be enacted by the Legislature. I am available for discussion on this matter at your convenience.

BIM/SJS/pc

Attachments

cc: The Honorable Mike Miller, Chairman
House Local Government Committee

The Honorable Richard Whittaker
House of Representatives

Local Government Committee Report

on

HOUSE BILL NO. 600

The House Local Government Committee, in recommending do pass on this bill, discussed at some length the effect of funding newly included municipalities in the shared revenue program. Our conclusion was this: The inclusion of certain new communities, as allowed by HB 600, is only fair where those communities are performing municipal services. The committee did not feel, however, that the appropriations under this bill should cut down on the dollars which will be appropriated to other municipalities. In other words, if the number of communities enjoying shared revenue is to be raised, then the total appropriation for shared revenue should be raised as well. The dollar amount in question is not excessively large and should be added so that every community receives its full entitlement under the shared revenue program.

M. Miller, Chairman
Local Government Committee

#146M - pico tag for HB600

February 18, 1972

Mr. Robert P. Isaac
P. O. Box 223
Douglas, Alaska 99824

Dear Bob:

Appreciate very much your letter of February 16 and your comments on HB 600. We will be meeting on this bill Monday morning and I will certainly see that your letter is read into the records. The very questions that you raised were discussed at a previous meeting of the committee.

Again, many thanks for writing. We appreciate receiving your opinion in this matter.

Sincerely,

Mike Miller, Chairman
House Local Government Committee

P. O. Box 223
Douglas, Alaska 99824

February 16, 1972

The Honorable Mike Miller, Chairman
Local Government Committee
State House of Representatives
Juneau, Alaska 99801

Dear Mr. Miller:

A bill, HB 600, has been submitted which provides for treating villages organized under the Federal Indian Reorganization Act as state municipalities for the purpose of revenue sharing under AS 43.18.

As a citizen of this state and the Juneau City-Borough, I must voice my objections to this type of legislation.

The constitution places governmental authority in cities, boroughs and the state, and it would appear to me legislation of this nature is slowly eroding the Local Government Constitutional provisions by recognizing forms of government other than cities and boroughs organized under state law.

It seems to me that if a community wants the benefits of state shared revenues, it should at least be willing to assume the responsibilities of a fourth-class city.

A similar situation occurred at Metlakatla about two years ago. In that instance, the Metlakatla Council wanted the police power. Subsequently, the Federal Government, by a special act, authorized this power to be exercised. Metlakatla could have gained whatever municipal powers it desired through incorporation under state law.

It further seems to me that the Legislature should take a firm position on local government organization and limit the prerogatives of local government to those communities which elect to form governments authorized by the constitution.

In my opinion, everything possible should be done to encourage municipal incorporation under state law where local government is needed and not resort to passing along state benefits to quasi governments which are not recognized by the constitution.

Yours truly,

Robert P. Isaac

cc: Senator John Rader, Chmn.
Senate Local Government Committee

Governor Wm. A. Egan

NOATAK - Population 293 - Police Protection, Fire Protection, Parks and Recreation, Road Maintenance
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BIM/DA:da

02-0018

STATE
of ALASKA

MEMORANDUM

TO: The Honorable Mike Miller, Chairman
House Local Government Committee
Alaska State House of Representatives

DATE: February 19, 1972

FROM: Byron I. Mallott, Director
Local Affairs Agency
Office of the Governor

SUBJECT: HB-600- State Aid to Federal Law Cities

The following fiscal analysis of HB 600 is based on the premise that each IRA Council would be empowered to provide and would be providing the services listed, two years after each initially became eligible for grants in aid under AS 43.18.010.030. Therefore, this analysis should be considered an estimate of each active IRA Council's potential level of participation.

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$4140

02-0018

STATE
of ALASKA

MEMORANDUM

TO: Byron I. Mallott
Director
Local Affairs Agency

DATE : February 15, 1972

FROM: Don Argetsinger
Local Government Specialist

SUBJECT: HB-600 Extension of AS 43.18 to IRA Villages

The following is a list of active IRA council's per the BIA Tribal Operations listing dated 1-29-70. This list excludes all active IRA councils in cities incorporated under AS Title 29.

Village	Population- 1970 Census
Akiachak	312
Atka	88
Klukwan	102
Kwethluk	408
Kwigillingok	148
Kwinhagak (Quinhagak)	340
Metlakatla	1050
Minto	168
Nikilski	57
Noatak	293
Perryville	94
Tanacross	84
Tatitlek	111
Tetlin	114
Tununak	274
Tyonek	232
Unalakleet	434
Ventie	112
Total 18 Villages	4422

Metlakatla is the only active IRA Council capable of immediately qualifying for funds for anything near a full range of services; therefore for the purposes of getting a general idea of the impact, assume that in FY 1973 all IRA's listed would qualify for Police Protection and Parks and Recreation, as follows:

4422 X $15 = $66,330

Add Metlakatla with transportation, water pollution
1050 X $7 = $ 7,350

Add Fire Protection in Toyonek, Kwethluk and Minto
808 X $5 = $ 4,040

Add Water Pollution in Minto and Tyonek
400 X $5 = $ 2,000

Total $79,720

OR $80,000

I have discussed the provisions of IRA charters with John Hope of BIA Tribal Operations and Al Widmark. My understanding is that the charters are quite broad and can or can not provide for the provision of municipal services. An examination of each individual charter would of course be required to determine this. The process of ammending a charter seems quite involved, ie petitioning the Sec of Interior who orders an election in the village etc. Since Statehood, the BIA has evidently discoraged the exercise of usual municipal powers under IRA charters, in favor of incoporation under AS Title 29.

The Impact on the FY 73 requested appropriation:

Assuming that $7.085 M proves to be sufficient for FY 1972 - and further assuming the only other variables are those listed below, the IRA ammendment could produce an additional 1.12% proration or deficitt

$$\frac{\$80,000}{\$7.1\ M} = 1.12\%$$

Increases in population and minor expansion of services- assuming the present provisions of AS 43.18 remain in-tact

$$\frac{\$100,000}{\$7.1\ M} = 1.40\%$$

SA #30 - GAAB for Parks and Recreation

$$\frac{\$167,200}{\$7.1\ M} = 2.35\%$$

Total deficit w/IRA	4.87%
Total deficit wo/IRA	3.65%

DA/da

HB
615

ALL-AMERICA CITY 1956 & 1965

CITY OF ANCHORAGE ALASKA

International
Polar air crossroads of the world

ANCHORAGE, ALASKA NOV. 23, 1920

POST OFFICE BOX 400
ANCHORAGE, ALASKA
99501

February 25, 1972

Mr. Don M. Berry
Executive Director
Alaska Municipal League
204 Franklin Street
Juneau, Alaska 99801

Dear Don:

Re: HB No. 615 - Alaska Business License Tax

One of the requirements for financial viability of a city is growth in revenue sources. HB No. 615 would "freeze" city revenue from the Alaska Business License source to the equivalent amount collected in 1976 and subject this payment to an appropriation by the Legislature. Unfortunately the city's cost of government cannot be frozen at the 1976 level in subsequent years. Therefore, city financial viability would suffer if HB No. 615 is enacted into law.

The City Administration has studied this bill and analyzed the possibility of correlating the annual payment to population. The attached analysis clearly reveals there is no correlation of the increases in the Alaska Business License revenues with population increases and assessed value of business personal property changes.

It appears that the only way to assure viable growth in this revenue source in relation to business activity would be to continue the present licensing and reporting requirements at a flat rate (say $25.00 per year) fee and from the reports compute what the tax would have been under existing law and tax rate and compute city payments on this basis. In this way: (1) City financial viability would be retained, and (2) valuable statistics needed for State, local and private economic and other planning would be available. This is a highly important statistic for both government and private planning purposes.

It is readily apparent from the enclosed analysis that the Alaska Business License revenue is an important source to the City of Anchorage. It has grown from over $290,000 in 1960 to well over $900,000 in 1971. Obviously there would be a tremendously adverse financial impact on the City of Anchorage if this revenue source was "frozen" in the future. Therefore the City of Anchorage opposes passage of HB No. 615 unless it

AIRMAIL IS FASTER

is amended as outlined above or by insertion of some other acceptable formula which would retain the growth in this revenue source in relationship to business activity in the City.

You may use this letter as may be appropriate to express out views on this bill.

Sincerely yours,

Robert E. Sharp
City Manager

RES:ccb

Enclosure

cc: Governor of Alaska
Members of Senate and House
Local Government Committees
Anchorage Area Legislators

CITY OF ANCHORAGE
ALASKA BUSINESS LICENSE REVENUES AND POPULATION
Percentage Increases (Decreases)

	Alaska Business License Revenues	% Increase (Decrease)	Population *Official Census	% Increase (Decrease)
1971	$929,952	31.05	$ 50,556	5.26
1970	709,619	21.15	48,029*	.69
1969	585,713	(6.99)	47,700	5.82
1968	629,728	(0.28)	45,076*	.23
1967	631,470	42.16	44,968	.23
1966	444,196	(11.61)	44,864	.23
1965	502,556	24.06	44,759	.23
1964	405,088	6.54	44,655	.24
1963	380,212	3.81	44,550	.23
1962	366,232	(3.65)	44,446	.23
1961	380,111	30.44	44.341	.23
1960	291,383		44,237*	

PERCENTAGE INCREASE OF CITY OF ANCHORAGE
BUSINESS LICENSE REVENUES AND POPULATION
From Base Year 1960

	Revenue Increase	Population Increase
1968	116.11	1.90
1970	143.53	8.57
1971	219.14	14.28

POPULATION PERCENTAGES

	City of Anchorage	Balance of Anchorage Area	Balance of State
1960	19.56	17.07	63.37
1968	15.87	24.10	60.03
1970	15.89	25.32	58.79

ASSESSED VALUATION OF BUSINESS PERSONAL PROPERTY TAX

	Amount	% Yearly Increase	% Yearly Business License Increase
1971	$111,257,420	17.37	31.05
1970	94,788,770	29.19	21.15
1969	73,371,580	6.20	(6.99)
1968	69,082,026	1.93	(0.28)
1967	67,767,709		

Hilstrand — HB 401

(1) would increase fees in the bush.

(2) would actually increase taxes in city & boro

(3)

all voting

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF REVENUE

POUCH SA — JUNEAU 99801

February 23, 1972

Representative Mike Miller
Local Government Committee
House of Representatives
Juneau, Alaska 99801

Subject: HB 615 - An Act suspending collection of the Alaska Business License Tax.

Section 1 provides that AS 43.70 shall not be operative commencing January 1, 1977 and continuing so long as the Legislature annually appropriates to the Department of Administration for distribution to the organized boroughs and cities an amount equal to the total tax collected under the Act for the calendar year 1976.

If the intent of HB 615 is to distribute collections made during 1976, an estimated reduction to the Treasury would amount to $8,049,000 based on present estimates. As the bill is now written "all monies" are to be distributed; a substantial increase over the present 60% - 40% distribution, which projection would share approximately $3,700,100 in 1977. We suggest we be allowed to collect 1976 gross receipts tax due February 28, 1977 as a basis for the per capita sharing; further that the Local Affairs Agency be designated as the sharing authority as they are responsible for other per capita revenue sharing.

Administrative Problems: The possibility that the Business License Act may again become effective makes it necessary that the Department of Revenue maintain a current roster of active businesses. This could be accomplished by requiring all firms to obtain the annual $25.00 business license. The authority for which should be incorporated in HB 615, such fee not subject to any sharing formula. The business growth of the State, providing economic statistics necessary to many governmental agencies and others, cannot be provided without some form of annual reporting.

The law should provide that all license returns and taxes due for the years prior to the effective date of the legislation are valid and that the Department of Revenue is empowered to collect all delinquent accounts including any that may be disclosed as a result of audit investigation. It is estimated that the full audit staff would have to be maintained for at least a two year period to complete the audit examination of business license returns through 1976 and conduct audit examinations for prior year deficiencies prior to closing out the gross receipts tax portion of the Alaska Business License Act.

Following this two year period it is estimated that a 40% reduction in the existing staff could be implemented and the remaining staff could maintain the census of the business community which would be necessary should the Act again become operative.

A more complete fiscal note will be prepared for the Committee, when it is known what, if any, of these measures are incorporated in the legislation.

The writer remains at your disposal should any further question arise.

Respectfully yours,

L. P. Carroll, Chief
Business License Division

LPC:fd

Alaska Retail Association

ALASKA BUSINESS LICENSE TAX

REVIEW AND ANALYSIS

I. INTRODUCTION

The basis for the levy and assessment of the Alaska Business License Tax is cited in A.S. 43.70.010 through 43.70.120. These statutes outline the gross receipts which are exempt from the tax, describe the procedures to be followed for application for a business license, explain the steps involved in the levy and computation of the license fee, provide for a review and determination of the license tax, establish the framework for appeals, penalties, security, disposal of money received, rules and regulations, penal provisions, as well as offering a definition of the terminology used in the Act and establishing a short title. Of particular interest are the provisions outlined in Section 43.70.030 (Levy and Computation of License Fees) and Section 43.70.080 (Disposal of Money). The first section cited above establishes the rates to be charged on gross receipts covered by the Act; a synopsis of this section is offered in Schedule I below. The second section reads as follows:

> "All money collected by the department (of Revenue) under this chapter shall be deposited in the general fund. The Department of Revenue shall refund to an organized borough, city of any class, incorporated or independent school district, or public utility districts, 60% of the money collected in the local government." (Quotations ours)

SCHEDULE I

ALASKA BUSINESS LICENSE TAX RATES

The initial license fee for businesses is $25.00 per year. Additional rates on gross receipts are:

$20,000 to $100,000	½ of 1 percent
$100,000 and over	¼ of 1 percent

A 2% rate is levied on the net income of banks, trust companies and savings and loan associations.

II. HISTORICAL BACKGROUND (1)

In 1899 Congress established a system of Federal license taxes upon specified lines of business in Alaska. Subsequent to the passage of the Organic Act of Alaska, in 1912, by which such laws were retained, the Territorial Legislature passed an Act imposing a license tax on certain other lines of business. The amount of the license varied with the type of business. On some it was a flat rate, while on others it was based on gross receipts. In 1949 the Legislature established an entirely new business license system whereby a uniform tax was imposed. The new business tax became effective following the repeal by Congress of the special Federal taxes on business in Alaska.

In 1955 the Act was amended to extend the time for paying the tax from January 31, to the last day of February; permitted extensions for payment from March 31, to April 30; and added a provision to penalize taxpayers who have willfully neglected to file a return or pay the tax due. This penalty is computed at the rate of 5 percent per month of the tax due with a maximum of 25% plus the legal rate of interest.

In 1957 the Act was amended by redefining and clarifying the definition of gross receipts and expressly exempted the gross receipts of companies paying the oil and gas properties production tax and provided that although certain undertakings are exempt from the tax, they are nevertheless required to pay the initial fee of $25.

In 1959, although not as an amendment to the business license act, non-profit electric and telephone membership cooperatives were required to obtain a business license and pay a gross revenue tax.

In 1960 the Act was amended to specify more clearly the return which National and State banks are required to file under the Act.

(1) Source: "Review of the Alaska Tax Structure" by Peat, Marwick, Mitchell & Co.

III. ECONOMIC IMPACT

In order to objectively assess the fiscal impact generated by the Alaska Business license tax upon its recipients, namely the State of Alaska and its political subdivisions, it is advisable to analyze the effects of

these receipts as they apply individually to each of these two bodies:

A. State of Alaska.

For F.Y. 1969-70 gross receipts prior to distribution accrued to the State from the Alaska Business License Tax totalled $5,060,522. This amount represents 6.81% of total revenues from taxes and 3.03% of total state revenues exclusive of the income received from the North Slope lease sale. The significance of these percentages, however, decreases considerably if only the net proceeds from the tax are taken into consideration. Of the $5,060,522 received, $1,177,710.62 (23.23%) were applied toward costs incurred in handling, processing, and distributing the receipts, and $2,342,739.45 (46.29%) were returned on a pro-rata basis to the various political subdivisions, leaving a balance of $1,540,072 (30.48%) which was ultimately deposited as revenue in the State general fund. If this latter figure of $1,540,072 is brought into consideration and is related to total tax receipts and total state revenues, the percentages then decrease to 2.07% (from 6.81%) and .92% (from 3.03%) respectively. It can then be stated that, in effect, the Alaska Business License Tax presently accounts for less than one percent of total state revenues.

B. Political Subdivisions.

Since the enactment of the State Aid to Municipalities, the impact of the rebate of the Business License Tax receipts upon the finances of political subdivisions has lost much of its significance. At one time, proceeds from this tax accounted for a relevant portion of local resources. However, in light of the much more comprehensive and expanded plan of support to local governments adopted by the Sixth State Legislature, the role of the Business License Tax has been relegated to that of a nuisance tax which is becoming increasingly cumbersome and expensive to administer. The impact of this tax, expressed as a percentage of total estimated operating revenues for three selected boroughs and cities within the State, is shown in Schedule I below. This schedule also indicates the amount of State support received pursuant to the implementation of the State Aid to Municipalities Act.

SCHEDULE II	Tot. Est. Revenues	Bus. License Tax Receipts	%	State Aid Receipts (2)	%
Greater Anch. Borough (1)	13,794,288	414,425	3.0	1,213,942	8.8
North Star Borough	16,955,737	135,472	.8	203,734	1.2
Kenai Pen. Borough	3,440,000	176,641	5.1	78,700	2.3
City of Anchorage	12,335,455	725,801	5.9	1,552,680	12.6
City of Fairbanks	5,989,820	264,500	4.4	547,400	9.1
City of Kenai	574,610	52,909	9.2	160,650	27.9

(1) Includes all service areas.
(2) Exclusive of Business License tax receipts.

As it can be readily seen from an analysis of the percentages shown above, in all but one instance receipts from State Aid to Municipalities could more than adequately replace, rather than supplement, proceeds from Business License Tax, thus providing an extent of relief to local taxpayers. This, incidentally, is one of the purposes which motivated enactment of the State Aid to Municipalities legislation.

IV. GENERAL OBSERVATIONS

Generally, whenever the repeal of an existing tax is suggested, the automatic question is: "What can then be done to replace this source of revenue?" There are three approaches that can be offered as answers to this question:

(1) Reduce the level of spending.
(2) Levy a tax of a different nature.
(3) Seek new sources of income within the governmental framework.

Obviously, in light of the expanding economy within the State of Alaska, the first suggestion offered above does not appear to be reasonable. Nor would it be palatable to many legislators to shift the tax burden from one category of taxpayers to another by enacting a new tax in order to replace an existing one, regardless of how unfair or impractical the existing one may be. Therefore, only the third suggestion becomes worth of consideration. In the past year, earnings on invest funds generated by the September 1969 North Slope Oil Lease Sale totalled $38,115,501 through June 30, 1970. This wealth was not available or envisioned when the Alaska Business License Tax was originally enacted; the very nature of the investment program assures a continuous flow of revenues which could very readily replace the rather marginal income which accrues to the State from the Business License Tax.

Obviously, it can be argues that governments, historically, have always had the ability to spend up to their ultimate sources of revenues, but the logic of this argument, in light of sound fiscal practices, leaves much to be desired. Another alternative worthy of consideration is the repeal of the existing State tax and the enactment of a law to empower political subdivisions to levy a similar tax within their boundaries subject to voters' approval. The advantages of this approach over the existing one would be:

(1) All revenues derived from such a tax would accrue in their entirety back to the political subdivision levying the tax without any split of revenues with the State.

(2) This tax would be more responsive to the needs of the local communities since it would be enacted only when the need arose.

(3) The cost of administering such a tax on a percentage basis would not be nearly as high as the cost of administering a State-wide tax, since tax channels are already available in each of the political subdivisions.

The validity and propriety of the Alaska Business License Tax are, in themselves, questionable. Since the tax is levied on gross receipts rather than net profits, it becomes an added burden for the business which shows a loss at the end of the year. The tax rates, because of their regressive nature, discriminate against the small businesses and favor larger enterprises. Banks and similar financial institutions receive preferential treatment over all other business by having the tax applied against net profits rather than gross income. Although, in the case of bank and other financial institutions, the rate is higher, no tax liability is incurred if the institution is faced with a loss. As indicated above, the tax is not easy to administer and a substantial share of its proceeds (23.23%) are applied to defray administrative costs, notwithstanding the fact that provisions for cost recoveries are not specified in the Act. As indicated in Section I above, the Department of Revenue is required to refund to organized boroughs, cities of any class, incorporated or independent school districts, or public utility districts, 60% of the money collected in the local government. In F.Y. 1970-71, only 46.29% of total receipts were returned to those areas where the taxes were levied.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF REVENUE

POUCH SA — JUNEAU 99801

February 23, 1972

Representative Mike Miller
Local Government Committee
House of Representatives
Juneau, Alaska 99801

Subject: HB 615 - An Act suspending collection of the Alaska Business License Tax.

Section 1 provides that AS 43.70 shall not be operative commencing January 1, 1977 and continuing so long as the Legislature annually appropriates to the Department of Administration for distribution to the organized boroughs and cities an amount equal to the total tax collected under the Act for the calendar year 1976.

If the intent of HB 615 is to distribute collections made during 1976, an estimated reduction to the Treasury would amount to $8,049,000 based on present estimates. As the bill is now written "all monies" are to be distributed; a substantial increase over the present 60% - 40% distribution, which projection would share approximately $3,700,100 in 1977. We suggest we be allowed to collect 1976 gross receipts tax due February 28, 1977 as a basis for the per capita sharing; further that the Local Affairs Agency be designated as the sharing authority as they are responsible for other per capita revenue sharing.

Administrative Problems: The possibility that the Business License Act may again become effective makes it necessary that the Department of Revenue maintain a current roster of active businesses. This could be accomplished by requiring all firms to obtain the annual $25.00 business license. The authority for which should be incorporated in HB 615, such fee not subject to any sharing formula. The business growth of the State, providing economic statistics necessary to many governmental agencies and others, cannot be provided without some form of annual reporting.

The law should provide that all license returns and taxes due for the years prior to the effective date of the legislation are valid and that the Department of Revenue is empowered to collect all delinquent accounts including any that may be disclosed as a result of audit investigation. It is estimated that the full audit staff would have to be maintained for at least a two year period to complete the audit examination of business license returns through 1976 and conduct audit examinations for prior year deficiencies prior to closing out the gross receipts tax portion of the Alaska Business License Act.

Following this two year period it is estimated that a 40% reduction in the existing staff could be implemented and the remaining staff could maintain the census of the business community which would be necessary should the Act again become operative.

A more complete fiscal note will be prepared for the Committee, when it is known what, if any, of these measures are incorporated in the legislation.

The writer remains at your disposal should any further question arise.

Respectfully yours,

L. P. Carroll, Chief
Business License Division

LPC:fd

ALASKA RETAIL ASSOCIATION, INC.

POSITION STATEMENT
on
ALASKA BUSINESS LICENSE ACT

THE GENERAL PRINCIPAL OF TAXATION MEASURED BY GROSS RECEIPTS OF A BUSINESS OR PROFESSION HAS ONE BASIC ADVANTAGE IN THAT RELATIVELY LOW RATES WILL PRODUCE SUBSTANTIALLY HIGH YIELDS TO THE GOVERNMENTAL ENTITY IMPOSING THE TAX. ALSO, AS A GENERAL RULE, THE LOW RATES MINIMIZE THE INCENTIVE ON THE PART OF THE TAXPAYER TO RESIST OR EVADE THE TAX.

THE ALASKA GROSS BUSINESS LICENSE TAX, AS IT IS PRESENTLY ASSESSED, HOWEVER, HAS CERTAIN BUILT-IN INEQUITIES. OUR METHOD UNIFORMLY APPLIES THE TAX TO ALL TYPES OF BUSINESS WITHOUT REGARD TO NORMAL RATIOS OF PROFITS TO GROSS RECEIPTS. AS AN EXAMPLE -- A HIGH VOLUME GROCERY STORE, WHICH ALWAYS HAS A VERY LOW PERCENTAGE OF PROFIT, IS TAXED AT THE SAME RATE AS A JEWELRY STORE WHICH USUALLY HAS A MUCH HIGHER PROFIT PERCENTAGE IN RELATION TO GROSS SALES. JUST WITHIN THE RETAIL INDUSTRY, MANY SIMILAR EXAMPLES MAY BE FOUND. WHEN WE CONSIDER ALL THE OTHER VARYING AREAS OF THE BUSINESS COMMUNITY, SUCH AS AGRICULTURE, CONSTRUCTION, MANUFACTURING, FINANCE, AND PROFESSIONAL SERVICES, WE CAN SEE THAT APPLYING AN OVER-ALL RATE ON ALL TYPES OF GROSS RECEIPTS WILL RESULT IN MANY UNFAIR SITUATIONS.

THERE ARE SEVERAL POSSIBLE SOLUTIONS WHICH COULD GO QUITE FAR IN ELIMINATING THE INEQUITIES INVOLVED IN OUR GROSS LICENSE TAX SYSTEM.

1. IF THE STATE IS TO RETAIN A GROSS BUSINESS LICENSE TAX SYSTEM, IT MAY BE THAT A RATE STRUCTURE COULD BE DESIGNED TO TAKE INTO CONSIDERATION THE VARIOUS DIFFERENCES IN RATIOS OF NORMAL PROFITS TO GROSS RECEIPTS. IN OTHER WORDS, A HIGH VOLUME BUSINESS LIKE A GROCERY STORE COULD BE TAXED AT A LOWER RATE THAN A BUSINESS WHICH PRODUCES A RELATIVELY LOW VOLUME BUT MAINTAINS A RELATIVELY HIGH RATE OF PROFIT.

2. ANOTHER POSSIBILITY, WHICH COULD REPLACE OUR PRESENT SYSTEM, WOULD BE THE "GROSS MARGIN" OR "VALUE ADDED" TAX. THE BASE OF THE "GROSS MARGIN - VALUE ADDED" TAX IS THE GROSS VOLUME OF SALES MINUS ALL EXPENDITURES FOR GOODS AND SERVICES PURCHASED FROM OTHER FIRMS (SUCH AS THE WHOLESALE PROCUREMENT COST OF INVENTORY, ETC.). THUS, THE TAX WOULD BE COMPUTED ON THE GROSS PROFIT OF A BUSINESS. THIS WOULD BE MORE FAIR THAN OUR PRESENT SYSTEM IN THAT THERE WOULD BE AN AUTOMATIC DIFFERENTIAL AMONG THE VARIOUS TYPES OF BUSINESSES IN ARRIVING AT A TAX BASE. (EXAMPLES: A GROCERY STORE MIGHT HAVE A "GROSS MARGIN" OF 15%; A DEPARTMENT STORE, 30%; A JEWELRY STORE, 50%, ETC.)

3. MY FINAL SUGGESTED POSSIBILITY WOULD BE A TAX BASED ON THE NET PROFITS OF A BUSINESS. IN SOME RESPECTS, THIS MAY BE THE MOST FAIR AS IT WOULD RELATE DIRECTLY TO THE PROFITABILITY OF EACH INDIVIDUAL BUSINESS BEING TAXED.

AS YOU KNOW, THE RETAIL INDUSTRY AND, INDEED, THE GENERAL BUSINESS COMMUNITY FAVORS THE REPEAL OF THE ALASKA GROSS BUSINESS LICENSE TAX AT ANY TIME SUCH

REPEAL WOULD NOT CAUSE DRASTIC HARDSHIP TO THE STATE OR THE LOCAL GOVERNMENTS RECEIVING THE REVENUES. WE ALSO RECOGNIZE, HOWEVER, THAT WE SHOULD BE PAYING OUR FAIR SHARE FOR THE VARIOUS SERVICES PROVIDED BY THESE GOVERNMENTS. IN THIS CONNECTION, THE OPERATING WORD IS "FAIR." IF IT APPEARS THAT THESE REVENUES ARE NEEDED, WE WOULD SUPPORT ANY SOLUTION WHICH WOULD ADJUST THE TAX BASE SO THAT EACH BUSINESS IS PAYING ONLY ITS FAIR PORTION.

WE RECENTLY OBTAINED A REVIEW AND ANALYSIS OF THE ALASKA BUSINESS LICENSE TAX WHICH WAS COMPILED BY THE FIRM OF MARTINI & ASSOCIATES, MANAGEMENT CONSULTANTS IN ANCHORAGE. THIS REPORT COVERS THE GENERAL HISTORY OF OUR TAX AND MAKES A FEW GENERAL OBSERVATIONS WHICH MIGHT BE OF VALUE TO THE COMMITTEES IN THEIR DELIBERATIONS. I WILL ONLY COMMENT HERE ON ONE PORTION WHICH PERTAINS TO THE DISTRIBUTION OF THE TAX REVENUES AFTER COLLECTION BY THE STATE: ACCORDING TO THIS REPORT, FISCAL YEAR 1969-1970 REVENUES WERE $5,060,522. OF THIS TOTAL, $1,177,710.62 WERE APPLIED TOWARD ADMINISTRATIVE COSTS. THIS AMOUNTS TO (23.23%) OF THE REVENUES, WHICH APPEARS TO BE AN EXTRAORDINARILY LARGE PERCENTAGE JUST FOR HANDLING THE COLLECTION AND RE-DISTRIBUTION OF THE $5,060,000. WE FIND IT DIFFICULT TO UNDERSTAND WHY IT SHOULD COST $1,177,710 TO ADMINISTER THIS RELATIVELY SMALL AMOUNT OF REVENUE. FURTHER, IT APPEARS THAT, WHILE THE LAW APPARENTLY DOES NOT MAKE PROVISIONS FOR COST RECOVERIES BY THE STATE, THIS $1,177,710 IS TAKEN RIGHT OFF THE TOP BEFORE DISTRIBUTION OF THE 60% BACK TO LOCAL GOVERNMENTS.

WE SUGGEST THAT THE ACTUAL COSTS TO THE STATE IN HANDLING THIS TAX BE DETERMINED. AFTER THIS IS DONE, IT MAY BE THAT, ALONG WITH SETTING UP A

MORE FAIR BASE FOR THE TAX, THAT LOWER EFFECTIVE RATES CAN BE ASSESSED, WITH LITTLE OR NO LOSS TO LOCAL GOVERNMENTS.

IN SUMMARY, THE RETAIL INDUSTRY WOULD, QUITE UNDERSTANDABLY, PREFER TO SEE THIS OR ANY OTHER TAX REDUCED OR ELIMINATED. HOWEVER, WE ALSO RECOGNIZE OUR RESPONSIBILITIES AND ARE MORE THAN WILLING TO ACCEPT OUR FAIR SHARE OF THE BURDEN. WE DO STRONGLY FEEL THAT SOME ADJUSTMENT IN WHAT HAS BEEN A BASICALLY UNFAIR TAX IS NOW DUE. WE WOULD BE GLAD TO COOPERATE WITH THE LEGISLATURE IN ANY EFFORT TO SOLVE THIS PROBLEM.

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ALASKA BUSINESS LICENSE TAX

REVIEW AND ANALYSIS

I. INTRODUCTION

The basis for the levy and assessment of the Alaska Business License Tax is cited in A.S. 43.70.010 through 43.70.120. These statutes outline the gross receipts which are exempt from the tax, describe the procedures to be followed for application for a business license, explain the steps involved in the levy and computation of the license fee, provide for a review and determination of the license tax, establish the framework for appeals, penalties, security, disposal of money received, rules and regulations, penal provisions, as well as offering a definition of the terminology used in the Act and establishing a short title. Of particular interest are the provisions outlined in Section 43.70.030 (Levy and Computation of License Fees) and Section 43.70.080 (Disposal of Money). The first section cited above establishes the rates to be charged on gross receipts covered by the Act; a synopsis of this section is offered in Schedule I below. The second section reads as follows:

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The initial license fee for businesses is $25.00 per year. Additional rates on gross receipts are:

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II. HISTORICAL BACKGROUND (1)

In 1899 Congress established a system of Federal license taxes upon specified lines of business in Alaska. Subsequent to the passage of the Organic Act of Alaska, in 1912, by which such laws were retained, the Territorial Legislature passed an Act imposing a license tax on certain other lines of business. The amount of the license varied with the type of business. On some it was a flat rate, while on others it was based on gross receipts. In 1949 the Legislature established an entirely new business license system whereby a uniform tax was imposed. The new business tax became effective following the repeal by Congress of the special Federal taxes on business in Alaska.

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these receipts as they apply individually to each of these two bodies:

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(1) Includes all service areas.
(2) Exclusive of Business License tax receipts.

As it can be readily seen from an analysis of the percentages shown above, in all but one instance receipts from State Aid to Municipalities could more than adequately replace, rather than supplement, proceeds from Business License Tax, thus providing an extent of relief to local taxpayers. This, incidentally, is one of the purposes which motivated enactment of the State Aid to Municipalities legislation.

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Generally, whenever the repeal of an exirting tax is suggested, the automatic question is: "What can then be done to replace this source of revenue?" There are three approaches that can be offered as answers to this question:

(1) Reduce the level of spending.
(2) Levy a tax of a different nature.
(3) Seek new sources of income within the governmental framework.

Obviously, in light of the expanding economy within the State of Alaska, the first suggestion offered above does not appear to be reasonable. Nor would it be palatable to many legislators to shift the tax burden from one category of taxpayers to another by enacting a new tax in order to replace an existing one, regardless of how unfair or impractical the existing one may be. Therefore, only the third suggestion becomes worthy of consideration. In the past year, earnings on invested funds generated by the September 1969 North Slope Oil Lease Sale totalled $38,115,501 through June 30, 1970. This wealth was not available or envisioned when the Alaska Business License Tax was originally enacted; the very nature of the investment program assures a continuous flow of revenues which could very readily replace the rather marginal income which accrues to the State from the Business License Tax.

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(1) All revenues derived from such a tax would accrue in their entirety back to the political subdivision levying the tax without any split of revenues with the State.

(2) This tax would be more responsive to the needs of the local communities since it would be enacted only when the need arose.

(3) The cost of administering such a tax on a percentage basis would not be nearly as high as the cost of administering a State-wide tax, since tax channels are already available in each of the political subdivisions.

The validity and propriety of the Alaska Business License Tax are, in themselves, questionable. Since the tax is levied on gross receipts rather than net profits, it becomes an added burden for the business which shows a loss at the end of the year. The tax rates, because of their regressive nature, discriminate against the small businesses and favor larger enterprises. Banks and similar financial institutions receive preferential treatment over all other business by having the tax applied against net profits rather than gross income. Although, in the case of bank and other financial institutions, the rate is higher, no tax liability is incurred if the institution is faced with a loss. As indicated above, the tax is not easy to administer and a substantial share of its proceeds (23.23%) are applied to defray administrative costs, notwithstanding the fact that provisions for cost recoveries are not specified in the Act. As indicated in Section I above, the Department of Revenue is required to refund to organized boroughs, cities of any class, incorporated or independent school districts, or public utility districts, 66% of the money collected in the local government. In F.Y. 1970-71, only 46.29% of total receipts were returned to those areas where the taxes were levied.

ALASKA STATE LEGISLATURE

PUBLIC HEARING

DOCUMENT TO BE CONSIDERED: HB 20, HB 31, HB 46, HB 85, HB 401
HB 615, HCR 3

SPONSOR OF DOCUMENT:

SPONSOR OF HEARING: House Local Government Committee

TIME: 7:30 P.M.

DATE: February 23, 1972

PLACE: State Capitol Building, House Conference Room

SUBJECT MATTER OF DOCUMENT: Gross Business Tax

Chairman

Press room copy delivered by _____ Date _____

Introduced: 2/10/72
Referred: Local Government
and Finance

IN THE HOUSE

BY THE LOCAL GOVERNMENT COMMITTEE

HOUSE BILL NO. 615

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act suspending collection of the Alaska Business License Tax."

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

* Section 1. The provisions of the Alaska Business License Act (AS 43.70) shall not be operative during the period commencing January 1, 1977 and continuing for so long as the legislature annually appropriates to the Department of Administration for payment to the organized boroughs and cities an amount equal to the total tax collected by the Department of Revenue under the Alaska Business License Act for the calendar year 1976. This total amount is to be paid by the Department of Administration to the organized boroughs and cities in that proportion of the total amount as the population within the boundary of each organized borough and each city bears to the total population of all organized boroughs and cities in the state. Population within the boundary of a city within an organized borough shall be counted only for the purpose of computing the share for the city and not in computing the share for the borough. If the legislature fails in a calendar year to make the appropriation described in this section, the provisions of the Alaska Business License Act shall again be operative, for that calendar year, except that the Department of Revenue shall by regulation set a date within 90 days of final adjournment of the legislature for applications for licenses, renewals of licenses, and payment of the initial fee provided in AS 43.70.020(b) for that calendar year.

Leave in #2T per B12 f.c

HB

643

2086 per.
181 ex. or partially ex.
467 probationary
2734 Total (does not include Teacher, temporaries, marine Highway or retired employees)

15,600 median Salary
2734
62400
46800
9700
31200
41,150,400

2734
15600
16404 00
13670
2734
42650400

2734
12000
5468000
2734
32808000

2734
12000
5468000
2734
32,808,000

02-0018

STATE of ALASKA

MEMORANDUM

TO: The Honorable Mike Miller
Alaska House of Representatives
Pouch V
Juneau, Alaska

DATE : February 17, 1972

FROM: George W. Easley, Commissioner
Department of Public Works

SUBJECT: Building's General
DB 131-4-01

Following is a summary of square foot areas of State owned buildings and square foot areas of State leased buildings in the cities of Anchorage, Fairbanks and Juneau:

City	No. of Bldgs. Owned	Sq. Ft. Areas	No. of Bldgs. Leased	Sq. Ft. Areas
Anchorage	46	786,649	35	254,462
Fairbanks	42	373,310	10	17,135
Juneau-Douglas	19	405,535	27	136,756

For your use we are enclosing a copy of the 1972 Building Index of State-Owned and State-Operated Buildings.

Enclosure

Alaska State Employees--Number of positions on record as of January 11, 1972; although not necessarily filled.

Departments	Juneau	Anchorage	Fairbanks
Governor's Office	95	38	13
Administration	213	51	37
Law	38	47	13
Revenue	115	54	16
Education	152	61	6
Health and Welfare	284	544	121
Labor	237	112	42
Commerce	55	58	8
Military Affairs	6	39	1
Natural Resources	19	159	13
Fish and Game	119	85	44
Public Safety	90	101	63
Public Works	202	489	80
Highways	571	413	377
Economic Development	39	2	0
Environmental Conservation	26	1	3
State Operated Schools	0	134*	53**
Alaska Court System	20	120	36
Total	2281	2508	926

*Includes Elmendorf Air Base and Fort Richardson
**Includes Eilson Air Base and Fort Wainwright

HB

644

fil

The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: House Bill No. 644
Title: An Act increasing the so-called "School Tax"
Requested by: Legislative Finance Date: 2-16-72
Return Date Requested: 2-29-72
Agency: Revenue Program: Fiscal Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected:

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	-0-					

B. FUNDING: (Thousands of dollars)

	GENERAL FUND	-0-					
	FEDERAL FUNDS	-0-					
	OTHER	-0-					

C. POSITIONS:

	PERMANENT/TEMPORARY	-0-/	/	/	/	/	/
	MAN MONTHS (P./T.)	-0-/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached detailed memorandum from Fred Boetsch, Director, Audit Division, Department of Revenue describing adverse effect on Treasury, after considering gross gain by doubling School Tax rate.

IV. ATTACHMENTS

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Deputy Commissioner

DATE: February 28, 1972

FILE NO:

FROM: Fred Boetsch, Director
Audit Division

SUBJECT: HB No. 644

There are two administrative problems connected with this bill. The first is that the bill would require additional auditing of part-year resident returns in order to verify the school tax credit. The more important problem, however, is the lack of an effective date. All tax bills should become effective on January 1 in order to avoid the problems of allocation by the taxpayer and the State. We would therefore recommend that the effective date should be either January 1 of 1972 or 1973.

The effect on State treasury is outlined below. In summary, the net effect would be to decrease tax revenues by between $1 million and $1.3 million during the period 1973 through 1977. The details are shown in the tables below.

The first table indicates the effects on the school tax itself, which is Revenue Code 118. The effect would be to double the current projection:

	1973	1974	1975	1976	1977
HB 644	$2,910.6	$3,085.2	$3,270.2	$3,401.0	$3,435.0
Current	1,455.3	1,542.6	1,635.1	1,700.5	1,717.5
Gain	$1,455.3	$1,541.6	$1,635.1	$1,700.5	$1,717.5

According to Section 2 of the bill, the amount of school tax would be applied as a refund to the extent an individual was present in the State during the year. All residents would, therefore, be eligible for the full credit. In effect, then, they would not pay a school tax. Part-year residents would qualify for a portion of the tax as credit. We estimate that about 18 per cent of our taxpayers are part-year residents and that they spend an average of five months in the State. Therefore, there would be no credit to the extent of seven-twelfths times 18 per cent, or in 10.5 per cent of the cases. The table below shows the decrease in individual income taxes (Code 106) that would result from allowing 89.5 per cent of the above school tax as a credit against the individual income tax (since 10.5 per cent of the tax would be retained then 89.5 per cent would be allowed as a credit).

	1973	1974	1975	1976	1977
HB 644	$40,357.7	$50,719.7	$52,285.5	$48,719.2	$47,258.5
Current	42,962.7	53,481.0	55,212.3	51,763.1	50,332.8
Loss	$(2,605.0)	$(2,761.3)	$(2,926.8)	$(3,043.9)	$(3,074.3)

The following table, then, shows the net effect of the tax spent indicating the gain from the increased school tax less the loss sustained in individual income tax collections by allowing the credit.

	1973	1974	1975	1976	1977
Gain (from above)	$ 1,455.3	$ 1,542.6	$ 1,635.1	$ 1,700.5	$ 1,717.5
Loss (from above)	(2,605.0)	(2,761.3)	(2,926.8)	(3,043.9)	(3,074.3)
Net Loss	$(1,149.7)	$(1,218.7)	$(1,291.7)	$(1,343.4)	$(1,356.8)

FPB:mbc

HB
664

March 13, 1972

Mary Lou Mieners
President, JEA
1250 Glacier Avenue
Juneau, Alaska 99801

Dear Mary Lou:

As I am sure you realize, I am happy to endorse the recommendations contained in your letter of March 7. As a co-sponsor of HB 664, I join you in hoping for a speedy enactment.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

Greater Juneau Education Association

1250 GLACIER AVENUE
JUNEAU, ALASKA 99801

March 7, 1972

Representative Mike Miller
House of Representatives
Juneau, Alaska

Dear Representative Miller,

The Juneau Education Association would like to recommend a speedy enactment of House Bill 664, regarding grievance procedure for Public School teachers.

Sincerely yours,

Mary Lou Mieners

Mary Lou Mieners
President JEA

MLM/vg

HB

716

A M E N D M E N T

IN THE HOUSE BY THE LOCAL GOVERNMENT COMMITTEE

TO: HOUSE BILL NO. 716

Page 1, between lines 13 and 14: add the following:

* Sec. 2. AS 43.18.010(c) is amended to read:

(c) For purposes of this section, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data. Military on-base population of a city or organized borough may not be used in determining the amount of money to be paid to that city or organized borough under this section.

Page 1, line 14: change the present "Sec. 2" to "Sec. 3"

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

April 6, 1972

Mike Miller, Chairman
Local Government Committee
Alaska State House of Representatives
Juneau, Alaska 99801

Dear Chairman Miller:

HB 716, presently before your committee, was introduced at the request of the Local Affairs Agency to aid in administering the local government revenue sharing program in AS 43.18.

Presently being prepared is a bill providing for annexation to the City of Anchorage of Fort Richardson and Elmendorf AFB. The City of Anchorage contends that it will be entitled to state revenue sharing funds for base personnel because of their impact on city operations.

Admitting some impact, the Agency believes it appropriate that the program have some flexibility as to the amount of funds payable where less than full services are supplied, as in the case of military reservations. To achieve this result, we suggest an addition to HB 716 along the following lines:

> With respect to residents of a military reservation or other classes of population to whom less than full municipal services are rendered by a city or borough, ~~such~~ regulations may provide for per capita payments of less than the full amount otherwise payable under this chapter.

Thank you for your attention to this matter.

Yours very truly,

JOHN E. HAVELOCK
ATTORNEY GENERAL

By: Richard W. Garnett III

Richard W. Garnett III
Assistant Attorney General

RWG:fw

02-0018

STATE
of ALASKA

MEMORANDUM

OFFICE OF THE GOVERNOR

TO: The Honorable Mike Miller
Chairman
Local Government Committee

DATE : April 6, 1972

FROM: Byron I. Mallott
Director
Local Affairs Agency

SUBJECT: HB No. 716

The Agency has further reviewed the regulatory requirements for operation of the State Aid to Local Governments (Revenue Sharing) program in light of potential annexation of Military Bases to organized boroughs and Cities. We have determined that the following amendment to House Bill No. 716 will be needed in order to properly account for the addition of military base population in the computation of allocations to eligible units of local government.

Sec. 43.18.040 Regulations. The Local Affairs Agency may adopt regulations necessary or desirable for carrying out the purposes of this Chapter (.) including regulations establishing methods for determining the computation of revenue sharing allocations in accordance with the services directly rendered to annexed military reservations.

The fundamental purpose of this proposed amendment is to recognize the impact which military bases have on adjacent civilian population centers in terms of municipal services and facilities and at the same time permit establishment of criteria by which this impact may be assessed in relation to individual services for which per capita state aid is extended. Both logic and overall program equity considerations demand that per capita revenue sharing aid be distributed to eligible local governments within whose boundaries exist military reservations, on the basis that these bases are, for the most part self-sufficient federal enclaves, but that the "open" nature of these bases exposes adjacent incorporated areas to problems of gearing local government service levels and facilities to accomodate additional demands wrought by military personnel and dependents.

Legislation is being introduced by Governor Egan to repeal Section 3 (d) of Chapter 52, SLA 1963 which currently precludes annexation of "base proper" military reservation areas to certain organized boroughs. Companion legislation proposed by the Governor will prohibit organized boroughs from exercising education powers on military reservations until such time as the military reservation status is terminated or permission is granted by the Department of Education for the organized borough to operate on-base schools. The legislation will also change the Greater Anchorage Area Borough and City of Anchorage boundaries to include the "base proper" areas of Elmendorf Air Force Base and Fort Richardson Military Reservations.

I am available at any time to discuss the above with you and your Committee members.

BIM:sld
cc: Governor William A. Egan
John E. Havelock, Attorney General

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

April 6, 1972

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Local Government Committee
Alaska State House of Representatives
Juneau, Alaska 99801

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Admitting some impact, the Agency believes it appropriate that the program have some flexibility as to the amount of funds payable where less than full services are supplied, as in the case of military reservations. To achieve this result, we suggest an addition to HB 716 along the following lines:

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Thank you for your attention to this matter.

Yours very truly,

JOHN E. HAVELOCK
ATTORNEY GENERAL

By: Richard W. Garnett III

Richard W. Garnett III
Assistant Attorney General

RWG:fw

HB
761

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER / POUCH M — JUNEAU 99801

April 10, 1972

Honorable Mike Miller
Alaska State House
Juneau, Alaska 99801

Dear Representative Miller:

As I stated Friday before your Committee, we feel that HB 761 is a piece of special interest legislation and has no benefit for the State of Alaska. It has been our experience that special interest legislation results in a cost of thousands of dollars to the State in adjudicating supposedly legitimate cases which do not qualify under such laws.

In the case of the "hypothetical case" as outlined by the proponent of this legislation, the present laws allow us to rectify situations in which the State has made an error. If the State made an error in issuing a lease instead of a preference right, as in the "hypothetical case", then we can apply Sec. 38.05.035(b)(2) and satisfy the claimant. It will be necessary, of course, for this individual to present his situation for our adjudication.

Since the limitations on preference rights expired in 1959, it would require a considerable expense to the State to search the files for cases which have been adjudicated since that date adversely to the claimant. Rather than for your Committee to use your time in consideration of this bill, I would like to suggest that you advise the proponent of HB 761 to adjudicate his claim under present law.

Very truly yours,

Dale Wallington

Dale Wallington
Deputy Commissioner

HB
785

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SENATE BILLS

No.	Author and Title	In the SENATE: First reading	Committee reports	Second reading	Third reading	Reconsideration; Sent to HOUSE	Other action	Action by governor	In the HOUSE: First reading	Committee reports	Second reading	Third reading	Reconsideration; Returned to SENATE	Other action	SLA Chapter No.
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398.	Local Government Committee by request: Relating to the publication of an Alaska Blue Book.	571	886	937	937	938 954	933	1120 1369	1232	1398	1428	1428	1428 1457		135
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am. on floor 6/4/72 - Senate

Wes Covner
Executive Assistant
Office of the Governor

DATE: September 8, 1971

FROM: John E. Havelock
Attorney General

SUBJECT: Review of Canadian "Municipal Government Act" and "New Towns Act"

By: Richard W. Carnett, III
Assistant Attorney General

You asked for our comments on certain Canadian laws relating to local government.

1. The New Towns Act

It appears that a "new town" is designed as a transitional form of local government. In terms of actual power it is hardly "local" but is subject to close provincial control until it qualifies for reconstitution as a standard village, town or city.

The first step in formation of a new town is application to the Provincial Planning Board. The act does not specify the party or parties qualified to make application. However, since the Board may require the applicant to submit detailed surveys, maps and planning studies, it seems that an applicant would in most cases be a responsible body representing a substantial number of the people to be included in the new town. The Board may, if it wishes, hold a public hearing on the application. The Board may also seek advice on finances from a Local Authorities Board. The Planning Board then recommends as to whether or not the new town should be formed.

Where the Planning Board's recommendation is favorable (but apparently not otherwise) the Lieutenant Governor in Council (presumably, a high ranking executive officer of the Province) may order formation of the new town, including its boundaries, name, and date of effectiveness.

In keeping with its provisional status, the new town has relatively little independent governmental power. The governing body is a Board of Administrators. The administrators may all be appointed by the Minister of Municipal Affairs, or the Minister may provide for election of some or all of its members. If elected, the Minister specifies the term, and, if appointed, members of the board serve at the Minister's pleasure.

As the next step in the new town's development, the Board of Administrators submits to the Planning Board concrete and comprehensive plans for the town. The Planning Board may employ expert consultants and refer for advice to regional and provincial planning authorities. The plans may be cancelled or amended at any time by order of the Planning Board of the Board of Administrators with the approval of the Planning Board.

Also with the approval of the Planning Board, the Board of Administrators is empowered to acquire additional land for any municipal purpose and to require private land owners within the new town to enter into agreements with the new town relating to subdivision of lands, location of streets and sale price of land within the new town.

It appears that, in all phases of its early operations, the new town is entirely subject to the direction of the Provincial Planning Board with respect to planning and development and the Local Authorities Board with respect to financing.

The Act provides for payments to the Board of Administrators by the Lieutenant Governor in Council to meet all authorized current and capital expenditures. The money so advanced is a debt owed by the new town to the government with the terms of repayment specified by the Lieutenant Governor in Council. When the new town has made satisfactory arrangements for repaying all special loans and advances by the government, the Lieutenant Governor in Council may provide for transformation of the new town into a standard city, town or village or for dissolution of the new town and inclusion of the area in some other municipality.

The final provision of the Act gives the Lieutenant Governor in Council extremely broad authority to provide by regulation for any matter not adequately covered by the Act. He may also exclude any act from application to a new town.

In sum, it appears that the effect of the Act is to lodge in the Lieutenant Governor in Council and in several province level authorities almost complete discretion as to the form and direction of the first stages of development of a municipality. For our purposes, an initial question is the extent to which American and Alaskan mores would permit this degree of central control over the formation of a local government body. Alaska, with its relatively clean slate and its constitutional leaning in favor of extensive executive power probably could come closer to the Canadian model than would be

possible in other states. Presumably, the advantage of the new town approach is avoidance of factional strife and assurance that the groundwork is laid according to sound planning principles. Against these advantages must be weighed the possible losses in terms of citizen participation at the earliest stages of formation of a new community. It would seem that impetus toward creating a community would in almost every case come from a group of concerned citizens living in the area itself. A system which could deny to those people a significant political role in working out the pattern of government for the community might prove unacceptable in Alaska. In practice, it seems likely that this problem is minimized by wise use of appointive powers on the part of the Minister of Municipal Affairs. That is, the Minister probably would recognize the advantage of appointing to the Board of Administrators those members of the community who had already emerged as its natural leaders. However, such a development could not be insured in every case. In any event, the power of the Minister to remove his appointees at will would seem inevitably to curtail somewhat the motivation of the board toward independent thinking and innovations. Nevertheless, the Act may deserve more study for the light it can shed on the proper role of the state in insuring that certain standards are met by the local governments prior to actual exercise of government powers. To some extent the Local Affairs Agency and the Boundary Commission perform this function in Alaska presently. However, these agencies do not have the same powers as Canadian authorities to govern during the first stages of the town's life. They must grant or withhold powers on the basis of what seems likely to happen after governmental powers are bestowed.

2. Municipal Government Act

The Municipal Government Act in a sense takes up where the New Towns Act leaves off. The New Towns Act states that a new town may be formed into a standard village, town or city in accordance with the terms set out in the Municipal Government Act. The latter is a very comprehensive enactment dealing with virtually all phases of municipal operations. It is divided into eight parts, interpretation, formation, alteration and dissolution, the council, officers and employees, powers and duties, public utilities, finance, and legal proceedings. Part 5, on powers and duties, is the most extensive. This part of the Act sets forth in great detail the powers which may be exercised by a local government. There does not seem to be provision for home rule charters

under which a municipality may exercise general police powers where not expressly limited. The power to create new municipalities lies with the Lieutenant Governor in Council. The types of municipalities which may be formed include "summer villages", villages, towns and cities.

To start the formation procedure, at least 50% of the "proprietary electors" in the proposed municipality petition the Minister of Municipal Affairs. The petition must be accompanied by plans showing the boundaries of the proposed unit.

Certain population standards must be met. A summer village must have no less than 50 buildings occupied at some time during the six months prior to the petition. A village must have 75 separate buildings occupied in the same manner. A town needs 1,000 inhabitants and a request for change in status from the council of the village. A city requires at least 10,000 inhabitants and a similar request from the council of the town. Municipalities may also be downgraded for such reasons as loss in population, popular vote in favor of the change, or failure of the municipality to carry out required municipal functions.

Municipalities are governed by a council whose members are elected in accordance with a Municipal Election Act.

As noted above, the Act sets forth in great detail power exercisable by the municipal government. Of particular interest are the provisions relating to annexation set forth in part 2, § 30. This section provides for annexation upon petition to the province level Local Authorities Board. A petition may be submitted either by a majority of the property owners in an area adjoining a municipality or by the council of the municipality with respect to adjoining territory, or by the Minister of Municipal Affairs with respect to any area forming part of an "improvement district" or "special" area which he thinks should be annexed. The Board may order annexation without any further proceedings. In addition the Board may, on its own motion, shift territory from among adjoining municipalities, improvement districts or special districts. The order of annexation may include conditions, including exemption of the annexed territory from liability for debts previously incurred by the annexing municipality.

In many ways the function of the local authorities board with respect to annexation seems to parallel that which should be performed by the Local Boundary Commission in Alaska. Assuming that annexation by board action ...

functioned smoothly in Canada, it may be desirable to investigate the Canadian system further with a view to strengthening the Local Boundary Commission in performance of its annexation role. Again the relatively strong tradition of local autonomy and sectionalism in Alaska may bar adoption of the Canadian model.

Another interesting section of the Municipal Government Act concerns conflict of interest of city government officers. At least one borough assembly in Alaska is engaged in drafting a conflict of interest provision and might wish to review the Canadian provision. Part 3, section 29 sets out in some detail the cases where a person is not qualified to serve at all. Generally those cases relate to the officer's character (e.g., conviction of serious offense) and matters involving such financial instability that the officer would be exposed to undue temptations (e.g., indebted for taxes, undischarged bankrupt).

Part 3, section 30 sets forth instances where a council member should refrain from voting. These include several specific conflict situations such as matters affecting a corporation in which the council member is an officer or shareholder, and a catch-all barring vote in any matter in which the member has a "direct or indirect pecuniary interest."

As stated, the Act is quite detailed and extensive. I have only attempted to generalize briefly on selected areas of interest to Alaska. If you wish a more detailed analysis on any particular point, please let me know.

RWG:agm

G5 (Canada)
v.17

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ALBERTA

THE NEW TOWNS ACT

CHAPTER 258

Short title

1. This Act may be cited as *The New Towns Act.*
[1969, c. 81, s. 1]

Definitions

2. In this Act,

(*a*) "board of administrators" means the board of administrators of a new town;

(*b*) "elector" means a person qualified to vote at an election or at the taking of a vote, as the case may be;

(*c*) "Minister" means the Minister of Municipal Affairs;

(*d*) "new town" means a new town constituted pursuant to this Act;

(*e*) "town" means a town within the meaning of *The Municipal Government Act.* [1969, c. 81, s. 2]

Establishment of new town

3. (1) Application for the formation of a new town shall be made to the Provincial Planning Board.

(2) The applicant shall file with the Provincial Planning Board such information as it may require to determine whether establishment of a new town is necessary, practical and in the public interest, and to assist in that determination the Board may require

(*a*) such facts as may prove the necessity for establishment and development of a new town,

(*b*) surveys, plans, maps and aerial photographs indicating the physical and topographical features of the proposed new town and its relationship to adjoining and nearby areas,

(*c*) economic planning studies of the proposed new town including costs of land acquisition, utilities and other services, and

(*d*) estimated selling prices of developed lots for industrial, commercial and residential uses.
[1969, c. 81, s. 3]

Functions of Provincial Planning Board

4. (1) On receipt of an application for the formation of a new town, the Provincial Planning Board may

(*a*) give such notice as it considers necessary of the application,

(*b*) cause a public hearing to be held at which any person may make representation with regard to the application,

(*c*) refer the application to the Local Authorities Board for its recommendations on the financial aspects thereof and that Board may require the applicant to file with it certain material and may hold a hearing thereon, and

(*d*) engage consultants or technical experts to report to it on any phase of the development of the proposed new town.

(2) After making such enquiries as it considers necessary, the Provincial Planning Board shall make such recommendations as it believes proper and necessary in each case. [1969, c. 81, s. 4]

Order establishing new town

5. (1) Where the Provincial Planning Board recommends the formation of a new town, the Lieutenant Governor in Council may, by order, form the new town.

(2) The order forming a new town

(*a*) shall describe the boundaries of the new town,

(*b*) shall give a name to the new town in the following form: "The New Town of .....", and

(*c*) shall state the date upon which the order becomes effective. [1969, c. 81, s. 5]

Transfer of rights and liabilities

6. (1) When a new town has been established, the rights, debts, liabilities, taxes and all other assets including property of the former municipality in and of the area of the new town pass to the new town and section 23 of *The Municipal Government Act* applies *mutatis mutandis* thereto.

(2) Where a new town is established in the place of an existing town or village, the council of the town or village shall act as the board of administrators of the new town and shall continue in office until such time as the board of administrators has been appointed under this Act.

(3) All by-laws and resolutions in force and effect in a town or village that has been established as a new town continue in force and effect in the new town until amended or repealed by the board of administrators.

(4) All suits and rights of action by or against a town or village at the date of its being established a new town may be continued or maintained by or against the new town. [1969, c. 81, s. 6]

Board of administrators

7. (1) A new town shall have a board of administrators.

(2) The board of administrators and the electors of every new town are a corporation with the name given the new town in the order forming it.

(3) A board of administrators has and shall exercise all the rights, duties, privileges and powers conferred on a council of a town including, without restricting the generality of the foregoing, the power to levy and collect taxes. [1969, c. 81, s. 7]

Membership of board of administrators

8. (1) A board of administrators shall consist of one or more members, not exceeding seven in number, and may be composed of any or all of the following:

(*a*) employees of the Government;

(*b*) residents within the area of the new town;

(*c*) representatives of agencies, organizations, companies or municipalities operating in or having jurisdiction near the new town.

(2) The members of a board of administrators shall be appointed by the Minister, except for such number of members as the Minister may decide shall be elected by the electors of the new town.

(3) An elected member shall serve for the term specified in the Minister's order and an appointed member shall serve during the pleasure of the Minister.

(4) When the office of an elected member becomes vacant before the expiry of his term, the Minister may appoint a person to the board of administrators to complete the term of the office that is vacant.

(5) When the Minister has by order provided that one or more of the members shall be elected, the appointed members shall act as the board of administrators until the election has taken place.

(6) An election ordered by the Minister under this section shall be conducted under *The Municipal Election Act*, which applies *mutatis mutandis* thereto. [1969, c. 81, s. 8]

Chairman of board of administrators

9. (1) The Minister shall appoint one of the members of a board of administrators to be chairman thereof.

(2) The chairman of a board of administrators is the chief executive officer of a new town and is vested with all rights, duties, privileges and powers of the mayor of a town, except as otherwise provided in this Act. [1969, c. 81, s. 9]

Fees and allowances

10. (1) A board of administrators may provide for the payment to its members of fees and allowances for attendance at board meetings and committees thereof or performing additional duties.

(2) A board of administrators may provide for the payment to its members of reasonable allowances for travelling, subsistence and out-of-pocket expenses incurred in attending meetings affecting the new town.

(3) The salaries, expenses and travelling allowances of employees of the Government serving on a board of administrators shall be paid by the department of which he is an employee. [1969, c. 81, s. 10]

Employees

11. (1) A board of administrators shall, pursuant to *The Municipal Government Act*, appoint

(*a*) a municipal secretary, or

(*b*) a municipal treasurer, or

(*c*) a municipal secretary-treasurer.

(2) A person appointed under this section is hereby vested with all the rights, duties, privileges and powers of a secretary, treasurer or secretary-treasurer of a town.

(3) A board of administrators may provide for the appointment of such other officials as it considers necessary for the efficient operation of the new town. [1969, c. 81, s. 11]

Planning and development

12. (1) As soon as possible after its appointment, a board of administrators shall submit to the Provincial Planning Board for its approval comprehensive plans and proposals for the planning and development of the new town.

(2) The proposals shall be in the nature and form of the proposals that a council of a town may make by means of a general plan under *The Planning Act*.

(3) To assist a board of administrators in the preparation of proposals for the planning and orderly development of a new town and to ensure that its planning and development will be consistent and co-ordinated with the planning of adjacent areas, the Provincial Planning Board may require the proposals be prepared on behalf of the board of administrators by

(*a*) a regional planning commission having jurisdiction in the area, or

(*b*) professional planning consultants engaged by the board of administrators, or

(*c*) the staff of the Provincial Planning Director.

(4) The proposals for the planning and orderly development of a new town may from time to time be added to, amended or rescinded by

(*a*) order of the Provincial Planning Board, or

(*b*) the board of administrators with the approval of the Provincial Planning Board. [1969, c. 81, s. 12]

Additional powers of board of of administrators

13. A board of administrators may, with the consent of the Provincial Planning Board,

(*a*) acquire by expropriation or otherwise, and for any municipal purpose, land either within or outside the new town,

(*b*) enter into agreements with private land owners or proposed developers of land within the new town, with regard to the subdivision of land, the provision of utilities, streets, sidewalks and other services, the selling price of lots and the method by which lots will be offered for sale,

(*c*) prohibit any owner or developer of land from subdividing, selling or developing land until such an agreement as mentioned in clause (*b*) is entered into, and

(*d*) provide, by the construction and operation of trailer camps, camp grounds and like facilities, for the temporary housing and shelter of residents of the new town. [1969, c. 81, s. 13]

Approval of expenditures

14. Except for the immediate and urgent needs of a new town, a board of administrators shall not expend any moneys, undertake any works, make any agreements with land owners or developers or do any other matter or thing until its proposal for the planning and development of the new town has been approved by the Provincial Planning Board. [1969, c. 81, s. 14]

Approval of financial program

15. Except for the immediate and urgent needs of a new town, the board of administrators of a new town shall not obtain any loans or advances, expend any moneys, pass any money by-law or issue any debenture until the financial program of that year has been approved by an order of the Local Authorities Board. [1969, c. 81, s. 15]

Vote not required

16. Notwithstanding anything in this or any other Act, no vote of the proprietary electors on any by-law for the expenditure of money, the issuance of debentures or for any other matter or thing shall take place or be required except in the case of an election of members of the board of administrators. [1969, c. 81, s. 16]

Local improvements

17. Notwithstanding anything in any other Act, a board of administrators, without petition and without advertising its intention to do so, may undertake any local improvement described in *The Municipal Taxation Act* and may impose therefor a special frontage or special local benefit assessment. [1969. c. 81, s. 17]

Responsibility of board of administrators

18. A board of administrators is responsible

(*a*) to the Provincial Planning Board with regard to all matters relating to the planning and development of the new town, and

(*b*) to the Local Authorities Board with regard to all matters relating to the financing of the new town's development and operation,

and shall carry out any instructions with regard to these matters that either of those Boards issue from time to time. [1969, c. 81, s. 18]

Current and capital expenditures

19. (1) The Lieutenant Governor in Council may, upon the establishment of a new town and from time to time thereafter, pay to the board of administrators of any new town out of the General Revenue Fund and without any further or other appropriation than is provided by this section, such sums as will enable the board of administrators to meet all authorized current and capital expenditures that may be required for development and operation of the new town.

(2) The sums paid under subsection (1) may be

(*a*) by grant, or

(*b*) by advance or loan, or

(*c*) by the purchase of debentures of the new town.

(3) Any sum advanced or loaned by the Government is a debt due by the new town to the Government and shall be repaid by the new town.

(4) The Lieutenant Governor in Council may specify the terms of repayment or retirement of moneys advanced or loaned under this section. [1969, c. 81, s. 19]

Financial program

20. As soon as possible in each year the board of administrators of a new town shall submit to the Local Authorities Board a financial program for that year which shall include particulars of its estimates of

(*a*) general revenues and expenditures,

(*b*) capital revenues and expenditures,

(*c*) utilities revenues and expenditures,

(*d*) population growth, and

(*e*) the amount of its taxable assessment.

[1969, c. 81, s. 20]

Other Acts

21. Except where inconsistent with this Act, a new town shall be deemed to be a town for the purpose of any other Act. [1969, c. 81, s. 21]

Change in status

22. (1) Upon arrangements being made for the repayment or retirement of all special loans and advances made to a new town by the Government under this Act, the Lieutenant Governor in Council may provide

(*a*) for the formation of the new town into a city, town or village, or

(*b*) for the dissolution of the new town and the inclusion of the area thereof in some other municipality.

(2) The formation of a new town into a city, town or village shall take place in accordance with the requirements of population or the number of occupied dwellings, as the case may be, as are specified in *The Municipal Government Act*.

(3) Dissolution of a new town shall take place in accordance with the requirements of *The Municipal Government Act*. [1969, c. 81, s. 22]

Regulations

23. (1) The Lieutenant Governor in Council may make regulations to provide for any matter not provided for or insufficiently provided for in this Act.

(2) The Lieutenant Governor in Council may exclude any Act or provision thereof from application to a new town. [1969, c. 81, s. 23]

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SUGGESTIONS MADE DURING OUR CONVERSATION WITH OTHERS WHICH APPEAR REASONABLE:

Sec. 29.76.090. DEVELOPMENT CITY COUNCIL. The City Council of the Development City has five members consisting of the Director of the Local Affairs Agency, one public member designated by the Governor and three members designated by the major developer corporation providing the industrial base of the City as measured by employment and capital investment. The designated Councilmen need not be residents of the City during its development stage.

Sec. 29.76.100. TRANSITION. (a) When a Development City has 400 permanent residents, elections shall take place according to the following schedule:

(1) in the first year two additional Councilmen are elected for three-year terms;

(2) in the second year two Councilmen are elected for three-year terms to replace one of the Councilmen designated by the industrial developer and the public member designated by the Governor;

(3) in the third year two Councilmen are elected for three-year terms to replace the Local Affairs Director and one of the Councilmen designated by the industrial developer;

(4) in the fourth year a Mayor is elected for a three-year term to replace the remaining Councilman designated by the industrial developer; the two Council seats up for re-election per (1) above; and an election is held on a proposed City charter which may be amended as provided by law or the charter.

Sec. 29.76.120 FILLING A VACANCY. If a vacancy occurs in the original designated City Council, other than the Director of the Local Affairs Agency, the applicable appointing authority, be it the Governor or the major developer corporation, shall designate the replacement during the five-year development stage of the City.

Possible Technical Changes:

Sec. 29.76.020. INCORPORATION. An area not served by an existing municipality which is not reasonably practicable (feasible) to be served by an existing municipality may be incorporated as a Development City by

AFTER RECESS

CONSIDERATION OF THE CALENDAR

SECOND READING OF SENATE BILLS

SB 405 SENATE BILL NO. 405 (development cities) was read the second time.

Senator Palmer moved and asked unanimous consent for adoption of the Resources Committee report, thus adopting COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 405 (Resources) offered on pages 841 and 842. There being no objection, the Committee Substitute was adopted.

CS SB 405 (Res) COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 405 (Resources) was read the second time.

There being no amendments, Senator Miller moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 405 (Resources) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 405 (Resources) was read the third time.

The question being: "Shall COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 405 (Resources) (development cities) pass the Senate?" The roll was taken with the following result:

Yeas:	19	Butrovich, Christiansen, Croft, Groh, Hensley, Josephson, Koslosky, Lewis, Meland, Merdes, Miller, Palmer, Poland, Rader, Ray, Thomas, Young, Ziegler, Hammond
Nays:	0	
Absent:	1	Rettig

And so, COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 405 (Resources) passed the Senate.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 405 (Resources) was referred to the Secretary for engrossment.

SB 406 SENATE BILL NO. 406 (development city of Lost River) was read the second time.

CONSIDERATION OF THE CALENDAR cont'd

Senator Palmer moved and asked unanimous consent for adoption of the Resources Committee report, thus adopting COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 406 offered on page 841. Without objection, the Committee Substitute was adopted. SB 406

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 406 was read the second time. CS SB 406

Senators Hensley and Groh offered the following amendment:

Amendment No. 1

Page 1, line 11: Replace section 2 with the following:

"Sec. 2. The initial boundaries of Lost River are as follows: Beginning at the SW corner of Unsurveyed T1N, R42W, Kateel River Meridian, Alaska; thence W along the S boundary of T1N, R43W, to the point of intersection with the mean high water of the Bering Sea; thence S a distance of three miles, which point lies in the Bering Sea; thence in an easterly direction paralleling the mean high water of the Bering Sea and always at a distance of three miles S of the mean high water of the Bering Sea to the point where this line intersects the E boundary of T2S, R40W; thence N to the NE corner of T1S, R40W; thence W to the SE corner of T1N, R40W; thence N to the NE corner of T1N, R40W; thence W to the NW corner of T1N, R42W; thence S to the point of beginning, containing 248 square miles more or less.

Senator Hensley moved and asked unanimous consent for adoption of the above amendment. There being no objection, the amendment was adopted.

Senators Hensley and Merdes offered the following amendments: CS SB 406 am

Pages 1 and 2:

Renumber Sec. 3 and 4 as Sec. 5 and 6.

Amendment No. 2: Add new Sec. 3 as follows:

"Sec. 3. Subject to reclassification under Sec. 29.76.140(c), Lost River's governing body during the development stage by unanimous vote may adopt a home rule charter."

Amendment No. 3: Add new Sec. 4 as follows:

"Sec. 4. Lost River may act as its own housing authority and its own housing finance agency through an enterprise fund."

CONSIDERATION OF THE CALENDAR cont'd

CS SB 406 am

Senator Hensley moved and asked unanimous consent for adoption of amendment No. 2. Senator Palmer objected. On voice vote, the Chair was in doubt. A roll call was requested and appears as follows:

Yeas:	12	Butrovich, Christiansen, Croft, Oroh, Hensley, Josephson, Meland, Merdes, Miller, Rader, Young, Ziegler
Nays:	7	Koslosky, Lewis, Palmer, Poland, Ray, Thomas, Hammond
Absent:	1	Rettig

And so, amendment No. 2 was adopted.

Senator Hensley moved and asked unanimous consent for adoption of amendment No. 3. There being no objection, amendment No. 3 was adopted.

There being no further amendments, Senator Miller moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 406 am; be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 406 am, was read the third time.

The question being: "Shall COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 406 am, (development city of Lost River) pass the Senate?" The roll was taken with the following result:

Yeas:	19	Butrovich, Christiansen, Croft, Oroh, Hensley, Josephson, Koslosky, Lewis, Meland, Merdes, Miller, Palmer, Poland, Rader, Ray, Thomas, Young, Ziegler, Hammond.
Nays:	0	
Absent:	1	Rettig

And so, COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 406 am, passed the Senate.

Senator Miller moved and asked unanimous consent that the roll call on the passage of COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 406 am, be considered the roll call on the effective date clause. Without objection, it was so ordered.

Senator Palmer gave notice of reconsideration of the vote on COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 406 am. The Secretary was requested to make note of the reconsideration.

9. Developed Cities

REFER TO FILE NO.
97

GOVERNMENT OF THE PROVINCE OF ALBERTA
DEPARTMENT OF MUNICIPAL AFFAIRS

ADDRESS REPLY
THE DEPUTY MINISTER OF MUNICIPAL AFFAIRS
EDMONTON, ALBERTA

MUNICIPAL AFFAIRS BUILDING
10363 - 108 STREET
EDMONTON, ALBERTA

April 24, 1972.

Mr. Terry Gardiner
Administrative Assistant,
House Local Government Committee,
Alaska State Legislature,
Juneau, Alaska.

Dear Sir:

I refer to your letter of April 11th, 1972, regarding new towns in Alberta.

In general, The New Towns Act establishes the procedural machinery and planning to provide for rapid growth in isolated or underdeveloped areas. The Act, which was passed in 1956, provides for the establishment of administration and financing of new towns where they are required. An application to develop a new town may come from a company, an existing hamlet, an existing municipality or even an individual.

The person or persons applying, give as much information as possible. This is forwarded to the Provincial Planning Board, a multi-departmental board that generally speaking, administers The Planning Act and advises the Minister of Municipal Affairs and the Executive Council on planning matters.

The Board, according to the Act, may hold public hearings, may ask for additional data, or it may engage consultants to carry out a whole series of studies of its own. If the Provincial Planning Board is satisfied the need for a new town exists, it recommends to the Lieutenant Governor in Council (which is the Provincial Cabinet) that they establish a new town. If the Cabinet concurs with the Planning Board's recommendation, an Order-in-Council is issued establishing the new town and defining its boundaries.

....2

A Board of Administrators (municipal council) is created including a staff member of the Department of Municipal Affairs. This Board of Administrators may consist of only Government employees or may include residents of the area, depending upon the location of the new town and the availability of local persons.

An example of a new town that had no local representation on the original Board of Administrators is Grande Cache. Grande Cache was established as the result of a major coal mining development in an undeveloped area where there were no local representatives to place on the board therefore the original board consisted of two members of the Department of Municipal Affairs. Fort McMurray on the other hand, had a Board of Administrators that included local representatives as Fort McMurray existed as a town prior to its establishment as a new town. The reason for changing the status of Fort McMurray from an ordinary town to a new town was to accommodate the rapid development that took place upon construction of the Great Canadian Oil Sands plant in the tar sands. Fort McMurray had a population of approximately 1,000 in 1964 and only limited services, however, by 1967 the new town had close to 1,000 homes, and fully modern subdivisions including paved streets. It has a present population of just over 7,000.

The board becomes the official new town council with powers to borrow money up to the limit set in its budget that is based on a program of development to which it must have prior approval of the Provincial Planning Board. To carry out that program it can enter into contracts, and buy, sell, subdivide and service lots with water, sewer, roads, etc. -- in fact, to create a town. I should add that its financial program requires the approval of the Local Authorities Board, a Provincial agency charged with the responsibility to approve municipal debentures and long-term loans.

Companies and individuals are encouraged to invest their money in providing commercial and industrial developments as well as housing for sale and rent. Various Government departments such as Education, Health, Welfare and Highways are also involved to provide the services needed.

In Alberta, new town status has been applied eleven times since 1956 with the establishment of such new towns as Drayton Valley, Hinton, Whitecourt, Fort McMurray and Grande Cache.

....3

Wnile The New Towns Act does allow for financial assistance by way of grants from the Provincial Government, this provision is not often used. The major advantage of new town status is two-fold, one being the fact that the capital funds necessary to develop the town are loaned to the new town by the Provincial Government, by way of an advance at the going interest rate. This money is not repayable until the new town is financially able to make these payments, however, normally the new town does pay the interest due on the advances annually. In effect a new town has to have available to it, substantial capital before it has developed any tax base or population and therefore any ability to borrow under conventional financing arrangements.

The other major advantage is the ability to appoint to the Board of Administrators, capable and experienced administrators from the Provincial civil service to provide direction and leadership required, bearing in mind also that local residents if any, are often so deeply involved at that point in building their own businesses and homes they cannot afford much time to local government duties.

We are of the opinion that the new towns legislation has been very successful as it is doubtful if the high level of services that are so necessary in remote areas, could have been provided in the various new towns without the provisions of The New Towns Act, unless they, the new towns, were developed as company towns by the various companies involved.

Yours truly,

W.D. Isbister
Assistant Deputy Minister

cc: Mr. L.D. Mabbott,
Director,
Department of Federal and Intergovernmental Affairs,
506. 10025 - 108 Street,
Edmonton, Alberta.

NEW TOWNS ACT - PROVINCE OF ALBERTA

The New Towns Act of the Province of Alberta provides for the organization of "new towns" resembling in some ways HB 786, relating to "development cities". The Alberta Statute for "new towns" is fairly consistent with the general structure of Canadian local government. A great amount of control and responsibility is vested in the provincial government. In the case of "new towns", the Provincial Planning Board and the Local Authorities Board dominate the development of the "new towns". The Alberta Statute emphasizes control by the Provincial government to insure the orderly and responsible development of "new towns".

Applications for "new towns" are made to the Provincial Planning Board. Information, such as economic planning studies, must be provided to determine if a new town is necessary, practical and in the public interest.

The PPB investigation of the application may include public hearings, a financial review by the local authorities board, and hiring of special consultants to enable the board to render a recommendation. Provisions are made in the act for the transfer of rights and liabilities if a municipality exists within the confines of the new town.

The Board of Administrators, which has all the powers of a city council including taxation, is the governing body of the new town. The Minister of Municipal Affairs appoints the Board of Administrators, except that he may provide for the election of board members. The members serve at the Minister's pleasure. The Minister also appoints the Chairman of the Board who is the Chief Executive Officer of the new town with all the powers and duties of a Mayor.

The B of A must submit to the PPB for its approval a comprehensive plan of development and planning. The PPB may require a regional planning board, a professional planner, or the Provincial Planning Director to exercise this function. The development plan is altered only by the PPB or with its permission.

The B of A, with the permission of the PPB, may acquire land, enter agreements or expenditures with land developers, regulate land development and provide temporary accomodations for new residents. The B of A is responsible to the Local Authorities Board concerning financing of the new town. The Board must approve yearly the financial program of the new town before expenditures or loans can be promulgated.

The Lieutenant Governor in Council is authorized to make grants and loans or to purchase debentures from a new town. The Lt. Governor may form a municipality or dissolve the new town after making the necessary financial arrangements.

HB 786 (Development Cities) emphasizes the state government's responsibility in developing the resources of the state. A large percentage of this reference is to a financial responsibility. The Alberta Statute recognizes provincial funding is necessary, but concerns itself with provincial regulation of "new towns" to insure orderly and responsible development.

Dale

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER / POUCH M — JUNEAU 99801

April 17, 1972

Honorable Mike Miller
Alaska State Legislature
Juneau, Alaska 99801

Dear Representative Miller:

House Bill 785 provides for incorporation of a development city at Lost River. Although we favor this legislation, in order to provide for the development of the Lost River Mine and enhance the economic development of the State of Alaska, we would like to suggest the following change in House Bill 785.

In lines 13 and 14 of the bill, the descriptions of the boundaries of the Lost River community include the following: " . . . to the point of intersection with the mean low water of the Bering Sea . . . " Since the tidelands under the ownership of the State of Alaska are measured for three miles seaward from the mean high tide, to extend the boundaries of the proposed city site would change the original concept of tideland ownership and, perhaps, set a precedent not intended. Therefore, we would recommend, in order to protect the integrity of the tidelands as has been the custom throughout statehood, that the words "mean low water" be deleted and the words "mean high water" be substituted.

Thank you for your interest in this piece of legislation, and we appreciate your requesting our input.

Very truly yours,

Dale Wallington

Dale Wallington
Deputy Commissioner

WILLIAM A. EGAN
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 24, 1972

Mr. Murray Watts, President
Lost River Mining Corporation, Ltd.
159 Bay Street, Suite 420
Toronto 1, Ontario
Canada

Dear Mr. Watts:

As you know, we have followed with deep interest your company's substantial exploration and evaluation programs for the past three years. The State of Alaska welcomes this type of effort; particularly, as your development is located in the underdeveloped northwest depressed area of the State.

The State of Alaska wants to do everything within its means to encourage and foster such mineral developments and to assist in obtaining full Federal participation in enhancing the success of ventures such as yours. The State has particular interest in aiding in the process of planning for the establishment of viable communities near the sites of producing mineral areas. We have long recognized the regional human resource and other statewide benefits that will accrue from such successful ventures.

I am sure you realize from the meetings you and your representatives have had with me and other State of Alaska officials that the State will be helpful in any way that it is possible for us to cooperate with your company and all others who are moving ahead in development of Alaska's natural resources.

Warmest personal regards and good wishes to you.

Sincerely,

William A. Egan
Governor

/bcc: Mr. Pearce Walsh

Lost River Mining Corp. Ltd.
SUITE 420 - 159 BAY STREET
TORONTO 1, ONTARIO

P.O. BOX 503 • NOME, ALASKA 99762 362-2493

PRESENTATION TO LOCAL GOVERNMENT COMMITTEE ON DEVELOPMENT CITY LEGISLATION

INTRODUCTION

The frustration of a new industry such as mining development in an area totally isolated from any other community cannot be overemphasized at this point of time in the State's history. There are virtually no tools available, legislative and otherwise, to assist in providing the infrastructure necessary to sustain a community. While there are elaborate financial and other administrative support programs for existing communities, cities, and boroughs, and a vehicle to gain support for both capital and operating needs, none of these tools exists for a community that is yet to be developed.

Proposed legislation is based, to a degree, on the Lost River Mining Corporation officials' past experiences, observation and expertise in developing mines in isolated areas.

New town development legislation will enable the developer to do his job; i.e., creating the industrial infrastructure and present an element of local government to do government's job in providing the support facilities needed for the employees of the new industry.

This legislation picks out the best features of existing municipal legislation, administrative procedures of the State and incorporates them into a corporate entity which is essentially in a trust status pending the arrival of permanent citizens to a new town. Again, pending arrival of these permanent citizens, comprehensive planning, zoning,and orderly development of the community would have taken place; State support for schools, water, sewer, harbor facilities, hospitals, etc. have been appropriated and paid funds used as leverage to gain additional Federal agency support where indicated. Thus, we may avoid building a disjointed, unplanned and problem community from the onset.

This approach attacks the impact on the ecology before it becomes a problem as witnessed in the existing communities constructed with little or no planning.

ALTERNATES TO INDUSTRY

With the passage of the Development City legislation and the implementing incorporation we shall plan towards implementing:

Alternate A
An Independent Free Standing Regional City

This community would be planned not only to serve this one industry but also to make a contribution toward reducing the cost of transportation to Northwest Alaska. It would also provide the initial investment in transportation facilities that should spur the development of other mineral-based jobs which are not now feasible. This community could be the catalystic investment for a more healthy economy in an area which is

job poor. The approach is to provide a sound, long-term economic and local tax base.

The recommended approach towards this free standing, transportation-oriented community, will be city development and ownership of all the facilities partially financed by Federal aid, State programs and the major industry. Thus, if the basic reserves are depleted the industry will have contributed to the region with a properly planned city with functioning water and sewer systems; schools; roads; etc. upon which less valuable mineral deposits or limited profit potential industries may be supported.

This approach makes the maximum contribution of government and private industry towards starting a new economic undertaking, and allows each to perform its assigned functions in our society. This is a tool which contributes towards the State's ability to preserve its ecology and encourage economic development.

Alternate B
A Company-Owned Mining Town

The company will own all facilities lock, stock and barrel. Plans will be made only to serve the minimum needs of the one basic industry -- the mine and mill.

Some time in the future the residents may desire to incorporate. While this may be their option, it is an uneconomical approach to acquiring public facilities and expanding the infrastructure. The Federal assistance, through the New Community program of the Federal government, if used, would be in the hands of the private developer -- either the mining corporation or a subsidiary. No specific effort will be made to

consider the social and economic effects of the region as a whole. While efforts will be made to include assistance for the State and Federal agencies -- the time schedule attached for construction of the mine will dictate possibly a further alternate. The job base in this area is expected to be less than Alternate A but will generally be a year-around community.

Alternate C
Seasonal Operation

The mine can be developed with a minimum milling operation and all the ore shipped to Japan or Canada for processing.

The operation may thus be six months a year with the camp functioning with only the individual workers being brought in under contract. A small standby crew would maintain the facilities in the off season.

A good portion of the processing effort would be outside Alaska; the seasonal jobs to be filled by the contractor to the mine owner. The transportation vessel need not be an American ship as would be the case for Alternate A and possibly B.

TIME SCHEDULE

Attached is an outline of our schedule of activities. IT IS IMPERATIVE THE STATE POSITION BE STATED VIA LEGISLATION THIS YEAR -- the earlier the better.

CONCLUSION

We have a mine -- the extent of its beneficial factors to Alaska depends upon Alaska -- its Legislators. We are asking for working tools

with which industry and government can orderly develop a living and working environment in now barren areas.

ACTIVITY SCHEDULE

February 15, 1972 -- Finalize Preliminary Feasibility. Must include declarations of intent from Federal and State agencies that certain areas which fall within the public purview are eligible for assistance and that such applications will be favorably received.

March 15, 1972 -- Detailed Work Program and Budget. All computations for this year's field program must be completed with such items included as drilling, deposits, water flows,foundations,etc. (Special townsite considerations should be built into this schedule, i.e. a contract for soils analysis (drilling) and ground water studies).

September 15, 1972 -- Completion of all On-Site Data Accumulation. This data will be used in the final feasibility report and it must include tentative financial considerations for townsite development.

October 15, 1972 -- Role of all State and Federal Agencies in the Development. Ideally this should be firm commitments from State and Federal agencies. In the absence of firm commitments, alternatives will have to be developed.

December 31, 1972 -- Final Feasibility Report. All townsite factors regarding capital expenditures must be included in this report. This should include a program where such items as shipping can be included since there may be economies in joint shipping of materials, etc.

March 1, 1973 -- Design and Procurement. Must be completed at this date so that the 1973 shipping season can be utilized. The following construction period will involve the preliminary dock, a construction camp for 500 to 1,000 persons, construction power facilities, construction shop, access roads to borrow pit areas, assessment of inventories and basic foundations. Contracts will be issued during this 1973-74 period for construction as the plans come off the drawing boards. Supplies will also be delivered for the Winter and Spring of 1974.

Early 1974 -- Construction of Structures. The structures will hopefully be up and enclosed before significant boat shipments in 1974.

Into 1975 -- Construction of all Mining Facilities.

1975 or Early 1976 -- Operating Facility Turned over to Lost River Mining.

Early 1976 -- First Shipment of Product from Lost River.

URBAN GROWTH AND NEW COMMUNITY DEVELOPMENT ACT OF 1970
PUBLIC LAW 91-609

Type of Assistance	Comparison of Company as Developer or City Company	HUD	Development City
Sec. 713 (a) Land Development Guarantees bonds up to $50 million	10%	90%	100%
Sec. 715 Public Service Grants (3-year period for essential public services -- i.e., education, health, safety)	None	Operating City Budget (Agreed %)	Balance %
Sec. 718 (a) Supplemental Grants for Public Facilities for:	None	20%	Balance or through State and/or Federal Grants but combined Federal aid cannot exceed 80%; thus 20% Local or State
(1) Sec. 3--Urban Mass Trans. Act 1964			
(2) Sec. 121(a) Title 23, U.S. Code			
(3) Sec. 19 Airport and Airways Development Act 1970			
(4) Title VI of the Public Health Service Act Library Services & Construction Act			
(5) Sec. 5 - Land and Water Conservation Fund Act-1965			
(6) Title VII of the Housing Act of 1961			
(7) Section 702 or 703 Housing and Urban Development Act			
(8) Federal Water Pollution Control Act			
(9) Sec. 306(a) (s) of the Consolidated Farmers Home Adm.			
(10) Sec. 103 or 104 of the Higher Ed. Facilities Act-1963			(Will not use)
(11) Sec. 101(a)(1) Public Works & Economic Dev. Act-1965			
Sec. 719 Technical Assistance; directly or by contract to assist in connection with planning and carrying out New Community Development Program		As determined by Secretary	
Sec. 720 Special Planning Assistance	1/3%	2/3%	1/3%

Introduced: 4/7/72
Referred: Local Government

IN THE HOUSE BY THE RULES COMMITTEE BY REQUEST

HOUSE BILL NO. 786

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to development cities."

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

* Section 1. LEGISLATIVE FINDINGS. The legislature finds that the development of natural resources in isolated and relatively unpopulated areas requires state policy which encourages well-planned, diversified and economically sound new communities. It is the further finding of the legislature that if private enterprise is to develop the resources of the state it should not be burdened with the development of new cities and thereby diverting activities and resources best utilized for the private sector. A policy and a procedure are required which will provide financial and other assistance necessary for encouraging orderly development of well-planned, diversified and economically sound new cities necessary to support industry. It is the purpose of this Act to provide that each development city created under the Act will be the result of the private and public sectors recognizing their mutual responsibilities to the orderly development of the state.

* Sec. 2. AS 29 is amended by adding a new chapter to read:

CHAPTER 76. DEVELOPMENT CITIES.

Sec. 29.76.010. DEVELOPMENT CITIES. A development city is a municipal corporation with home rule powers. It has all legislative powers not prohibited by law or charter.

Sec. 29.76.020. INCORPORATION. An area not served by an existing municipality and which is not feasible to be served by an existing municipality may be incorporated as a development city by

(1) petition of the industrial developer to the Local Affairs

Agency; or

(2) act of the legislature.

Sec. 29.76.030. PETITION FOR INCORPORATION. A development city incorporation petition proposed by an industrial developer shall include the following information about the proposed city:

(1) class;

(2) name;

(3) boundaries;

(4) composition of the council;

(5) maps, documents, preliminary economic development projections, preliminary population projections, outline of the industrial developer's investigative and development expenditures and its proposed capital program, and other information required by the Local Affairs Agency to show that the proposed city meets the standards for incorporation.

Sec. 29.76.040. REVIEW. The Local Affairs Agency shall review the petition for content and shall return deficient petitions for correction and completion.

Sec. 29.76.050. INVESTIGATION. If the petition contains the required information, the Local Affairs Agency shall investigate the proposal to determine if the development expenditures and proposed capital program by the developer demonstrate a probability of being carried forward to a successful conclusion.

Sec. 29.76.060. REPORT. (a) The Local Affairs Agency shall report its findings to the Local Boundary Commission with its recommendations regarding the incorporation within 60 days of receipt of the petition for incorporation.

(b) The Local Boundary Commission shall review the petition and the findings and recommendations of the Local Affairs Agency within

60 days of receiving them.

Sec. 29.76.070. DECISION ON DEVELOPMENT CITY INCORPORATION. (a) The Local Boundary Commission may reject a petition for incorporation only if it finds that it is improbable that the proposed development will take place.

(b) A commission decision under this section may be appealed under the Administrative Procedure Act (AS 44.62).

Sec. 29.76.080. LAND SELECTION. (a) The Department of Natural Resources shall assist in transferring all the available federally owned land located within the boundaries of a development city into state ownership. After the transfer, a development city may select 50 per cent of the vacant, unappropriated, unreserved state land located within its boundaries. Nothing in this section affects a valid existing claim, location, or entry under the laws of the state or the United States whether for homestead, mineral, right-of-way or other purposes or affects the rights of an owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

(b) If land desired by the development city is unsurveyed at the time of its selection, the Department of Natural Resources shall survey or approve a survey by the city of the exterior boundaries of the area requested without interior subdivision and shall issue a patent for the selected area in terms of the exterior boundary survey. The cost of the survey is borne by the city. If land desired by the city has been surveyed at the time of its selection, the boundaries of the areas requested must conform to the public land subdivisions established by the approval of the survey. Land selected by the city under this section is patented to the city by the Department of Natural Resources.

(c) After the selection of the land by the development city but before the issuance of final patent, the city may execute conditional

leases and make conditional sales of selected land.

Sec. 29.76.090. DEVELOPMENT CITY COUNCIL. The city council of a development city has three members consisting of the director of the Local Affairs Agency and two members designated by the major developer corporation providing the industrial base of the city as measured by employment and capital investment. The designated councilmen need not be residents of the city during its development stage.

Sec. 29.76.100. TRANSITION. (a) When a development city has 400 permanent residents, elections shall take place according to the following schedule:

(1) in the first year, two additional councilmen are elected for three-year terms;

(2) in the second year, a councilman is elected for a three-year term to replace one of the councilmen designated by the industrial developer;

(3) in the third year, a councilman is elected for a three-year term to replace the director of the Local Affairs Agency;

(4) in the fourth year, a councilman is elected for a three-year term to replace the remaining councilman designated by the industrial developer; a sixth councilman is elected for a three-year term; a mayor is elected; and an election is held on a proposed city charter which may be amended as provided by law or the charter.

(b) If, within a period of five years from the incorporation of a development city, the number of permanent residents does not equal 400, the Local Affairs Agency shall order an election for city officials and designate a successor class of city based on population. If the agency designates a successor class of city, the provisions of this title relating to that class of city apply.

Sec. 29.76.110. PROCEDURES. The council may provide for

conference telephone or radiophone meetings at times determined by the council and shall determine its own rules and order of business.

Sec. 29.76.120. FILLING A VACANCY. If a vacancy occurs in the original designated city council, other than the director of the Local Affairs Agency, the major developer corporation shall designate a replacement during the five-year development stage of the city.

Sec. 29.76.130. POWERS AND DUTIES OF DEVELOPMENT CITY EXECUTIVE DIRECTOR. The council shall appoint an executive director of the development city, who may be one of its members, to serve at the pleasure of the council. The executive director shall have the powers and duties of all city officials set out in this title in order to develop the city under a comprehensive community development plan.

Sec. 29.76.140. POWERS AND DUTIES OF COUNCIL. The council shall have all the powers and duties of the city council of a home rule city. The council may exercise all the powers and duties of a school board if the city is not located within an organized borough.

Sec. 29.76.150. ADDITIONAL POWERS. A development city may, from the time of the appointment of the first city council for a period of 10 years following the first election of councilmen,

(1) act as its own housing and urban renewal authority under AS 18.55;

(2) act as its own housing finance agency under AS 18.56.

Sec. 29.76.160. SALES AND USE TAX. The council may by ordinance assess and collect sales and use taxes not to exceed three per cent.

Sec. 29.76.170. PLANNING COMMISSION. The city council of a development city shall exercise the powers and duties of a planning commission under AS 29.33.080.

Sec. 29.76.180. DEVELOPMENT CITY GRANTS. (a) Development cities have a priority on all funds appropriated annually by the state not

specifically earmarked in the appropriation for

(1) sewers and sewage treatment facilities;

(2) harbors, wharves and other marine facilities;

(3) health and hospital facilities;

(4) water facilities;

(5) community center facilities;

(6) libraries;

(7) recreation;

(8) airports;

(9) highways;

(10) schools; and

(11) other public facilities supported by grants and shared revenues.

(b) State agencies shall disburse the maximum capital improvement grants allowable under state law to a development city which may, when possible, utilize funds for matching federal aid programs being secured as part of the overall development program.

(c) State agencies not authorized to disburse funds directly to a development city because of policies of the federal agencies administering the particular programs, shall reprogram priorities and take all steps necessary to meet the development plans of a development city.

(d) A development city shall receive shared revenue and other state funds on the same basis as a city or borough of the first class.

Sec. 29.76.190. APPLICABILITY OF OTHER PROVISIONS OF THIS TITLE. All relevant provisions of this title not in conflict with this chapter apply to development cities.

AG - objections - Nick Gould

1. B. Comm. approval - too limited
2. - " - " - legal?
2. Selection of fed land round "strategic-based" state
3. Frontiers. How to delineate?
   Certain %?
4. If full local govt. powers under central govt.

---

5. Diff. Definition Condition for loans
   and / this bill:
   (a) Condition precedent or loan conditional upon
   (b) Prov. establishing N. Ireland govt / council.
   (c) Perhaps we should have negative approval
   public.

~~Tom Daly - Planning~~

1. Local housing planning approval
2. Concern re 10% not 30%
3. Tribunal should be enhanced by G.A.
4. Local govt. powers / govt. / loans
5. Price tag

M.

1.
2. Fin

HB

790

02-0018

STATE
of ALASKA

MEMORANDUM
OFFICE OF THE GOVERNOR

TO: The Honorable John E. Havelock
Attorney General
Department of Law

DATE : April 21, 1972

FROM: Byron I. Mallott
Director
Local Affairs Agency

SUBJECT: HB 790 and HB 791

House Bills 790 and 791 were the subject of a public hearing for the joint House and Senate Local Government Committees last Monday evening. During the course of the hearing, certain members of the Local Government Committees questioned the effect of repealing section 3 (d) of chapter 52, SLA 1963. This section provides for the exclusion of the base proper areas of military bases from the Greater Anchorage Area, Kenai Peninsula, Kodiak Island and Fairbanks North Star Borc ghs until such time that the base proper areas are no longer subject to military reservation status at which time they would automatically be annexed to the respective organized boroughs.

The specific question posed was whether or not, by repeal of section 3 (d), the bases proper of all of the defined military reservations would automatically be included within the organized boroughs which currently surround them. The joint committees requested that the Local Affairs Agency secure an Attorney General's opinion on this matter at the earliest possible date. Accordingly, we transmit this request to your office and offer the following discussion as a means by which you may be acquainted with some of the facts which we consider relevant to the question.

DISCUSSION

While House Bills 790 and 791 were being drafted in your office, the question of the nature of the effect of the repeal of section 3 (d) was thoroughly explored. It was generally concluded that military bases other than Elmendorf Air Force Base and Fort Richardson military reservation which would be annexed to the Greater Anchorage Area Borough under HB 790, would remain part of the Unorganized Borough until such time that the boundaries of the organized borough surrounding them were changed to annex them in a manner provided by law. At least the agency's reasoning on this point was that, subsequent to incorporation of the organized boroughs listed in the mandatory Borough Act and in 1966 the Local Boundary Commission held public hearings and made recommendations to the Alaska State Legislature to conform the election district boundary descriptions to metes and bounds criteria. This action was taken, apparently, under authority vested in the Commission at AS 07.10.125 (Boundary Adjustments). This statute was enacted as section 7, ch 52, SLA 1963 and provided for Local Boundary Commission public hearings and subsequent recommendations to the Legislature

to adjust organized borough boundaries. These boundary adjustments which are recommended by the Commission to the Legislature would become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by resolution concurred in by a majority of the members of each house.

Of the organized boroughs incorporated mandatorily, only the Fairbanks North Star Borough jurisdiction was materially changed by the Local Boundary Commission in 1966. The original Fairbanks North Star Borough boundaries were those of the Fairbanks Election District No. 19 as designated in Section 3, Article 14, of the State Constitution. This election district encompassed the entire Tanana River drainage system from the Alaska/Canada Border, northwest to and including Fairbanks and immediate environs. The Commission's redefinition of the borough boundaries restricted the borough to approximately 40% of its original size. With respect to the other mandated boroughs, the Commission, by and large, merely conformed election district descriptions to metes and bounds criteria. The Kodiak Island Borough incorporated by local action in 1963 and consequently, the Commission did not have to subsequently readjust or redefine the borough boundaries. In other words, Commission action with respect to boundaries of boroughs other than the Fairbanks North Star Borough appears to constitute ministerial change rather than substantive change.

Accordingly, the argument may be made that with respect to those mandated organized boroughs whose boundaries the Local Boundary Commission did not significantly alter from those specified in the Mandatory Borough Act would automatically include military base areas immediately upon the effective date of the repeal of section 3 (d) of Chapter 52, SLA 1963. Obviously, this argument is incapable of any substantial measure of support, particularly since the statutes do not draw a distinction between redefinition of boundaries for conformity with metes and bounds criteria and redefinition for the purpose of annexing or detaching territory.

Several other problems have been brought to our attention concerning the repeal of section 3 (d). The military reservation status, both the Wildwood Air Force Station and the Kodiak Naval Station will be terminated on or about July 1 of this year. Assuming that we are correct in saying that the repeal of section 3 (d) will not automatically annex military bases to organized boroughs surrounding them we are confronted with the problem of whether or not the Wildwood and Kodiak Naval Station will end up in the Kenai Peninsula and Kodiak Island Boroughs, respectively, should House Bill 790 be enacted into law. As you know, the Air Force is de-activating the Wildwood Communications Station and the Department of the Navy is relinquishing the Kodiak Naval Station to the Department of Transportion, U. S. Coast Guard. Under the provision of section 3 (d), Wildwood and the Kodiak Naval Station will become parts of the

respective boroughs surrounding them at the time when their military status is terminated. The unfortunate result which would take place with the repeal of section 3 (d) would be that these areas would remain outside of their respective organized boroughs until the Local Boundary Commission or the Legislature provided for their inclusion.

We suggest that the question (if there is one) be resolved by repealing only subsections 2 and 3 of section 3 (d) of Chapter 52, SLA 1963. This will allow enactment of House Bills 790 and 791 without disturbing the relationships and events occurring in the other organized boroughs.

BIM:SJS:pak

cc: The Honorable Mike Miller
Chairman, House Local Government Committee

The Honorable John Rader
Chairman, Senate Local Government Committee

City of Anchorage

MEMORANDUM NO. 3456

TO Files

DATE: April 24, 1972

FROM: City Manager

SUBJECT: H B 791- Education Powers on Military Reservations-

Mr. Brown of Representative Begich's office called on April 21, 1972 and advised that Mr. Begich had checked out the above bill with U. S. Office of Education Officials. These officials said they had no objections to the bill.

Robert E. Sharp
City Manager

RES:al

cc: Chairman Miller, House Local Government Committee
Chairman Rader, Senate Local Government Committee

May 10, 1972

Mr. Robert E. Sharp
City Manager
City of Anchorage
P. O. Box 400
Anchorage, Alaska 99510

Dear Bob:

Just a short note to send you a copy of the enclosed which I received from Colonel Castle.

All the best.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

enc: Letter from Colonel Castle

cc: Local Affairs Agency

HEADQUARTERS, ALASKAN COMMAND
APO SEATTLE 98742

REPLY TO ATTN OF: JA

3 [illegible] 1972

SUBJECT: House Bill 790 and House Bill 791

TO: Honorable Mike Miller, Chairman
House Local Government Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. Miller

Mr. Robert E. Sharp, City Manager of Anchorage, forwarded to Lieutenant General Robert Ruegg, Commander in Chief, Alaskan Command, the readopted Council Resolution 32-R-72 adopted on 18 April 1972. The inference to be garnered from his letter to you was that the readoption would alleviate any disagreement the Commander in Chief had with the proposed annexation.

The Commander in Chief appreciated the expression of good faith by the City Council of Anchorage, but he would like to reiterate that this Resolution resolves only the potential problems involving the City of Anchorage. It would not, however, resolve any difficulties with the Borough and would not preclude a potentially disagreeable situation arising in other areas of the State of Alaska where military reservations are located in the proximity of inhabited areas.

As I expressed to your committee, the Commander in Chief does not favor annexation. However, with suitable safeguards contained in the legislation, he would not oppose annexation.

Sincerely

ARNOLD C. CASTLE
Colonel, USAF
Staff Judge Advocate

25th Anniversary Alaskan Command

Mission of the North 1947 1972

May 10, 1972

Mr. Robert E. Sharp
City Manager
City of Anchorage
P. O. Box 400
Anchorage, Alaska 99510

Dear Bob:

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All the best.

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Mike Miller, Representative
District Four (Juneau)

enc: Letter from Colonel Castle

cc: Local Affairs Agency

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APO SEATTLE 98742

REPLY TO ATTN OF: JA

[illegible] 1972

SUBJECT: House Bill 790 and House Bill 791

TO: Honorable Mike Miller, Chairman
House Local Government Committee
Alaska State Legislature
Juneau, Alaska 99801

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Sincerely

ARNOLD C. CASTLE
Colonel, USAF
Staff Judge Advocate

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CITY OF ANCHORAGE ALASKA

POST OFFICE BOX 400
ANCHORAGE, ALASKA
99510

April 19, 1972

Honorable Mike Miller, Chairman
House Local Government Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Mike:

The City Council passed and approved Resolution 32-R-72 on April 17, 1972. A copy of this resolution is enclosed.

Resolution 32-R-72 readopts Resolution 68-R-70 which was passed by Council in December 1970. Resolution 68-R-70 was enacted after consultation with the Military and it provides the record of intent of the City of Anchorage in the event that Elmendorf Air Force Base and Fort Richardson Military Reservation are annexed to the City of Anchorage. The Council readopted Resolution 68-R-70 to clarify for the benefit of the Alaska Command and subordinate Commands as to whether or not Resolution 68-R-70 is still in force and effect. You may recall that Colonel Castle, in testimony on House Bill 790 and House Bill 791 at the hearing before the joint Local Government Committees on April 17, 1972, raised some question in this regard because the annexation is being effected by passage of the above bills rather than by a report of action of the Local Boundary Commission. Although we feel that the procedure employed has no bearing whatsoever upon the effectiveness of Resolution 68-R-70, the City of Anchorage decided to readopt the resolution to remove any and all doubt. It is requested that Resolution 32-R-72 be made part of the permanent records of the Local Government Committees.

We urge prompt, favorable consideration of the passage of House Bill 790 and companion House Bill 791 annexing certain military reservation lands to the City of Anchorage. Passage of these bills will carry out the original action of the Local Boundary Commission in approving the annexation of these lands when the report of this Commission's action to the Legislature was

delayed to permit the State Administration to investigate the effect, if any, of the annexation on Federal school impact funds. House Bill 791 resolves all doubt concerning this matter, and under the terms of the bill the State Department of Education would continue to be responsible for the on-base schools although it could contract such operations with the local districts. I understand negotiations are now underway for such a contract.

Sincerely yours,

Robert E. Sharp
City Manager

RES:AFR

Enclosure

cc: Members, House Local Government Committee
Base Commander, Elmendorf Air Force Base
Post Commander, Fort Richardson
City Attorney
Commander in Chief, Alaskan Command
Hon. William A. Egan
Local Affairs Agency

CITY OF ANCHORAGE, ALASKA
RESOLUTION NO. 32-R-72

A RESOLUTION OF THE CITY OF ANCHORAGE, ALASKA, CONCERNING JURISDICTION OVER THE ADJACENT MILITARY RESERVATIONS IN THE EVENT OF ANNEXATION.

WHEREAS, the City of Anchorage initated action in 1970 to annex certain areas (hereinafter referred to as military reservations) of Elmendorf Air Force Base and Fort Richardson military reservations through the Local Boundary Commission; and

WHEREAS, the Commission approved the annexation of these military reservations; and

WHEREAS, Commission notification to the Legislature during the first ten days of this session was withheld at the request of the state administration to permit clarification of the effect of such annexation on federal school impact funds; and

WHEREAS, the state administration has introduced in the Alaska Legislature, House Bill No. 790 to accomplish the annexation to the City of Anchorage originally contemplated by the Commission, as well as to annex portions of these military reservations to the Greater Anchorage Area Borough; and

WHEREAS, the state administration has also introduced in the Alaska Legislature a companion bill, House Bill No. 791, prohibiting boroughs from exercising the education power in areas having military reservation status, unless exercise of such power is approved by the Department of Education; and

WHEREAS, it is the desire of the Council of the City of Anchorage, in view of the modification in the original proceedings to accomplish this annexation, to readopt Resolution No. 68-R-70 of the City of Anchorage to assure all concerned that the prior action applies in the circumstances of the procedure now being employed to annex military reservations.

NOW, THEREFORE, THE CITY OF ANCHORAGE RESOLVES:

Section 1. Resolution 68-R-70 passed and approved on

the 22nd day of December, 1970, a copy of which is attached hereto and made a part hereof, is hereby readopted.

Section 2. The Council directs the City administration to file copies of this resolution with the House and Senate Local Government Committees of the Alaska Legislature and the Local Boundary Commission of the State of Alaska as part of the record of the annexation proceedings to show the intent of the City of Anchorage in regard to this annexation of the military reservations.

Section 3. Publication of this resolution shall be made by posting a copy thereof on the City Hall Bulletin Board for a period of ten (10) days following its passage and approval.

Passed and approved by the City Council of the City of Anchorage, Alaska, this 18th day of April, 1972.

George D. Sullivan
Mayor

ATTEST:

Beatrice Price
City Clerk

CITY OF ANCHORAGE, ALASKA
RESOLUTION NO. 68-R-70 *

A RESOLUTION OF THE CITY OF ANCHORAGE, ALASKA, CONCERNING THE JURISDICTION OVER THE ADJACENT MILITARY RESERVATIONS IN THE EVENT OF ANNEXATION.

WHEREAS, the City of Anchorage is seeking to annex certain areas (hereinafter referred to as "military reservations to be annexed") of the Elmendorf Air Force Base and Fort Richardson military reservations in Alaska; and

WHEREAS, the City recognizes the federal function, purpose and control of these military reservations; and

WHEREAS, the City deems it in the best interest of the City to avoid any disputes over the applicability of City ordinances on the military reservations; and

WHEREAS, in seeking annexation of the military reservations to be annexed it is not the intent of the City to levy any ad valorem taxes on any property within the military reservations to be annexed, nor is it the intent of the City in the military reservations to be annexed to levy any poll, sales, use, license, or regulatory tax upon military property, upon military or military connected activities, or upon activities or property of military dependents; and

WHEREAS, the City understands that the United States Government on behalf of the military reservations concerned would continue not to have any opposition to such annexation if the City were not to levy the aforesaid taxes; and

WHEREAS, in establishing any differential taxation area, comprised solely of the military reservations to be annexed, further State or City legislative changes may be necessary, and the City intends to pursue the necessary legislative changes, if any, in order to permit the establishment of such a differential taxation within the military reservations to be annexed to the extent they remain Federal property; and

WHEREAS, as used above the terms "taxation" and "taxes" are intended to include, but not necessarily be limited to, any ad valorem, use, sales, regulatory, poll or licensing tax or fees:

NOW, THEREFORE, THE CITY OF ANCHORAGE RESOLVES:

Section 1. The City will seek to insure that no tax, whatsoever, is levied by the City within the military reservations to be annexed to the extent the military reservations to be annexed remain federal property, on property located on the military reservations to be annexed, nor on military or military connected activities, nor on property or activities upon the military reservations to be annexed of military dependents resident upon such reservations.

Section 2. That the City will hereafter enact no tax, or any type, applicable to the military reservations to be annexed to the extent that they remain federal property.

Section 3. That the City will hereafter enact no ordinance regulating military activities or military connected activities or activities upon the military reservations to be annexed of military dependents resident upon the reservations unless such regulation is expressly authorized by federal law.

Section 4. That no existing City ordinance or administrative regulation, or subsequently adopted ordinance or regulation, will be enforced on the military reservations without prior approval of the installation commander concerned.

Section 5. That the City will not revoke or declare this resolution invalid without first taking appropriate action to nullify any annexation to the City of the military reservations to be annexed.

Section 6. The City Council directs that this Resolution be filed with the State of Alaska Local Boundary Commission as part of the record in the annexation proceedings to show the intent of the City as to taxation upon property within the military reservations to be annexed.

Section 7. Publication of this resolution shall be made by posting a copy thereof on the City Hall Bulletin Board for a period of ten days following its passage and approval.

Passed and approved by the City Council of the City of Anchorage, Alaska, this 22d day of December, 1970.

George W. Sullivan
Mayor

ATTEST:

City Clerk

ALL-AMERICA CITY 1956 & 1965

International
Polar air crossroads of the world

CITY OF ANCHORAGE ALASKA

CITY OF ANCHORAGE NOV. 23, 1920

POST OFFICE BOX 400
ANCHORAGE, ALASKA
99510

April 19, 1972

Colonel Arthur H. Hughes
Commanding Officer
Elmendorf A. F. Base
Alaska 99506

Dear Colonel Hughes:

I am enclosing copies of my letters of April 19, 1972 to the Chairmen of the House and Senate Local Government Committees of the Alaska Legislature. These letters transmit Resolution 32-R-72 of the City of Anchorage which readopts Resolution 68-R-70 passed in December 1970.

The purpose of passage of Resolution 32-R-72 is to clarify the fact that the City's original intent in regard to Elmendorf Air Force Base and Fort Richardson remains unchanged although the current method of annexation will be through legislative enactment rather than the procedure prescribed through the Local Boundary Commission. The effect of annexation remains the same regardless of the procedure used. However, to remove any doubt, we have asked Council and they have readopted, in Resolution 32-R-72, the resolution that was worked out between the military and the City of Anchorage in 1970.

If you should have any questions on this matter, please advise me.

Sincerely yours,

Robert E. Sharp
City Manager

RES:AFR
Enclosure

cc: House and Senate Local Government Committee
City Attorney

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Polar air crossroads of the world

CITY OF ANCHORAGE ALASKA

CITY OF ANCHORAGE NOV. 23, 1920

POST OFFICE BOX [illegible]
ANCHORAGE, ALASKA
99510

April 19, 1972

Colonel John T. Turner
Commanding Officer
Fort Richardson, Alaska 99505

Dear Colonel Turner:

I am enclosing copies of my letters of April 19, 1972 to the Chairmen of the House and Senate Local Government Committees of the Alaska Legislature. These letters transmit Resolution 32-R-72 of the City of Anchorage which readopts Resolution 68-R-70 passed in December 1970.

The purpose of passage of Resolution 32-R-72 is to clarify the fact that the City's original intent in regard to Elmendorf Air Force Base and Fort Richardson remains unchanged although the current method of annexation will be through legislative enactment rather than the procedure prescribed through the Local Boundary Commission. The effect of annexation remains the same regardless of the procedure used. However, to remove any doubt, we have asked Council and they have readopted, in Resolution 32-R-72, the resolution that was worked out between the military and the City of Anchorage in 1970.

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Sincerely yours,

Robert E. Sharp
City Manager

RES:AFR
Enclosure

cc: House and Senate Local Government Committees
City Attorney

RCA

S, INC.

JUNEAU, ALASKA 99801

1121 MW 6 AM 8 27

STATE BOW

ANCHORAGE ALASKA 5

GEO MIKE MILLER

JUN

RESPECTIVELY REQUEST YOUR SUPPORT IN HOUSE VOTES AND

VOTE OUT OF COMMITTEE

HILDA WATSON CITY COUNCIL MAYOR.

file

LB 635 Ry

TELEGRAM

PCA

JUNEAU

1972 APR 11 PM 6 29

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ANCHORAGE ALASKA 11 410P AST

REP MIKE MILLER

JUN 0770

REQUEST JOINT HEARINGS HOUSE AND SENATE LOCAL GOVERNMENT COMMITTEES ON HOUSE BILL 790 AUTHORIZING ANNEXATION OF ELMENDORF AND FORT RICHARDSON TO THE CITY OF ANCHORAGE SUGGEST AFTERNOON OR EVENING OF APRIL 17 1972 MAYOR CITY ANAGER CITY ATTORNEY AND OTHER CITY ADMINISTRATIVE STAFF WILL PLAN TO PRESENT TESTIMONY ALSO REQUEST STATE ADMINISTRATION BE INVITED TO TESTIFY AT SAME TIME PLEASE ADVISE

ROBERT E SHARP CITY MANAGER CITY OF ANCHORAGE

790 17 1972

(18).

SUBJECT NO. 789-1037

TO Mrs M.

7207

Dlw

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

May 2, 1972

Byron I. Mallott, Director
Local Affairs Agency
Pouch AB
Juneau, Alaska 99801

Re: Military Bases - Inclusion in Boroughs

Dear Mr. Mallott:

You have asked for our opinion on the affect of repeal of section 3(d) of chapter 52, SLA 1963. The question arises in connection with HB 790 and HB 791 which provide for annexation of Fort Richardson and Elmendorf AFB to the City and Borough of Anchorage. Section 3 (d) provides that enumerated military bases are excluded from the boroughs established by chapter 52, SLA 1963 until such time as the bases lose their military status.

In particular, you ask whether the repeal would cause all of the named bases automatically to become part of the boroughs in which they are located or whether repeal would simply remove the prohibition against inclusion in the borough. Under the latter interpretation, the base areas would remain unorganized until such time as the Boundary Commission specifically included them in the boroughs.

In our opinion, repeal of section 3(d) alone, without other legislative action, would automatically make the bases part of the surrounding boroughs. Section 3(d) is a specific exception to section 3(a) which incorporates eight boroughs within eight designated election districts. Removal of the exclusion would simply leave the boroughs as described in section 3(a) without any special treatment for military areas.

In our view, changes to the boundaries of the original boroughs do not affect this result. The possibility of boundary changes by Boundary Commission action is always present with respect to any borough. A boundary change does not affect the basic identity of the boroughs created under section 3(a).

As summarized in 82 CJS Statutes, Section 384 p. 901:

> An amended Act is ordinarily to be construed as if the original statute had been repealed, and a new and independent Act in the amended form had been adopted in its stead; or, as frequently stated by the courts, as far as any action after the adoption of the amendment is concerned, as if the statute had been originally enacted in its amended form.

Accordingly, we believe that if the intent of the legislature is to permit immediate annexation of Fort Richardson and Elmendorf Air Force Base to the City and Borough of Anchorage, but not to include other bases in their respective boroughs, only subsections 2 and 3 of section 3(d) 52 SLA, 1963 should be repealed.

To make the legal effect of the repeal clear beyond doubt, we also suggest the following amendment to section 3(a)(4) of chapter 52, SLA 1963:

(4) Anchorage Election District #8, <u>including Fort Richardson Army Base (base proper) and Elmendorf Air Force Base (base proper)</u>.

Sincerely,

JOHN E. HAVELOCK
ATTORNEY GENERAL

By: Richard W. Garnett III

Richard W. Garnett III
Assistant Attorney General

RWG:fw

Mike

Cons (Ellis):

1. Parochial
2. Political "balance" (Campbell vote)
3.
4. Loss of BTY funds
5. Staff-5 stars to further [illegible]

Local Parks:

1. [illegible] to stand [illegible] per [illegible]

UNITED STATES of America,
Plaintiff,
v.
CITY OF BELLEVUE, NEBRASKA,
et al., Defendants.
Civ. No. C3267.

United States District Court,
D. Nebraska.
Nov. 2, 1971.

Action by United States to enjoin enforcement of a city ordinance purporting to annex Offutt Air Force Base and Capehart Housing Area, both of which consisted of lands owned by the United States. The District Court, Richard E. Robinson, Chief Judge, held that the purported annexation was invalid as a matter of Nebraska law because undertaken solely for revenue purposes and that in any event the interests of the United States in providing for the national security without interference by individual states or their political subdivisions, outweighed any interests of the city of Bellevue, Nebraska, in acquiring the territory encompassed by the base and the housing area.

Permanent injunctive relief granted.

1. United States ⇐3
United States exercises exclusive legislative jurisdiction over that portion of real estate known as Offutt Air Force Base. U.S.C.A.Const. art. 1, § 8, cl. 17.

2. United States ⇐3
City of Bellevue, Nebraska had power and authority to annex both air force base, over which United States exercised exclusive legislative jurisdiction, and housing area which, although owned by United States, remained subject to legislative jurisdiction of state of Nebraska, and such power included power to tax and regulate in both areas to extent permitted by Congress. U.S.C.A.Const. art. 1, § 8, cl. 17.

3. Courts ⇐260.1
Where basic principles of Nebraska's law of annexation were well established, and court discerned no "special circumstance" calling for application of abstention doctrine, court would not, in proceeding by United States for injunction, abstain from determining legality of annexation of lands owned by United States. U.S.C.A.Const. art. 1, § 8, cl. 17; R.R.S.Neb.1943, §§ 16-117 to 16-121.

4. Municipal Corporations ⇐33(9)
United States had no standing to contest validity of city's annexation of alleged agricultural lands which United States did not own and in which it had no interest, though, but for such annexation, lands of United States would not be lands contiguous to city, subject to annexation as such. R.R.S.Neb.1943, § 16-117.

5. Municipal Corporations ⇐29(3)
That city's annexation of lands owned by United States allegedly constituted "patent gerrymandering" did not establish invalidity of such annexation. R.R.S.Neb.1943, §§ 16-118 to 16-121.

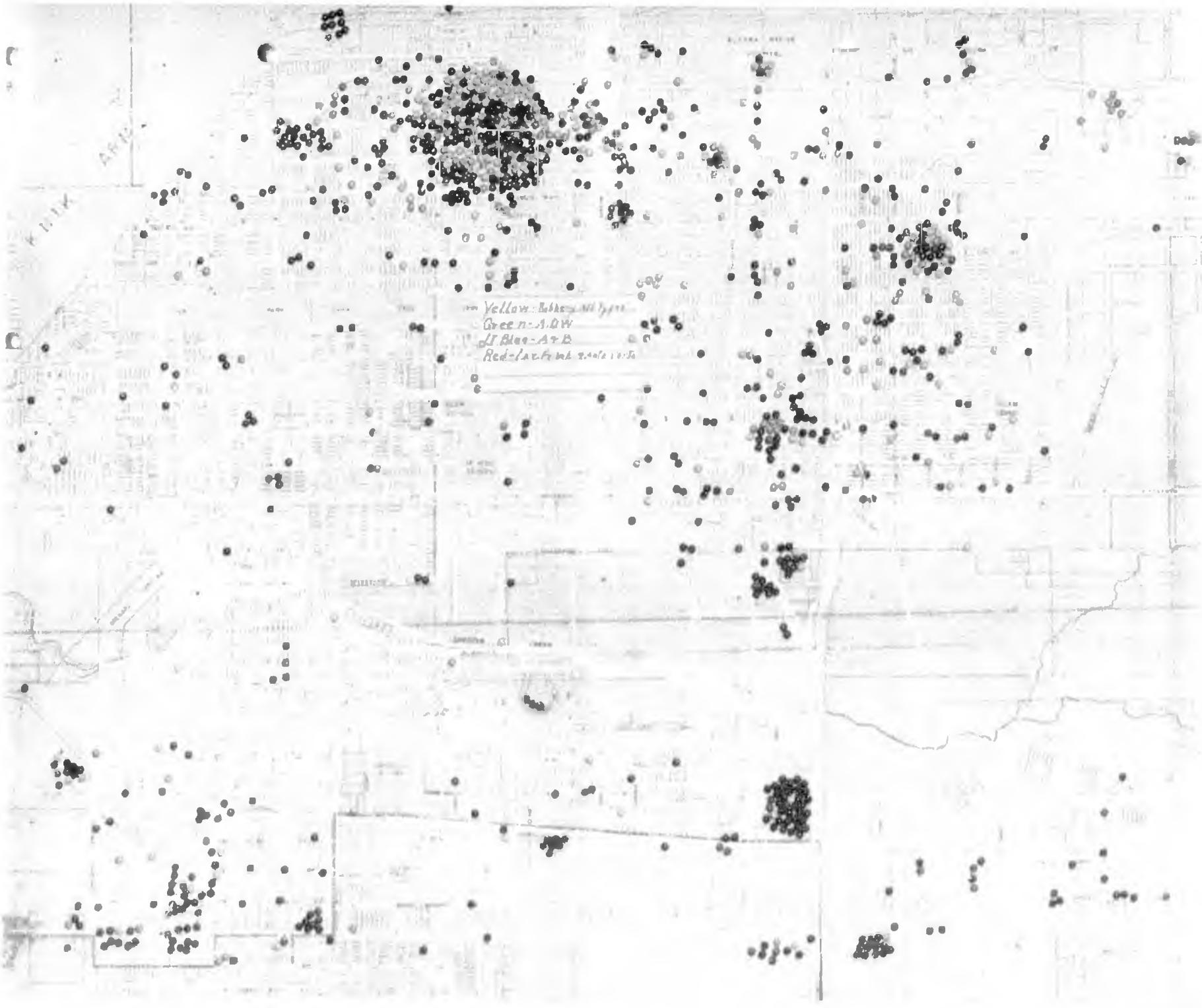
6. Municipal Corporations ⇐33(9)
Where court could not say that it was impossible for city to provide to inhabitants of annexed housing area those benefits required by Nebraska statute to be provided by city within one year after annexation, action contesting annexation on ground of such inability was premature. R.R.S.Neb.1943, § 16-120.

7. Municipal Corporations ⇐29(3)
Where sole purpose of city's ordinance annexing air force base and housing area owned by United States was to increase city's revenue, annexation was invalid under Nebraska law. R.R.S.Neb. 1943, §§ 16-117 to 16-121.

8. United States ⇐3
Interests of United States in providing for national security without interference by individual states or their political subdivisions outweighed any in-

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Red - Lateral zone





Don Berry, ED, AMC
Def } LAA
Dom }
Frank Sharp City Mgr Anch
Col Castle, repr
Armed C
General Buse

Barker
Sue Sum
Nabil
Chance
Collette
~~Babcock~~
~~Ed Bunker~~

Mendes
Rader
Paul Stamos
Brok

Bob Sharp

HR 790 -

HR 7



Lid Clark

drugs

Geo. Sullivan
Mayor

done

207
15

John Spencer, Anchs City Atty
Dee Sullivan - Mayor
Earl Hobschman Deputy Chief of Police Anch.
Sid Clark, Public Works Director, GAHB

STATEMENT OF THE CITY OF ANCHORAGE IN SUPPORT OF THE PASSAGE OF HOUSE BILL NO. 790, RELATING TO THE BOUNDARIES OF THE CITY OF ANCHORAGE AND GREATER ANCHORAGE AREA BOROUGH; AND COMPANION HOUSE BILL NO. 791 RELATING TO EDUCATION POWERS ON MILITARY RESERVATIONS

April 17, 1972

House Bill No. 790 provides for the annexation of all of Elmendorf Air Force Base and Ft. Richardson Military Reservations to the Greater Anchorage Area Borough and a portion of these reservations to the City of Anchorage. Companion House Bill No. 791 would reserve education powers on military reservations to the State unless delegated to local districts by the Alaska Department of Education.

The City of Anchorage, following constitutional and statutory provisions governing annexations petitioned the Local Boundary Commission in 1970 for the annexation of all of the military reservations not currently in the City limits, and certain lands on the northwest shore of Knik Arm. The Commission approved in early 1972 a portion of the petition, which is displayed on a map at this hearing and described in House Bill No. 790, and reserved its decision on the balance of the area contained in the petition. Just before the Commission's decision was to be reported to the Legislature during the first ten days of this session the State Administration asked the Commission to hold up the report so a check could be made on the effect the annexation might have on so-called "P. L. 874" federal school impact funds. The Commission complied with the request and recently the Attorney General issued an opinion on the matter. The Attorney General did not directly address the matter of school funds but indicated legal problems connected with a city being in both an organized borough and an unorganized borough. Since this opinion was issued the State Administration has introduced H. B. Nos. 790 and 791 to clear legal problems the Attorney General discussed in his opinion earlier this

year. Since the legislation proposed will accomplish the annexation of the area to the City of Anchorage that the Commission originally approved, any discussion of differing legal views would serve no purpose at this time.

The City of Anchorage in 1970 had a population of 48,029, according to the U. S. Bureau of Census. Of this total 6,544 resided on Elmendorf Air Force Base. The portion of Elmendorf and Ft. Richardson Military Reservations to be annexed to the City under H. B. No. 790 had a population of 16,769 in 1970. Combined the City/Bases population as of the 1970 census totaled 64,778. The last official estimate of the City on July 1, 1971 was 50,556. No current estimate of the population on Elmendorf and Ft. Richardson has been made, but it is probably slightly lower than 1970. Incidentally, the portion of the City which is part of Elmendorf Air Force Base Military Reservation was part of the original incorporation of the City of Anchorage in 1920, a period of almost 52 years ago.

The City of Anchorage appreciates the economic activity generated by Elmendorf and Ft. Richardson. At the same time these bases have a direct impact on City governmental services and costs. The majority of local revenues are from property taxes and these bases are outside the City's taxing jurisdiction and the federal properties are tax exempt. Federal impact funds, with which the State Administration was properly concerned, are available for only school impact. However, P. L. 874 clearly recognizes the financial impact military and other federal establishments by their tax exempt status have on local and state governments. The annexation of these bases would be advantageous to the City in the receipt of State shared revenues which are computed on a per capita basis. Based on the 1970 census of the area to be annexed, the following tabulation reflects the State shared revenues affected:

Police Protection	@	$10.00	X	16,769	=	$167,690
Fire Protection	@	5.00	X	16,769	=	83,845
Parks & Recreation	@	5.00	X	16,769	=	83,845
Transportation Services	@	5.00	X	16,769	=	83,845
Total						$419,225

We are completely convinced the City of Anchorage is entitled to the increased State shared revenues which would result from this annexation. We will later discuss not only the impact in the State shared revenue areas of service but other governmental services affected by the military establishment.

This is the age of rapid change in technology and defense and diplomatic strategy and other changes which have and can affect every military base in Alaska. Recent announcements reducing Naval forces at Kodiak, Air Force personnel at Wildwood, and Army forces throughout Alaska are clear evidence of the vulnerability of any Alaskan military base to not only reductions in force but deactivation. It is clearly in the State, and local interest, to annex all Alaskan military bases to the nearby cities. It is next to impossible to convert military installations to private use on a timely basis to avoid great economic voids without having a local government immediately available to supply police, fire, street, building, and a host of other governmental services necessary for a civilian community. If annexation and advance planning is done great adverse economic impact can be avoided or minimized in communities adjacent to major military installations. There is no reason why bases being curtailed in strength and adjacent communities cannot cooperate through annexation in the joint utilization of major facilities. Such facilities could include docks, airports, public buildings, recreation areas, and a host of other facilities for which compatible use plans could be mutually agreed upon by the

parties. It is no longer tenable for the federal government to over and under utilize a public facility on the one hand and on the other make federal grants to partially finance the same type facility in the same community. This is particularly true of docks and certain type airports. This is not to suggest the military mission should not remain paramount. It does suggest the possibility of much closer cooperation, joint use of facilities, and cooperative service agreements to permit both the military and civilian communities to better and more economically accomplish their respective missions and responsibilities.

Police protection is one of the most important local government services provided by the City, and the military bases have a great impact on this service and its cost. The City of Anchorage's 1972 budget for Police services (exclusive of Greater Anchorage Area Borough contract services in Spenard Service Area) totals $2,686,550 (plus a pay adjustment not included in original budget) and authorized personnel totaling 153. For a City of 50,000 population both the amount and manpower employed is at least double what a City of comparable size in the other states would be spending unless surrounded by military bases and highly urbanized areas similar to the City of Anchorage situation. The Deputy Chief of Police, Earl Hibpshman, will present detailed testimony which will clearly demonstrate the military impact on all functional areas of the Police Department. After extensive research by Chief Hibpshman and staff officers it is conservatively estimated that departmental costs alone allocatable to military impact will total well over $3[illegible],000 a year. When you consider related expenses of prosecution, court, legislative and general administration the total would be still higher. This total is far in excess of increased State shared revenue which would result from this annexation for police protection.

The Traffic Engineering Department works closely with the Police Department. Chief Hibpshman will display maps showing the main entrances to Elmendorf and Ft. Richardson along with traffic volumes and traffic desire lines. The policing

of the daily movement of thousands of motor vehicles through the City to these bases is only one element of the military impact. Most all of these access routes are near or over capacity. Exhaustive engineering effort has and is going on to try to find the solution to the highway access to these bases. The City is spending thousands of man hours each year in its engineering, public works, property management and other City Administration personnel time working with State and Borough personnel trying to solve this problem. In the meantime, extraordinary street and traffic maintenance efforts are being expended to move the traffic as safely as possible to and from these bases.

The Port of Anchorage had the only dock standing in Southcentral Alaska after the disastrous 1964 Alaska earthquake. The important role played by this facility in the recovery period has continued to be as equally important in providing a regular but vital transportation service at reduced costs to shippers and consumers in particularly Southcentral and Central Alaska. Over 200,000 people benefit from this transportation facility. This relatively new transportation facility is still being developed both physically and financially. Although great progress has been made it is still supported substantially by Anchorage City taxpayers. This facility is of great benefit to the military bases. Sixteen (16) per cent or 300,000 tons of cargo destined for the two military bases crossed the docks in 1971. Landings for 1971 included five large tankers and twenty-eight (28) barges carrying P.O.L. products and seventy-four (74) vessels carrying general cargo. After all port revenues had been expended, the City general fund, largely supported by property taxes, paid $2,094,000 during the period 1967-1971 in principal and interest on General Obligation Bonds issued to build the Port of Anchorage. In 1972 the debt service to be paid from the General Fund will amount to over $400,000. At a time when port revenues are becoming available for transfer to the General Fund the increased cargo requires an outlay of over $15 million in the next few years to add both P.O.L. and general cargo berths and related facilities. The benefit of

this facility is not limited to the military bases but to a much wider area of Alaska, including parts of Central, Northwestern and Southcentral Alaska. The City feels the increased State shared revenues from among the bases is justified. In addition there is justification under the State shared revenue program to include in the calculation the population of the area served by the Port of Anchorage which totals some 200,000 people.

This figure is broken down as follows:*

Greater Anchorage	123,631
Matanuska-Susitna	6,425
Fairbanks (two census districts)	48,171
Kenai-Cook Inlet	14,053
Kodiak	9,235
Total	201,515

*Source: TAMS Engineering Report, October, 1970.

We would urge this Committee and the Legislature to give serious consideration to amending the State shared revenue program to include all people served in cases of this kind.

Merrill Field is another transportation facility owned and operated by the City which is open to military personnel, and it is used by flying clubs from both bases. However, this usage constitutes an impact of less than five per cent of the over 250,000 or more operations a year.

The City and Elmendorf water systems are interconnected on Government Hill to provide back-up in case of a conflagration in the City or on the base. This intertie was made in the early 1950's. At about the same time a mutual aid fire agreement was entered into and cooperative fire service efforts have continued in the 20 years or more since the initial agreements. The City's Class 3 fire rating adequately demonstrates the excellent water system and Fire Department back-up provided through

the mutual and cooperative agreements mentioned.

The City of Anchorage spends annually over $1.3 million in operations and maintenance of its Department of Parks and Recreation facilities and programs and almost $0.5 million on capital improvements. These facilities and programs are open to everyone, and they are used by everyone in the entire Greater Anchorage Area. The enclosed copy of the 1972 Spring-Summer program exemplifies this program which is so important to living in this area. It will be noted that most facilities and activities are free, and when charges are made they are nominal and normally designed to recover part of the direct out-of-pocket type costs normally recovered in this manner. Total revenues are insignificant compared with the budget.

Until this year, the City was the only agency in the area with a comprehensive Parks and Recreation program open to the general public. This is the reason the City's budget is almost double per capita for a City of this size. Records are not maintained of all visitors or participants. However, department supervisors thoroughly familiar with the facilities' use and recreation program estimate an over-all military impact of ten (10) per cent, with team sports ranging up to thirty (30) per cent. The military are very much a part of the civilian community.

Demand on the Parks and Recreation facilities continue to mount each year. The City will consider this year on funding another long-range capital improvement program. A bond proposition of substantial amount will probably be placed before the voters at the General Municipal Election in October of this year since the prior authorization has been used.

The impact of military bases on contiguous or adjacent cities has been recognized. The federal school impact funds is an example already cited. A number of states, including California and Washington as examples, recognize the impact and have authorized or permitted annexation of military bases so state shared programs of these cities could be increased to at least partially offset the impact on local property taxes. The City of Anchorage feels the Alaska Legislature should

adopt a similar policy. Therefore, we urge the prompt passage of H.B. No. 790 and the companion education measure, H.B. No. 791.

SWIMMING
(Summer)



WEST HIGH POOL

Instruction 9 am - 12 Noon
Recreation Swim 1-10 pm

ADMISSION

Children(under 18)	$ .50
Adults	1.00
Instruction(10 lessons)	5.00

* * *

GOOSE LAKE

Recreation Swim 11 am-8 pm
Admission Free

GOLF
RUSSIAN JACK SPRINGS PARK

9 Holes -- Astroturf Tees and Greens



Playing Hours - 7 am-10 pm
For information concerning Green Fees, contact Parks and Recreation Office 274-2525 or the Golf Course 333-9595.

SEASON TICKETS AVAILABLE

GREENHOUSE
RUSSIAN JACK SPRINGS PARK

Open Daily	8 am-4 pm
Open Weekends	8 am-4 pm

ANCHORAGE
HISTORICAL AND FINE ARTS MUSEUM

Permanent exhibits of archaeological, ethnological and historical materials illustrate the prehistoric, Russian and American periods in Alaska, and historic and contemporary native art. Temporary art exhibitions change monthly.

Summer Exhibitions-1972
June - Festival of Native Arts
July - Contemporary Sioux Indian Painting
August - Alaska's Vanishing Totems

Summer Hours(Memorial Day to Labor Day)

Tuesday thru Saturday:	9 am-8 pm
Sunday:	1 pm-5 pm
Monday:	Closed

CITY OF ANCHORAGE
PARKS AND RECREATION DEPARTMENT

STATEMENT OF MISSION: To fulfill the basic need of the community for Park and Open Space lands in accordance with City Council established standards, the Parks and Recreation Department is charged with the responsibility to plan, acquire, develop, improve and maintain such land. Contingent upon these five responsibilities is the added obligation of administering a comprehensive, diversified, all-age, year around program of active and passive recreational activities.

HISTORY: The City Council, in 1948, established an Improvement District encompassing the entire City and an Advisory Board of Parks and Playgrounds. The first operations under the direction of this Board were conducted by a single Playground Supervisor. Further action by the City Council in 1953 created a Parks and Recreation Advisory Board and a Parks and Recreation Department, then comprised of only the Director and one other employee. From this nucleus has grown the present system encompassing over 1,400 acres valued at approximately $35.8 million and operated by over 100 permanent and temporary employees plus a varying number of enrollees from several Federal Manpower Programs.

OPEN INVITATION: The Parks are yours to enjoy; with your considerate use they will become even more beautiful for future generations. Participate in the activities presented, as they are for your recreation and the enrichment of the Anchorage way of life.

B. W. Creighton, Director
Parks and Recreation Dept.

CITY OF ANCHORAGE NOV. 23, 1920

Invitation to Leisure

Spring - Summer
1972

CITY OF ANCHORAGE PARKS & RECREATION

SUMMER PLAYGROUND PROGRAMS

Theme: "American Heritage"
June 13, 1972 to August 11, 1972. The following locations will have supervised recreation for youngsters ages 6 through 12, Monday through Friday:

10 a.m. to 12 noon - 1 p.m. to 4 p.m.

Airport Heights School
2765 East 16th Avenue



Fairview School
1327 Nelchina Street

Inlet View School
1219 N Street

Rogers Park School
1400 E. Northern Lights Blvd.

Mt. View Recreation Center
Peterkin and Price Streets

Turnagain School
3500 W. Northern Lights Blvd.

Williwaw School
712 South Bragaw Street

1 p.m. to 5 p.m. only

Government Hill Recreation Center
Loop Road and Harvard Drive

Central Recreation Center
10th and E Streets

TEEN CENTERS

Youth entering junior high or older are welcome to attend a teen center at the following locations Monday through Friday. Dances are held at various times and Centers.

2 p.m. to 5 p.m. and 6 p.m. to 10 p.m.

Wendler Junior High School
2905 Lake Otis Parkway

Clark Junior High School
150 South Bragaw Street

Romig Junior High School
3600 Minnesota Drive

6 p.m. to 10 p.m. only

Government Hill Recreation Center
Loop Road and Harvard Drive

Central Recreation Center
10th and E Streets

Tues-Sat 3 p.m. to 11 p.m., Closed Sun & Mon.

Community Center
6th and G Streets (Basement)

SPECIAL PROGRAMS

"Concerts In The Park"
9th & O St (Delaney Park)

Wednesday, June 7, 8-9 p.m.
U. S. Army Alaska Band and
Alaskan Air Command Band

Wednesday, June 14, 8-9 p.m.
Alaskan Air Command Band

Wednesday, June 21, 8-9 p.m.
U. S. Army Alaska Band

Wednesday, June 28, 8-9 p.m.
Alaskan Air Command Band

Wednesday, July 5, 8-9 p.m.
U. S. Army Alaska Band

Wednesday, July 12, 8-9 p.m.
Alaskan Air Command Band

Wednesday, July 19, 8-9 p.m
U. S. Army Alaska Band

Wednesday, July 26. 8-9 p.m.
Alaskan Air Command Band

Wednesday, August 2, 8-9 p.m.
U. S. Army Alaska Band

Wednesday, August 9, 8-9 p.m.
Alaskan Air Command Band

Wednesday, August 16, 7:30 - 9 p.m.
"Grand Finale" - U. S. Army Alaska Band &
Alaskan Air Command Band.

Second Annual Children's Parade. Wednesday, August 9, 6:30 p.m. Theme: "American Heritage". Open to all children. Call Parks & Recreation Department 274-2525 Ext. 365 for information.

Baton Twirling: Classes to be scheduled. Call Susan Shrieve, 865-3152 or Lyla Bonney, 272-3970 for information.

Art Classes: Instruction in charcoal, polymer acrylics, oil and pastel. Call Robert Hayes, 344-6408 for information.

Tap Dancing: Call Susan Shrieve, 865-3152 for information.

Adult and Teen Ballroom Dance: Call Jerry Neerin, 279-2224 for information.

Guitar Lessons: Call Mary Wagner, 277-6804 or Wayne Mason, 272-2892 for information

SUMMER ATHLETICS

BASEBALL

Anchorage Baseball Club, Inc. - Glacier Pilots
Mulcahy Park, 16th and Cordova Street
June 1, to July 15. For schedule and ticket prices call 274-3627.

Boy's Club - American Legion - Sports Complex Diamond #1, Monday through Friday.

Boy's Club - Babe Ruth - Lake Otis Parkway, 9th & B Street, Sports Complex Diamonds #3 and #4, Monday - Friday, June 1 through summer.

Little League - 16th & E Street, Nichols, Tikishla and Lynary, Monday through Friday, May through July.

SOFTBALL

May 15, through summer at Delaney Park.
Women's Fastpitch - Diamond #1 (9th & C) Mon-Fri
Women's Slowpitch - Diamond #1 (9th & C) Mon-Fri
Men's Fastpitch - Diamond #2 (9th & E) Mon-Thur
Men's Slowpitch - Diamond #3 (9th & F) Mon-Fri
Men's Slowpitch - Diamond #4 (9th & G) Mon-Fri
Men's Slowpitch - Diamond #5 (9th & H) Mon-Fri
Men's Slowpitch - Diamond #2, Sports Complex Monday - Friday

SOCCER

Anchorage Soccer Association, May 15 through Summer
Delaney Park (9th & L) Tues-Thurs.
Anchorage Stadium (16th & Cordova St.) Mon-Fri
Buttress Area (3rd & B) Junior Soccer, Mon-Fri

TENNIS

Municipal Courts - 9th & C, Sports Complex, Goose Lake and Lynary Parks. Lessons to be scheduled. Call Parks & Recreation office 274-2525, Ext. 365 for information.

GYMNASIUM

Community Center, 6th and G Street.
Monday through Friday, 8 a.m. to 11 p.m.
Saturdays, 1 p.m. to 11 p.m.
Sunday - Closed.

The Parks and Recreation Department cooperates with many organizations to aid in presenting and coordinating an all-age diversified program for the citizens of Anchorage.

Statement by Earl W. Hibpshman
Deputy Chief
Anchorage Police Department

IN SUPPORT OF HOUSE BILL 790 - ANNEXING PORTIONS OF ELEMENDORF AIR FORCE BASE AND FORT RICHARDSON MILITARY RESERVATION TO THE CITY OF ANCHORAGE

Date of Hearing - April 17,1972

The Anchorage Police Department's authorized strength is one hundred,thirty-four (134) personel. The following is an outline of our manpower distribution within our organization:

Administration	Three (3) Officers One (1) Secretary One (1) Clerk
Jail	One (1) Officer One (1) Warden Six (6) Jailers Five (5) Matrons
Records & Communications	Six point five (6.5) Officers Two (2) I D Technicians Eight (8) Record Clerks Fifteen (15) Communication Clerks
Traffic	Ten (10) Officers Six (6) Meter Maids
Training & Community Relations	Two (2) Officers
Patrol	Forty-two point five (42.5) Officers
Juvenile	Three (3) Officers
Investigators	Fifteen (15) Officers
Service Section	Four (4) Warrent Officers Two (2) Clerks

In addition to the above, the City of Anchorage contracts with the Greater Anchorage Borough to supply Police services for the Spenard Service District, which lies adjacent to the city on the south. The Spenard Service area operating budget is $706,740, and the function is manned by thirty-two (32) Officers.

The percentages which are delt with in this document are only those of the City of Anchorage and do not reflect percentages of the Spenard Contract Budget.

In preparing this document, I have personally directed research to be done and have contacted the various Field Commanders reference to the needed material.

The Anchorage Police Department is charged with the enforcement of Federal, state, and local statutes within the corporate limits. At this time the military does not furnish twon patrols for the city.

The Anchorage Police Department furnishes information and assistance to the military as requested; but the control of military, off base, is the responsibility of the Anchorage Police Department.

Th military bases are situated very close to the city, and in the case of Elemendorf, the city and base have a common boundary. Two of the main roads leading from the base lead directly into the central business district and the distances are short. The distance from Elemendorf Government Hill into the central business district is 1.6 miles and the distance from the Post Road route into the central business district is 2.3 miles.

The central business district of the city is attractive to many of the young men from both military bases. Located here are the shops and bars and businesses that attract them. Many of these young men, as young men everywhere, seek pleasure and excitement.

Wherever there are concentrations of men there is also a concentration of those elements of society who seek to peddle their wares or take all they can from the men.

Patrol Commanders estimate that on week nights, thirty (30) per cent of the persons in the central business district are military, on a regular weekend night, fifty (50) per cent are military and on a weekend following a military payday, as high as eighty (80) per cent are military.

This central business district is by far the highest crime rate area of the city, and certainly the high concentration of military personel is a major contribution factor. This is not to say that the soldiers and airmen are committing all of this crime. To the contrary, on many occasions they are victims of crimes: however, regardless of who is the victim or the perpatrator, this area demands a great concentration of Police equipment and manpower.

Primarily, two of the Patrol shifts are affected and these are the afternoon and night shifts. The standard Patrol assignment breakdown allots two (2) uniform Patrol vehicles primarily to the central business district area, and one footpatrol to the central business district. On payday weekend nights, one additional footpatrol is assigned. In addition to the Patrolmen, the shift supervisor watches this area as often as possible. This is not the only place where military go, but it is by far, the greatest concentration. When we compare this concentrated effort with other military related contacts throughout the city, we estimate that fifteen (15) per cent of our uniformed Patrol function is military related.

The military men also comprise the highest percentage of those who are the contacts with prostitutes and they, therefore, are the most frequent victim of assaults and rollings committed by those persons. A recent study was made to determine the percentage of military involved in those incidents. This study shows that thirty (30) per cent of these incidents involve military personel.

In the area of drugs, there is no way to determine what percent of military use some type of drugs. There are estimates that the percentage run somewhere near ten (10) per cent, and this estimate is by investigations working in the field. Another factor is that of those using drugs most are obtaining them from contacts within the city and most of these contacts are made in the city. Therefore, the Police drug effort is determined at ten (10) per cent of the function.

In the area of Police contacts with citizens, research shows that the Anchorage Police make personal contacts on the average of one hundred (100) persons per day, of which twenty-nine (29) are military related. Contacts with persons are only part of the Police function, so this does not mean that twenty-nine (29) per cent of the work is military. It only means that that portion of the work dealing with personal contact is found to be twenty-nine (29) per cent. This, when the Record Section is considered, constitutes an estimated fifteen (15) per cent of the Records function.

When we consider jail costs, we arrive at the figure by finding the percentage of total arrests which are known to be military. This examination shows that 5.9 per cent of those arrested are military.

It is estimated that fifteen (15) per cent of the communications costs is military related.

Another support section is training and community relations, where again, the percentage is estimated at fifteen per cent (15).

In the area of Police investigations, our research reveals fifteen (15) per cent of the overall function is directly related to military personel, either as subjects who have committed crimes, or as victims or witnesses of crimes.

Another area of Police concentration and cost is that dealing with moving and nonmoving traffic violations. A review of our records shows about ten (10) per cent of the total number are military. Figuring at ten (10) per cent of the total citations, we determined that during 1971, there were 15,600 nonmoving violations and 1,034 moving violations given to military personel. In researching the records of the traffic section, we found that nine point five (9.5) per cent of the DWI, accidents and traffic incidents, in these categories involved military personal.

The Juvenile Section costs is the most difficult to estimate. The percentage of military-juvenile dependent cases is estimated to be very small, at around two (2) per cent of the total. However, serious problems do frequently arrive because runaway or missing juvenile civilian females are frequently in contact with or assisted by military personel. It is only roughly estimated that the military contributes about five (5) per cent of the juvenile section functions.

The Warrant Section is that function dealing with service of traffic warrants, subpoenas and summonses, on those persons who fail to appear relating to traffic violations. It is estimated that ten (10) per cent of these documents are directed toward military.

The Administrative time costs which can be contributed to the military is estimated at ten (10) per cent.

The combined Police Department costs only as related in this document amounts annually to $306,306.

The Anchorage Police Department does now, and has always had, excellent relations with the offices of the Provost Marshalls, Service Police and Investigative Units, and Military Intelligence, on the local military bases. The primary problems arise from young men being away from home. Some of these commit crime and many become the victims of crimes. This, in turn, generates a major Police function.

Cost tabulations are furnished on a separate sheet for your consideration.

Earl W. Hibpshman
Deputy Chief
Anchorage Police Department

EWH/nla

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HB

802

HB 802

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

OFFICE OF THE GOVERNOR

RURAL DEVELOPMENT AGENCY / POUCH A — JUNEAU 99801

March 24, 1972

The Honorable Mike Miller
House of Representatives
Pouch V
Capitol Building
Juneau, Alaska 99801

Dear Representative Miller:

This office has summarized for the first time the total 14-year history of the Rural Development Agency grant program.

We have broken down the state-wide totals into the five recognized geographical areas in which we have field offices. I hope this will be convenient for you to review the grant history of rural communities in your district.

The following resume is intended to acquaint you with our funding procedures as outlined under AS 44.19.610 and in using our policy guidelines to administer grants.

Grants are made to communities with village or fourth-class status under 2,500 populations or cities of a higher class under 2,000 population. A single annual grant cannot exceed $10,000 and the average is $6,000. Preference is given to low-income communities with an inadequate tax base that cannot fund their own small public works projects, nor obtain them from other sources.

We prefer the proposed project to be of a community-development nature that we hope will foster and encourage the learning process in the smaller communities to become more astute in local government and become more acquainted with other agency programs.

In most communities that have received RDA grants, we are the single source of funding for whatever local improvements have been made. Small community halls, boardwalks, garbage pits, sanitary land fills, some small airstrips, boat landing facilities, improvements to simple community-owned electrical distribution systems, and sawmill operations are but a few of the examples of programs funded.

Labor grants have been made for digging drainage ditches, bank or beach erosion control, to help construct facilities where materials may have been supplied by another agency, and for projects such as sawmill operation training.

Grants are made upon receipt of application from the community if the project appears feasible and if we have available funds. From 1972 fiscal year funds of $339,500, 62 grants have been made to date and the balance is nearly exhausted. Most applications were funded this year.

A different picture appears evident for this next fiscal year. We anticipate 150 to 200 applications from communities and less than half of these can be given grants in the $5,000 to $6,000 range. This program is becoming increasingly popular and there has been a substantial increase of community awareness of the program.

This is not a make-work program, nor is it designed to perpetuate itself. We who work with it feel that it is a most viable operation and is the only source of public works-grant funds for most of Alaska's small communities.

A total of $3,739,439.89 has been provided for 185 community grantees in 887 separate grants since Fiscal Year 1959. We serve a rural population of approximately 75,000, or one-fourth the State's total population. This total amount is less than today's costs of 50 miles of new gravel roads or a small airport, yet the impact has been significant.

In addition to the RDA grant program, we administer three separate Neighborhood Youth Corps contracts (OEO funded) through the United States Department of Labor and an adult work-experience program called Operation Mainstream with the same funding source.

Last summer 2,200 youth and adults received work-experience training through our federally funded programs, and more than 500 adults worked on RDA grant projects. All of these combined programs have a very limited amount of hours per person and for the adults, earnings serve to supplement other seasonal income.

As this is but a brief narrative, I hope you will seek us out for additional information if you have any questions. We are enthusiastic and see a great potential in the future of rural Alaska. Development will become more noticeable and more significant when land claims funds become available.

Sincerely,

Don Perkins

Don Perkins
Director

March 3, 1972

S O U T H E A S T

Grantees Name	Number of Grants	Population	Amount
Hoonah	10	748	$81,216.00
Hydaburg	13	214	75,000.00
Angoon	11	205	69,700.00
Kake	9	448	66,337.70
Craig	8	272	60,075.00
Klawock	8	213	58,500.00
Saxman	8	135	53,500.00
Yakutat	10	190	53,390.00
Klukwan	11	103	44,869.89
Port Chilkoot	8	220	40,500.00
Metlakatla	6	1,050	38,560.00
Wrangell	4	2,029	31,000.00
Petersburg	3	2.042	21,000.00
Baranof	2	under 25	11,163.22
Tenekee Springs	4	86	8,000.00
Kasaan	2	30	5,500.00
Haines	1	463	5,000.00
Elfin Cove	1	49	5,000.00
Pelican	1	133	5,000.00
19	120		$733,311.81

Total Number of Grantees 19

Number of Grants 120

Current Eligible rural population 7,100

Total Amount of Grants $733,311.81

Average Single Grant $6,110

Amount per Capita $79

N O R T H W E S T E R N

Grantees Name	Number of Grants	Population	Amount
Stebbins	8	231	$49,088.00
Kiana	10	278	48,472.17
Kivilina	10	188	39,307.20
Kotzebue	9	1696	37,130.00
St. Michael	8	207	35,890.88
Wainwright	7	315	34,000.00
Point Hope	9	386	33,570.00
Shishmaref	9	267	33,074.00
Nootak	7	293	29,460.00
Savoonga	7	364	29,200.00
Shaktoolik	10	151	28,614.20
Barrow	3	2104	28,000.00
Gambell	6	372	27,450.00
Elim	10	174	26,668.80
Wales	9	131	25,600.00
Golovin	8	117	25,302.36
Anaktuvuk	6	99	24,420.00
Selawik	7	429	23,400.00
Brevig Mission	8	123	23,207.00
Noorvik	7	462	23,120.00
Unalakleet	5	434	20,836.00
Koyuk	8	122	18,025.60
Teller	6	220	17,921.00
Nome	2	2488	17,000.00
Deering	8	85	16,380.00
White Mountain	7	87	15,692.00
Buckland	7	104	15,230.00
Ambler	7	169	15,227.62
King Island	1	(Nome)	10,000.00
Little Diomede	3	84	9,500.00
Shungnak	2	215	4,885.00
31	214		$785,672.33

Total Number of Grantees 31
Number of Grants 214

Current Eligible Rural Population 10,358

Total Amount of Grants $785,672.33

Average Grant $3,671

Amount Per Capita $75

S O U T H C E N T R A L

Grantees Name	Number of Grants	Population	Amount
Cordova	5	1,164	$38,500.00
English Bay	11	58	37,740.00
Port Graham	6	107	25,500.00
Copper Center	4	206	22,524.30
Unalaska	4	336	22,000.00
Old Harbor	3	290	20,076.00
Ouzinkie	4	160	19,000.00
Tatitlek	3	111	17,500.00
Karluk	4	98	16,971.23
Atka	5	88	16,176.00
Tyonek	4	232	16,000.00
Whittier	2	130	13,000.00
Larsen Bay	3	109	12,946.50
Ahkiok	3	115	10,724.00
Kodiak (59-60)	1	3,798	10,000.00
Palmer	1	1,140	10,000.00
Willow	2	38	10,000.00
Mentasta	4	68	9,740.00
Port Lions	3	227	9,500.00
Goose Creek	1	No Census	7,500.00
Chenega	2	Moved to Tatitlek	7,000.00
Wasilla	2	300	7,000.00
Chistochina	2	33	6,500.00
Ivanof Bay	1	48	6,500.00
Kenney Lake	2	No Census	6,234.00
Seldovia	1	437	5,250.00
Akutan	1	101	5,000.00
Butte	1	448	5,000.00
Eklutna	2	25	5,000.00
Perryville	2	94	4,264.00
Cantwell	2	62	3,500.00
Chignik Lake	1	117	3,500.00
Belkofski	1	59	2,500.00
Chignik	1	83	1,500.00
Chignik Lagoon	1	Unavailable	1,500.00
Knik	1	Unavailable	1,500.00
Sutton	3	76	10,200.00
37	99		$426,846.03

Total Number of Grantees 37

Number of Grants 99

Current Eligible Population 32,000

Total Amount of Grants $426,846.03

Average Grant $4,311

Amount Per Capita $13

C E N T R A L

Grantees Name	Number of Grants	Population	Amount
Fort Yukon	9	440	$55,000.00
Nulato	7	308	34,000.00
Minto	7	168	32,112.00
Nenana	4	362	30,500.00
Galena	5	302	30,416.00
Venetie	7	112	29,836.00
Northway	5	40	26,742.00
Tanacross	5	84	26,480.00
Koyukuk	6	124	26,184.00
Kaltag	8	206	23,214.50
Tanana	4	406	20,700.00
Chalkyitsik	6	130	20,551.20
Allakaket	6	174	20,497.60
Tetlin	8	114	19,920.00
Arctic Village	5	85	17,350.00
Stevens Village	3	74	16,800.16
Tok	4	214	14,000.00
Ruby	3	145	10,500.00
Beaver	3	101	6,250.00
Eagle Village	2	Under 25	5,500.00
Birch Creek	1	Under 25	5,000.00
Huslia	1	159	5,000.00
Dot Lake	1	42	4,000.00
Eagle City	1	36	3,000.00
Canyon Village	3	Under 25	2,800.00
Rampart	2	36	2,200.00
Kaktovik	1	123	1,000.00
27	117		$489,553.46

Total Number of Grantees 27

Number of Grants 117

Current Rural Eligible Population 8,700

Total Amount of Grants $489,553.46

Average Size Grant $8,766

Amount Per Capita $55

W E S T E R N

Grantees Name	Number of Grants	Population	Amount
Dillingham	7	914	$46,800.00
Bethel	7	2416	43,940.00
Fortuna Ledge	10	175	38,324.25
Holy Cross	6	199	37,000.00
Chevak	7	387	33,610.00
St. Mary's	5	384	32,800.00
Koleganik	7	142	30,798.00
Kwethluk	6	406	30,500.00
Ekwok	9	103	30,296.00
Nondolton	7	184	30,264.00
Kotlik	6	228	30,204.00
Anvik	8	83	29,172.00
Pedro's Point	5	70	28,676.80
Mountain Village	6	419	28,440.00
Clark's Point	7	95	28,183.02
Hooper Bay	8	490	27,534.00
Quinhogok	7	340	26,280.00
Manokotak	8	214	26,000.00
Shageluk	6	167	25,704.00
New Stuyahok	6	216	25,096.00
Toksook Bay	7	257	24,570.00
Russian Mission	6	146	22,800.00
Tuntutuliak	7	158	21,428.20
Akiachak	5	312	21,236.00
Napakiak	6	270	20,000.00
Napaskiak	6	259	20,000.00
Grayling	4	139	18,952.00
Goodnews Bay	8	Not Available	18,522.80
Nikolai	6	112	18,250.00
Aniak	3	205	18,000.00
Kongiganek	2	190	18,000.00
Tununak	6	274	17,921.00
Emmonak	5	439	17,563.00
Akiak	4	171	17,560.00
Tuluksak	5	195	17,480.00
Pilot Station	4	290	17,264.00
Kipnuk	5	325	16,903.50
Egegik	3	118	16,880.00
Aleknagik	3	128	16,864.00
Lower Kalskag	6	183	16,500.00
Kasiglik	4	Not Available	16,272.00
South Naknek	5	154	16,156.80
Nunapitchuk	4	Not Available	16,137.00
Russion Mission	2	120	16,000.00
Kwillingok	5	148	15,500.00

W E S T E R N

Grantees Name	Number of Grants	Population	Amount
Chefornak	6	146	14,135.89
Scammon Bay	6	166	13,600.00
Kokhanok	5	85	13,500.00
Newhalen	5	88	13,264.00
Alakanuk	3	265	13,100.00
Kalskag	5	122	12,500.00
Mekoryuk	5	249	11,420.00
Pedro Bay	6	65	10,892.00
Atonautluak	2	Not Available	10,480.00
Eek	5	186	10,421.00
Akolmuit	1	526	10,000.00
Stony River	2	74	10,000.00
Newtok	3	114	9,500.00
Togiak	3	383	9,264.00
Crooked Creek	3	59	7,836.00
Levelock	3	74	7,440.00
Pilot Point	3	61	7,176.00
Andreafski	1	Not Available	6,528.00
Nightmuit	1	127	5,480.00
Naknek	1	187	5,532.00
Ugashik	3	Under 25	3,966.00
Iguigig	2	36	3,000.00
Chgsenahale	1	80	3,000.00
Port Heiden	1	66	3,000.00
Platinum	1	55	1,500.00
Ekuk	1	51	1,088.00
71	337		$1,304,055.26

Total Number of Grantees 71

Number of Grants 337

Current Eligible Rural Population 18,434

Total Amount of Grants $1,304,055.26

Average Grant $3,869

Amount Per Capita $70

HCR

4

LOCATION	GROSS SQ. FT.	NET SQ. FT.	COST/YR. 20 YR. AMORIZATION & JANITORIAL, HEAT ELEC. ETC.	CAPITAL COST	CURRENT LEASE COSTS/YR.	COST/SQ. FT. TO OWN/YR.	ESTIMATED COST/SQ. FT FOR COMPARABLE RENTAL SPACE/YR.
Juneau							
Records Center	17,951	16,156	114,747	822,035		6.40	6.00
Public Safety & Trans. Bldg.	116,941	96,000	1,081,321	8,246,277		9.25	9.60
Regional Office Bldg.	126,941	104,000	1,379,278	10,188,710		10.00	9.60
[.452]	(57,446)	(47,065)	(551,482)	(4,421,084)			
TOTALS JUNEAU	261,833	216,156	2,575,346	19,257,022	1,051,950		
Anchorage							
**Public Works Maint. Bldg.	19,355	18,000	91,410	618,527		4.72	6.00
**Testing Lab. Bldg.	8,252	7,674	53,705	360,296		6.51	12.00
**Airport Bldg.	61,176	52,000	517,242	4,072,383		8.45	9.60
**Regional Office Bldg.	185,176	154,000	1,583,542	12,525,793		8.55	9.60
**Public Safety/ Mil. Affairs Bldg.	41,667	37,500	316,417	2,346,076		7.59	9.60
**Labor Bldg.	36,978	31,432	322,838	2,584,318		8.73	9.60
[100.0]	(36,973)	(31,432)	(309,924)	(2,480,945)			

LOCATION	GROSS SQ. FT.	NET SQ. FT.	COST/YR. 20 YR. AMORIZATION & JANITORIAL., HEAT ELEC ETC.	CAPITOL COST	CURRENT LEASE COSTS/YR.	COST/SQ. FT. TO OWN/YR.	ESTIMATED COST/SQ. FT. FOR COMPAPABLE RENTAL SPACE/YR.
TOTALS ANCHORAGE	352,604	300,606	2,885,154	22,507,393	1,182,260		
Fairbanks							
Regional Office Bldg.	54,941	45,000	545,895	4,155,369		9.93	10.80
[.183]	(10,089)	(8,264)	(96,176)	(730,015)			
Public Safety Bldg.	10,000	9,000	103,850	817,830		10.38	10.80
TOTALS FAIRBANKS	64,941	54,000	649,745	5,973,199	159,655		
Kenai							
Combined Facility	33,000	21,400	314,606	2,302,185	*61,826	9.53	9.60
[.068]	(2,237)	(1,451)	(20,465)	(150,286)			
Kodiak							
Regional Office Bldg.	18,353	15,600	146,009	1,074,890	31,362	7.96	9.60
[.051]	(945)	(804)	(7,221)	(52,626)			

LOCATION	GROSS SQ. FT.	NET SQ. FT.	COST/YR. 20 YR. AMORIZATION & JANITORIAL, HEAT ELEC. ETC.	CAPITOL COST	CURRENT LEASE COSTS/YR.	COST/SQ. FT. TO OWN/YR.	ESTIMATED COST/SQ. FT. FOR COMPARABLE RENTAL SPACE/YR.
					44,971		
Sitka							
Court & Office Bldg.	27,164	18,200	213,077	1,576,090		7.84	8.40
[.06%]	(1,526)	(1,023)	(11,484)	(84,730)			
Public Safety Main Bldg.	22,750	18,200	177,325	1,311,188		7.79	8.40
Phys. Ed. Bldg.	18,016	16,215	105,593	665,264		5.86	7.20
TOTALS SITKA	67,930	52,615	495,995	3,552,542	44,971		
GRAND TOTAL	798,661	660,377	7,066,855	54,667,231	2,532,024		
			-(996,752)	-(7,919,686)			
			6,070,103	46,747,545			

**Either State or City Land

* Includes Kenai, Homer & Soldotna

[ ] Denote % use of Buildings by Department of Labor

NOTE: Figures shown in ( ) denote Department of Labor space which will be funded by Federal Manpower Administration.

Department of Administration
1/12/72

HJR

59

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
April 6, 1971

Miss Celia M. Hunter
Backwoods Trail,
Fairbanks, Alaska

Dear Celia:

Thanks so much for sending along a copy of your letter to Rep. Dick McVeigh re House Joint Resolution 59. I certainly concur with your comments and appreciate you taking the time to transmit them.

Best personal regards,

Mike Miller, Representative
District Four, (Juneau)

Backwoods Trail, Fairbanks, Ak.
April 2, 1971

Richard McVeigh, Chairman
House State Affairs Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. McVeigh:

RE: House Joint Resolution No. 59
Relating to Federal Highway Trust Funds

I wish to be put on record as favoring passage of this resolution at the earliest opportunity. The federal legislation now before Congress to permit use of Highway Trust Funds for other forms of public transportation other than construction of highways is vital to the improvement of living conditions for millions of American citizens.

The tyranny exercised by the highway builders over the lives of American citizens must be broken. In the early days of automobiles, this legislation restricting use of gasoline taxes for construction of highways may have made sense, but it it is totally anachronistic today. With mounting pollution from private automobiles, with demands for parking space beyond any hope of adequate supply, and with the urgent need for speedy mass transit systems to relieve the congestion of urban area, the restriction of these funds for highway use only is criminal.

Here in Alaska, we have so many varied needs for transportation, with our marine highway system, our bush airfields, and the use of snow machines in many of our bush areas requiring some assistance in maintaining trails between villages for them, we need the greater flexibility of transportation which a liberalizing of the rules governing the Trust Funds would allow.

I urge you to report this resolution out with a "do pass" recommendation, as soon as possible.

Sincerely,

Celia M. Hunter

(Miss) Celia M. Hunter

SB

53

The Constitutional Validity of Preferential Hiring Requirements Under Proposed Alaska State Oil and Gas Leases

Introduction

Residential hiring legislation like Senate Bill No. 53 (Seventh Legislature, First Session, 1971), would be susceptible to constitutional attack on the ground that it violated (1) the privileges and immunities clause of Article IV, (2) the equal protection clause of the 14th Amendment; and (3) interfered with interstate commerce within the meaning of Article I, Section 8. Because a successful constitutional argument on either ground would invalidate the legislation, an analysis of each is offered, first in the context of the preferential hiring requirements of SB No. 53 (1971), then in the context of other preferential hiring proposals.

Section 38.05.177 of SB No. 53 would require the inclusion into every oil and gas lease to which Alaska is a party a provision requiring the hiring of bona fide residents of Alaska at prescribed percentages of the lessee-employer's work force. The preferential hiring requirements would also apply to the lessee's assignees, sublessees, contractors, and any persons doing lease-related work for or in conjunction with the lessee.

Both the equal protection clause of the 14th Amendment and the privileges and immunities clause of Article IV, Section 2 prohibit certain

forms of discrimination by a State. Compared with the 14th Amendment's equal protection clause, the distinctive quality of the privileges and immunities clause is its inapplicability to cases involving discrimination by a State against its own citizens. It does not follow, however, that the 14th Amendment's equal protection clause has no applicability to controversies involving discrimination against citizens of other States. Hence, that provision of the Constitution bears on the problem for discussion. Of the two anti-discrimination constitutional provisions, however, the privileges and immunities clause is more specific, narrower in scope, and more particularly related to the subject of preferential hiring as contemplated by your Legislature.

The Privileges and Immunities Clause

History

The privileges and immunities clause of the Constitution is contained in Article IV, Section 2, which provides in relevant part:

> The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States.

While different theories have supported the purpose of the clause, only one persists today: Since the Slaughter-House Cases in 1873, the clause has been interpreted as forbidding a State to discriminate against citizens of other States and in favor of its own citizens. Slaughter-House Cases, 16 Wall. 36 (1873).[1]

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1. Three other theories concerning the purpose of the clause have lost

In 1947, the primary purpose of the privileges and immunities clause was described by Chief Justice Vinson, speaking for the Court in Toomer v. Witsell, 334 U.S. 385, 395 (1948), as follows:

> The primary purpose of this clause, like the clauses between which it is located--those relating to full faith and credit and to interstate extradition of fugitives from justice--was to help fuse into one Nation a collection of independent, sovereign States. It was designed to insure to a citizen of State A who ventures into State B the same privileges which the citizens of State B enjoy. For protection of such equality the citizen of State A was not to be restricted to the uncertain remedies afforded by diplomatic processes and official retaliation. 'Indeed, without some provision of the kind removing from the citizens of each State the disabilities of alienage in the other States, and giving them equality of privilege with citizens of those States, the Republic would have constituted little more than a league of States; it would not have constituted the Union which now exists.' Paul v. Virginia, 8 Wall. 168, 180 (1868).

Prohibited Discrimination

If all discrimination by a State in favor of its citizens and against citizens of other States were prohibited by the privileges and immunities clause, preferential hiring as proposed by your Legislature would be unconstitutional. Without question, the import of the proposed legislation is discriminatory. But a long line of Supreme Court cases hold that the clause is not an absolute. The question is this, as in all privileges

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their validity with the passage of time. They are: (1) the clause guarantees to citizens of different States equal treatment by Congress, a theory recognized in part by the Dred Scott case, 19 How. 393 (1857), but now obsolete; (2) citizens of each State enjoy all the privileges and immunities enjoyed in any State by its citizens, a view rejected in McKane v. Durston, 153 U.S. 684, 687 (1894); (3) a State must guarantee to a visiting citizen from another State all the privileges and immunities enjoyed by that citizen in his home State, a view rejected in Detroit v. Osborne, 135 U.S. 492, 498-9 (1889).

and immunities clause cases, is whether there is a substantial reason for the discrimination against citizens of other States "beyond the mere fact that they are citizens of other States." Toomer v. Witsell, 334 U.S. 385, 396 (1948).

In Toomer, the test described by Chief Justice Vinson for the Court is as follows:

> /T/he inquiry in each case must be concerned with whether such reasons do exist and whether the degree of discrimination bears a close relation to them. The inquiry must also, of course, be conducted with due regard for the principle that the States should have considerable leeway in analyzing local evils and in prescribing appropriate cures. 334 U.S. at 396.

Applying that test, the Supreme Court has held unconstitutional under the privileges and immunities clause, a State's discriminatory imposition of a fishing license fee of $25.00 for residents and $2,500 for nonresidents; Toomer v. Witsell, supra; a $50 commercial fishing license fee for nonresidents and a $5.00 commercial license fee for residents, Mullaney v. Anderson, 342 U.S 415; the denial to nonresidents of a tax exemption allowed residents of the State, Travis v. Yale & Towne Mfg. Co., 252 U.S. 60 (1920); the taxation of nonresidents for the privilege of selling within the State goods produced in other States, Ward v. Maryland, 12 Wall. 418, 424 (1871). These are some examples of unconstitutional types of extreme discrimination by a State against noncitizens, with no rational basis apart from the fact of noncitizenship in the State imposing the discrimination.

State Natural Resources

When the State has a proprietary interest in tangible natural resources within the State, legislation limiting the depletion of those resources to citizens of the State is sometimes sustained on the theory that the natural resource constitutes a property right held for the use of the State's citizens. First stated in the landmark case of Corfield v. Coryell, 6 Fed., Cas. 546 (1823), the theory has been followed and applied to wild game, Greer v. Connecticut, 161 U.S. 519 (1896), and the running water of a State, Hudson Water Co. v. McCarter, 209 U.S. 349 (1908). While Corfield v. Coryell, supra, was a Circuit Court decision, its rationale was followed in McCready v. Virginia, 94 U.S. 391 (1877), a landmark case often referred to in privileges and immunities clause literature as the "McCready exception to the privilege and immunities clause." In the McCready case, the Supreme Court upheld a Virginia statute which prohibited nonresidents from planting or fishing for oysters in the inland waters of the State, on the theory that the resource was owned by the State.

Toomer v. Witsell, supra, and Mullaney v. Anderson, supra, which arose in Alaska, appear not to follow the McCready doctrine, but are in fact clearly distinguishable for the reason that the State in both cases attempted to impose a discriminatory licensing fee on fishing in the marginal sea, thus introducing into those cases an element of State control over the channels of commerce among the States and accompanying overtones of an unconstitutional interference with interstate commerce. Inasmuch as the proposed pipeline will be constructed entirely within the State of

Alaska, it is not possible to equate the pipeline with free-swimming fish in the marginal waters of a State. From a proprietary standpoint, the State-owned land on which the pipeline will be constructed is clearly an intrastate resource; and there are no overtones here of an unconstitutional interference with interstate commerce insofar as control of the State's proprietary interest is concerned.[2] (This observation should be carefully distinguished from the subject of a possible interference with the interstate travel of potential out-of-state employees seeking work at pipeline construction sites. This is discussed, infra.)

Separate and independently-prepared memoranda by your Honorable State Attorney General[3], and by Avrum M. Gross, Esq. of the Juneau law firm of Faulkner, Banfield, Boochever, and Doogan, for the Alaska Oil & Gas Association[4], comment upon the proprietary-interest theory. Both conclude that the theory is not sufficiently broad to sustain the valid-

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2. The proposed North Slope pipeline will traverse about 130 miles of State land, 640 miles of federal land, and about 30 miles of privately owned land. Letter from Senator Croft to Professor Alleyne, dated November 2, 1971.

   Under Senate Bill No. 294 (Seventh Legislature, Second Session, 1972), the Alaska Leasing Board created by that bill would lease or acquire for pipeline purposes easements on land belonging to the United States, and in turn lease the land so acquired to carriers for pipeline right-of-way. Sec. 38.40.200, SB No. 294 (1972).

3. Opinion letter to Senator Josephson dated April 19, 1971. The Attorney General has apparently taken the opposite position in defending the State Department of Labor in Knutson v. State of Alaska, in the Alaska Superior Court on cross motions for summary judgment. No. 71-2941. Memorandum brief dated October 26, 1971.

4. Opinion letter to Alaska Oil & Gas Association dated April 1, 1971.

ity of the proposed legislation. I am not in agreement with the conclusions reached by both on their respective analyses of the proprietary-interest concept. Your Attorney General's memorandum does not discuss what is perhaps the most compelling reason for concluding that preferential hiring, as proposed by Senate Bill No. 53 of 1971, is not unconstitutional: namely, the separate and distinct theory of a State's power to discriminate between citizens and noncitizens in the terms of a lease of public land.

The Proprietary Interest Rationale

First, on the proprietary interest theory as established by the McCready case, the Attorney General's memorandum appears to recognize the Supreme Court's distinction between state-owned resources within a State and a resource like free-swimming fish located in a State's marginal waters. Yet, the Attorney General concludes, without saying why, that notwithstanding these distinctions, "as presently drafted, Senate Bill 53 would probably be found to be unconstitutional on several grounds." While he mentions "several grounds" of unconstitutionality, his memorandum discusses only the privileges and immunities clause.

The Gross memorandum states that if McCready v. Virginia, 94 U.S. 391 (1877), were still the law, "the statute before the Alaska legislature would clearly be valid." It concludes, however, that McCready is no longer the law, "insofar as it approves State 'ownership' as a valid justification for discrimination." Mr. Gross quotes the following passage from the Toomer decision in support of his conclusion that McCready is no longer the law:

> The whole ownership theory, in fact, is now generally regarded as but a fiction expressive in legal shorthand of the importance to its people that a State have power to preserve and regulate the exploitation of an important resource. And there is no necessary conflict between that vital policy consideration and the constitutional command that the State exercise that power, like its other powers, so as not to discriminate without reason against citizens of other States.

The quoted language does not reject McCready, but regards the "ownership theory" as but another name for a State's power to preserve, regulate, and exploit a natural resource. By citing the ownership theory as a short-hand name for the state power described, the Court, in Toomer, necessarily recognizes the existence of a State's power over, and its ability to discriminate in appropriate cases against, noncitizens in the protection of that resource. The quote from Toomer, in short, is a re-affirmation of the principle that the privileges and immunities clause's restrictions are not absolute.

The discrimination in Toomer was held invalid because of the high degree of discrimination inherent in the imposition of a noncitizens shrimp boat license fee one hundred times greater than the fee for citizens, and the location of the shrimp in the marginal sea as distinguished from the inland waters of the State.

In the paragraph following the portion of the Toomer decision quoted by the Gross memorandum, the Court notes that the McCready exception "should not be expanded to cover this case". Clearly, the refusal to expand a constitutional concept does not mean that the concept has been repudiated. The Gross memorandum almost concedes as much by noting that it is possible to construe Toomer as "still authorizing State restriction

over fully 'owned' property as opposed to areas simply controlled by the State."

I agree with the latter statement, insofar as it relates to property "owned" by the State. Questions concerning mere "control" are not relevant here, inasmuch as the proposed legislation, the Right of Way Leasing Act, SB No. 294 (1972), and the preferential hiring requirements of SB No. 53 (1971), apply only to State-owned land. Ownership necessarily connotes the power to impose some degree of control; and it is the State's right to control through the leasing power that makes Alaska's proprietary interest so strong. But before developing further the relationship between Alaska's interest as owner of the lands in question and Alaska's power to establish through the terms of a lease some form of preferential hiring for Alaska residents, a further comment is in order on the Gross memorandum position that there is no longer a viable distinction between inland and marginal waters in privileges and immunities clause cases.

The Gross memorandum cites one federal district court case in support of the view that there is no longer a viable distinction between inland and marginal waters in cases arising under the privileges and immunities clause. It states (p.4) that in Brown v. Anderson, 202 F. Supp. 96 (Alas., 1962), "/E/he Court specifically rejected an argument that the restriction was valid in the inland waters of the State..."[5] I am un-

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5. The law firm of which Mr. Gross is a member was counsel for the plaintiffs attacking the licensing provision in Brown v. Anderson.

able to follow this reasoning, inasmuch as Brown v. Anderson dealt with the issue of salmon fishing in marginal waters and dealt not at all with salmon fishing in inland waters with no access to the sea. The court stated, probably by way of judicial notice since the fact is so obvious, that "/s7almon are migrating, free-swimming fish which are caught in the marginal seas of Alaska", 202 F. Supp. at 98; and that the "Alaska marginal waters are divided into ten general areas /with7 specific geographical boundaries." /Emphasis added.7 202 F. Supp. at 98. Challenged and held unconstitutional in that case was Chapter 62 of the Alaska Session Laws of 1961, which, among other things, authorized the Alaska Board of Fish and Game "to withdraw from nonresidents the right to take salmon from the marginal seas in certain areas, under certain conditions." /Emphasis added.7 202 F. Supp. at 101. Thus, both the facts and the applicable law in Brown v. Anderson relate solely to fishing in marginal waters. Accordingly, it is not possible to say that the case is inconsistent with McCready.

It is true that the court in Brown v. Anderson read the Toomer decision as abrogating the McCready "ownership" concept. But inasmuch as both Toomer and Brown were marginal-sea cases, the Brown court's comments citing Toomer as overruling McCready can only be regarded as dictum.

For reasons noted above in the comments on the Gross memorandum's analysis of Toomer, I think the dictum is incorrect. Again, Toomer distinguishes but does not overrule McCready. Toomer merely recasts the McCready test in a different semantic mold. It emphasizes the severity of the discrimination in that case and the absence of any compelling reasons,

apart from noncitizenship, to justify the discrimination against nonresident fishermen fishing in marginal waters off the coast of South Carolina. Where, on the other hand, a discriminatory license fee is not flagrantly discriminatory and where, at the same time, the fishing waters in question are not marginal but inland, a discriminatory license fee is valid. See, for this proposition, and for comparison with Brown v. Anderson, the federal district court opinion in American Commuters Association v. Levitt, 279 F. Supp. 40 (S.D.N.Y., 1967), citing and distinguishing Toomer, Mullaney v. Anderson (Alaska fish case), and Brown v. Anderson:

> Plaintiffs do not raise a substantial constitutional question because a nonresident is charged a fee of $5.50 for a noncommercial fishing license...while a resident is charged a fee of $3.25. No showing has been made that the difference in fee is not justified by added enforcement burdens and conservation programs supported by taxes paid by residents...Decisions such as Toomer v. Witsell...Anderson v. Mullaney, 191 F.2d 123... (9th Cir. 1951), aff'd, 342 U.S. 415 (1952)...Brown v. Anderson ...are distinguishable since they dealt with commercial fishing rights involving interstate commerce. [Emphasis added.] American Commuters Association v. Levitt, 279 F. Supp. at 48.

Leasing Power Implications: The Heim-Crane Doctrine

An attempt by Alaska to restrict all hiring by all employers in the State to residents of Alaska, or to require that those employers prefer Alaska citizens in hiring, would undoubtedly be unconstitutional. Truax v. Raich, 239 U.S. 33 (1915), for example, invalidated an Arizona law which effectively excluded aliens from work by requiring employers of five or more persons to hire eighty per cent qualified electors or native-born citizens of the United States. The Supreme Court held that the alien attacking the statute, having been lawfully admitted into the United States

under federal immigration laws, had a federal privilege to enter and abide in "any State in the Union" and to enjoy the equal protection of the laws under the 14th Amendment; that the privilege to enter in and abide in any State carried with it the "right to work for a living in the common occupations of the community." One month later, Heim v. McCall, 239 U.S. 175 (1915), and Crane v. New York, 239 U.S. 195 (1915), companion cases, were decided. At issue was the constitutional validity of Section 14 of the New York Labor Law, a preferential hiring law for public works employment. It provided as follows:

> Preference in employment of persons upon public works.--In the construction of public works by the State or a municipality, or by persons contracting with the state or such municipality, only citizens of the United States shall be employed; and in all cases where laborers are employed on any such public works, preference shall be given citizens of the State of New York. In each contract for the construction of public works a provision shall be inserted, to the effect that, if the provisions of this section are not complied with, the contract shall be void. [Emphasis added.] Laws 1909, ch. 36, Consol. Laws, ch. 31.

The Supreme Court sustained the statute as applied to the hiring of employees for the construction of New York City's subway system. The Court rejected contentions that Section 14 of the New York Labor Law violated the equal protection clause, the privileges and immunities clause, and the due process clause, basing its decision on the State's power to prescribe the conditions upon which it will permit public work to be done on its behalf, or on behalf of its municipalities. 239 U.S. 175, at 192, 193. The legislation was sustained with respect to hiring by a public agency and as applied to private contractors working under public-agency contracts.

Criminal penalties under the same statute were sustained by the Supreme Court in the companion case of Crane v. New York, 239 U.S. 195 (1915), affirming an opinion by Cardoza for the New York Court of Appeals, People v. Crane, 214 N.Y. 154 (1915), where the following statements appear:

> To defeat this law it must therefore be held that the constitution gives to the state a narrower liberty of choice in the expenditure of its own moneys than in the use or distribution of its other resources...214 N.Y. at 162.
>
> There may be forms of employment where efficiency would be promoted by the employment of citizens, and if the statute were restricted to such employments, its validity would not be doubtful...214 N.Y. at 163.
>
> When payment for public works is to be made from public funds, it may prefer in employment its own citizens, since to them the legislature may believe that the first duty is owing...214 N.Y. at 164.

Obviously, if the Heim and Crane doctrines are still valid, they constitute powerful support for preferential hiring statutes. While not "modern" cases, the Heim and Crane decisions have never been overruled.

The kind of competitive leasing arrangements under which the pipeline will be constructed will not require a cash outlay of public funds, as in the usual public works context. State land will be leased. The difference is merely the nature of the asset distributed by the State: cash in return for construction services in one case; land in exchange for the royalty benefits accruing to the State-lessor in the other case.

Truax v. Raich, supra, striking down Arizona's sweeping ban on

alien hiring, is distinguishable. This is graphically illustrated by the fact that Heim and Crane were decided one month after Truax. The lack of similarity between the statutory provision involved in the two cases was apparently so plain to the Court that the Heim and Crane opinions did not deem it necessary to attempt to distinguish or, for that matter, even cite Truax. Clearly, the Truax decision does not stand in the way of your proposed legislation.

In plaintiff's reply memorandum in support of a motion for partial summary judgment, in Knutson v. Alaska, No. 71-2941, Alask. Super. Ct., it is stated that Heim (and by implication Crane), is "no longer very good law." Two 1970 federal district court cases are cited in support of this statement: Gonzales v. Shea, 318 F. Supp. 572, 578, n. 15 (E.D. Wis, 1970), and Leger v. Sailer, 321 F. Supp. 250, 254, n. 10 (E.D. Pa. 1970).

Of course, federal district judges are without power to overrule Supreme Court decisions. Apart from that, Gonzales cites Heim with approval in holding that a Colorado Old Age Pension amendment requiring United States citizenship as a condition for eligibility is not an unconstitutional classification. 318 F. Supp. at 578, n. 15. The Leger decision questions the validity of Crane's holding concerning alien exclusion, but not the extent to which Crane sustains the preferential hiring aspect of the New York Labor Law. 321 F. Supp. at 254.

The school segregation case, Brown v. Board of Education, 347 U.S. 483 (1954), its progeny, as well as Takahashi v. Fish and Game Commission, 334 U.S. 410 (1948), holding unconstitutional a California statute denying

fishing licenses for aliens, and the 1964 Civil Rights Act's prohibitions concerning discrimination because of national origin in federally-assisted programs, 42 U.S.C. § 2000d (1969), may indeed cast doubt upon a State's ability to discriminate against aliens, even on public works projects But public works employment discrimination based on residency within the State is another matter. To that extent, Alaska Statutes, Chapter 10, Section 36.10.050, banning public works employment to non-resident aliens "unless the alien worker has in good faith declared his intention of becoming a citizen..." may be of doubtful validity today. Section 36.10.010, giving preference to Alaska residents on public works projects is, for the reasons developed in this memorandum, not of doubtful constitutional validity.

It is recommended that no distinction be made between aliens and persons not aliens in any preferential hiring legislation adopted by your Legislature.

That the Heim-Crane rationale is still valid as applied to preferential hiring based on place of residency in public works projects is evidenced by a number of factors. State and local legislation restricting public hiring to local residents has been sustained by virtually all courts considering the question. See e.g., Quigley v. Blanchester, 16 Ohio App.2d 104 (1968) (police and firemen), Detroit Police Officers Association v. City of Detroit, 190 N.W.2d 97 (1971) (policemen), Jackson v. Firemen's and Policemen's Civil Service Commission, 466 S.W.2d 414 (1971) (firemen); Marabuto v. Town of Emeryville, 183 C.A.2d 406, 6 Cal. Rptr. 690 (1960) (policemen and firemen); Kennedy v. City of Newark, 29

N.J. 178, 148 A.2d 473 (1959) (all employees); Williams v. Civil Service Commission of the City of Detroit, 383 Mich. 507, 176 N.W.2d 593 (1970) (all employees); Salt Lake City Fire Fighters Local 1645 v. Salt Lake City, 22 Utah 2d 115, 449 P.2d 239 (1969) (all employees).

State, County and Municipal Employees Local 339, AFL-CIO v. City of Highland Park, 363 Mich. 39, 108 N.W.2d 898 (1961), invalidated a public employee residency requirement, but only because the city did not have enough suitable housing available for the 163 employees required to relocate to the city; and compare, Williams v. Civil Service Commission of the City of Detroit, supra, sustaining legislation without that encumbrance. The only case flatly contra is Donnally v. City of Manchester, 274 A.2d 789 (1971), basing the rejecting of a public employee residency requirement on an interference with the right to travel.

The history of the Heim-Crane rationale may be traced to a 1932 Supreme Court decision sustaining a statute forbidding intrastate carriers from using the state highways without permits from a commission prescribing minimum cargo rates and requiring cargo insurance. Stephenson v. Binford, 287 U.S. 251 (1932). The legislation was attacked as an unlawful regulation of private business. Rejecting that contention the Court held:

> It is well established law that the highways of the state are public property; that their primary and preferred use is for private purposes; and that their use for purposes of gain is special and extraordinary, which, generally at least, the legislature may prohibit or condition as it sees fit. 287 U.S. at 264.

The Court drew a parallel between the legislation under review and the legislation sustained in Heim v. McCall:

> The provision...under review is governed by the same principle as that which recognizes the authority of a state to prescribe the conditions upon which it will permit public work to be done on its behalf. 287 U.S. at 275, 276.

While the case is forty years old and not "modern," the absence of extensive citations of its holding is perhaps best explained by the entrenched authority of states to regulate intrastate carriers.

The Contracting Power Analogy

In Perkins v. Lukens Steel Co., 310 U.S. 113, 127 (1940), the Supreme Court sustained the Public Contracts Act of 1936, requiring that all manufacturing or supply contracts with the United States contain a minimum wage stipulation. Against the argument that the statute constituted an illegal interference with the right of private employers to conduct business with the Government, the Court said:

> Like private individuals and businesses, the Government enjoys the unrestricted power to produce its own supplies, to determine those with whom it will deal, and to fix the terms and conditions upon which it will make needed purchases. 310 U.S. at 127.

In support of this statement the Court cited Heim v. McCall, 310 U.S. at 127, n. 15. The Perkins opinion concluded that a minimum wage determination made by the Secretary of Labor pursuant to the Public Contracts Act was not even reviewable in light of the Government's contracting power.

The Perkins' rationale has never been successfully challenged. The parallel between that decision and the validity of SB No. 53 (1971) is placed in clear perspective when the validity of racial quota requirements under federal executive orders is considered.

Federal Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), requires that Government manufacturing and supply contracts, and contracts with federally-assisted employers, contain a clause obligating the contractor, supplier, or federally-assisted employer, to take affirmative action to assure nondiscriminatory employment policies. The Philadelhia Plan, and others like it, implementing the Executive Order, go further and require that the contractor, supplier, or federally-assisted employer take affirmative steps and make a good faith effort to reach a minority hiring goal established by the Area Coordinator for the Office of Federal Contract Compliance. Equal protection and due process attacks directed at the Philadelphia Plan's validity were rejected in Contractors Association of Eastern Pennsylvania v. Shultz, 442 F.2d 159 (3d Cir. 1971), cert. denied, _____ U.S. _____ (1971).

> The Philadelphia Plan is valid Executive action designed to remedy the perceived evil that minority tradesmen have not been included in the labor pool available for the performance of construction projects in which the federal government has a cost and performance interest. The Fifth Amendment does not prohibit such action.[6]
> 442 F.2d at 177.

6. As applied to the construction industry in state government contracts by virtue of federal assistance, the validity of the Executive Order has been sustained. Weiner v. Cuyahoga Community College, 19 Ohio St. 2d 35, 249 N.E.2d 907 (1969), cert. denied, 396 U.S. 1004 (1970), and Ethridge v. Rhodes, 268 F. Supp. 83 (S.D. Ohio 1967).

The perceived evil sought to be eradicated by Alaska through the preferential hiring requirement is its consistently high unemployment rate, perennially one of the highest in the nation. Its power to do so by establishing conditions in a lease which potential lessees are free to accept or reject is at least equal to the federal government's power to reduce the incidence of racial discrimination through its power to establish contract conditions which a potential government contractor is free to accept or reject.

Equal Protection, the Commerce Clause and the "Right to Travel"

Since Shapiro v. Thompson, 394 U.S. 618 (1969), invalidating a state and a District of Columbia one-year waiting period requirement for welfare assistance, a number of cases have invalidated waiting period requirements for other forms of public assistance. See Cole v. Housing Authority of the City of Newport, 435 F.2d 807 (1st Cir. 1970) (one-year waiting period for housing); Vaughan v. Bower, 313 F. Supp. 37 (Ariz., 1970), aff'd 400 U.S. 884 (1971); (one-year wait for mental hospital eligibility); King v. New Rochelle Municipal Housing Authority, 442 F.2d 646, 649 (2d Cir. 1971) (five-year wait for housing); Lane v. McGarry, 320 F. Supp. 562 (N.D.N.Y. 1970); Crapps v. Duval County Hospital Authority, 314 F. Supp. 181 (M.D. Fla. 1970) (one-year wait for free medical care).

All of the above cases dealt with durational residency requirements. The distinctions between a durational requirement and a non-durational residency requirement like that found in S.B. No. 53 (1971), is vital. It is the waiting period requirement that the courts have found unconstitutional.

To emphasize and fully discern the distinction, one need only contemplate a court holding that no state residency requirements need be met in order to qualify for welfare under a state's welfare laws or state unemployment compensation benefits. The result would clearly be fiscal chaos, as United States citizens living in any state could then receive welfare or unemployment compensation payments from any requested state.

SB No. 53 (1971) differs drastically from the types of durational residency requirement laws dealt with in the cases noted above. It does not require a residency period of any duration, but does require residency in the sense of a physical presence in the state with the intent to remain permanently. Specifically, a resident is defined by Sec. 38.05.179 as follows:

> DEFINITIONS. In secs. 176-179 of this chapter
>
> (1) "bona fide resident of Alaska" or "resident" means
>
> (A) a person who has been physically present in the state of Alaska, except for brief intervals, for a period of one year; or
>
> (B) a person who has not been present in the state for a period of one year, except for brief intervals, but shows by all attending circumstances that his intent is to make Alaska his permanent residence and the Department of Labor has certified that the attending circumstances show this intent.

While the issue, to my knowledge, has not yet been dealt with in a square holding by a court, dictum in numerous cases, including Shapiro v. Thompson, supra, suggest that a bona fide

residency requirement is entirely distinguishable from durational residency requirements. For example, in King v. New Rochelle Municipal Housing Authority, supra, the Court concluded:

> In reaching our conclusion (that a five-year durational residency requirement for public housing is invalid) we emphasize that we are here deciding only the validity of a durational residency requirement for admission to public housing. As in Shapiro (v. Thompson), there is no contention here that a state or a local government may not require that applicants for public services be bona fide residents. 442 F.2d at 649.

The "right to travel" argument necessarily encompasses interstate commerce clause considerations, as Edwards v. California, 314 U.S. 160 (1941), decided in striking down a California statute effectively prohibiting indigents from entering the State. Accordingly, the "new" equal protection theories as described in Shapiro v. Thompson, supra, are discussed here under a heading which includes the interstate commerce implications of preferential hiring legislation as typified by SB No. 53 (1971).

The issue of durational residency requirements, as opposed to mere residency requirements, was squarely dealt with by the prestigious First Circuit Court of Appeals in Cole v. Housing Authority of Newport, 435 F. 2d 807 (1970)--albeit by way of dictum. That court stated:

> The answer, we think, lies in the Court's concept of the right to travel. The Court apparently uses "travel" in the sense of migration with intent to settle and abide. See Note, Shapiro v. Thompson: Travel, Welfare and the Constitution, 44 N.Y.U.L. Rev. 989, 1012 (1969). Thus, laws that comparatively disadvantage persons traveling to take advantage of state benefits and then leaving are permissible under Shapiro. For example, the Court suggested that

> residency is a reasonable requirement for eligibility to receive welfare benefits but that the one-year waiting period was unconstitutional. Shapiro, supra at 636, 89 S.Ct. 1322, 22 L.Ed.2d 600. Any residency requirement might be thought to penalize the right to travel if "travel" is used in the sense of movement. A resident of Maine vacationing for a month in New Hampshire might be penalized for traveling if he could not obtain the benefits of a library card in New Hampshire during his vacation. Nevertheless, a residence requirement so "penalizing" that kind of travel is probably permissible under Shapiro.

Footnote eleven at the end of the above quoted paragraph provides:

> We do not think, for example, that Newport is required to convert its public housing into motel facilities for transients. A requirement that persons applying for public housing have a bona fide intent to reside in Newport would be permissible.

CONCLUSION

In my judgment neither the equal protection clause nor the interstate commerce clause should bar the contemplated legislation. As concluded earlier, I think that the privileges and immunities clause of Article IV Section 2 would not bar the contemplated legislation.

Other suggestions going to the form of the legislation, and make-weight arguments concerning a tie-in with equal employment opportunity legislation and general training programs, I should prefer to discuss after talking personally with Senator Croft and other interested legislators. It may be that these matters need only be mentioned as a legislative finding of fact in the preamble to the legislation.

A tax incentive to accomplish the preferential hiring objective,

while constitutionally valid, if not unreasonably discriminatory or confiscatory, would be valid but not as effective, overall, as the lease condition route.

Professor Reginald H. Alleyne, Jr.
UCLA School of Law
Los Angeles, California

February 14, 1972

SB

82

Pouch V,
State Capitol Bldg.
Juneau, Alaska
March 4, 1971

MEMO TO:

Rep. George Hohman,
Chairman,
House Finance Committee

FROM:

Rep. Mike Miller,
Chairman,
House Local Government Committee

I thought it might be useful for you to know why the Local Government Committee had requested a Finance Committee referral for Senate Bill 82. The bill would provide a vehicle by which boroughs (in this case, the Greater Anchorage Borough) could set up transit authority. This being the case, the Committee felt that the boroughs would thus create an additional draw on revenue sharing funds for transportation purposes in areas where no such funds are presently distributed.

Pouch V,
State Capitol
Juneau, Alaska
March 11, 1971

Mrs. Wilda Hudson
President,
Greater Anchorage Area
Borough Assembly
1542 E. 27th Ave.
Anchorage, Alaska 99504

Dear Wilda:

Thanks so much for your letter of March 8th relative to Senate Bill 82, an act related to public transit powers of 1st class cities.

I appreciate very much your thoughts on this bill. However, in as much as it has already passed out of this committee, I am taking the liberty of sending your letter to the Chairman of the next committee of referral - the House Judiciary Committee, Rep. Wm. Moran of Anchorage, Chairman.

Incidentally, I have been meaning to write you to thank you for your very evident interest in the Municipal Code. Your thoughtful suggestions are being considered and we are most appreciative that you took the time to appear and submit them.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

GREATER ANCHORAGE AREA BOROUGH
104 NORTHERN LIGHTS BOULEVARD
ANCHORAGE, ALASKA 99503

March 8, 1971

ASSEMBLY
1542 E. 27th Ave.
Anchorage, Alaska
99504

Honorable Mike Miller, Chairman
Local Government Committee
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Representative Miller;

It is my understanding that SB 82 entitled "An Act relating to the granting of public transit powers to first class cities" has been passed by the Senate and transmitted to the House for consideration.

This is to let you know that I support SB 82 in its present form since it is necessary that Title 29 be amended in order that general law municipalities might have the authority to enter into the public transportation field if they so desire. During the course of the consideration of this bill in the Senate, an amendment was proposed in the Local Government Committee to Title 7, and apparently it reached the Senate floor, that would have given assemblies of second class boroughs the authority to exercise the power of public transportation without placing the question on the ballot for the people to vote upon. This amendment, however, was defeated on the Senate floor and SB 82 passed in its original form.

For the record, when SB 82 is under consideration by your House Local Government Committee, please be advised that I would highly oppose any attempt to circumvent the voter by placing the authority within the hands of the Borough Assembly to exercise the power of public transportation. However, I would like to make it perfectly clear that I do not in any oppose general law municipalities being authorized the power of public transportation under Title 29. It is that I merely oppose any amendment to Title 7 that would place public transportation in any position different than any other power granted under Title 29 which would mean that if the residents of an area have chosen to function under the second class borough concept, then they have every right to have any power placed on the ballot and voted upon.

I would advise you and your Committee that the opinions expressed in this letter are those of myself as an individual assembly member and does not in any way express the opinion of the Greater Anchorage Area Borough Assembly as a whole. SB 82 has never come up for discussion before the Anchorage Borough Assembly. I would appreciate being notified when SB 82 will be before your Committee for your consideration.

Thank you very much.

Sincerely,

Wilda Hudson

Wilda G. Hudson
President
Greater Anchorage Area Borough Assembly

WGH: mc

cc: Representative Eugene Guess, Speaker of the House

SB

101

ALASKA
STATE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

Room 409
State Capitol

INTER-AGENCY ROUTING SLIP

TO: nick miller

ATTN:

REMARKS: FYI

FROM: Rose

DATE:

Alaska MUNICIPAL League

TELEPHONE
586-1325

JUNEAU, ALASKA 99801
210 Admiral Way

RECEIVED
DEC 23 1970
E. G. R. & H.

December 18, 1970

The Honorable Gene Guess, Chairman
Alaska State Legislative Council
Box 1332
Anchorage, Alaska 99501

Dear Gene:

Pursuant to your recent conversation with Mayor George Sullivan, I wish to confim that the Alaska Municipal League does have a draft of a revised municipal code which has been approved by both the boroughs and cities in the League. There are certain revisions which will have to be made to up-date the code in line with certain laws which have been enacted in the last couple of years.

The League now has a committee working on these revisions, and we hope to have the entire draft ready for consideration by January 11 when the Seventh State Legislature convenes. Many hours of work and deliberation have gone into the League-drafted bill and we would certainly appreciate its being given serious consideration before any other bill is introduced. Since our draft has already been accepted by practically all of the boroughs and cities in Alaska, we feel that much of the argument and dissent which have prohibited passage of a new municipal code in the past will be eliminated.

Bill Berrier is Chairman of the League committee drafting the necessary revisions to our bill. I have asked him to write you a more detailed letter explaining what has been done and will be done in the future. You may rest assured that we will cooperate with you in every possible way and will be pleased to testify before the Legislative Council or any committee you designate on the League's draft of a revised municipal code.

We certainly want to thank you for your usual courteous consideration in this matter.

Best wishes for a happy holiday season.

Sincerely,

Don M. Berry
Executive Director

DMB/mm

MEMBER OF THE NATIONAL LEAGUE OF CITIES AND THE NATIONAL ASSOCIATION OF COUNTIES

Alaska MUNICIPAL League

TELEPHONE
586-1325

JUNEAU, ALASKA 99801
210 Admiral Way

December 22, 1970

RECEIVED
DEC 23 1970
E. G. R. & FL

The Honorable Gene Guess, Chairman
Alaska State Legislative Council
Box 1332
Anchorage, Alaska 99501

Dear Gene:

After writing you on December 18, I have been advised that a meeting of the League's committee working on the municipal code will be held in Juneau, January 4th and 5th. It is hoped that the committee will, at that time, be able to put together our final version of the bill for your review.

For your information the members of the committee are Bill Berrier, Juneau; Bill Curtis, Palmer; Jim Nordale, Kenai Peninsula Borough; and Warren Christiansen, Sitka. If you have any suggestions for the group to consider at its Juneau meeting, please let me or any member of the committee know prior to January 4.

Sincerely,

Don M. Berry
Executive Director

DMB/mm

ALASKA
STATE
LEGISLATURE

Superseded #101 by CSSB

SENATE BILL NO. 101

TITLE 29. MUNICIPAL GOVERNMENT

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SB

113

Alaska State Legislature

House of Representatives

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
April 12, 1971

Memorandum: To Whom It May Concern

From: Representative Mike Miller

Representative John Huber has requested that you receive this copy of the proposed Municipal Code with the additional educational amendment.

He has requested if you have any questions or comments that you transmit them immediately. I am hoping to take action on this bill before the end of this week.

Enclosures:

SB 113
CSSB 113
CSHB 208

Please note: This material was mailed to you at the personal expense of Representative John Huber.

REPRESENTATIVE MIKE MILLER

COMMITTEES
CHAIRMAN, LOCAL GOVERNMENT COMMITTEE
MEMBER, RULES AND STATE AFFAIRS COMMITTEE

TO WHOM IT MAY CONCERN:

The following materials were sent to the Fairbanks area at the request of Representative John Huber:

1. Cover letter from Rep. Mike Miller
2. House Local Government Committee Report re education amendments.
3. Copy of CSHB 208
4. Copy of CSSB 113 with 3 comparisons stapled inside
5. Copy of SB 113

These materials were sent to the following persons:

City of Fairbanks

Hon. Julian Rice - Mayor
Mr. Ernie Carter - Councilman
Mr. Wallace F. Burnett - Councilman
Mr. Joseph M. Jackovich - Councilman
Mr. Thosmas Miklautsch - Councilman
Mr. Robt. Parsons - Councilman

Mr. Wallis C. Droz - City Manager
Mr. Ben T. Delahay - City Attorney
Miss Sally Rusnell - City Clerk
Mr. Clifford J. Rogers Jr. - City Treasurer
Mr. Richard Levine - City Engineer
Mr. Robt. Wolting - Finance Director
Mr. James A. Movius - General Manager, MUS

City of North Pole

Mr. J. Wright - Mayor

Fairbanks North Star Borough

Mr. John A. Carlson - Borough Chairman
Mr. John O. Gustafson,- Presiding Officer
Mr. Robt. H. Bettisworth - Assemblyman
Mr. Lynne Carpenter - Assemblyman
Mr. Foye L. Gentry - Assemblyman
Mr. Tom Kouremetis - Assemblyman
Mr. Joseph P. Lawlor - Assemblyman
Mr. Con B. Miller - Assemblyman
Mr. Joe Marshall - Assemblyman

Mr. James Bruce - Borough Attorney
Mr. Kenneth W. Anderson - Borough Clerk
Mr. Earl Wyman - Borough Assessor
Mr. Walter H. Peirce - Borough Engineer
Mr. Donald Gilmer - Borough Planning Director
The Chairman - Fairbanks N. Star Borough Planning & Zoning Commission

addendum:

at Rep. Huber's expense to:

Mr. Thos. Fenton, President
Fairbanks N. Star Borough
School Board
c/o Borough offices

Mr. Robert Claus, Pres. Fairbanks Real Property Taxpayers Assn.
301 Cushman ST.

Mr. Joe Vogler
P.O. Box 7, Fairbanks

Mr. Don Gilbert
c/o Ranch Motel - 22nd Ave. & Cushman ST., Fairbanks

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
April 12, 1971

Honorable John A. Carlson
Chairman,
Fairbanks North Star Borough
P. O. Box 1267,
Fairbanks, Alaska 99701

Dear John:

Representative John Luber has requested that you receive this copy of the proposed Municipal Code with the additional educational amendment.

He has requested if you have any questions or comments that you transmit them immediately. I am hoping to take action on this bill before the end of this week.

Sincerely,

Mike Miller
Chairman,
House Local Government Committee

Enclosures:

SB 113
CSSB 113
CSHB 208

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
April 12, 1971

Mr. Wallis C. Droz
Manager,
City of Fairbanks,
Fairbanks, Alaska 99701

Dear Mr. Droz:

Representative John Huber has requested that you receive this copy of the proposed Municipal Code with the additional educational amendment.

He has requested if you have any questions or comments that you transmit them immediately. I am hoping to take action on this bill before the end of this week.

Sincerely,

Mike Miller
Chairman,
House Local Government Committee

Enclosures:

SB 113
CSSb 113
CSLB 208

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
April 12, 1971

Honorable Julian C. Rice
Mayor,
City of Fairbanks
Fairbanks, Alaska 99701

Dear Mayor Rice:

Representative John Huber has requested that you receive this copy of the proposed Municipal Code with the additional educational amendment.

he has requested if you have any questions or comments that you transmit them immediately. I am hoping to take action on this bill before the end of this week.

Sincerely,

Mike Miller
Chairman,
House Local Government Committee

Enclosures:

SB 113
CSSb 113
CSHB 208

HOUSE JOURNAL

APRIL 12, 1971

HOUSE LOCAL GOVERNMENT COMMITTEE REPORT

ON

COMMITTEE SUBSTITUTE HOUSE BILL NO. 208

House Bill 208 and CSHB 208 are identical in every respect to SB 113 and CSSB 113 respectively. Accordingly, as a committee report, the Local Government committee is submitting three documents: (1) a Foreword and Synopsis of Amendments; (2) a Comparison of CSSB 113 and Existing Municipal Law, and (3) a Comparison of CSSB 113 and SB 113.

In addition, House members should be aware that the Local Government committee met April 10th and unanimously adopted amendments in the educational field which change the substance of the bill as it relates to education and which, also, when incorporated into the total concept of the bill, make the summaries no longer accurate as they affect education.

Briefly, the House Local Government education amendments were designed to preserve the status quo as far as education is concerned in the field of municipal law. Currently, there is court litigation in process which should clarify the position of education and its relationship to home rule and general law municipalities. The amendments virtually remove education from the Municipal Code and place the entire field of education in Title 14 (the education title of state statutes). By removing education from the Code, it is the intent of the committee to maintain the status quo and thus to provide for guidance in this matter from the courts.

Mike Miller, Chairman
House Local Government
Committee

April 19, 1971

Mr. Robert E. Sharp
City Manager
City of Anchorage
P. O. Box 400
Anchorage, Alaska 99501

Dear Bob:

Thank you for your letter concerning CSSB 113.

I have read the memorandum written by the Budget Advisory Commission last year and I am forwarding a copy of your letter to the House Local Government Committee for their consideration.

I plan to discuss the matter with some of the other Anchorage legislators and we will see what we can do about amending the bill.

Thank you for bringing this matter to my attention.

Sincerely,

Gene Guess
Speaker of the House

cc: Rep. Mike Miller

CITY OF ANCHORAGE ALASKA

International
Polar air crossroads of the world

POST OFFICE BOX 400
ANCHORAGE, ALASKA
99501

April 16, 1971

Honorable Gene Guess, Speaker
Alaska House of Representatives

Honorable John Rader, Chairman
Senate Local Government Committee

Gentlemen:

This will confirm my wire today concerning the adverse affect of Section 29.48.190, CSSB 113, on the City of Anchorage.

The matter of changing the City's fiscal year was brought up last fall. At that time the City Council asked the Budget Advisory Commission to study the matter and make a recommendation. A copy of this study, dated November 20, 1970, is enclosed.

It was the unanimous decision of the study group that the City of Anchorage not effect the change to the June 30 fiscal year. The report contains seven reasons in support of continuation of the present January 1-December 31 fiscal year.

There has been no difficulty, insofar as we have been made aware, of the use of the present fiscal year of the City of Anchorage in connection with any Federal or State-shared revenue program.

Again, we urge that CSSB 113 be amended to delete home rule cities from Section 29.48.190.

Sincerely yours,

Robert E. Sharp
City Manager

RES:AFR
Enclosure

cc: Mr. Don Berry, Alaska Municipal League
Honorable Edward A. Merdes

AIRMAIL IS FASTER

M E M O R A N D U M

TO: Mayor and Council DATE: November 20, 1970

FROM: Budget Advisory Commission

SUBJECT: Fiscal Year

Dear Mayor Sullivan:

In response to a recent request of this Commission, Members Johnson and Brighton investigated the consequences of a change to a 30 June fiscal year.

That investigation raised technical questions of sufficient magnitude to warrant opinions by specialists in activities affected by the accounting cycle.

The attached report prepared by John Johnson briefly describes the remarkable concurrence of the panel to the effect that a change to June 30 would not result in a real or potential gain to the City---but would more likely result in significant costs during the changeover.

It was also suggested at that meeting that the proposed unification charter be mute on the cycle, thereby allowing the major components of that government to use their "natural cycle," i.e. City-calendar year, schools-fiscal year, and so forth.

We trust this report by the Commission is sufficient to your present needs.

Very truly yours,

BUDGET ADVISORY COMMISSION

By: H. R. Lee
H. R. Lee, Chairman

cc: Commission Members
Mayor
Council
City Manager
Messrs. Bettig, McKee, Orwoll, Morrison, Surrell, Sherwood and Siddle

Enclosures

HRL:ld

November 18, 1970

TO: Harry Lee, Chairman
Budget Advisory Commission

FROM: John M. Johnson, Member

RE: Whether the City should establish a fiscal year ending June 30th

On November 13, 1970, the members of the City Budget Advisory Commission met at the Captain Cook Hotel and discussed whether or not the City of Anchorage should change from a fiscal calendar year basis to a June 30th basis.

Budget Advisory Commission members present were: Harry Lee, Chairman· members, Dick Smith, Charles Leveige, Desmond Edwards, Everett Brighton, John M. Johnson, and Norman Levesque.

Attending the meeting and participating in the discussion were the following individuals, all of whom have had direct contact with the question:

1.	Robert Sharp	City Manager, City of Anchorage
2.	R. L. Rettig	State Legislator
3.	Pat McKee	Greater Anchorage Area Borough Assessor
4.	Earling Orwoll	Greater Anchorage Area Borough Comptroller
5.	Bob Morrison	Budget Officer, City of Anchorage
6.	Fred Surrell	Public Service Commission
7.	Clyde M. Sherwood	Certified Public Accountant
8.	Jay Siddle	Certified Public Accountant and Greater Anchorage Area Borough Assemblyman

It was the unanimous decision of the group that the City of Anchorage not effect the change to the June 30th fiscal year.

Although the Greater Anchorage Area Borough and the School District are on a fiscal year ending June 30th, the administrative officers of the respective contiguous entities, the Greater Anchorage Area Borough and the City of Anchorage, stated they were experiencing no fiscal difficulties as a result of being on different fiscal periods.

No major arguments were advanced with regard to a change to the June 30th date. On the contrary, strong arguments were made to maintain the present calendar year basis; they were:

1. Fiscal funds for the Capital Improvement Program would experience a year's delay; such loss would be non-recoverable.

2. The acceleration of tax payments during the transition would be detrimental to all.

3. The various governing agencies of municipal utility operations have set forth calendar year reporting, and since utility funds make up the greater part of the City's operations, the change would appear undesirable.

4. There is really no correlation between the receipt of funds from revenue sharing programs and participating funds grants and applicable fiscal periods, and as a consequence, the City is on a modified cash basis in its budgeting programs for such resources.

5. Budget planning and preparation time is at the most ideal time under the present accounting period as springtime budgeting is not the most feasible date for budget preparation because of the seasonal nature of various workloads in the Anchorage areas.

6. The planning and sale of bonding programs likewise appear to be more suited to the existing fiscal period.

7. The commitments of the subdividers, because of their inherent problems, financial and climatical, are better coordinated with the December 31st fiscal year.

Inasmuch as there were no major disadvantages and rather significant advantages to the December 31st fiscal period, we recommend the City continue the calendar year reporting basis.

Very truly yours,

John M. Johnson

City of Anchorage
Budget Advisory Committee

I. Question: Whether the City should establish a fiscal year ending June 30.

A. Legal Opinion: Rendered January 15, 1968 by Karl A. Walter, Jr., City Attorney

The question has been asked as to whether the City may establish a fiscal year other than a calendar year.

The answer to the question is that under Section 6.1 of the City Charter, the Council may establish a fiscal year other than one which coincides with a calendar year.

Section 6.1 of the City Charter provides as follows:

> "The fiscal year of the City shall be as established by the Council, unless otherwise provided by law."

At the present time the City fiscal year is the calendar year. As the City Charter gives the City Council the power to establish the fiscal year, the City may lawfully change and establish a different calendar year from, for example, July 1 to June 30. Although there is no "provision" which definitely established the calendar year as the fiscal year, Section 2-10 of the Code of Ordinanaces in prior City practice does establish the calendar year. Section 2-10 of the Code would, therefore, have to be changed.

In conclusion, there is no legal impediment to the City Council establishing a different City fiscal year other than the calendar year.

April 19, 1971

The Honorable John H. Huber
Alaska State Representative
Alaska State House
Juneau, Alaska 99801

Dear John:

Thank you very much for your letter of April 16 setting forth your concerns with the revised Municipal Code (CS HB 208). I hope I can answer your difficulties as well as you stated them.

1) Sec. 29.48.033 (b), (c), & (d) relating to private garbage collection firms in annexed areas: The joint Local Government Committees felt it was vital to retain existing law on such controversial issues rather than jeopardize the bill. As you know, the language in CS HB 208 regarding garbage was enacted last session. Another bill on the subject has passed the House, but is languishing in the Senate Rules Committee. We felt any change in existing law should go to the floor as separate bills and be decided on their own merits. The garbage provision in CS HB 208 is existing law.

2) Sec. 29.13.100 (18) establishing July 1 to June 30 as the fiscal year in all municipalities: We have been informed many times by reputable fiscal advisors and bond houses that having different fiscal years makes it very difficult to compare spending patterns and financial conditions of various municipalities. This problem may adversely affect the credit ratings of some local governments. In addition, Federal and State officials have problems making statistical comparisons. The greater amount of shared revenues from the State (or Federal) government, the more complex the problems when a locality receives its money halfway through its fiscal year. Finally, and most important now, I have been told that Fairbanks has to keep higher cash balances on hand than it would if the schools (on a July 1 fiscal year) did not have to wait six months or more for property tax revenues.

3) Sec. 29.53.220, providing for enforcement of personal property tax liens: Distraint and sale might not raise the amount of tax due because this is not a true market transaction. The buyer is willing, perhaps, but the seller is not. Besides, if the sale is delayed some time, and this happens, the property may have depreciated.

4) Sec. 29.53.135 allowing the assembly or council to delegate equalization disputes to a board: The case for this provision is that it will save the governing body's time for the most important equalization disputes and that it makes it possible to have a more experienced, longer-serving board to hear complaints. If this does not work, the assembly can always go back to hearing every dispute. The joint committee realizes this method could result in non-elected fficials taking "the heat" for elected councilmen, but the committee felt that the possible expertise developed by a regular committee would be in the public interest. Our decision could be wrong, but we could also end up being right.

5) Sec. 29.48.050 (c) and Sec. 29.48.100 relating to franchises and permits: The bill says the governing body "may" grant franchises (page 65, line 2); clearly, they could refuse one. You feel the locality should have the final word on reasonable terms, conditions, etc., for the use of streets by public utilities. But the utilities can always go to the courts over what is "reasonable". The idea of having the Alaska P.U.C. hear the matter was, hopefully, to avoid this. It would save considerable time and money for both parties. The joint committee felt it is not in the public interest to afford a municipality a veto on such a vital public interest area concerning customers outside the municipality.

Please contact me if you wish to discuss these matters further.

With best wishes, I am,

Cordially yours,

EDWARD A. MERDES

EAM:sb

April 16, 1971

M E M O R A N D U M

TO: Representative Mike Miller

FROM: Greg Machyowsky, Legislative Counsel

SUBJECT: Attached amendments

As requested I've prepared an amendment for CSHB 208 (as amended) setting the regular municipal election date on the first Tuesday in October rather than the Tuesday after the first Monday in November. The amendment is prepared for the Senate. It should be noted that does not affect the present provision of the bill setting the election every two years at the time of the state election, rather only sets that regular election date in October. Thus, if adopted, the amendment would result in local elections in October every two years, followed by state elections the next month, unless municipalities choose by ordinance to provide for local election every year on the first Tuesday of October, as under present law. If regular local elections every two years in the off-year of the state election are intended, then the amendments made on pages 35 and 123 in the attached amendment should read:

> Page 35, line 23: Strike "Tuesday after the first Monday in November every even-numbered year" and substitute "first Tuesday of October every odd-numbered year"
>
> Page 123, lines 24 - 25: Strike "Tuesday following the first Monday in November of even-numbered years" and substitute "first Tuesday of October of odd-numbered years"

As indicated, the bill still leaves the option to local governments to provide for an election every year (or even at longer intervals than every two years).

Senator Mordes hasn't specifically requested a Senate amendment to change election dates, I'm furnishing the amendment to you in accordance with your request yesterday to have the amendment ready.

Another, shorter amendment, is enclosed, also; it would make a few desirable technical improvements and corrections. If other amendments to the bill are adopted in the Senate, I would recommend that the amendments on the enclosed sheet (for pages 17, 25, 65, 73, 106 and 124 of the bill respectively) be also adopted. The first two,

on page 17 are for clarification only (as now worded the lines seem to contemplate an election only in state election years, whereas elections every year at the option of the local government are also intended). The amendment on page 25 corrects an error; the line in the bill (line 28) erroneously stipulates a general law city council election every year. As to this one amendment, the lengthier amendment to change election dates also includes the correction (in effect deleting the phrase "every year" on page 25, line 28).

The amendments following clear up ambiguity in the use of the term "general" election when "regular" election is meant; the ambiguity developed in the process of integrating existing recently enacted statutes on franchise and property disposal elections into the committee substitute bill. Except possibly for the correction on page 25, none of the amendments would appear to me important enough to complicate or delay passage of the code, and if necessary can be recommended as corrections in the revisor's bill next year. (There undoubtedly will be a number of other minor technical matters cropping up in the course of detailed examination of the committee substitute bill as enacted.)

I've also made a minor technical improvement, at page 124, line 17, making clear that incumbents in office at the time the Act takes effect serve until the October expiration date of their terms, and the elections for immediate successors are held in October, notwithstanding the present provisions for November elections.

Encl.

GM:ic

A M E N D M E N T No. 1

IN THE SENATE

TO: CS FOR SENATE BILL NO. 113

Page 17, line 28: Strike "at the time of the general election" and substitute "on the first Tuesday of October"

Page 18, line 1: Strike ", unless provided otherwise by ordinance"

Page 22, line 29: Strike "Tuesday after the first Monday" and substitute: "first Tuesday of October"

Page 23, line 1: Strike "in November"

Page 25, lines 28 - 29: Strike "every year on the Tuesday after the first Monday in November" and substitute "first Tuesday of October"

Page 27, lines 12 - 13: Strike "Tuesday after the first Monday in November" and substitute "first Tuesday of October"

Page 29, line 8: Strike "municipal"

Page 29, line 9: Strike "Tuesday after the first Monday in November" and substitute "first Tuesday of October"

Page 29, lines 22 - 23: Strike "municipal election on the Tuesday following the first Monday in November" and substitute "election held on the first Tuesday of October"

Page 35, line 23: Strike "Tuesday after the first Monday in November" and substitute "first Tuesday of October"

Page 123, line 24: Strike "Tuesday following the first Monday in November" and substitute "first Tuesday of October"

Page 124, lines 18 - 19: Strike "are elected on the date provided before enactment of this title and"

A M E N D M E N T No. 2

IN THE SENATE

TO: CS FOR HOUSE BILL NO. 208 as amended

Page 17, line 27: Strike "an election" and substitute "a regular election"

Page 17, line 28: Strike "at the time of the general election"

Page 25, line 28: Strike "every year"

Page 65, line 15: Delete "general" and substitute "regular"

Page 73, line 12: Delete "general" and substitute "regular"

Page 106, line 19: After "question" insert "at a regular or special election"

Page 124, line 19: After the period add the following new matter: "Insofar as the temporary provisions of this section conflict with other provisions of this Act relating to municipal elections and terms of office, the other provisions of this Act are superseded until the temporary provisions of this section have been fully implemented."

Alaska State Legislature

House of Representatives

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
April 12, 1971

Memorandum: To Whom It May Concern

From: Representative Mike Miller

Representative John Huber has requeste that you receive this copy of the proposed Municipal Code with the additional educational amendment.

He has requested if you have any questions or comments that you transmit them immediately. I am hoping to take action on this bill before the end of this week.

Enclosures:

SB 113
CSSB 113
CSHB 208

Please note: This material was mailed to you at the personal expense of Representative John Huber.

REPRESENTATIVE MIKE MILLER

COMMITTEES
CHAIRMAN, LOCAL GOVERNMENT COMMITTEE
MEMBER, RULES AND STATE AFFAIRS COMMITTEE

Alaska State Legislature

House

JUNEAU ALASKA

Local Government Committee

April 9, 1971

Mr. James A. Anderegg
Director, Division of Environmental Health
State Department of Health and Welfare
Pouch H
Juneau, Alaska 99801

Dear Mr. Anderegg:

Chairman Miller has asked me to inquire about the Department's requirement that all sewer lines be 8" in diameter (Administrative Code, Title 7, Sub-chapter 2, Section 318 (c)). A number of individuals have contacted legislators and quoted engineers as stating that in some situations a 6" pipe was preferable for "volumetric" reasons. As I understand it, the smaller pipe in relation to the water and sewage involved will insure better flushing of the pipe. I am told there is not much cost saving in using a 6" instead of an 8" pipe, but the smaller one can be easier to maintain.

We would appreciate a short note on why 8" pipe is required without exception, and on how this requirement compares with that in some other western states and in projects built under Federal aid.

If this matter can be handled on the phone, please feel free to call me at 5-5290.

Sincerely,

James B. Rhode

James B. Rhode
Administrative Assistant
House Local Government Committee

JBR:jor

Alaska State Legislature

House

JUNEAU ALASKA

Local Government Committee

April 8, 1971

Mr. Robert Sharp, City Manager
City of Anchorage
City Hall
Anchorage, Alaska

Dear Mr. Sharp:

You will be pleased to know that all the points you raised about SB 113 in your wire of March 29 to Chairman Miller were discussed by the Senate and House Local Government Committees in a joint meeting. Most of your recommendations were either adopted (including a provision for city tax zones with "different services or a different level of services" than in the rest of the city) or had been acted on by the committees earlier. With respect to requiring dual majorities for the adoption of areawide powers, Senator Rader announced that he would take a "Committee amendment, by request" to the floor of the Senate.

SSSB 113 is now in the final stages of typing and the hope is to introduce the bill in both Houses tomorrow or Monday.

The chairmen of the Senate and House Local Government Committees have asked me to express their appreciation for your wire and the many other ways in which you have aided in revising the Code.

Sincerely,

James B. Rhode

James B. Rhode
Administrative Assistant to the
House Local Government Committee

March 29, 1971

Miss Gloria Watson
Secretary,
City of Petersburg
P. O. Box 329,
Petersburg, Alaska 99833

Dear Miss Watson:

The committee substitute for the proposed Municipal Code legislation has not yet been firmed up, however, I am enclosing a copy of the proposed Code and the changes we are considering. A final draft will probably be available in about a week. We will certainly see you receive an early copy.

Sincerely,

Mike Miller, Representative
Election District Four, (Juneau)

Enclosures:

1 copy SB 113
1 copy Summary - Proposed Amendments
1 copy Proposed Amendments

CITY OF PETERSBURG

P. O. Box 329 • Petersburg, Alaska 99833 • Phone 772-4425

Office of The
City Manager

March 17, 1971

Honorable Mike Miller
Alaska State Representative
State Capitol Building
Juneau, Alaska 99801

Dear Mr. Miller:

Please send the City of Petersburg a copy of all changes in the new Municipal Code affecting local governments.

Your assistance is greatly appreciated.

Sincerely,

Gloria Watson

Gloria Watson
Secretary

CITY OF PETERSBURG IN THE STATE OF ALASKA
CORPORATE SEAL
APRIL

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-7477
JUNEAU, ALASKA 99801

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HONORABLE MIKE MILLER CHAIRMAN

JUN 2606

IN ADDITION TO ALASKA MUNICIPAL LEAGUE RECOMMENDED AMENDMENTS AND DUAL MAJORITY PROPOSAL PREVIOUSLY SUBMITTED TO YOU,. SUGGEST FOLLOWING AMENDMENTS TO SB 115 BE CONSIDERED BY COMMITTEES: PAGE 11, LINE 1, DELETE WORD "MAY" AND INSERT WORD /EXERCISES." PAGE 13 LINE 27 AND PAGE 56 "BOROUGH" THE WORDS " OR CITY." PAGE 15 LINE 15 AND 25 AFTER WORD "BOROUGH" ADD WORDS "OR CITY." PAGE 47 DELETE ALL OF SUBSECTION (I) IN SEC. 29. 33. PAGE 48 LINE 1, PENALTY CLAUSE SHOULD [illegible] FOR MISDEMEANOR OR AT LEAST [illegible] DAYS. PAGE 56 ADD AFTER SECTION 23 A NEW SEC. 24. [illegible] DIFFERENTIAL PROPERTY TAX RATES. CITIES MAY LEVY DIFFERENTIAL PROPERTY TAX RATES TO REFLECT DIFFERENCES IN [illegible] AND/OR DIFFERENCES IN [illegible] PROVIDED BY [illegible]." PAGE 56 LINE 15, AFTER WORD "CITIES" INSERT WORDS "OR BOROUGHS."

ROLLIN BRANDT CITY MANAGER

6-5463

[illegible] 29.33.405 [illegible] (38).

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

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JUNEAU, ALASKA [illegible]

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TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-7177
JUNEAU, ALASKA 99801

1971 MAR 29 PM 4 21

155 SOUTH SEWARD ST.
JUNEAU, ALASKA 99801

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA

586-3300

March 9, 1971

Mailed
Please research for
our 8 AM meeting
Ed

The Honorable Edward A. Merdes
Alaska State Senate
Pouch "V" State Capitol Building
Juneau, Alaska 99801

Dear Senator Merdes:

Enclosed is my memorandum stating some of the major changes between the provisions of SB 113 and existing municipal law.

Very truly yours,

Billy G. Berrier

Billy G. Berrier
City-Borough Attorney

BGB/llb

Enclosure

155 SOUTH SEWARD ST.
JUNEAU, ALASKA 99801

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA

586-3300

March 8, 1971

MEMORANDUM

SOME MAJOR CHANGES BETWEEN THE PROVISIONS OF SB 113 AND EXISTING MUNICIPAL LAW.

Senate Bill 113, the current version of the revised Municipal Code, is an entire recodification of the laws relating to cities and boroughs now found in Titles 7 and 29. Such a recodification of course has innumerable changes from existing law both in form and in substance. SB 113 is based upon the draft revision of the Municipal Code prepared by the Alaska Municipal League. The instructions of the executive board of the league to the league legislative committee which did the actual work preparation was that this should be primarily a technical revision and should not attempt to solve the substantive problems existing in two areas, that of relations between cities and boroughs, and relations between school and general government. Accordingly the league draft in these areas is identical with existing law.

While it would be virtually impossible to detail the changes that have taken place between this code and existing municipal law certain changes are rather apparent. In the presentation made to the joint meeting of the Senate Local Government Committee and the House Local Government Committee by the Legislative Committee of the Alaska Municipal League certain of the changes were pointed out and discussed. In summary these are:

Possibily the most significant change made is the change from four classes of cities to two classes of cities. Under the new Municipal Code existing first class, second class, and third class cities would each become first class cities and the existing fourth class city would become a second class city. The primary difference in the revision between the first and second class cities is that the first class city has the school function and has the power to assess, levy and collect a general property tax while the fourth class city has neither of these powers. A population limit of 400 persons has been set as the number necessary to become a first class city under this code as in present law. It should be emphasized however, that while the existing first, second, and third classes are consolidated into the proposed first class existing municipalities are not automatically classified as first class municipalities. The reclassification to first class cities occurs only after favorable vote of the residents of the city affected. (Sections 29.08.010 through 29.08.050 and Sections 29.18.010 and 29.18.020)

Home rule limitations are gathered together in one place and listed. This section makes explicit the legislative intention to make only the sections specifically listed as applicable to home rule municipalities so applicable. Additionally the sections themselves contain a specific statement that they are applicable to home rule municipalities. (Section 29.13.100)

Present law provides for transitional assistance upon the creation of a new borough. In this revision such transitional assistance is also made available to cities. (Sections 29.18.180 through 29.18.200)

The procedures for ordinance enactment are smoothed out and the same procedures are made applicable both to boroughs and cities. This does not entail any change in the rights of the public to be heard or in the publication requirements. Essentially the only substantive change in this section is that the requirement has been eliminated that if a substantive change is made after hearing the ordinance must go to another public hearing. The reasoning behind this is that one of the primary purposes of the public hearing is to propose from the public changes which would better the operation of the ordinance. (Section 29.23.060)

The executive power has remained essentially the same except that the veto has been broadened and clarified. In the past there has been a question of whether a veto power could be used for motions and other actions of the assembly. Here it is clearly spelled out that they may be. Additionally a new authority for the line item veto in municipal budgets has been added. This line item veto does not apply to the school budget since the only power the assembly has is to approve or disapprove the total budget. The Chariman or Mayor may only veto that which the assembly has power to enact. (Section 29.23.170)

The city council is changed from what is normally referred to as the council-mayor form of government to the mayor-council form of government. (Section 29.23.200 through 29.23.220)

The article on school boards has been substantially shortened eliminating matters found in Title 14. There are no substantive changes between this section and current law. (Section 29.23.310)

The section on recall has been changed to eliminate the successor running at the same election as the recall election. Under this should the recall be successful a subsequent election is required to elect a successor. (Section 29.28.130 through 29.28.250)

Under current law the borough is charged with assessment and collection of real property taxes. The assessment and collection provision of the code broadens this to include the collection of the use and sales tax. (Section 29.33.030)

There has been considerable smoothing out in the planning, platting and zoning section. There are two significant alterations. One of these is that the planning commission itself may decide on variances subject only to appeal to the board of adjustment instead of the current procedure where all variances no matter how routine must go to the board of adjustment. The second change is that an official map act section has been added. The official map act in effect allows assembly adoption of an official map after hearing which upon adoption prohibits construction in areas designated for streets, parks, water courses and so on for the limited period of one year.

Under the current provisions of acquisition of additional areawide powers it is unclear whether second class cities may acquire additional areawide powers by transfer from the city. This section explicitly allows this. Additionally, this section no longer requires the Local Affaris Agency to pass upon the acquisition of additional areawide powers. In both this and present law additional areawide powers require a vote of the people in the areas involved which is considered to be sufficient. (Section 29.22.250 through 29.22.290)

The acquisition of additional powers and duties in the area outside cities again no longer requires review by the Local Affairs Agency since as in the acquisition areawide powers a favorable vote of the people involved is required. (Section 29.38.010 through 29.38 .050)

An entirely new approach has been taken to delineation of municipal facilities and services. Under existing law the various municipal facilities and services are spelled out in substantial detail in paragraphs applicable to each. Such detail seems to serve no useful purpose. The form involved here is to merely list the powers and to provide for liberal construction of the powers, as is required by the constitution. (Section 29.48.030 and 29.48.100)

The procedure for enactment of ordinances has been simplified and streamlined. As pointed out above this does not change any substantive rights. It does however, by changing the publication requirement for 5 days allow special meetings to be held on the same days that regular meetings would be held on and additionally eliminates the requirement for a new hearing should there be an amendment as to substance for the reasons pointed out above. (Section 29.48.140)

It further sets a fixed fiscal year binding upon general law cities the fiscal year being the July 1 to June 30 fiscal year. (Section 29.48.190)

Under current law emergency disaster powers are applicable only to first class municipalities. Under this code all municipalities regardless of class may exercise emergency disaster powers, the thinking being that should a disaster strike the classification of the city is not a particularly relevant matter. (Section 29.48.270)

This code also follows the constitution in providing that a liberal construction shall be given to powers granted to municipal government. This follows the constitutional provision that "a liberal construction shall be given to the powers of local government units" contained in Section 1 of Article 10. (Sections 29.48.310 through 29.48.330)

The most significant alteration in municipal assessment and taxation is that the existing section providing for taxation of boats and vessels on an optional tonnage basis is omitted. This would mean that boats and vessels would be taxed at full and true value as provided in the section for general property taxes. (Sections 29.53.010 through 29.53.180)

There are several changes concerning the enforcement of tax liens. One change is that the foreclosure list no longer must be presented to the court on the same day of publication. This requirement has created substantial difficulty where the newspaper of publication is not located within the same city as the borough seat or within the city which is foreclosing the taxes. Under current law tax foreclosed property is deeded to the borough. Under this code tax foreclosed property lying within a city is deeded to the city while tax foreclosed property lying within the borough but outside city is deeded to the borough. This code further provides that should property deeded to the city not be needed for public use by the city but needed by public use by the borough the borough may obtain such property and the same of course holds true for property deeded to the borough. This code also provides that should property be taken for public use by any governmental unit upon such taking the amount of taxes owing to the other governmental units will be paid by the governmental unit taking title. (Section 29.53.360 and Section 29.53.385)

Under current law general law municipalities are allowed to levy a sales tax but are not allowed to levy a use tax, under this code both a sales and use tax may be levied. The code requires an election on sales tax but since use tax is a correlative of the sales tax and can only be adopted subsequent to or at a referendum where the sales tax is adopted no separate elections are required for adoption of the use tax. (Section 29.53.410 and Section 29.53.420)

There is now no authority for issuance of tax anticipation notes by general law municipalities. Such notes as a matter of practice, are issued dispite the lack of clear authority. This code clears up the authority by specifically allowing tax anticipation notes. (Sections 29.58.010 through 29.58.040)

Under existing law an election is required to authorize issuance of revenue bonds in general law municipalities. This requirement is deleted in the new code since no general tax obligation is assumed and revenue bonds are generally a management tool for the utility involved. (Section 29.58.205)

Under existing law there are two distinct sections on special assessments each with minor variations and procedures. The major variation was cleaned up last session but still the procedures vary slightly depending upon whether the special assessment is initiated by petition of the people or by ordinance of the governing body. While these distinctions are not substantial it becomes troublesome to determine precisely what procedure should be followed. In both instances the procedures are extremely cumbersome. Under this code the sections on special assessments have been entirely rewritten to provide the same notice and hearing requirements as in existing codes. That is the procedural fairness requirements are retained but much of the unnecessary cumbersomeness is eliminated. Significantly the new code also provides that special assessments may be levied against property owned by the state. The rationale here is that special assessments are based upon special benefits conferred to the assessed property and that should property owned by the state be specially benefited by public improvements which increase the value of state property the state no less than any other property owner should pay for such special benefits. (Section 29.53.010 through 29.63.080)

The liability of a municipality has been limited under this code to the same limitations that currently exist on actionable claims against the state. (Section 29.73.010)

Obviously, any attempted catalogue of the changes in a bill such as this is incomplete and leaves room for discussion as to whether the changes included were particularly significant or whether other areas which may be significant were not included. The really significant change this act makes over existing law is not a change in substance at all; it is a technical change or better yet a series of technical changes which reconcile inconsistent provisions in existing law, modernize the archaic language found throughout Title 29, and provides a more workable and immensely more understandable basic framework for local government. Substantive changes are necessary in many areas. It is our belief that the revised municipal code will not only provide a better framework for existing law but will provide a better framework to which a desirable and necessary substantive changes may be added after individual consideration of each of the changes on its own merits.

Billy L. Brown

Alaska State Legislature

House

JUNEAU ALASKA

TO: Senator Edward Merdes
Representative Mike Miller

DATE: March 22, 1971

FROM: James B. Rhode
AA House Local Government Committee

Enclosed is a list of all the amendments to SB No. 113 that you wished to submit to the Joint Senate and House Local Government Committee. We did not have specific language for some of the amendments when this list was prepared. However, Dennis Cook worded a number of them before he left and Greg Machyowsky is finishing the rest.

A narrative summary of these amendments is being written today. We suggest that this summary be read to, and discussed by, the Joint Committee in preference to going over every change line by line. After the Committee has passed on the changes, a committee substitute can be typed immediately. This procedure would save the time of the Committee and the typists.

Dennis Cook drafted a summary of SB No. 113 and proposed amendments; he covered not only the substantive changes from present law but also noted the sensitive areas where little or no change was made. This summary is being reviewed for final typing today or tomorrow.

JR:kp

Enclosure

STATE OF ALASKA

WILLIAM A. EGAN, Governor

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER / POUCH F — ALASKA OFFICE BUILDING
JUNEAU 99801

March 5, 1971

M E M O R A N D U M

TO: The Honorable John Rader, Chairman
Senate Local Affairs Committee

The Honorable Mike Miller, Chairman
House Local Affairs Committee

FROM: Robert P. Isaac
Assistant to the Commissioner
Department of Education

SUBJECT: Review of Senate Bill 113, Municipal Code

I am herewith transmitting a review of the education provisions in Seante Bill 113. In our opinion the proposed code, if modified as suggested, would meet most of the objections which have been raised.

A small committee of school administrators and school board members would like an opportunity to meet with the respective legislative local affairs committees when hearings are again scheduled to discuss Senate Bill 113 as redrafted.

R. P. I.

RPI:cjb

Attachment

STATE OF ALASKA

WILLIAM A. EGAN, Governor

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER
POUCH F — ALASKA OFFICE BUILDING
JUNEAU 99801

March 5, 1971

MEMORANDUM

TO: The Honorable John Rader, Chairman
Senate Local Affairs Committee

The Honorable Mike Miller, Chairman
House Local Affairs Committee

FROM: Cliff R. Hartman
Commissioner of Education

By: Robert P. Isaac, Assistant to the Commissioner rpi

SUBJECT: Senate Bill 133, Revised Municipal Code in Respect to its Educational Provisions

We have reviewed the revised municipal code in respect to its education provisions, and we are especially concerned over the apparent omission of a specific education provision for school districts co-terminus with home rule municipalities.

A number of district superintendents, school board members, and other persons involved in education have also expressed a similar concern.

Section 29.33.050 pertaining to education is almost identical to a similar provision in the present borough law Title 7, (7.15.030). This section in the proposed revision applies only to the operation of schools in general law cities and boroughs.

Section 29.13.100 specifies the limitations on home rule powers and indicates the sections of the general code which may not be modified by a charter. Significantly, Section 29.13.100 does not include Section 29.33.050, Education, thereby giving a home rule municipality considerable latitude in legislating educational matters. It is our contention that education is a State function and delegated to the municipalities for administration and operation. We do not believe this delegation of the administrative-operational responsibility of schools also implies a delegation of the Legislature's legislative prerogatives.

As you may know, there is a local court case which revolves around this very matter; and while a decision has not yet been reached by the court, case law strongly supports State law as being superior to charter provisions if there is a conflict between the two.

Proponents of the concept that a charter may supercede State law argue that home rule municipalities may legislate on matters of local concern, including education, even though it might mean that charter provisions take an opposite view in respect to the law. They further argue that the Legislature, by placing the municipal education provision in the municipal code, have made education a matter of local concern.

We do not agree with this supposition. We believe that the specific provision in the existing borough code, Section 7.15.030 and its proposed successor, Section 29.13.100 in the revised code, are adopted by reference in Title 14 by Section 14.14.065, thereby defining this section as a general education law.

We do not argue that a municipality does not have a local concern or interest in education; however, we do believe that all municipal districts should be governed by the same basic laws and that a home rule municipality charter should not be in conflict with law.

The Department of Education is charged with the general management and supervision of the public school system and must do so in accordance with State law.

If a municipality also has legislative authority in respect to education, it would mean requiring the Department to adjudicate district education matters not only under State law, but under the provisions of home rule charters. As has happened already, we would foresee school boards requesting clarification and interpretation of law when conflicts arise. In this connection, it is likely a request of this nature would be referred to the Department of Law for an opinion. Whatever direction the opinion might give, the Department of Education is required to follow that direction (unless subsequently changed by court or legislative action). In order to write an opinion, the Department of Law would also have to read the charter and law together to arrive at a conclusion. In our opinion, such a procedure would be chaotic and unworkable and would only lead, ultimately, to greater devisiveness between local municipal governing bodies and school boards.

The Legislature, in accordance with the Constitution, has delineated quite clearly its intent in providing for public education. The following sequence of constitutional and State law provisions indicates how this was accomplished and the application of these provisions to the foregoing discussion:

Constitution: Article VII, Health, Education, and Welfare

> Section 1. Public Education. The Legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions. Schools and institutions so established shall be free from sectarian control. No money shall be paid from public funds for the direct benefit of any religious or other private educational institution.

Title 14:

> Section 14.03.010. Establishment of a School System. There is established in the State a system of public schools to be administered and maintained as provided in this title. (Sec. 1, Ch. 98, SLA 1966)
>
> Section 14.14.065. Relationship Between City School District and City. The relationships between the school board of a city school district and the city council and executive are governed in the same manner as provided in AS 07.15.330 for the school board of a borough school district and the borough assembly and executive. (Sec. 1, Ch. 98, SLA 1966)

By reference, Section 14.14.065 adopts 07.15.330 (29.33.050) and establishes it as general law to be observed by city and borough school districts, whether home rule or not.

Although there might be a number of alternatives, it would appear the most feasible recommendation we could make is to include Section 29.33.050 in the home rule limitations, Section 29.13.100. Such a revision would at least maintain the status quo.

If it is believed Section 29.33.050 is not adequate for both general law and home rule municipalities, we would then recommend the Legislature make such revisions as might be necessary. Our only case in point is that the education provisions should be in law and not in the charter, unless the law is repeated in the charter for convenience.

We would be glad to meet with the committees on this matter at their convenience.

RPI:cjb

Attachment

File: 023.1
023.2
022

Powers Over Education Conferred by Home-Rule Charters

It is the policy of a number of states, through either constitutional provision or statutory enactment, to grant to municipalities what are known as "home-rule charters." The purpose is to make such municipalities self-governing and free from legislative interference with respect to matters of local and internal concern. That is to say, cities having home-rule charters are free to determine their own local affairs and government, subject only to the constitution and to enactments of the legislature of a statewide concern. Frequently, a city in its regulation of its "local affairs" will attempt to exercise control of some educational activity or policy.

The principle is well established that "whenever the provisions of a home-rule charter are in conflict with the constitution or the legislative policy of a state as declared in its statutes, such provision must give way to the latter."[48] And, since education is not a local or municipal affair but an affair of statewide interest governed by constitutional and statutory provisions, a city will not be permitted to extend its control over education by virtue of its home-rule charter.[49] . . . .

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[48] *Board of Education of City of Minneapolis v. Houghton,* 181 Minn. 576, 233 N.W. 834. In the case of a special charter for a particular city, it has been held that the charter provisions are applicable, even though they are in conflict with the general statutes on the subject (*State* ex rel. *Wallen v. Hatch,* 82 Conn. 122, 72 Atl. 575).

[49] *State v. Mayor et al. of City of Milwaukee,* 189 Wis. 84, 206 N.W. 210; *Esberg v. Badaracco,* 202 Calif. 110, 259 Pac. 730; *Lansing v. Board of Education of City and County of San Francisco,* 7 Calif. App. (2d) 211, 45 Pac. (2d) 1021; *McKee v. Edgar,* 137 Calif. App. 462, 30 Pac. (2d) 999; *Garth v. Dominguez,* 1 Calif. (2d) 239, 34 Pac. (2d) 135; *Board of Education of City of Ardmore v. State* ex rel. *Best,* 26 Okla. 366, 109 Pac. 563; *State v. Cummings,* 47 Okla 44, 147 Pac. 161.

CITY OF ANCHORAGE ALASKA

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POST OFFICE BOX 400
ANCHORAGE, ALASKA
99501

March 1, 1971

Mr. Don M. Berry
Executive Director
Alaska Municipal League
210 Admiral Way
Juneau, Alaska 99801

Dear Don:

The Anchorage and Fairbanks City Councils met in Anchorage on February 26, 1971. They discussed Senate Bill 113 and adopted a motion requesting the Alaska Municipal League to seek an amendment to this bill to provide for a dual majority in all elections in second class boroughs involving areawide powers or reclassifications.

During the discussion on this motion, it was stated that the Legislative Committee of the League voted, in Fairbanks last fall, to include a dual majority clause in the League-drafted bill. Perhaps this clause was erroneously omitted from the League-drafted bill.

It is requested that the Alaska Municipal League prepare and submit a proposed amendment to Article 5, Additional Areawide Powers, SB 113, which would require dual majorities on questions of additional areawide powers or reclassification in second class boroughs.

Copies of this letter are being distributed as indicated below.

Sincerely yours,

Robert E. Sharp
City Manager

RES:AFR

cc: Chairman, Senate Local Government Committee, Juneau
Chairman, House Local Government Committee, Juneau
Chairman, AML, Legislative Committee, Palmer
President, AML, Ketchikan
Local Affairs Agency, Office of the Governor, Juneau

AIRMAIL IS EASIER

Alaska MUNICIPAL League

TELEPHONE
[illegible]

[illegible]
JUNEAU, ALASKA [illegible]
210 Admiral Way

File

February 25, 1971

The Honorable Martin B. Moore
Alaska State House of Representatives

Dear Representative Moore:

You have requested that I outline to you the effect which the adoption of SB 113 would have on the present fourth class cities (villages). Simply stated, it would have little effect besides a change of name to second class.

The bill provides that 4th class cities regardless of population would be reclassified as second class cities. Present second and third class cities would be eliminated. Under the new law education would continue a responsibility of the state just as it is now. Property tax would also not be available to the villages.

The bill would increase the scope of other services which the village could provide and would permit the exercise of the power of eminent domain to secure property for public use. It is my understanding that this power is being sought by the villages through a bill introduced by Senator Hensley. The city council is not obliged to perform all of the services listed but may do so as the needs and abilities of the city dictate.

I realize that this letter is brief and perhaps does not adequately meet your needs. For further clarification and assistance I urge you to call upon Mr. Mallott and Mr. Strandberg of the Local Affairs Agency for further detail.

Sincerely,

James D. Nordale, Member
AML Legislative Committeee

cc: Local Affairs Agency
Senator John Rader
Representative Mike Miller

Representative M. Miller

SPECIAL NOTICE

TO: Chairman and members, House Committee on Local Government; and Sen. Clifford Groh

FROM: Sen. Edward Merdes, Chairman, Senate Sub-Committee on Local Government

SUBJECT: SB 113 - Revision of Municipal Code

Public hearings on subject bill have been scheduled for Monday, February 22, 1971, at 7:30 P.M., Tuesday and Wednesday, February 23 and 24, from 2:00 P.M. until 6:00 P.M. All hearings will be held in the Governor's Conference Room.

Attached hereto is a copy of SB 113. I urgently request that you read the bill and make marginal notes to any provision on which you have questions or comments.

Mr. Gregg Machyowsky, an attorney in the Legislative Affairs Agency, specializing in local government and currently a member of the Assembly of the City and Borough of Juneau, has been assigned to both committees as staff advisor and consultant.

Mrs. Wilda Hudson, President of the Greater Anchorage Area Borough Assembly, will be present at the hearings.

February 2, 1971

Wilda Hudson
1542 E. 27th Avenue
Anchorage, Alaska 99501

Dear Wilda:

Thank you for your letter of January 23, 1971 and the proposed amendments to Title 7. I will be getting together with Mike Miller, Chairman of the House Local Government Committee during the next week to review these.

I have also taken the liberty to refer them to Senator John Rader who is Chairman of the Senate Local Government Committee.

Kindest personal regards.

Sincerely,

Gene Guess
Speaker of the House

cc: Mike Miller
Senator John Rader

3/2/71 Anchorage Daily Times

Wilda Hudson Blasts Story On Borough Legislation Plan

Borough Assembly president and city councilwoman Wilda Hudson this morning blasted a story in Tuesday's Anchorage Daily Times concerning proposed legislation which the borough is presenting to the Anchorage legislative delegation.

"The facts don't bear it out at all," Mrs. Hudson said.

The proposed legislation concerning areawide powers to be transferred from city to borough is nothing new, she said.

She said she has been studying the transfer and exercising of areawide powers since 1968, and last year drafted amendments to existing law concerning this which subsequently was presented to the 1970 legislature.

The legislation was presented to the Borough Assembly last year, and also again this year, but so far no action has been taken. It is to be on the agenda again for the meeting Monday night.

Many of the changes are contained in the proposed Municipal Code which was introduced in 1969, she said.

Concerning a second class borough bypassing the first class borough step to home rule, Mrs. Hudson said she feels the second class borough is now stronger than the first class borough, she sees no reason to "go through the cumbersome process to become a first class borough before going to home rule." The Greater Anchorage Area Borough is a second class one.

"My experience has proven this to be a cumbersome method of presenting petitions to the Local Affairs Agency, then hearings by the Boundary Commission, when really we should know in our own area when we want to put something on the ballot."

"This is not a feature dreamed up by the borough administration," she stated, and this is also contained in the proposed Municipal Code.

The ideas are not Borough Chairman John Asplund's, she said, since she drafted the proposals in January 1970. The administration, however, concurs enough with them to put them in the packet sent to legislators, she said.

Mrs. Hudson drafted the proposals to clean up what she called "gray areas" in existing state law.

The law stated that once a first class borough is exercising areawide powers, the city council cannot take it back unless a majority of the council agrees, and she called this procedure "questionable for second class boroughs."

Her amendment, she feels, would clear this up, and would not allow first and second class borough areawide powers to revert back to the original entity.

The state of Alaska is bigger than the city and borough of Anchorage, Mrs. Hudson said. Problems which the local borough is encountering should be taken to the state legislature, so that laws can be passed would benefit other government bodies going through the same process.

"As a responsible and responsive elected representative of the people, it is incumbent upon me to bring them to the attention of the legislature.



WILDA HUDSON
Considerably Upset

1542 East 27th Avenue
Anchorage, Alaska

January 23, 1971

Rep. Mike Miller, Chairman
Local Government Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Rep. Miller:

Enclosed herewith are proposed amendments to the Borough Act, Title 7, that have been drafted by me. A copy of same have been forwarded to Rep. Guess and Rep. Moran.

It would be appreciated if the House Local Government Committee would have an appropriate bill drafted to incorporate these amendments. I have put forth some of my thoughts as to the necessity of these being passed this session to Rep. Guess and Rep. Moran. Perhaps you would like to discuss this matter with them and the reasoning behind why I am submitting same.

Although I am a member of the Anchorage City Council and am President of the Greater Anchorage Area Borough Assembly, these are being submitted by me and not for the City Council or Borough Assembly.

Thank you for your attention in this matter.

Very truly yours,

Wilda Hudson

(MRS.) WALTER HUDSON

WH:s

encl.

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

Wilda Hudson
1/24/70

CONFUSION SURROUNDING ASSUMPTION AND EXERCISING OF POWERS AREAWIDE BY SECOND CLASS BOROUGH UNDER TITLE 7 AS NOW WRITTEN

There is no question but what the people in all good intent voted the Greater Anchorage Area Borough the authority to exercise the sewer power areawide. If tested, it could quite likely prevail that the Borough could assume the exercising of the sewer power areawide without the consent of theCity of Anchorage to transfer same by agreement. However, it has been my position that the whole question of assumption, exercising, and transferring of a power areawide to a second class borough from a home rule city, as now provided by Title 7, is fraught with lack of specific direction, ambiguities, and inequities for home rule city voters and their investment in existing assets. Further, I have felt that it is important that the law be clarified before other powers are voted areawide in order that the community and governments will not have to again experience the problems and emotions that have surrounded the transfer of the sewer power.

This analysis is being done in order to show the flaws and weaknesses of the law as presently written and to show good cause why the proposed amendments are necessary. It is not being done to prove that the Greater Anchorage Area Borough does not, by vote of the people, have the authority to exercise the sewer power areawide. As concerns the sewer power, I have come to the conclusion that the Borough must assume the exercising of the power under Title 7 unclear as it is, unless an agreement is reached in the meantime with the City. After all, we are going into the fourth year with this matter unresolved by attempted transfer agreements by the two governments and the more familiar one becomes with the overall sewer program and problems it becomes increasingly apparent that the entire program must be under the direction of one government, and soon, if the taxpayers of the entire community are to be served effectively and efficiently.

— See page 3 —

PERTINENT SECTIONS OF TITLE 7:

Sec. 07.15.060. Transferred powers. First and second class boroughs shall exercise all powers transferred to them by cities under this chapter.

Sec. 07.15.310. Scope of areawide powers. First and second class boroughs shall exercise the powers specified in sections 310-350 of this chapter on an areawide basis, both within and outside cities of any class within its boundaries. No city of any class, whether home rule or not, within an organized borough, may exercise any areawide power provided in this section or specified in the petition approved by the voters for incorporation once that power is being exercised by an organized borough.

Sec. 07.15.350. Additional areawide powers. First class boroughs acquire additional areawide powers by transfer from a city. Second class boroughs acquire additional areawide powers in the same manner provided by sections 710-800 of this chapter for their acquisition of additional powers to be exercised in the area outside cities only, except that the vote on the question is areawide.

Sec. 07.15.710. Powers of first class borough. ..... Before exercising any of these powers in the area outside cities, the borough shall first seek to have transferred from cities, or propose the joint exercise with cities, those powers which it intends to exercise in the area outside any city.

Sec. 07.15.720. Powers of a second class borough. In addition to other powers granted by this title, the second class borough may exercise only those powers in the area outside cities which are among powers of a city of the first class and either (1) specified in the petition and approved by the voters for incorporation or (2) added as provided by this title. These powers shall be exercised in the manner provided by general law for first class cities except as provided otherwise by this title. Before exercising any of these powers in the area outside cities the borough shall first seek to have transferred from cities,or propose the joint exercise with cities, those powers which it intends to exercise in the area outside any city.

Sec. 07.15.730. through Sec. 07.15.800 sets forth the methods as to how a second class borough brings the question of added powers to a vote.

Sec. 07.15.800(6). Certification. If the majority vote is cast on the question are for addition of power..... The added power or powers go into effect on the day following the date of the certification of their approval by the voters.

Sec. 07.15.910. Transfer by city. A city may transfer to the first or second class borough in which it is located any of its powers or functions subject to the approval of the borough assembly. A city may not revoke the transfer of any power or function to the borough unless the revocation is approved by a majority of its council.

Sec. 07.10.130. Integration of existing special districts and service areas. Special service districts and service areas in the unorganized borough existing at the time of the incorporation of an organized borough and located within the boundaries of the organized borough shall be integrated into the organized borough within two years after the date of the borough's incorporation. An organized borough shall succeed to all of the rights, powers, and duties of any service area and of any school districts and public utility districts included within its boundaries, including, but not limited to, claims, franchises, and other contractual obligations, and liability for bonded and all other indebtedness, and shall succeed to all of the right, title, and interest in the real and personal property held by the service areas or districts. The borough assembly may levy and collect special charges, taxes, or assessments including interest for the purpose of amortizing bonded indebtedness previously incurred by the service area or special district, for continuing services in the area, or for the future indebtedness in the area. When a service area or special district had a previously incurred bonded indebtedness, no less than all property that was within the service area or special district at the time the bonds were issued shall remain subject to taxation to pay the principal of and interest on the bonds for as long as they remain outstanding.

Sec. 07.10.140. Transition. (a) the powers exercised by cities, service areas, and special districts which are succeeded to by an organized borough shall continue to be exercised by them until such time as the borough assumes the powers, which time may not exceed two years after the date of incorporation. Ordinances, rules, resolutions, regulations, procedures, and orders in effect prior to the assumption of these powers by the organized borough remain in effect until superseded by the action of the organized borough.

(b) The borough shall make written notice of its assumption of the powers, duties, and other items enumerated in section 130 of this chapter to the city, service area, or special district concerned prior to the assumption. Borough officials shall consult with the officials of the city, service area, or special district concerned and arrange for an orderly transfer.

(c) After the incorporation of an organized borough, no service area or special district within it may assume new bonded indebtedness, make any contract, or transfer any assets without the consent of the borough assembly.

FOLLOWING COMMENTS AND POINTS WOULD APPEAR PERTINENT TO THE STIUATION:

1. Various sections cited above speak of powers being transferred from or by a city to a first and second class borough. In view of the ambiguities of these sections, could not the question be raised as to whether or not it is meant to be mandatory that the city no longer has the authority to exercise a power but, rather, that by vote of the people the second class borough is given the authority to exercise the power areawide if both the city and borough agree to transfer of same?

2. The intent of the second class borough was that the people would have the say by vote whether or not the borough is to exercise additional powers whether those powers be areawide or outside cities only. The city is part of the borough and the city voter has just as much right to a voice in their second class borough government as the voter outside the city when it comes to adding areawide powers. The law is very clear that before the borough may exercise a power outside cities the people residing outside cities must vote on and approve the addition of the power. On the other hand, various sections of the law state that the city "may transfer to the second class borough" and that the second class borough "shall first seek to have transferred from cities.... those powers which it intends to exercise in the area outside the city." So here you have a situation where the home rule city voter does not have a vote on the matter of a second class borough adding the exercising of a power areawide while the voter outside the city does. This method amounts to a disenfranchisement of the city voter as regards services his second class borough shall render him, unless Sec. 07.15.350 means what it clearly says and that the vote does indeed have to be areawide. If it does mean that the vote must be areawide, why then does the law state, "Before exercising any of these powers in the area outside cities, the borough shall first seek to have transferred from cities.....", if it does not mean that indeed the city must agree to transfer the power after the people have voted the authority for the borough to exercise the power?

NOTE

3. Mr. Richard Gantz, Bond Council for City of Anchorage, in a letter to Mr. Karl Walter, City Attorney, dated March 5, 1968, when rendering an opinion on whether or not the City could legally sell outstanding G.O. bonds authorized in 1963, made these points:

"The City of Anchorage is, therefore, in the position of being a charter city of the first class but situated in a second class borough. If the statute means what it seems clearly to say and if the statute is constitutional, the City of Anchorage will have no further power to exercise the sewer function once the Borough has begun to exercise the sewer power. For the purpose of this opinion, we will assume the constitutionality of Sec. 07.15.310, although a fairly strong constitutional argument could be made if the section means that all of the sewer facilities financed by the taxpayers of the City of Anchorage and built by the City become the property of the Greater Anchorage Area Borough by virtue of an areawide vote granting the Borough the sewer power. Such a result, if not unconstitutional, would certainly be a peculiar one. A first class borough can only obtain areawide powers with the consent of the first class city within its boundaries, while a second class borough can obtain an areawide power without the consent of the first class city. If constitutional, the treatment in the two situations is certainly inconsistent. We, however, do not attempt to pass on the constitutionality of the statute at this time and assume its constitutionality."

"Inasmuch as we have distinguished the existence of an areawide sewer power from the exercise of the areawide sewer power by the Borough, it is appropriate to comment on Sec. 07.15.800(d), which states that the added power or powers go into effect on the day following the date of the certification of their approval by the voters. It is self evident that the immediate exercise of an areawide power by the Borough would be impossible and therefore we think the distinction between the authority to exercise the power and the actual exercise of the power is meaningful. There is at least some analogy to the transitional section which is 07.10.180. That section sepcifically permits cities, service areas,

and special districts to continue to exercise the powers which have been assumed by the Borough until such time as the Borough makes written notice of its assumption of the power."

"In conclusion, it is our opinion that the City of Anchorage may legally issue and sell general obligation sewer bonds as long as it continues to exercise the sewer function and the Borough has not exercised its areawide sewer power in such a way as to assume jurisdiction of the city sewer facilities. .....
We have not passed upon the constitutionality of any part of the Borough Act as provided in the Alaska Statutes, but have assumed this constitutionality for the purposes of this opinion. Naturally, if the provision allowing the second class borough to assume the areawide sewer pwer without the consent of the governing body of the city should be held unconstitutional, the City could continue to operate its own sewer system and incur indebtedness therefor until such time as it voluntarily transferred the sewer function to the Borough."

4. It might well be argued that Sec. 07.15.310 is speaking only to those areawide powers made mandatory by the borough act, or those specified in the petition approved by the voters at the time of incorporation, as no longer being allowed to be exercised by the city once that power is being exercised by the borough and that it is not speaking to additional areawide powers that may be placed on the ballot later.

5. Sections 07.10.130 and 140, which deals strictly with the integration of existing special districts and service areas and transitional provisions of the mandatory powers at the time of incorporation of the borough, are very explicit as to how the transition shall take place and that the borough shall and does have the statutory athority to succeed to all the "rights, powers, and duties..... including, but not limited to claims, franchises, and other contractural obligations, and liability for bonded and all other indebtedness ....."

The law is silent, however, on these matters when an areawide power is voted to the second class borough. Therefore, if it is meant, when additional areawide powers are authorized by vote of the people, that this is a mandate that the second class borough shall have the same authority and scope of areawide power as set forth in sec. 07.15.310 for mandatory powers at time of incorporation, and that cities no longer may exercise or have any say in such added areawide powers, then why did not the law provide for the necessary statutory authority for assumption of such areawide powers by the borough as they did for the integration of special districts? Was it intended that provisions of home rule charter cities would be ignored when an areawide power is granted a second class borough by vote of the people?

This again would seem to point up that a strong argument can be made for the fact that the law might mean that a vote of the people only gives the borough the authority to exercise the power areawide but that both the borough and city must agree upon the transfer of that power from the city. It follows, though, that it certainly is incumbent upon both the borough and city to recognize the wishes of the people by working out a transfer agreement when they have voted an areawide power to a second class borough.

Wilda Hudson
2/16/70

Sec. 07.15.010(7) is amended to read:

Sec. 07.15.010. Powers of first and second class boroughs.

(7) to levy all taxes and special assessments, enforce tax liens, and assess and collect penalties in the manner provided for first class cities. It may levy

(A) areawide taxes for areawide functions, except that when service areas have been established as provided in Sec. 07.15.050(b)(3) taxes may be levied within service areas, if necessary, even though the function is an areawide power;

(B) taxes limited to the area outside cities for functions limited to the area outside cities, except that when service areas have been established as provided in Sec. 07.15.050(b)(3) taxes may be levied within service areas, if necessary, even though the function is an areawide power; and

(C) taxes within service areas for special services limited to the service area;

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EXPLANATION:

(7)(A) - this is to assure that taxes do not have to be uniform throughout the borough for an areawide or non-areawide power as is now argued.

(7)(C) - This places the assembly's authority to levy taxes for services areas under the general powers in order that there will be no doubt that only the assembly has the power to levy taxes. Refer to Sec. 07.15.050(b) - another proposed amendment would repeal this section since it is a partial repeat of 07.15.010(7) as now written. Also, refer to 07.15.050(e) - another proposed amendment would repeal this section and restate it without the last sentence. Refer to note on 07.15.050 amendment.

1/5/71 - As regards taxes not having to be uniform basis throughout the borough for an areawide or non-areawide power, the City of Anchorage brought suit against the Greater Anchorage Area Borough as to the legality of this point. The court ruled in favor of the Borough and differential taxation if leagal even though the Borough has authority to exercise a power areawide. It would seem appropriate that the law be amended to clearly define this.

Wilda Hudson
11/18/70

Sec. 07.15.030(3) is amended to read:

Sec. 07.15.030. Indebtedness.

(3) on a service area basis for functions performed in a service area only; payment of debt principal and interest as well as other costs shall be limited to the service area, except that, subject to the election requirements of AS 07.30.010(b), the full faith and credit of the entire borough may be pledged to guarantee payment of principal and interest. When the full faith and credit of the entire borough is pledged, vote on the question shall require a favorable majority of the votes cast both inside the service area as well as a favorable majority of the entire borough, including cities of any class.

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EXPLANATION:

Considering the number of voters residing a service area vs remainder of a borough, it really is unfair for the service area residents not to have a "veto" power when it is their taxes that will have to pay off the bonded indebtedness.

Wilda Hudson
2/15/70

Sec. 07.15.050 is amended to read:

Sec. 07.15.050. Service areas.

(a) Service areas (TO PROVIDE SPECIAL SERVICES) within a first or second class borough may be established, operated, altered, or abolished by ordinance. Service area boundaries may be overlapping when necessary to provide services as set forth in this section.

(b) (THE ASSEMBLY MAY LEVY OR AUTHORIZE THE LEVYING OF TAXES, CHARGES, OR ASSESSMENTS IN SERVICE AREAS TO FINANCE THE SPECIAL SERVICES. NO SPECIAL ASSESSMENT MAY BE LEVIED EXCEPT AS PROVIDED BY LAW FOR FIRST CLASS CITIES.)

Service areas may be established for the following reasons:

(1) To provide special services to a specific area or to provide for implementation of a specific power based on a given level of service.

(2) To provide services to accomodate differing problems of differing areas as circumstances may dictate.

(3) To provide special service district for differential tax purposes when the borough exercises a power areawide or in the area outside cities only. When the borough exercises the power areawide, service areas as defined in this sub-section may include all or a portion of a city of any class, whether home rule or not.

(c) The Assembly may provide for appointed or elected boards to supervise the furnishing of special services in service areas. Such boards may not be delegated any of the legislative powers of the assembly.

(d) A new service area (MAY) shall not be established if, consistent with purposes of this section, the new service can be provided by an existing service area, or by annexation to a city, or incorporation as a city.

(e) (THE ASSEMBLY MAY DELEGATE ANY POWERS PRESCRIBED BY SEC. 710 OF THIS CHAPTER TO A SERVICE AREA. IN A SECOND CLASS BOROUGH, EACH DELEGATED POWER MUST BE APPROVED BY A MAJORITY OF THE QUALIFIED VOTERS VOTING ON THE QUESTION WHO RESIDE WITHIN THE SERVICE AREA. THE RATE OF TAXATION AND THE ISSUANCE OF BONDS SHALL REMAIN SUBJECT TO THE APPROVAL OF THE ASSEMBLY.)

Within any service area, in addition to other powers granted by this title, (1) in a first class borough the assembly may exercise any power granted a first class city by general law, and (2) in a second class borough such exercise of power must first be approved by a majority of the qualified voters voting on the question who reside within the service area.

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EXPLANATION:

Well, I've finally done it - attempted to put in words the "tool" we've been saying, with much verbage, that the service area can and should be. Besides, this is what we are doing in actual practice now.

(a) This amendment is self-explanatory.

(b) This amendment repeals the sub-section (b) as written since this is now more properly provided for in 07.15.010(7)(A)(C). New sub-section (b) is an attempt to spell out the various "routes" service areas can take to carry out the "intent" of (a). Also, it gives authority for service area boundaries to overlap city boundaries.

(c) Refer to (e). This section allows assembly to delegate powers - I assume to the boards provided for in (c). Personally, I'm opposed to this since I feel all legislative power should remain in the hands of one body - look at the problems with school board now. Anyway, this amendment would make it clear.

(e) This amendment repeals the sub-section (e) as written. New wording is self-explanatory. This wording was lifted from 07.15.710 to assure more uniformity.

1/5/71 - Two court cases concerning the Greater Anchorage Area Borough have been ruled in favor of the GAAB as concerns service areas and those two cases deal with what the GAAB is doing in actual practice now and, therefore, it would appear appropriate that the methods and circumstances under which service areas may be formed should be more clearly defined.

Wilda Hudson
1/24/70

Sec. 07.15.060 is amended to read:

Sec. 07.15.060. Transferred powers.

First (AND SECOND) class boroughs shall exercise all powers transferred to them by cities under this chapter.

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EXPLANATION:

This removes the grey area of whether a city may transfer a power to a second class borough when another section clearly states the borough may not assume additional areawide powers unless the vote is areawide. Also, to allow the transfer of a power from a first class home rule city to a second class borough , in effect, amounts to a disenfranchisement of the city voters as regards services his second class borough shall render him while giving the right to vote to the voters outside the city.

In addition, this recognizes the vote of the people as being the higher authority and once they have voted the power to the second class borough to be exercised areawide it must then be assumed by the borough. The provision for the "transfer" of the power from a city to a second class borough is provided for under the amendments that are proposed for the transitional measures.

Wilda Hudson
2/15/70

Sec. 07.15.350 is amended to read:

Sec. 07.15.350. Additional areawide powers.

(a) First class boroughs acquire additional areawide powers,

(1) by transfer from a city as provided in Sec. 07.15.060 and Sec. 07.15.910 of this chapter; or

(2) by an initiative or referendum brought by the voters of the city as provided by law or charter af er the city council has refused to transfer the power in question. Vote under this procedure shall be limited to the qualified voters within the city. In the case of home rule cities any special provision of the charter is superceded. The question must carry by a majority vote.

(b) Second class boroughs acquire additional areawide powers in the same manner as provided (BY SEC 710-800)in Sec. 07.15.730 - 750 of this chapter for their acquisition of additional powers to be exercised in the area outside cities only, except that the vote on the question (IS) shall be areawide and the adoption of an added areawide power requires a favorable majority of the votes cast both in the cities and in the area outside cities.

(c) No city of any class, whether home rule or not, within an organized borough may exercise any areawide power once that power is being exercised by an organized borough when

(1) the power has been added as an areawide power by the voters of a first or second class borough; or

(2) the power has been transferred from a city to a first class borough in accordance with sub-section (a)(1) of this section, except that a city may revoke such a transfer as provided in Sec. 07.15.910 of this chapter at which time the first class borough may no longer exercise the power areawide.

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SEE EXPLANATION ON ATTACHED PAGE

EXPLANATION:

This recognizes the vote of the people as being the higher authority and that once they have authorized the borough to exercise a power areawide it cannot be revoked.

Also, this provides for a "veto" power for the two areas - inside vs outside the city. This is the feature in the unification law that has been pleasing to both sides. Oddly enough I find that Sec. 07.10.120(2) makes this provision for any additional power contained in the original petition at the time of incorporation. Wonder why the legislature did not follow this same concept through in this section as now written?

11/18/70 - Amended further. W.N.

Wilda Hudson
11/18/70

Sec. 07.15.350 is amended to read:

Sec. 07.15.350. Additional areawide powers.

(a) First class boroughs acquire additional areawide powers,

(1) by transfer from a city as provided in Sec. 07.15.060 and Sec. 07.15.910 of this chapter; or

(2) by an initiative or referendum brought by the voters of the city as provided by law or charter after the city council has refused to transfer the power in question. Vote under this procedure shall be limited to the qualified voters within the city. The question must carry by a majority vote and in the case of home rule cities any special provision of the charter to the contrary is superceded.

(b) Second class boroughs acquire additional areawide powers in the same manner as provided (BY SEC. 710-800) in Sec. 07.15.730-750 of this chapter for their acquisition of additional powers to be exercised in the area outside cities only, except that the vote on the question (IS) shall be areawide and the adoption of an added areawide power requires a favorable majority of the votes cast both in the cities and in the area outside cities.

(c) No city of any class, whether home rule or not, within an organized borough may exercise any areawide power once that power is being exercised by an organized borough.

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EXPLANATION:

After giving amendments to this section additional thought, it is my opinion that it is better to drop sub-section (c)(1)&(2) and not allow any power that has been transferred areawide to be revoked. Under this proposed amendment this section would read as does Sec. 07.15.310 regarding a city not being allowed to exercise a power once it is exercised areawide. See amendment to Sec. 07.15.910 that would amend the feature allowing a city to revoke a power out of that section. The reasoning behind this is that if a city transfers a power with assets and liabilities involved then the borough accumulates additional assets and liabilities, how would a reasonable and appropriate determination regarding separation of same be made? Who would continue to be responsible for the debts acquired areawide? If the original assets and liabilities of the city had been spread as a responsibility of the taxpayers of the extire borough, or a portion thereof, how would an appropriate accounting be made if the city revoked the power?

PROPOSED NEW AMENDMENT

Wilda Hudson
2/15/70

Sec. 07.15.510 new section is added as follows:

Sec. 07.15.510. Transition of additional powers.

(a) When the term "borough" is used in this section, it shall mean either first or second class borough that has been authorized the assumption of additional areawide powers as provided in Sec. 07.15.350, sub-section (a)(2) and sub-section (b).

(b) The power exercised by the cities which are succeeded to by the borough shall continue to be exercised by the cities until such time as the borough exercises the power, which time may not exceed two years after the date of the certification of their approval by the voters as provided in Sec. 07.15.570(c). Ordinances, rules, resolutions, regulations, procedures, and orders in effect prior to assumption of the added areawide power by the borough remain in effect until superseded by action of the borough.

(c) The borough shall make written notice of its assumption of the added areawide power to the cities 60 days prior to the exercise of same. Borough officials shall consult with the officials of the cities and arrange for an orderly transfer.

Lack of an agreement between the borough and city as to an orderly transfer shall not preclude the borough from assumption and exercise of the added areawide power provided due notice of conditions and terms as set forth in sub-section (c) above has been given the city concerned.

(d) It shall be incumbent upon the borough and the city concerned to set forth in an agreement in what manner and to what extent the borough assumes the items enumerated in Sec. 07.15.520, any credits that will be allowed the city for existing assets, and any and all other methods and conditions of transition for the assumption of the added areawide power succeeded to by the borough from the city.

(e) After certification of voter approval for the borough to acquire the additional power no city of any class, whether home rule or not, may assume new bonded indebtedness, make any contract, or transfer any assets in connection with the power in question without the consent of the borough assembly.

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EXPLANATION:

Presently there is no provision for transition of additional areawide powers that might be voted by the people. This is pretty much follows that section of the borough law relating to special district and service areas when a borough is first incorporated. Refer to Sec. 07.10.130-140.

This added new section along with new section 07.15.520 sets forth guidelines for transfer and assumption of powers areawide by the borough from a city.

Wilda Hudson
2/15/70

Sec. 07.15.510 new section is added as follows:

Sec. 07.15.520. Assumption of additional areawide powers.

(a) When the term "borough" is used in this section it shall mean ei first or second class borough that has been authorized the assumption of additi areawide powers as provided in Sec. 07.15.350, sub-section (a)(2) and sub-secti

(b) Any additional areawide power acquired by the borough shall be assumed and exercised by the borough within two years after the date of the certification of their approval by the voters as provided in Sec. 07.15.750(c).

(c) The borough shall succeed to all the powers, rights, and duties of the cities as relates to the assumption and exercising of the added areawide power. In the event a conflict exists between the powers of a first class city of the added areawide power and the powers of the city to which the borough succeeded, the borough may exercise the greater powers.

(d) The borough may assume, but is not limited to, all claims, franch and other contractual obligations and liability for bonded and all other indebte and may succeed to all of the rights, title and interest in the real and persons property held by the cities upon assumption of the added areawide power by the borough from the cities. Assumption of any of the items enumerated in this sect shall be set forth in the notice of assumption as provided in Sec. 07.15.510(d).

(e) The borough assembly may levy and collect special charges, taxes, or assessments including interest for the purpose of amortizing bonded indebtedr previously incurred by the cities for the added areawide power to which the borough has succeeded for the continuing services within the cities, or for the future indebtedness incurred by the borough in the cities. When a city has a previously incurred bonded indebtedness, no less than all property that is withi the boundaries of the city conerned at the time the added areawide power is assumed by the borough shall remain subject to taxation to pay the principal of and interest on the bonds for as long as they remain outstanding. Nothing in th

sub-section shall preclude the borough assembly from spreading the previously incurred bonded indebtedness of the city concerned over an area larger than that of the boundaries of the city.

(f) Upon assumption of an added areawide power by borough from the cities, nothing shall preclude the cities from retaining title to the existing physical assets and the liability for bonded and all other indebtedness, if the borough so desires, except where cities are given the right to revoke a transfer of a power. It is mandatory that full and complete power to exercise the added areawide power shall be solely that of the borough from the time of assumption of the power. With consent of the borough assembly, if the city retains the assets and/or the liabilities, the city concerned may be allowed to continue to collect any outstanding special assessments and to levy a tax related to the indebtedness prior to the assumption of such power by the borough.

(g) If the borough shall succeed to all bonded indebtedness, including bond anticipation notes and refunding bonds of the city from which the added areawide power is assumed by the borough, a bondholder of any municipal bonds relating to the assumed power may commence an action in Superior Court for such equitable relief to secure the rights of the bondholders and other bondholders similarly situated as provided in the bond ordinances and agreements. The bondholders shall waive any objections or defenses to the succession of the borough to the bonded indebtedness and agreements unless such action is filed within six months after the borough has assumed the added areawide power.

(h) In the event any action is instituted to require the borough to compensate a city for any real or personal property acquired by virture of this title, the borough shall he liable for payment of any damages resulting from the acquisition of such real or personal property. No action shall be instituted to require the borough to compensate the city in question for such assets unless such action is commenced within one year from the date of the written notice as required by Sec. 07.15.510(c).

EXPLANATION:

This section, along with new Sec. 07.15.510, should provide sufficient guidelines for transfer and assumption of powers areawide by the borough from a city.

It is hoped that this will now allow boroughs to assume the assets and liabilities of cities in the case of assumption of areawide powers which they cannot do now.

NOTE SUGGESTED AMENDMENT

11/18/70 - If Sec. 07.15.350 and Sec. 07.15.910 should be amended to not allow a city to revoke a power that had been transferred areawide to a first class borough, then it occurs to me that Sec. 07.15.520(f) should be amended as follows:

Sec. 07.15.520.

(f) Upon assumption of an added areawide power by borough from the cities, nothing shall preclude the cities from retaining title to the existing physical assets and the liability for bonded and all other indebtedness, if the borough so (DESIRES) agrees, (EXCEPT WHERE CITIES ARE GIVEN THE RIGHT TO REVOKE A TRANSFER OF A POWER).

Wilda Hudson
1/24/70

Sec. 07.15.720 is amended to read:

Sec. 07.15.720. Powers of second class borough.

In addition to other powers granted by this title, the second class borough may exercise only those powers in the area outside cities which are among the powers of a city of the first class and either (1) specified in the petiton and approved by the voters for incorporation or (2) added as provided (BY) in Sec. 07.15.730-750 of this title. These powers shall be exercised in the manner provided by general law for first class cities except as provided otherwise by this title. Before exercising any of these powers in the area outside cities, the borough shall first seek to have (TRANSFERRED FROM CITIES) the power added as an areawide power as provided in Sec. 07.15.350, or propose the joint exercise with cities, those powers which it intends to exercise in the area outside any city.

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EXPLANATION:

This removes the grey area of whether a city may transfer a power to a second class borough when another section clearly states the borough may not exercise a power areawide unless the vote is areawide.

This seeks the addition of the power areawide by vote before borough exercises the power outside the city, rather than the term "transfer". Should the power be added areawide, the provision for transfering the power is provided for in other amendments that are proposed.

Wilda Hudson
1/24/70

Sections 07.15.730 through 07.15.800 are repealed in their entirety and the following substituted:

Sec. 07.15.730. Additional powers for second class borough.

(a) The second class borough may initiate the acquisition of additional powers which it may exercise in the area outside cities only by

(1) the assembly placing the question on the ballot;

(2) the voters may file a petition with the assembly. Such petition shall require the signatures of a number of qualified voters equal to 15 percent of the number of votes cast in the area outside the cities at the preceding regular borough election. ADD (3) - See page 2

Sec. 07.15.470. Investigation.

(a) Upon receipt of a petition from the voters, the assembly shall review the petition within 15 days after its receipt to determine whether it meets the requirements. If the petition does not meet the designated requirements, it shall be immediately returned to the person who initiated the petition with a statement indicating which requirements have not been satisfied.

(b) The assembly shall hold at least one public hearing on the question and shall then evaluate the ability of the borough to exercise the power or powers in question and shall make its findings public.

Sec. 07.15.750. Election.

(a) The assembly shall, within 30 days after its findings have been made public, order an election to be held. The date of the election shall be not less than 30 days and not later than the next regular borough election.

(b) If more than one power is proposed, each shall appear separately on the ballot.

(c) The chairman shall certify the election results and a copy of such certification shall be forwarded to the Local Affairs Agency. If the majority of the votes cast on the question is favorable, the added power or powers go into effect on the day following the date of the certification of their approval by the voters. The borough shall assume the exercising of the added power or powers within two years from the date of certification as provided in this title.

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Explanation:

Obviously this removes the cumbersome process of petitioning the Local Affairs Agency and the Boundary Commission hearings.

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NOTE

Addition following Sec. 07.15.730(a)(2)

Sec. 07.15.730 (a)

(3) If the vote is to be areawide such petition shall also require the signature of a number of qualified voters equal to 15% of the number of votes cast inside the city at the preceding regular borough election.

Wilda Hudson
1/24/70

Sec. 07.15.910 is amended to read:

Sec. 07.15.910. Transfer by city.

A city may transfer to the first (OR SECOND) class borough in which it is located any of its powers or functions subject to the approval of the borough assembly. A city may not revoke the transfer of any power or function to the borough unless the revocation is approved by a majority of its council.

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EXPLANATION:

This, along with Sec. 07.15.060, removes the grey area of whether a city may transfer a power to a second class borough when another section clearly states the borough may not assume additional areawide powers unless the vote is areawide.

This recognizes the vote of the people as being the higher authority and once they have voted the power to the borough the exercise areawide it must then be assumed by the borough. The provision for the "transfer" of the poer from a city to a second class borough is provided for under the amendments that are proposed for the transitional measures.

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11/18/70 NOTE

After giving additional thought to the complications that could occur if a city is allowed to revoke the transfer of a power to a borough (see explanation to proposed new amendment to Sec. 07.15.350), the following amendment is suggested for Sec. 07.15.910

Sec. 07.15.910 is amended to read:

Sec. 07.15.910. Transfer by city.

A city may transfer to the first (OR SECOND) class borough in which it is located any of its powers or functions subject to the approval of the borough assembly. A city may not revoke the transfer of any power or function to the borough (UNLESS THE REVOCATION IS APPROVED BY A MAJORITY OF ITS COUNCIL) once such transfer has been made and the borough is exercising the power or function in question.

07

AS.~~29~~.20.100. Ordinance of procedure.

(c) As used in this section the term "published" means that

(3) copies of the ordinance or sections concerned, together with any required notice, have been posted conspicuously for public inspection at the borough seat (AND AT OTHER CITIES IN THE BOROUGH.) , in all first class cities in the borough and at such other places as the assembly may direct.

(4) copies of the ordinance or sections concerned, together with any required notice, have been mailed to the clerk of each city of any class in the borough.

PURPOSE: Posting notices is an old-fashioned method of public notification which, in most communities, has been made obsolete by mass media communications. It can be difficult and expensive to accomplish, particularly where third or fourth class cities have been incorporated in relatively inaccessible locations within a borough. It is also of very little value if those third and fourth class cities are occupied only seasonally or by people who commute into the major town to work every day and subscribe to the local newspaper. Unless the city has a post office or some other public place where all residents must pass frequently, the posted notice quite likely goes unnoticed. (No quip intended) A combination of posted notices in first class cities, mailed notices to all others - whose clerks may post them if advisable - and the newspaper publication should be adequate notice.

The law as it now stands has been interpretted by legal authority to require the clerk to do or see to actual physical posting in such third class cities as Glen Alps, Basher and a seasonally occupied city on an island in Big Lake.

1/19/71
Wilda Hudson

Sec. 07.30.010(b) is amended to read:

Sec. 07.30.010. Qualification of voters.

(b) (ONLY QUALIFIED VOTERS WHOSE NAMES APPEAR ON THE LAST TAX ASSESSMENT ROLL OR RECORD OF SUCH BOROUGH FOR PURPOSES OF BOROUGH TAXATION ON REAL PROPERTY) Any qualified voter may vote on a question of incurring bonded indebtedness by a borough. If the debt to be incurred is to be an areawide debt, the vote shall be areawide. If the debt to be incurred is to be limited to the area outside cities only, the vote shall be limited to the qualified voters (WHOSE NAMES APPEAR ON THE LAST TAX ASSESSMENT ROLL OR RECORD OF SUCH BOROUGH FOR PURPOSES OF BOROUGH TAXATION ON REAL PROPERTY LOCATED) in the area outside cities. If the debt to be incurred is to be limited to a service area only, the vote shall be limited to the qualified voters residing within the service area (WHOSE NAMES APPEAR ON THE LAST TAX ASSESSMENT ROLL OR RECORD OF SUCH BOROUGH FOR PURPOSES OF BOROUGH TAXATION ON REAL PROPERTY LOCATED IN THE SERVICE AREA). However, if the full faith and credit of the entire borough is to be pledged for payment of the service area debt, the vote shall be areawide.

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EXPLANATION:

This amendment is proposed on the basis of the Supreme Court ruling regarding this area. I realize that there still questions still pending in some quarters relating to this matter. I have only included it in case the law needs to be changed to conform to the Supreme Court ruling.

AS 07.30.100. Borough sections

(a) ..... Section boundaries shall be established in such a way as to provide, insofar as possible, clarity of boundaries, compactness of area, equal (VOTER) representation among different sections, and homogeneity of interest within the section. No section may have a (NUMBER OF VOTERS WHICH IS LESS THAN ONE HALF THAT OF ANY OTHER SECTION, AS DETERMINED FROM THE RECORDS OF THE LAST GENERAL ELECTION.) population which is 10% more or less than that of any other section, as determined from the most recent U. S. Census figures.

PURPOSE: "One man - one vote". This was the rule at the time of our last reapportionment and we did it accordingly - by population. Here again, we have something in our state law that is unconstitutional; so why not fix it?

The figure of 10% was taken "out of a hat" by this writer. Actually courts in other areas have ordered reapportionment because of a variance of as little as 3%. I don't think our statute need be that strict, however, as that even an apportionment is very difficult to accomplish whithout wholesale revision of precinct boundaries - frequently in the case of a rapid-growth area.

Wilda Hudson
2/15/70

Sec. 07.35.020 is amended to read:

Sec. 07.35.020. Reclassification.

(a) a first class or second class borough may adopt or repeal a home rule charter in the manner prescribed by AS 29-40-010-090, except that members of the charter commission shall be the same in number and the commission shall be apportioned the same as the borough assembly.

(b) A second class borough may reclassify as a first class or a third class borough in the same manner provided by this title for the addition of powers of a second class borough. Instead of specifying powers to be added, the petition shall request that the borough be reclassified as a first class or a third class borough. Voting on the question shall be areawide and the adoption of reclassification shall require a favorable majority of the votes cast both in the cities and in the area outside cities. (RECLASSIFICATION AS A FIRST CLASS BOROUGH IS LIMITED TO THE QUALIFIED VOTERS RESIDING OUTSIDE CITIES WITHIN THE BOROUGHS). The Assembly of the Second Class borough voting on reclassification shall remain the Assembly of the reclassified borough. Provisions for the legislative and administrative structure of the third class borough shall be set forth in Sec. 07.17.030(a).

(c) A third class borough may reclassify as a second class or a first class borough in the same manner provided by this title for the addition of powers by a second class borough. Instead of specifying powers to be added, the petition shall request that the borough be reclassified as a first class or a second class borough. (A SECOND CLASS BOROUGH MAY RECLASSIFY AS A THIRD CLASS OR A THIRD CLASS BOROUGH)

Sec. 07.35.020 (continued)

Voting on the question shall be areawide and the adoption of reclassification shall require a favorable majority of the votes cast both in the cities and in the area outside cities. (THE THIRD CLASS BOROUGH ASSEMBLY SHALL BE ELECTED AT THE TIME OF VOTING ON RECLASSIFICATION OF THE BOROUGH.) The assembly of the third class borough voting on reclassification shall remain the assembly of the reclassified borough. The school board of the reclassified borough shall be elected at the time of voting on reclassification of the third class borough. The ~~petition~~ proposition for reclassification of a third class borough shall include the question of whether the executive of the reclassified borough shall be (1) an elected chairman or (2) a hired manager. The borough chairman shall be elected at the time of voting on reclassification of the third class borough.

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

S U M M A R Y

COMPARISON OF CSSB 113 AND EXISTING MUNICIPAL LAW

INTRODUCTION

Senate Bill 113, the current version of the revised municipal code, is an entire recodification of the laws relating to cities and boroughs now found in Titles 7 and 29. Like other reorganized and updated statutory titles, it incorporates changes from existing law both in form and in substance.

The revision was directed by the 1963 Legislature, which noted that the bulk of law relating to cities (Title 29) was a disjointed product of the territorial period. Addition of the Borough Act as a separate title in 1961 (Title 7) further confused the municipal law area.

In 1963 and 1964, the Local Affairs Agency, Department of Law and the Legislative Council prepared the first draft of legislation combining and attempting to reconcile the provisions of Titles 7 and 29. The revision was introduced as SB 101 in 1965 and was the subject of widespread hearings around the state, committee deliberations, and further revision.

Revised versions of SB 101 were introduced into the legislature in 1966, 1967 and 1969.

SB 113, the basis of the current proposal, represents a thorough review by the Alaska Municipal League and governmental agencies at the municipal and state levels. The League felt that revision should be primarily technical and should not attempt to solve the substantive problems existing in two areas, that of relations between cities and boroughs and that of relations between schools and general government.

Accordingly, the bill in these areas is substantially the same as existing law, with some exceptions as noted further (see especially pages ~~5 — 11~~). 6, 7, 9 and 12-14).

It is virtually impossible to detail all of the changes that have taken place between the code and existing municipal law, but this summary will explain the major impact of the revision. It takes into account changes made after joint deliberations of the Senate and House Local Government Committees which resulted in CSSB 113. These changes between CSSB 113 and SB 113 are also separately treated in an attachment following this summary.

Chapter 3. The Unorganized Borough

The law relating to the unorganized borough is unchanged. The present provisions of Title 7 granting authority to the division of lands to adopt zoning regulations for federal lands in the unorganized borough at the request of the Secretary of the Interior and only for purposes of facilitating federal land sales in the unorganized borough is placed in Title 38 (Sec. 6 of the proposed Act).

Chapter 8. Classification of Municipalities (i.e. Cities and Organized Boroughs)

One of the most significant changes is the change from four classes of cities to two classes of cities. The primary difference in the revision between the first and second class cities is that the first class city has the school function and has the power to assess, levy and collect a general property tax while the fourth class city has neither of these powers. Under present law, first, second and third class cities all have these powers, while fourth class cities do not. A population minimum of 400 persons has been set as the number

necessary to incorporate a first class city under the code, as in present law. The status of existing home rule cities, and existing first class cities with populations of 400 or more, remains unaffected by the proposed Act. Existing second and third class cities of 400 or more persons will automatically become first class cities, retaining their school and tax powers. The revision takes into account the fact that certain existing first, second and third class cities of under 400 persons may not have sufficient population or tax base to assume the burden of the school function. Therefore, these cities are given the option of becoming either first class or second class, depending upon their abilities and desires, as assessed by the local boundary commission and subject to legislative review. Existing fourth class cities will automatically become second class cities with the same powers and responsibilities which they now possess (Sections 29.08.010 through 29.08.050 and Sections 29.18.010 and 29.18.020). The code provides for reclassification of cities and boroughs to a higher class. Upon reclassification of a third class borough to a second or first class borough the borough may retain a combined assembly-school board or may separate the functions between an assembly and a board, depending upon the wishes of the voters (Sec. 29.08.040).

Chapter 13. Home Rule Municipalities

The new code standardizes the procedures for adopting a charter by either a first class city or borough (Secs. 29.13.010 - 29.13.080). Home rule limitations are gathered together in one place and listed. This section makes explicit the legislative intention to make only the sections of the code which are specifically listed as applicable to home rule municipalities so applicable. Additionally, the sections

themselves contain a specific reference making them applicable to home rule municipalities (Sec. 29.13.100).

Chapter 18. Incorporation

Incorporation procedures for all municipalities are gathered together and standardized (Secs. 29.18.050 - 29.18.110). The election of the first slate of officers is separated from the question of incorporation itself.

Present law provides for transitional assistance upon the incorporation of a new borough. In the revision, such transitional assistance is also made available to cities incorporating after the code takes effect. Organizational money grants based on an allocation of $10 per voter are allowed the newly incorporating boroughs and cities of all classes, other than unifying or consolidating municipalities. A minimum grant of $25,000 is authorized for communities assuming the school function for the first time, either by incorporating as boroughs or first class cities outside organized boroughs or by reclassifying from second class to first class cities outside boroughs (Sec. 29.18.180).

Under the revised code boroughs and cities of all classes may also select 10 per cent of the vacant, unappropriated, unreserved state land within their boundaries. (Secs. 29.18.190 - 29.18.200). Previously, only boroughs and, as of 1970, first and second class cities, were given this privilege. The code provisions declare that the policy of the state in making land selections under the Statehood Act is to make available the maximum land area for borough and city selections under the code provisions, consistent with the best interests of the state.

Chapter 23. Municipal Officers and Employees

The law relating to borough assemblies, city councils and all

municipal officers is gathered into this chapter.

Local officials' [illegible] and terms of office are changed to conform to the date of state general elections, but terms of office may be varied by local ordinance so as to provide either staggered or simultaneously expiring terms up to four years (Secs. 29.23.040, 29.23.200(c) and 29.23.310). If a locality chooses to have other than two-year terms it may, of course, hold the elections in odd-numbered years, but the elections would occur on the Tuesday after the first Monday in November. Elections are nonpartisan for all municipalities (Sec. 29.28.010).

The executive power has remained essentially the same except that the veto power of borough chairmen and mayors of first class cities has been broadened and clarified. In the past, there has been a question of whether a veto could be used for motions and other actions of the assembly or council. It is clearly spelled out that they may be.

Additionally, a new authority for the line item veto in municipal budgets has been added. This line item veto is expressly stated not to apply to the school budget (since the only power the assembly or council has is to approve or disapprove the total school budget, and the chairman or mayor may only veto that which the assembly or council has power to enact) (Secs. 29.23.170 and 29.23.270). The mayor of a second class city is a member of the council and has no veto power (Sec. 29.23.270(b)).

The mayor of a first class city is elected separately from the council. The mayor of a second class city is a council member who is elected to the council along with the other council members, who then designate a mayor from among their membership (Sec. 29.23.250). The

mayor of a first class city votes only in case of a tie and has the veto power. The mayor of a second class city may vote on all matters as a council member, but he has no veto power (Secs. 29.23.260 and 29.-23.270). The borough chairman does not vote on matters before the assembly but has the veto power (Secs. 29.23.160 and 29.23.170).

A provision of present law applying only to first class cities and requiring written examination of police officer applicants on laws and ordinances, the examination to be graded by the council, is not retained in the code.

The revision makes clear that city councils may be elected from election districts within the city as well as citywide or partly at large and partly by districts, the choice being left to the local governments (Sec. 29.23.200(a)). Election sections for election of borough assemblymen in the borough area outside cities are permitted, as under present law, with sections to be of approximately equal population (Sec. 29.23.100).

Utility boards elected by the voters or appointed by the municipal executive and confirmed by the governing body are permitted for boroughs and cities (Sec. 29.23.340). (Elected boards only are authorized to general law municipalities under existing statutes.)

With respect to school board relations with local governments there are no substantive changes from present law except that election dates and terms of office have been established to coincide with state general elections with different terms not exceeding four years authorized by local ordinance, and local governing bodies are authorized to provide for centralized purchasing of those school supplies and equipment which are of a kind used by municipal departments (Sec. 29.-48.250, and Secs. 29.23.310 and 29.23.340).

In addition, the code makes clear that Sec. 29.33.050 setting out school board-governing body relationships is not intended to apply to home rule municipalities. There is uncertainty whether the same provisions as they appear in present law apply to home rule governments.

Either a borough or a city may adopt or repeal a manager form of government, as under existing law. However, a standard procedure is established for both types of municipality. Under this procedure, either the voters by petition, or the assembly or council by its own motion, may initiate an election on the manager plan (Secs. 29.23-410 - 29.23.480).

The code requires certain reports to be made to the Local Affairs Agency, including up-to-date maps, tax assessment figures, a financial report, and reports relating to long-term debt as already required under AS 44.19.205. The financial report takes the form of the annual audit for boroughs and first class cities, but second class cities may submit a statement of income and expenditures. Furnishing the reports is made a condition of receipt of authorized shared revenues under AS 43.18 (Sec. 29.23.560).

Chapter 28. Elections

The major change affecting elections is the scheduling of municipal elections to coincide with state general elections rather than being held approximately one month earlier, as under current law (Sec. 29.23.020). Terms of office of borough, city and school elected officials are also set at two years, but different terms not exceeding four years for borough and city governing bodies, and three years for school boards (the maximum term permitted under present law)

may be set in all cases by local ordinance.

Municipalities may, but are not required to, impose registration requirements over and above those of the state. However, a local voter registered with the state to vote in state elections is eligible to vote in local elections, whether or not he meets local registration requirements (Sec. 29.28.030). Also, the municipality may at its option require a majority vote for election of officials and utilize a runoff election or other means of obtaining a majority for the purpose (Sec. 29.28.040).

Assemblies and councils are required to provide by ordinance for election appeals. If the appeal is successful, the assembly or council bears the cost; if unsuccessful, the contestant must pay (Sec. 29.28.-050).

The powers of initiative and referendum are reserved to municipalities and the procedure for exercise of these powers by municipal residents is outlined (Secs. 29.28.060 - 29.28.110).

The section on recall has been changed to eliminate the successor running at the same election as the recall election. Should the recall be successful, a subsequent election is required to elect a successor (Secs. 29.28.130 - 29.28.250).

Chapter 33. Areawide Borough Powers and Duties

Boroughs retain their basic areawide responsibilities prescribed by current law: (1) assessment and collection of taxes, (2) education, and (3) planning, platting and zoning. Under current law, however, the borough is charged only with assessment and collection of real and personal property taxes. The assessment and collection provision of the new code broadens this to include the collection of use

and sales taxes authorized by the voters (Sec. 29.33.030).

There has been considerable smoothing out in the planning, platting and zoning article, with two significant alterations. One is that the planning commission itself may decide on variances subject only to appeal to the board of adjustment. Under the current procedure all variances, no matter how routine, must go to the board of adjustment. The second change is the placing of power to adopt and enforce building, housing, and related codes clearly within the jurisdiction of cities within boroughs rather than the boroughs as part of the areawide planning, platting and zoning responsibility. Boroughs may exercise the powers in the area outside cities or areawide by acquiring the power in the same manner as they obtain other powers in those areas. However, boroughs now exercising the powers within cities may continue to do so upon agreement to that effect between a city and a borough; if there is no agreement, the city is required to exercise the powers within the city and the borough now exercising the powers is required to continue doing so outside the city. Areawide borough exercise of the powers may subsequently be acquired through transfer by the cities or by vote of the people (Sec. 29.48.025). (Present borough law has been interpreted by the Attorney General's office to vest boroughs with areawide building code powers as part of the required areawide planning and zoning function.)

Under existing laws relating to acquisition of additional areawide powers, it is unclear whether second class boroughs may, like first class boroughs, acquire additional areawide powers by transfer from cities. The revision explicitly authorizes this method. Also, the Local Affairs Agency is no longer required to pass upon the acquisition

of additional areawide powers. In both the revision and present law, additional areawide powers require approval by a majority of the borough voters (Secs. 29.33.250 - 29.33.290).

Chapter 38. Borough Powers and Duties in the Area Outside Cities

This chapter is designed to encourage areawide or joint city-borough exercise of powers by requiring the borough to seek these alternatives before exercising powers in the area outside cities only. If transfer or joint exercise is not acceptable, a first class borough may exercise any general law municipal power outside cities (Sec. 29.38.-010).

A second or third class borough requires an election in the area outside cities in order to add additional powers in that area (Sec. 29.-38.020), except with respect to certain special matters specified in Sec. 29.48.020, including regulation of fireworks, animals, vehicles, snow machines, garbage and solid waste, and water pollution. The latter two powers are newly conferred in the code for second class borough exercise in the area outside cities without a vote of the area; the others are already conferred for such exercise under existing law. Acquisition of additional powers and duties in the area outside cities again no longer requires review by the Local Affairs Agency.

Chapter 41. Powers of Third Class Boroughs

Third class borough powers are unchanged.

Chapter 43. Powers of Cities Outside Boroughs

Authority is continued for cities outside boroughs to assess, levy and collect property and sales taxes. Use tax authority is also conferred. Taxes are to be assessed, levied and collected in the same manner as set forth for boroughs in the code.

FIRST CLASS
Cities outside boroughs continue to comprise city school districts, with relationships between school boards and city councils to be governed in the same manner as those between borough school boards and assemblies, as under present law.

Home rule and first class cities outside boroughs must, and second class cities may, provide for planning, platting and zoning in the manner provided in the code for boroughs under the code (present law does not expressly require home rule or first class city exercise of planning, platting or zoning authority).

The chapter makes borough laws incorporated by reference under the chapter applicable to home rule cities only in those cases in which they are made applicable to home rule boroughs in the provisions incorporated.

Chapter 48. Powers Applicable to All Municipalities

An entirely new approach has been taken to delineation of municipal powers, facilities and services. Under existing law these are in many cases spelled out in substantial detail. This detail often serves no useful purpose. The new code merely lists the powers and provides for liberal construction of the powers, as required by the constitution (Secs. 29.48.010, 29.48.030, and 29.48.310). The listings the code provides are not intended to be all-inclusive but rather illustrative of the object or purpose intended to be accomplished (Secs. 29.48.320 and 29.48.330).

The procedure for enactment of ordinances has been simplified and streamlined without changing substantive rights. The code, however, changes the time between publication and hearing from one week to five days. The change permits special meetings for final consideration of

a proposed ordinance to be held on the same day as regular meetings (Sec. 29.48.140). The code also eliminates the requirement for a new hearing should there be an amendment as to substance, since the purpose of the hearing is to allow the public to propose changes to improve the ordinance.

Each municipality is required to codify its permanent ordinances (Sec. 29.48.180). Under existing law, boroughs are required to keep codes, but cities are not clearly included in the requirement.

The new code fixes July 1 to June 30 as the fiscal year for home rule and general law municipalities (Sec. 29.48.190).

Municipalities are given the option of establishing central purchasing (Sec. 29.48.250).

Under current law, emergency disaster powers are applicable only to first class municipalities. The new code allows all municipalities, regardless of class, to exercise emergency disaster powers (Sec. 29.-48.270). The thinking is that should a disaster strike the classification of the city is not particularly relevant.

Chapter 53. Municipal Assessment and Taxation

This chapter grants municipalities the power to levy property, sales and use taxes. Boroughs and home rule and first class cities may utilize all these taxes. Second class cities may levy sales and use taxes but not property taxes (Sec. 29.53.400). Within a borough the borough collects all of the taxes, provided the borough itself levies a sales or use tax (under existing law boroughs are required to assess and collect only property taxes levied by cities). Within a borough a city collects sales or use taxes if the borough does not levy and collect such taxes itself (Sec. 29.53.450). Within a borough which

levies and collects sales or use taxes on an areawide basis, cities which levy such taxes must levy upon the same sources as are taxed by the borough and in the same manner as the borough (Sec. 29.53.440). (This uniformity requirement is an addition to present law.) Outside boroughs the city collects its own taxes.

The sales and use tax provisions of the code are made binding only on general law cities and boroughs, but provisions governing assessment, levy and collection of property taxes (Secs. 29.53.010 - 29.53.350, and 29.53.400) are made to apply uniformly to all municipalities, home rule as well as general law (Sec. 29.13.100(19)). Under present law only selected provisions of the taxing statutes, relating to required exemptions from property tax and collections of penalties and interest on property and sales taxes are made expressly applicable to home rule governments, but there remains doubt whether other taxing provisions of present law (as well as many other provisions of existing local government law generally) apply, particularly in light of a recent state supreme court decision on applicability of general municipal laws of the state to home rule as well as general law governments (Chugach Electric Assn. v. City of Anchorage, Sup. Ct. No. 647, November 2, 1970).

In addition to certain exemptions from property tax required or authorized under present law, the code authorizes additional optional exemptions by ordinance ratified by the municipal voters. Any exemptions or exclusions granted by home rule cities and in effect on the effective date of the proposed code would not be affected by enactment of the code.

Procedures for assessment of property are consolidated and simplified. No tax limitation is imposed insofar as payment of principal and

interest on bonded indebtedness (Sec. 29.53.050). Property taxes for other purposes may not exceed three per cent of the assessed property valuation per year, including the combined levy of such taxes within a city by a borough and the city within the borough (Sec. 29.53.050).

There are several changes concerning the enforcement of tax liens. One is that the foreclosure list no longer must be presented to the court on the day of publication. This requirement has created substantial difficulty where the newspaper of publication is not located within the same city as the borough seat or within the city which is foreclosing the taxes. Under the current law, tax foreclosed property is deeded to the borough.

Under the new code, tax-foreclosed property lying within a city is deeded to the city while tax-foreclosed property lying within the borough but outside the city is deeded to the borough. The code further provides that should property deeded to the city not be needed for public use by the city but needed for public use by the borough, the borough may obtain such property. The same holds true for property deeded to the borough. When property is taken for public use by any governmental unit, the amount of taxes owing to the other governmental units will be paid by the governmental unit taking title (Secs. 29.53.-360 and 29.53.385).

Under present law, general law municipalities are allowed to levy a sales tax but are not allowed to levy a use tax. Under the code both a sales tax and use tax may be levied. The code requires an election on sales tax. Since use tax is a correlative of the sales tax and can only be adopted subsequent to or at a referendum where the sales tax is adopted, no separate election is required for adoption of the use tax (Secs. 29.53.410 and 29.53.420).

The code expressly authorizes differential property tax zones within cities to provide services not provided throughout a city or provided at a different level than in the remainder of the city (Sec. 29.53.405).

Chapter 58. Municipal Debt

There is now no express statutory authority for issuance of tax anticipation notes by general law municipalities. Such notes as a matter of practice are issued despite specific statutory authority (presumably on the basis of authority conferred to the state and political subdivisions under Art. IV, sec. 10 of the state constitution relating to the borrowing of money in anticipation of revenue collections). The code specifically authorizes tax anticipation notes in anticipation of tax or other revenues (Secs. 29.58.010 - 29.58.040).

As under present law, municipalities are permitted to issue general obligation bonds as approved by the voters after proper notice; the notice includes a statement of total current bonded indebtedness, the cost of current debt service, and the total assessed valuation (Sec. 29.58.160). Second class cities do not have the power to assess and levy property taxes except when municipal bonds or other debt financed by another form of revenue are in danger of default (Sec. 29.58.350), essentially the same provision as under present law for fourth class cities.

Under existing law, an election is required to authorize issuance of revenue bonds in general law municipalities. This requirement is deleted in the new code since no general tax obligation is assumed and revenue bonds are generally a management tool for the utility involved (Sec. 29.58.205). In boroughs if the full faith and credit of the entire borough is pledged for payment of the debt of the borough

area outside cities or a service area, majority voter approval must be obtained both areawide as well as in the area outside or the service area (Sec. 29.58.340(d)); under present law, a boroughwide pledge is expressly authorized for bonds of a service area only.

Chapter 63. Special Assessment and Service Areas

Under existing law, there are two distinct sections on special assessments, each with minor variations and procedures. The major variation was cleaned up last session, but the procedures still vary slightly, depending upon whether the special assessment is initiated by petition of the people or by ordinance of the governing body. While these distinctions are not substantial, it becomes troublesome to determine precisely what procedure should be followed. In both instances, the procedures are extremely cumbersome.

This code standardizes the sections on special assessments to provide the same notice and hearing requirements as in existing codes. The procedural fairness requirements are retained, but much of the unnecessary cumbersomeness is eliminated.

Significantly, the new code also provides that special assessments may be levied against property owned by other governmental units (Sec. 29.63.010). The rationale is that special assessments are based upon special benefits conferred to the assessed property and that, should property owned by the state be specially benefited by public improvements which increase the value of state property, the state no less than any other property owner should pay for such special benefits.

Chapter 68. Alteration of Boundaries

Procedures for review of all municipal boundaries are consolidated. The Local Boundary Commission is required to establish procedures for

annexation and exclusion by local action (Sec. 29.68.010).

Merger and consolidation of municipalities is allowed by either petition to the Local Boundary Commission or by local option election (Sec. 29.68.030).

Unification of local governments is authorized as under present law (Secs. 29.68.240 - 29.68.440), with authority of the unified government to allocate preunification debt spelled out more specifically than under present law (Secs. 29.68.350(a)(1) and 29.68.410).

Dissolution of municipalities may be proposed by either petition to the Local Boundary Commission or by local option election (Sec. 29.-68.500(a)). In addition, the Local Affairs Agency is required to investigate municipalities which it considers inactive and to report on their status. The Local Boundary Commission may recommend that inactive municipalities be dissolved (Sec. 29.68.500).

Chapter 73. Miscellaneous Provisions

Municipalities are authorized the powers of eminent domain and declaration of taking in the performance of an authorized municipal power or function (Sec. 29.73.020).

THE CODE IN GENERAL

The proposed revised municipal code is primarily a series of technical changes which reconcile inconsistent provisions in existing law, modernize the archaic language found throughout Title 29 and provide a more workable and immensely more understandable basic framework for local government. Substantive changes are necessary in many areas. The proposed code provides a better framework for existing law. It also provides a better framework from which to develop proposals for substantive changes which may be added after individual consideration of each change on its own merits.

S U M M A R Y

COMPARISON OF CSSB 113 AND SB 113

This is a summary of substantive amendments to Senate Bill No. 113 resulting from deliberations of the Senate and House Local Government Committees meeting jointly. (The preceding summary of CSSB 113 and existing law takes into account the changes noted in this comparison).

A second class borough is permitted to reclassify as a third class borough, not only as a first class borough. This change restores existing law. Moreover, a third class borough voting on whether or not to reclassify is given the option to vote at the same time on retaining a combined assembly and school board. (Sec. 29.08.040)

A community having 25, rather than 50 permanent residents, may incorporate as a second class city (formerly called a fourth class city). This change restores existing law. (Sec. 29.18.020)

After the effective date of this Act, boroughs and cities which incorporate, except as unified or consolidated municipalities, and second class cities which reclassify to first class cities will receive transitional grants of $10 per voter. The minimum grant will be $25,000 for communities assuming the school function for the first time, either by incorporating as boroughs or first class cities or by reclassifying from second class city to first class city. (Sec. 29.18.-180)

In selecting lands under the Alaska Statehood Act, it is the policy of the state to make available to boroughs and cities the maximum land area from which to make selections under this section, consistent with the best interests of the state. (Sec. 29.18.190)

The elections of borough assemblies, city councils, and school boards will be held every two years on the same date as the state election, unless a locality provides by ordinance for different terms, which may not exceed four years in the case of assemblies and councils and three years in the case of school boards. If a locality chooses to have different terms it will, of course, have elections in odd-numbered years, but they will take place on the Tuesday after the first Monday in November. (Sec. 29.23.040, Sec. 29.23.200, and Sec. 29.23.310)

School budget items are excluded from the items in appropriation ordinances which a borough chairman (or a mayor in a city in the unorganized borough) may strike or reduce by veto. Also, two-thirds of the assembly (or council), rather than three-fourths, can override a veto. (Sec. 29.23.170)

City councils may be elected on a basis other than at large, if a local ordinance providing another basis of election is adopted. (Sec. 29.23.200)

Second class cities (formerly called fourth class cities) may submit to the Local Affairs Agency an annual statement of income and expenditures in place of an audit. The state payment of shared revenues is contingent on the submission of the financial and other reports specifically required of municipalities. (Sec. 29.23.560)

A qualified voter contesting an election will bear the costs of a recount unless the result of the election is reversed by the recount. (Sec. 29.25.050)

The authority for general law municipalities to adopt official maps was deleted from the bill by vote of the joint committee. (Sec. 29.33.095 of SB 113)

The provisions of the code on the assessment, levy, and collection of property taxes apply fully, rather than only in part, to home rule as well as general law municipalities. (Sec. 29.43.020, Sec. 29.53.010-29.53.350 and Sec. 29.53.400)

The provisions of Ch. 12, SLA 1971, providing that home rule and general law municipalities may change their names by an ordinance ratified by the voters, are included in the bill. (Sec. 29.48.010)

Second class boroughs may by ordinance provide for garbage and solid waste collection and disposal in the area outside cities. (Sec. 29.48.020)

The existing law on the power of cities to provide garbage collection and disposal services, including effects on private services in annexed areas, is added. (Sec. 29.48.033)

Cities may adopt and enforce building, housing, and related codes for the area inside cities. Boroughs may exercise this power in the area outside cities or areawide by acquiring the power in the same manner as they obtain other powers in such areas. A borough now exercising this power areawide or within a city will continue to do so if the city agrees; otherwise, the city is required to exercise the power in the area inside the city and the borough is required to exercise it outside the city. Boroughs may later acquire the power by transfer from cities or by areawide vote. (Sec. 29.48.035)

The fiscal year will begin on July 1 in home rule as well as general law municipalities. (Sec. 29.48.190 (a))

The property tax exemptions or exclusions required of all municipalities under present law are retained. (Sec. 29.53.020) General law cities may by ordinance exempt or exclude boats, household furniture and effects, and civic centers, as under existing law. They may exempt or exclude additional property from tax by an ordinance ratified by the voters. Any exemptions or exclusions granted by home rule municipalities before the effective date of this act are not affected. (Sec. 29.53.025)

Added is the existing law which permits boroughs to adjust their property tax structure to that of cities within the borough and permits cities to exempt or exclude from borough taxes property exempted or excluded from city taxes, upon payment to the borough of the money it loses by the cities' action. (Sec. 29.53.025 (c))

Existing law on valuation of farm land for property tax purposes is added. (Sec. 29.53.035)

The combined borough and city property tax levy inside a city may not exceed 3% of assessed valuation. (Sec. 29.53.050)

When a borough votes to pledge its full faith and credit to guarantee bonds for the area outside cities or for service areas, the question must carry in these areas as well as areawide. (Sec. 29.53.340 (d))

Boroughs and cities may assess the real property of governments and private citizens for all or part of the costs of capital improve-

ments which benefit their property. The state will pay the assessment. Payment of the assessment by other governments is made a condition of receiving the benefit of the capital improvement. In the case of private citizens, payment is made a lien against their property. (Sec. 29.63.010) Existing law limiting the amount of a lump-sum or installment payment of a special assessment and authorizing special assessment bonds is added. (Sec. 29.63.060 and Sec. 29.63.085)

A borough is expressly permitted in service areas to provide different services, or a different level of services, than are provided areawide or in the borough area outside cities. The provisions clarify existing law. (Sec. 29.63.090) A city is permitted to have tax zones with different services, or a different level of services, than in the rest of the city. (Sec. 29.53.405)

The Local Boundary Commission is directed to establish procedures for boundary changes by local action in boroughs as well as in cities. (Sec. 29.68.010 (b))

With regard to the unification of a borough and its cities, the authority of the governing body to allocate pre-unification debt is delineated more fully than in existing law. (Sec. 29.68.350 (a) (1) and Sec. 29.68.410)

The section of SB 113 on the civil tort liability of local governments is deleted (Sec. 29.73.010) and the existing law at AS 09.65.070 is retained.

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CSSB 113 & CSHB 208 -- THE PROPOSED REVISED MUNICIPAL CODE*

Attachments Prepared by Direction of the Senate and House Local Government Committees Acting Jointly

a) Comparison of CSSB 113 (CSHB 208) and Existing Municipal Law

b) Comparison of CSSB 113 (CSHB 208) and SB 113 (HB 208)

Foreword and Synopsis of Attachments

The need for revision of the maze of local government laws of the state, most of them in the case of cities dating back to territorial days, has long been recognized by the legislature. By concurrent resolution adopted in 1963 the Third Legislature characterized the bulk of state law relating to cities as "disjointed" and not serving the best interest of the state. After a two-year revision effort conducted by the Local Affairs Agency, the Department of Law, and the Legislative Affairs Agency, a proposed revised code was introduced into the First Session of the Fourth Legislature and since then has been continually before the legislature in various modified forms of the original bill.

This year, following two years of preparation and six years of review and revision by legislative committees as well as by the Alaska Municipal League, the public through hearings, municipal and

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* The provisions of CSSB 113 and CSHB 208, like those of SB 113 and HB 208, are identical; for convenience, the reference to the proposed municipal code is made as CSSB 113, which is the printed and distributed bill.

school officials, staffs of the legislative and executive branches of the government, and others, the presentation of CSSB 113 marks the first time the proposed code has reached the floor of either house. It does so after consideration by joint deliberation of the Senate and House Local Government Committees. Its passage in the current session offers the opportunity for the same legislature which enacts it to observe its practical operation and make any changes it may deem warranted during the second session.

This code is based on a proposed draft submitted by the Alaska Municipal League and prepared by a League committee comprised of municipal attorneys and administrators; the League draft in turn is based on earlier versions of the proposed code but reflects extensive updating and adjustment of provisions to emphasize a technical revision rather than large-scale substantive changes in existing areas of law, particularly in terms of relationships of boroughs and cities and local governing bodies and school boards.

Like any overall revision of titles of the Alaska Statutes, of course, the code incorporates changes from existing law both in form and in substance, albeit the substantive changes are relatively few considering the scope of the revision and the technical changes made. Among the most significant substantive changes appear to be the following. The code

1) provides for two classes of general law cities rather than four;

2) makes clear which provisions of the code apply to home rule local governments and which do not apply; a notable

example of the merit of this approach is the basic provision outlining school board and local assembly or council relationships; the proposed code retains the substance of the provisions (sec. 29.33.050) virtually as they appear under present law (AS 07.15.330) but does not apply them to home rule governments; the provisions under present law have been the source of much controversy and pending litigation as to their applicability to home rule governments;

3) authorizes cities and boroughs to permit, on vote of the people, exemptions from property taxes in addition to those exemptions now required by law or already permitted on an optional basis by law (general law cities and, arguably, home rule cities, do not have such authority under present law);

4) expressly authorizes use taxes as correlatives to sales taxes, which still continue to require voter approval; authorizes borough collection and refund of city sales taxes as well as city property taxes, the latter now being required to be collected by boroughs under present law;

5) establishes uniform fiscal years and practices for assessing, levying and collecting property taxes for all municipalities;

6) revises existing cumbersome special assessment laws and permits levy of special assessments against governmental units;

7) authorizes differential property tax zones within cities to allow for different services or different levels of services than are provided generally within a city;

8) provides for general law cities within general law boroughs to levy sales or use taxes upon the same tax sources as are levied upon by the borough;

9) expands eligibility for organization grants to second class cities newly incorporating or reclassifying to first class status and assuming school functions (outside boroughs);

10) provides that the terms of office of city, borough and school board officials are two years but that any local government may by ordinance choose otherwise and provide different terms not exceeding four years (three years for school boards, as under present law); terms of incumbents are not affected, however;

11) sets the date of the regular municipal election at the same time as the date of the state general election (i.e. on the Tuesday after the first Monday of November);

12) makes every local voter registered to vote in state elections eligible to vote in any municipal election, without being required also to meet separate municipal registration requirements; if not registered to vote with the state, he may vote in local elections upon meeting the local registration requirements if any;

13) adds garbage and solid waste and water pollution control powers to the existing categories of powers which second class boroughs may exercise in the borough area outside cities without special voter approval;

14) gives cities authority to adopt and enforce building, housing and related codes within the cities rather than conferring such authority upon a borough as part of its required areawide planning, platting and zoning powers, as has been the interpretation under present law;

15) requires no election in general law cities and boroughs to sell municipal revenue bonds unless the local government chooses by ordinance to require an election.

The fundamental change represented by the proposed code is technical in that it is a reorganized, clarified, and updated body of municipal law and a vastly improved framework within which to meet the legislative needs of municipalities as they may develop. Not the least of the proposed code's advantages is that it takes a body of law referred to probably as much or more than any other title in the Alaska Statutes and renders it far more intelligible for municipal officials as well as for the citizens whom it so directly affects.

The following summaries set forth in more detail comparisons of CSSB 113 and CSHB 208 and existing law and comparisons of CSSB 113 and CSHB 208 with the bills as first introduced.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

August 2, 1971

M E M O R A N D U M

TO : Senator John Rader, Senate Local Government Committee
Rep. Mike Miller, House Local Government Committee

FROM : Greg Machyowsky, Legislative Counsel

SUBJECT: Incorporation of 1971 Session Laws into proposed municipal code; other minor code amendments

A number of session laws enacted late in the first session of the Seventh Legislature amend existing Titles 7 and 29 and are not subsumed in the latest version of the proposed municipal code which was pending in Senate Rules at the close of the last session. Amendments to incorporate the substance of these session laws are attached; should they not be incorporated into the proposed code and the code is enacted, they will have been repealed from existing laws, since the proposed code repeals existing Titles 7 and 29.

I am attaching also an amendment which should be included with the technical amendments already made to the code. The amendment is minor and only preserves the consistency of distinctions maintained elsewhere in specific code sections as to which provisions bind home rule and general law municipalities under sec. 29.13.100 (pp. 7-8) of the proposed code.

Greg

GM:hg
Enclosures

April 27, 1972

M E M O R A N D U M

TO: Senator Merdes

FROM: Greg Machyowsky, Legislative Counsel

SUBJECT: Enclosed amendment to SCS CSHB 208 restoring regular municipal election date to first Tuesday of October; other comments on the proposed code

The enclosed amendment sets the regular municipal election date as the first Tuesday of October in even-numbered years rather than the Tuesday after the first Monday in November of even-numbered years. It should be noted that the amendment does not change the present bill's interval of elections, every two years in the off-year of state elections. Unless a different interval is provided by ordinance. Thus if adopted, the amendment would require local elections the first Tuesday of October in every even-numbered year following state elections and the next succeeding odd-numbered year in which cities choose by ordinance to provide for local elections on the first Tuesday of October every year, as under present law.

If local elections every two years in the off-year of state elections are intended, then the amendments made on pages 31 and 123 of the amendments should read:

Page 31, line 23: Strike "Tuesday after the first Monday in November every even-numbered year" and substitute "first Tuesday of October every odd-numbered year"

Page 123, lines 24 - 25: Strike "Tuesday following the first Monday in November of even-numbered years" and substitute "first Tuesday of October of odd-numbered years".

The amendment as now drafted makes the application of the regular election date (i.e. first Tuesday of October) to home rule cities optional. The home rule cities of Kodiak and Valdez apparently have local election dates other than the first Tuesday of October, specifically November and the second Tuesday of October respectively. Thus the amendment leaves them free to retain their present election dates.

The amendment does, however, require the standard October election date for a large number of smaller general law cities now having regular election dates other than that Tuesday. In most cases these dates are set in November (Barrow, Gambell, Girdwood, Goodnews Bay, Hydaburg, Kiana, Kodiak City, Long Island, Kwalina, Metlakatla, Noorvik, North Pole, Point Hope, Port Alexander, Port Lions, St. Mary's, Saxman), and a few others have dates at various other months, including January, March, April, May, June and December. All boroughs and most home rule cities (except for Kodiak and Valdez) now have the first Tuesday of October as the regular election date. If, to accommodate the smaller general law cities having different election dates, even the election date of the first Tuesday in October is not to be made mandatory, the phrase "first Tuesday of October" in the amendment should be enlarged to read "first Tuesday of October, unless otherwise provided by ordinance" and the amendment on page 124, line 14 should be omitted. (I'll have this substitute amendment prepared promptly upon hearing from you, if the intent is to permit both general law and home rule governments to vary the October election date by ordinance; that apparently is the option under present law, as noted above.)

By permitting home rule governments to set a date for elections other than the first Tuesday of October (as the amendment does) or by adding language to permit general law communities to vary the date also, a possible problem can arise in that larger cities within boroughs may have separate election dates from the borough. The same possibility exists under present law, however. Borough election dates are set on the same day as the date of municipal elections in the largest first class or home rule city within the borough, or the first Tuesday of October if there is no such city within the borough; however, the borough is given express statutory authority to vary the election date by ordinance at its option (AS 07.30.020). Similarly, first and second class cities may vary their general election date, which is otherwise set at the first Tuesday of October (AS 29.10.040, AS 29.10.030 (cum supp.), AS 29.17.120). The third and fourth class cities the choice of election date is apparently left completely to local option. Under the present laws, then, it is permissible for a city to set one election date and the borough another, and both may be at a time other than the date of the state general election. As indicated, though, most of the larger cities, and all boroughs, rely on the first Tuesday of October as the regular election date.

Turning to other matters respecting the proposed code, I hope you will not mind my making a brief observation or two which might be of at least some limited usefulness in meeting possible objections to the general plan at this time. The objections to the committee section authorizing differential rates of property taxation on land, fixtures, and personal property might be diminished somewhat by limiting application to situations in which land is ripe for building development; this would be in accord with the apparent purpose of the provision to encourage the most productive land use,

and perhaps reduce apprehension that a category might be arbitrarily singled out for a heavy tax burden. Another alternative might be to limit the number of mills by which the rates might vary.

Narrowing down the number of taxing provisions binding on home rule governments, notably sec. 29.53.010 (which calls for taxation only as provided in the code chapter), might help meet an objection to code adoption without the differential tax rate section included within it. Home rule governments, being bound only by those provisions of the proposed new title which are made expressly binding, would then be free to require differential levy by home rule ordinance, assuming home rule constitutionally extends to taxing powers under the provisions of the state constitution (i.e. art. X, sec. 2, providing that the state "may delegate" taxing powers to boroughs and cities only).

Finally, for those being unsure of the code's effect, perhaps placing an extended effective date on its becoming law would be useful, to permit very ample time for detailed local study and possible amendment; for example, an effective date of July 1, 1972. Or am I getting desperate?

GH/sm

A M E N D M E N T

IN THE SENATE

TO: SENATE CS FOR HOUSE BILL NO. 208

Page 7, line 28: After ".020" insert "(b)"

Page 17, line 28: Strike "at the time of the general election" and substitute "on the first Tuesday of October"

Page 18, line 1: Strike ", unless provided otherwise by ordinance"

Page 22, line 29: Strike "Tuesday after the first Monday" and substitute "first Tuesday of October"

Page 23, line 1: Strike "in November"

Page 25, lines 28 - 29: Strike "every year on the Tuesday after the first Monday in November" and substitute "first Tuesday of October"

Page 27, lines 12 - 13: Strike "Tuesday after the first Monday in November" and substitute "first Tuesday of October"

Page 29, line 8: Strike "municipal"

Page 29, line 9: Strike "Tuesday after the first Monday in November" and substitute "first Tuesday of October"

Page 29, lines 22 - 23: Strike "municipal election on the Tuesday following the first Monday in November" and substitute "election held on the first Tuesday of October"

Page 35, line 22: Strike "in home rule and general law municipalities"

Page 35, line 23: Strike "Tuesday after the first Monday in November" and substitute "first Tuesday of October"

Page 123, line 24: Strike "Tuesday following the first Monday in November" and substitute "First Tuesday of October"

Page 124, line 14: Reword the amendment comprising part of SCS CSHB 208 and beginning at page 124, line 14 as follows: Page 124, line 14: After "title." add the following new matter: "The provisions of

this title establishing the regular municipal election date as the first Tuesday of October of even-numbered years, or at an interval of years provided by ordinance, shall be implemented by general law cities and boroughs not already having that election date by November 5, 1974 but not before November 6, 1973."

To illustrate: In the Kenai Peninsula Borough about $160,000,000 of the total assessed value of $280,000,000 is in petroleum industry developments. A 30 mill tax on the industrial property would produce $4,800,000; the present 5 mill tax rate on all classes produces $1,400,000. The classes of property included in the $160,000,000 can be described as: property utilized in the exploration, development, production, storage, processing and transportation of non-renewable resources and including enterprises engaged exclusively in servicing these activities (such as well drilling).

A major state interest in the prospective effect of 29.53.025 (a) as to petroleum industry property taxation is illustrated as follows: a new liquefaction plant which may cost $75,000,000 is in prospect. A 30 mill tax would produce $2,250,000 a year or at the rate of 3 3/4 ¢ (three and three-quarter) per MCF at a consumption of 60 billion cu ft of gas a year (approx. amount for present plant). This would be more than twice the current rate of state royalty and production tax revenue. A thirty mill tax rate - or the prospect of it - would certainly affect the state's economic relations with the prospective development.

As a general policy the local government property tax should be applied in a normal manner for normal functions and purposes. It should not be open to manipulation to provide a special tax haven for most of the people at the expense of the remainder in areas specially favored with developments of unprecedented high value.

Neither should the tax authority be open to taxing a selected class or classes at the maximum of 30 mills to produce an unprecedented high level of revenue with other classes being taxed not at all.

If there is the prospect of to be/taxation of oil industry property differently from other property normally subject to ad valorem tax, and there is to be the prospect of a rate at any level up to the 30 mill maximum without regard to requirements for normal local government purposes, it is the legislature that should make such surcharge levy on behalf of all the people to be allocated according to need and other equitable measurements.

CONCERNING THE MUNICIPAL CODE PROVISION 29.53.025: "(a) MUNICIPALITIES MAY EXCLUDE OR EXEMPT PROPERTY FROM TAXATION BY ORDINANCE RATIFIED BY THE VOTERS AT A REGULAR OR SPECIAL ELECTION."

We have a unique property tax situation that involves boroughs and cities, the unorganized borough and - most of all - the state. This is the extreme abnormality of huge capital intensive petroleum industry developments - unevenly distributed - that may in five years have a taxable value in excess of all the rest of the taxable real and personal property in the state.

Most of such developments create only negligible requirements for public services, except during the temporary exploration and development boom period. In remote and isolated areas such as the North Slope and Drift River no public community needs are created in the vicinity.

In some areas industry fixed assets normally subject to ad valorem tax will represent 75 to 90% of all the taxable property. On the Kenai Peninsula another gas liquefaction plant is anticipated. It may cost about $[illegible] may employ not more than 15 workers. No satellite suppliers are involved and negligible support services are needed.

In the areas of industry developments the assessed value of taxable property per capita may reach 15 to 17 times the average for present local tax jurisdictions.

The circumstances cited, when coupled with the authority of 29.53.025(a), would be an invitation to rig a property tax program to tax industrial property only. Under normal circumstances it is not possible to exclude a class or classes of property from taxation without there still being a major percentage of the people shouldering the burden of lost revenue by paying more on the remaining property classes. In such a situation excesses are self limiting.

But our circumstances are not normal. In an area in which a very large percentage of the taxable property is in industrial developments, other classes of property could be exempted, the tax rate could go up to 37 mills without hurting anyone else and yet secure more revenue than previously from all classes of property under a moderate rate.

PAGE 9, LINE 9: AFTER "SERVICES", REMOVE SEMI COLON,

SUBSTITUTE COMMA AND ADD THE FOLLOWING: BUT SHALL EXCLUDE

ALL AREAS SUCH AS MILITARY RESERVATIONS, GLACIERS, ICE-

CAPS, AND UNINHABITED AND UNUSED LANDS UNLESS SUCH AREAS

ARE NECESSARY OR DESIGNATED FOR INTEGRATED LOCAL GOVERNMENT.

This is not New language; it is language which inadvertantly was dropped in the codification so should be restored.

PAGE 9, LINE 29: STRIKE "(6)" AND CONTINUE WITH MATERIAL

BEGINNING WITH "FOR" FOLLOWING THE SEMI-COLON AFTER

"EXERCISED" IN LINE 28.

5 and 6 should be combined to facilitate restoration of language omitted in codification, but which is needed.

PAGE 10, LINE 2: AFTER "ONLY" REMOVE THE SEMI-COLON,

SUBSTITUTE A PERIOD AND ADD THE FOLLOWING: THOSE POWERS

WHICH CAN BE EXERCISED MORE EFFECTIVELY AND ECONOMICALLY

ON AN AREAWIDE BASIS BY THE RECOGNIZED REGIONAL BODY

BE ASSIGNED TO THE REGIONAL BODY. IN DETERMINING

EFFICIENCY AND ECONOMY, THE PERSON AND AGENCY

BENEFIT AND COST OF OPERATION, RESPONSIVENESS TO PEOPLE

NEEDS, ABILITY TO OPERATE OVER EXTENDED PERIODS,

THE FEASIBILITY OF INTEGRATING ONE OTHER FUNCTION

BE CONSIDERED.

Ball will in the law suit.

PAGE 15, LINE 16: AFTER "EXCLUSION" DELETE ALL MATTER

IN LINES 16-20 *See attached explanatory material.*

PAGE 17, LINE 21: REDESIGNATE "(b)" AS "(a)."

PAGE 17, LINE 1: AFTER "(6)" DELETE ALL MATTER. *since it is no longer pertinent.*

PAGE 17, LINE 1-: REDESIGNATE "(c)" AS (b): [redacted]

NOTE: IN REDESIGNATED SECTION "(a)", OR IN A NEW

SUBSECTION [redacted]

statewide may be included

REGIONAL FUNCTIONS [redacted]

OF THE VALUE OF AN OWNER-OCCUPIED SINGLE DWELLING." *or UM improved land" etc*

Mike, please note....

Separate amendment prepared for Senate on this point:

Page 124, line 19. This section should be whited out if this is sent over to the Senate.

Rec'd this information from Greg M. 4/17/71

Kathe

1. Registration D
2 SOC ADM Initial — as combined Dues/Sch. Sent
3 election dates
4 tax [illegible] for older citizens
5 [illegible]
6 City ordinance [illegible]
7 Council/Attorney employment of old officers

Cost analysis of Senator Hensley's amendment to municipal code. Would pay to all cities incorporated after January 1, 1968, ten dollars for each person who voted on the incorporation question.

The following 45 cities were incorporated from January 1, 1968 through January 1, 1972:

City	Incorpo. Date	No. of Voters at Election	Amount
Akiak	July 9, 1970	24	240
Akolmiut	August 26, 1969	97	970
Alakanuk	November 5, 1969	40	400
Aleut Community of St. Paul Island	June 29, 1971	70	700
Ambler	March 26, 1971	36	360
Anvik	October 6, 1969	32	320
Brevig Mission	October 6, 1969	24	240
Clarks Point	March 26, 1970	23	230
Deering	October 28, 1970	18	180
Diomede	October 28, 1970	22	220
Eek	July 9, 1970	28	280
Elim	October 19, 1970	54	540
Fortuna Ledge	July 19, 1970	18	180
Galena	October 26, 1971	45	450
Golovin	March 26, 1971	27	270
Goodnews Bay	July 9, 1970	26	260
Grayling	June 9, 1969	30	300
*Holy Cross			
Huslia	June 9, 1969	25	250
Kaktovik	March 26, 1971	37	370

*Holy Cross information not available at present.

Kaltag	June 9, 1969	29	290
Kivalina	June 23, 1969	50	500
Kotlik	October 28, 1970	52	520
Koyuk	October 19, 1970	40	400
Lower Kalskag	August 27, 1969	29	290
Manokotak	October 19, 1970	69	690
Mekoryuk	September 24, 1969	69	690
Napakiak	October 19, 1970	51	510
Napaskiak	October 27, 1971	51	510
Newhalen	October 26, 1971	29	290
Nikolai	July 9, 1970	15	150
Nondalton	May 18, 1971	36	360
Pilot Station	October 6, 1969	47	470
Russian Mission	October 28, 1970	29	290
Saint Michael	July 15, 1969	26	260
Savoonga	October 6, 1969	53	530
Shageluk	July 9, 1970	28	280
Shaktoolik	October 7, 1969	31	310
Shishmaref	July 15, 1969	52	520
Stebbins	July 15, 1969	52	520
Tenakee Springs	October 26, 1971	40	400
Togiak	June 23, 1969	60	600
Tuluksak	October 23, 1970	46	460
White Mountain	July 15, 1969	18	180
Whittier	July 15, 1969	56	560
	TOTAL		$17,340

MEMO

TO: Joint Senate and House Local Government Committees DATE: March 24, 1971

FROM: The Chairmen

SUBJECT: Summary of Proposed Amendments to Senate Bill No. 113

This is a summary of the substantive amendments to Senate Bill No. 113 proposed by the Chairmen of the Senate and House Local Government Committees.

A second class borough is permitted to reclassify as a third class borough, not only as a first class borough. This change restores existing law. Moreover, a third class borough voting on whether or not to reclassify is given the option to vote at the same time on retaining a combined assembly and school board. (Sec. 29.08.040)

All municipalities which incorporate or reclassify after the effective date of this act, except municipalities which unify, will receive transitional grants of $10 per registered voter. There will be a minimum grant of $25,000 for municipalities having or assuming the school power. (Sec. 29.18.180)

The elections of borough assemblies, city councils, and school boards will be held every two years on the same date as the State election, unless a locality provides by ordinance for different terms, which may not exceed four years in length. If a locality chooses to have different terms it will, of course, have elections in odd-numbered years, but they will take place on the second Tuesday after the first Monday in November. (Sec. 29.23.040, Sec. 29.23.200, Sec. 29.23.-310)

School budget items are excluded from the items in appropriation ordinances which a borough chairman may strike or reduce by veto. Also, two-thirds of the assembly, rather than three-fourths, can override a veto. (Sec. 29.23.170)

City council members may be elected by districts as well as at large. (Sec. 29.23.200)

Second class cities (our present fourth class cities) may submit an annual statement of income and expenditures to the Local Affairs Agency in place of an audit. The State payment of shared revenues is contingent on the submittal of these audits or statements. (Sec. 29.23.560)

Any person registered to vote, not only a person who voted, may contest an election. If he ~~xxxxxx~~ succeeds, the borough will pay for the recount; if he loses, he must bear the costs. (Sec. 29.28.050)

When a borough proposes (on its official map) to reserve lands for public use it must notify the persons on and adjacent to such lands. (Sec. 29.33.095)

The provisions of CS for HB 86, providing that home-rule and general law municipalities may change their names by an ordinance ratified by the voters, are included in the bill. (Sec. 29.48.010)

Second class boroughs may by ordinance exercise garbage and solid waste disposal in the area outside cities. (Sec. 29.48.020)

Cities will adopt and enforce building, housing, and related codes for the area inside cities and boroughs will exercise this function in the areas outside cities, unless a borough and a city agree to have the former exercise this function areawide. (Sec. 29.48.035)

General law cities may, as under existing law, exempt or exclude civic centers and boats from property tax, by ordinance. They may grant additional exemptions and exclusions by an ordinance ratified by the voters. (Sec. 29.53.025)

The combined borough and city property tax levy inside a city may not exceed 3% of assessed valuation. (Sec. 29.53.050)

Boroughs and cities are given the option of replacing property taxes and/or sales and use taxes with an income tax not to exceed 10% of the State income tax. The State will collect the local income tax and remit it less the costs of collection. (Sec. 29.53.470)

When a borough votes to pledge its full faith and credit to guarantee bonds for the area outside cities or for service areas, the question must carry in these areas as well as areawide. (Sec. 29.58.340 (d))

Boroughs and cities may assess the real property of governments (Federal, State and local) and private citizens for all or part of the costs of capital improvements which benefit such property. Payment of the assessment by governmental units is made a condition of receiving the benefit. In the case of private property, payment is a lien against the property. (Sec. 29.63.010)

A borough is expressly permitted to have special services or a higher level of services in different service areas so long as tax rates vary accordingly. This clarifies existing law in the light of a recent court ruling. (Sec. 29.63.090)

The existing law on the civil tort liability of local governments is restored. (Sec. 29.73.010)

MEMO

TO: Joint Senate and House Local Government Committees

FROM: The Chairmen

SUBJECT: Proposed Recommendations for Committee Substitute for Senate Bill No. 113

DATE:

Page 2, line 16: Redraft (b) so as to provide that a second class borough can reclassify to third class borough (as in existing AS 07.35.020), and that when a third class borough reclassifies to first or second class it may vote to continue a combined assembly and school board. If they vote, however, to have a separate school board, a provision should be added to have the assembly call a later election for this, as under 29.18.[illegible] in the proposed Code.

Page 3, line 6: Strike "on" and substitute "before

" " 10: Strike "if no" and substitute "unless"

Page 5, line 24: After "initiative" insert "referendum"

" " 25: Strike "29.28.100" and substitute "29.28.060-110"

Page 6, line 17: After "(14)" insert "29.53.010"

Page 6, line 19: Add "(15) 29.68.010 (Annexation and Exclusion), 29.68.030-110 (Merger and Consolidation), 29.66.500-580 (Dissolution), 29.73.010 (Actionable Claims Against a Municipality), 29.73.020 (Eminent Domain), 29.73.030.(Adverse Possession), 29.73.040 (Taxation of Municipalities).

Page 6, line 21: Add the substance of No.'s 1-5 of pages 2-3 of the Anchorage Borough administration packet, excluding the last sentence of point No. 3. Also, draft an express provision for "special services or a higher level of services, and correspondingly different rates of taxation in service areas."

Page 9, line 24: After "petitions" insert "for election of initial officers"

Page 11, line 6: Strike "first Tuesday of the following October" and substitute "next regular city election"

Page 11, line 12: Strike "special service districts and"

" " 16: " "district and"

" " 18: " "district or"

" " 19: " "former district"

" " 21: " "district or"

" " 22: " "district or"

" " 23: " "district or"

" " 29: Insert between "cities" and "service" the word "and"; strike "and special districts"

Page 12, line 9: Strike "or special district"; insert "and" between "city" and "service

" 11-12: Strike "or special district"; insert "and" between "city" and "service

" 24: Strike "or special district"

Page 15, line 8: Redraft to provide for borough election every two years at the same time as the state election, unless otherwise provided by ordinance. (Sec. 29.23.040 REGULAR TERM OF OFFICE)

Page 15, line 28: Delete "two months" and substitute "month," and add "unless otherwise provided by ordinance."

Page 19, line 23: Before "equal" insert "approximately" and after "equal" delete "voter representation" and substitute "population"

NOTE: Borough school "zones" authorized on page 26, line 3.

Page 22, line 6: After "ordinances" insert "except for school budget items"
" 8: Delete "three-fourths" and substitute "two-thirds"

Page 22 Redraft so as to provide that borough, city, and school board elections in all municipalities, including home-rule, shall be at the same time as the state election; they shall be held every two years "unless otherwise provided by ordinance".

Page 26, lines 4-5: Add a provision specifying the school board election date

Page 28, line 4: Before the first sentence, insert the following new matter: "Adoption of a manager plan may be initiated either by petition or upon motion of the assembly or council."

" " 12: After "of" strike "the" and substitute "a"; after "petition" add "or upon its motion"

Page 30, line 18: After "audit" add "or in the case of second class cities an audit or statement of annual income and expenditures"

" " 12-13: Add a provision that compliance with the provisions of Sec. 29.23.560
13-14: of this chapter is a prerequisite to receipt of state shared-revenues under AS 43.18, and the state shall withhold annual allocations under that chapter in the event of noncompliance until such time as the report requirements are complied with.

NOTE: AS 14.12.040 is to be amended so as to conform with the optional two year sequence for municipal elections.

Page 32, line 12: Elections may be contested by a registered voter

Page 32, line 19: Redraft (d) so as to provide that the borough and city will pay the cost of an election recount if the contestant succeeds.
" 22: Before "voter" insert "registered"

NOTE: Redraft the definition of "voter" on page 115, line 17 as "registered voter": a voter registered with the state or, if not registered with state, meets whatever requirements are prescribed by the municipality as well as meeting all other requirements of the state constitution.

Page 34, line 6: Strike "next preceding" and substitute "last"

Page 36, line 23: After "repealed" add a new sentence: "A municipal charter may be amended as provided in the charter or by initiative and referendum as provided in 29.28.060-110

Page 42, lines 2-4: After "assembly" strike all matter through "membership" and substitute the following: "except that appointments of members from first class cities are selected from a list of recommendations submitted by the city council."

Page 43, line 8: Strike "execution" and substitute "implementation"

" " 12-13: After "commission" insert "The planning commission shall undertake an overall review of the plan at least once every two years and shall present recommendations based on the review to the assembly."

Page 43, line 26: Insert "zoning" before "regulations"

Page 46, line 18: After "submits a" strike all matter to "reservation" and substitute "subdivision plan for approval by the platting board."

" " 21: After "use" insert "or otherwise develop the land included in the reservation"

" " 22: Strike "begins" and substitute "files"

" " 25: After "structure" insert "or otherwise develops the land"

" " 27: Under 29.33.095 insert a requirement that notice be given to persons adjacent to or on reserved areas of the proposed adoption of an official map.

Page 48, line 20: After "boundaries" insert "but may delegate by resolution or ordinance part or all of its functions to the borough."

" " 17: After "by" insert "resolution or"

Page 52, line 9: Before "owners" insert "municipality or"

Page 55, lines 4-5: Provide for the orderly transfer of assets, liabilities, powers, duties, rights of a city or a service area upon the assumption of additional areawide powers, ~~for written notice of assumption~~, and for orderly transfer upon consultation of borough and city officials. Pattern this after the existing transitional provisions in AS 07.10.130-140.

Page 58, lines 19-20 Insert "(5) Provide for garbage and solid waste disposal."

Page 60, lines 11-[illegible] Strike all matter after "(14)" and substitute "Building, housing, and related codes, except that building code powers being exercised on an areawide basis prior to the effective date of this act may continue to be exercised on that basis, upon agreement of the city and the borough."

" " 20: Redraft to clarify that a first class borough may exercise the powers conferred by (a) of this section only after....a second class borough may exercise...

Page 72 Draft a new section(s) to provide that general law municipalities may exempt or exclude boats and civic centers from property tax; they may grant other exemptions and exclusions "by an ordinance to be ratified by the voters"

Page 73, line 12: After "valuation." add "including the combined levy of borough and city taxes within a city."

Page 84, lines 15-16: After "foreclosure" add "The deeds shall be recorded in the recording district in which the property is located."

Page 84, line 25: After "taxes" insert "and costs of foreclosures"

Page 86, line 10: Before "cities" insert "Home-rule and first class"

Page 86, lines 3-4 Add language to this effect: "Instead of property taxes or sales taxes, a borough or city may levy and collect an income tax equal to 10% of the state income tax payment. This is to be collected by the state and refunded to the local government, less costs of collection not in excess of 2% of the amount collected. The computations of the [illegible] partment of Revenue shall be final." Remove the existing prohibition of an income tax by home-rule and general law cities found in AS [illegible].

Page 91, lines 15-16 Add the existing provisions of AS 29.25.355

Page 94, line 15 — Add language or redraft so as to provide that bonded debt for the ar... outside cities only or for service areas must be approved by the vot... in those areas; when the full faith and credit of the entire borough is to be pledged to the bonded debt of those areas, it must be approv... by the voters of the borough on the same day as those areas vote on incurring a bonded debt.

NOTE: — Incorporate CS for HB 86, which provides that municipalities, including home-rule, may change their names by an ordinance ratified by the voters.

Page 94, line 19: — Strike "state, borough, and city" and substitute "the property of a governmental unit."

" " 21: — After "capital improvements" add "In the event a governmental unit benefitted by the assessment refuses to pay the assessment, it shall be denied the benefit of the improvement."

Page 98, line 27: — After "if" insert "consistent with the purposes of Art. X of the st... constitution"

Page 99, lines 1; — After "may" insert "exercise or"
" " 3: — After "each" insert "exercised or"

Page 113, line 15: — Strike "Sec. 29.73.010" and substitute the existing language of AS 09.65.070. "An action may be maintained against a unit of local government or public corporation of like character in its corporate character and within the scope of its authority, or for an injury to the rights of the plaintiff arising from some act or omission of the unit of local government."

Page 115, line 5 — Where the phrase "newspaper of (or having) general circulation within the municipality" appears in the proposed Code, insert after "circulation" the word "distributed", e.g. page 103, lines 20-21.

" " 8: — Strike "seven" and substitute "five"

19 APR 71

Rep. Miller:

By mistake, the separate bill you wanted was drafted as an amendment to CSSB 113. Anyway, notice that it permits a local income tax on "municipal residents." I thought you also wanted to allow taxing the income of non-residents working in a municipality. (The phrase "income" as used in this amendment would include rental, dividend, capital gains, and proprietary (self-employed) incomes as well as business profits.)

Jim

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH V STATE CAPITOL
JUNEAU, ALASKA 99801

April 19, 1971

MEMORANDUM

TO: Senator Merdes

FROM: Greg Machyowsky, Legislative Counsel

SUBJECT: Brief explanation of attached amendment to CSHB 208 am (New Sec. 29.53.470 of bill)

This amendment authorizes cities and boroughs to levy municipal income taxes on residents' incomes, as an alternative to either property or sales taxes (the amendment would permit a local government levying only one of the two presently permitted taxes to levy the income tax). The local levy and collection is tied to the state income tax.

Exhibit

AMENDMENT

IN THE SENATE BY THE LOCAL GOVERNMENT COMMITTEE

TO: CS FOR HOUSE BILL NO. 208 (as amended)

Page 1, line 11, after " - 40.15.180" insert ", 43.20.290"

Page 8, line 16: After the last matter on the line insert: ", 29.53.470 (income tax)"

Page 94, between lines 11 and 12, add the following new matter:

Sec. 29.53.470. MUNICIPAL INCOME TAX. As an alternative to either the property tax or sales and use tax, a home rule or general law municipality may by ordinance levy an income tax upon the income of municipal residents not exceeding 10 per cent of the Alaska income tax obligations of the taxpayer. The municipal income tax is collected by the Department of Revenue and remitted to the municipality less the costs of collection, which may not exceed two per cent of the amount collected. Determinations of the Department of Revenue with respect to sufficiency of the taxpayer's return, amount of tax collected and costs of collection shall be final and not subject to appeal.

A M E N D M E N T

IN THE HOUSE BY THE LOCAL GOVERNMENT COMMITTEE

TO: CS FOR HOUSE BILL NO. 208 (CSSB 113)

Page 43, lines 24 - 29, page 44, lines 1 - 29 and page 45, lines 1 - 16, strike all matter and substitute the following:

Sec. 29.33.050. EDUCATION. Each borough constitutes a borough school district and establishes, maintains and operates a system of public schools on an areawide basis as provided in AS 14.14.060.

Page 58, line 13: Strike "shall"

Page 72, lines 17 - 19: Strike all matter beginning with "However"

Page 125, line 28: Add the following new matter:

* Sec. 6. AS 14.14 is amended by adding a new section to read:

Sec. 14.14.060. RELATIONSHIP BETWEEN BOROUGH SCHOOL DISTRICT AND BOROUGH. (a) The borough assembly may by ordinance require that all school money be deposited in a centralized treasury with all other borough money. The borough chairman shall have the custody of, invest and manage all money in the centralized treasury. However, the borough assembly, with the consent of the borough school board, may by ordinance delegate to the borough school board the responsibility of a centralized treasury.

(b) When the borough school board by resolution consents, the borough assembly may by ordinance provide a centralized accounting system for school and all other borough operations. The system shall be operated in accordance with accepted principles of governmental accounting. However, the assembly, with the consent of the borough school board, may by ordinance delegate to the borough school board the responsibilities of the accounting system.

(c) The borough school board shall submit the school budget for the following school year to the borough assembly by April 1 for approval of the total amount. Within 30 days after receipt of the budget the assembly shall determine the total amount of money

to be made available from local sources for school purposes and shall furnish the school board with a statement of the sum to be made available. If the assembly does not, within 30 days, furnish the school board with a statement of the sum to be made available, the amount requested in the budget is automatically approved. By May 31, the assembly shall appropriate the amount to be made from local sources from money available for the purpose.

(d) The borough assembly shall determine the location of school buildings with due consideration to the recommendations of the borough school board.

(e) The borough school board is responsible for the design criteria of school buildings. Subject to the approval of the assembly, the school board shall select the appropriate professional personnel to develop the designs. The school board shall submit preliminary and subsequent designs for a school building to the assembly for approval or disapproval; if the design is disapproved, a revised design shall be prepared and presented to the assembly.

(f) The borough school board shall provide custodial services and routine maintenance for school buildings and shall appoint, compensate, and otherwise control personnel for these purposes. The borough assembly through the borough executive, shall provide for all major rehabilitation, all construction and major repair of school buildings. The recommendations of the school board shall be considered in carrying out the provisions of this section.

(g) State law relating to teacher salaries and tenure, to financial support, to supervision by the Department of Education and other general laws relating to schools, governs the exercise of the functions by the borough. The school board shall appoint, compensate, and otherwise control all school employees and administration officers in accordance with this title.

(h) School boards within the borough may determine their own policy separate from the borough for the purchase of supplies and equipment.

* Sec. 7. AS 14.14.065 is amended to read:

Sec. 14.14.065. RELATIONSHIP BETWEEN CITY SCHOOL DISTRICT AND CITY. The relationships between the school board of a city school district and the city council and executive are governed in the same manner as provided in sec. 60 of this chapter [AS 07.-15.330] for the school board of a borough school district and the borough assembly and executive.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

March 29, 1971

M E M O R A N D U M

TO: Joint Senate and House Local Government Committee

FROM: The Chairmen

SUBJECT: Attached proposed amendments to comprise Committee Substitute for Senate Bill No. 113 (with revisions following committee deliberations of March 25, 1971)

March 29, 1971

MEMO

TO: Joint Senate and House Local Government Committee

FROM: The Chairmen

SUBJECT: Summary of Proposed Amendments to Senate Bill No. 113

This is a summary of substantive amendments to Senate Bill No. 113 proposed by the Chairmen of the Senate and House Local Government Committees. All specific propcsed amendments are set forth in the memorandum of amendments accompanying this summary.

A second class borough is permitted to reclassify as a third class borough, not only as a first class borough. This change restores existing law. Moreover, a third class borough voting on whether or not to reclassify is given the option to vote at the same time on retaining a combined assembly and school board. (Sec. 29.05.040)

After the effective date of this Act, borougns and cities which incorporate, except as unified or consolidated municipalities, and second class cities which reclassify to first class cities will receive transitional grants of $10 per voter. The minimum grant will be $25,000 for communities assuming the school function for the first time, either by incorporating as boroughs or first class cities or by reclassifying from second class city to first class city. (Sec. 29.18.180)

In selecting lands under the Alaska Statehood Act, it is the policy of the State to make available to boroughs and cities the maximum land area from which to make selections under this section, consistent with the best interests of the State. (Sec. 29.18.190)

The elections of borough assemblies, city councils, and school boards will be held every two years on the same date as the State election, unless a locality provides by ordinance for different terms,

which may not exceed four years in length. If a locality chooses to have different terms it will, of course, have election in odd-numbered years, but they will take place on the Tuesday after the first Monday in November. (Sec. 29.23.040, Sec. 29.23.200, and Sec. 29.23.310)

School budget items are excluded from the items in appropriation ordinances which a borough chairman (or a mayor in a city in the unorganized borough) may strike or reduce by veto. Also, two-thirds of the assembly (or council), rather than three-fourths, can override a veto. (Sec. 29.23.170)

City councils may be elected on a basis other than at-large, if a local ordinance providing another basis of election is adopted. (Sec. 29.23.200)

Second class cities (present fourth class cities) may submit an annual statement of income and expenditures to the Local Affairs Agency in place of an audit. The State payment of shared revenues is contingent on the submission of these audits or statements. (Sec. 29.23.560)

A qualified voter contesting an election will bear the costs of a recount unless the result of the election is reversed by the recount. (Sec. 29.28.050)

State law relating to teacher salaries and tenure, financial support, Department of Education supervision of schools, other general laws relating to schools, and the appointment, compensation, and control of school employees and administrative officers specified in AS 14 are binding on home-rule as well as general law municipalities. (Sec. 29.33.050 (b), and Sec. 29.43.030)

The authority for general law municipalities to adopt official maps was deleted from the bill by vote of the Joint Committee on March 24, 1971 (Sec. 29.33.095)

The provisions of the Code on the assessment, levy, and collection of property taxes apply fully, rather than only in part, to home-rule as well as general law municipalities (Sec. 29.43.020, Sec. 29.53.010-29.53.350 and Sec. 29.53.400)

The provisions of CH. 12, SLA 1971, providing that home-rule and general law municipalities may change their names by an ordinance ratified by the voters, are included in the bill. (Sec. 29.48.010)

Second class boroughs may by ordinance provide for garbage collection and solid waste disposal in the area outside cities. (Sec. 29.48.020)

The existing law on the power of cities to provide garbage collection and disposal services, including effects on private services in annexed areas, is ~~to be~~ added. (Sec. 29.48.033)

Cities may adopt and enforce building, housing, and related codes for the area inside cities. Boroughs may exercise this power in the area outside cities or areawide by acquiring the power in the same manner as they obtain other powers in such areas. A borough now exercising this power areawide or within a city will continue to do so if the city agrees; otherwise, the city is required to exercise the power in the area inside the city and the borough is required to exercise it outside the city. Boroughs may later acquire the power by transfer from cities or by areawide vote. (Sec. 29.48.035)

The property tax exemptions or exclusions required of all municipalities under present law are retained. (Sec. 29.53.020) General law cities may by ordinance exempt or exclude civic centers and boats from property tax, as under existing law. They may grant additional exemptions or exclusions by an ordinance ratified by the voters. Any exemptions or exclusions granted by home-rule municipalities before the effective date of this Act are not affected. (Sec. 29.53.025)

Added is the existing law which permits boroughs to adjust their property tax structure to that of cities within the borough and permits cities to exempt or exclude from borough taxes property exempted or excluded from city taxes, upon payment to the borough of the money it loses by the cities' action. (Sec. 29.53.025 (c))

Existing law on valuation of farm land for property tax purposes is added. (Sec. 29.53.035)

The combined borough and city property tax levy inside a city may not exceed 3% of assessed valuation. (Sec. 29.53.050)

Boroughs and cities are given the option of adopting an income tax as an alternative to either property taxes or sales and use taxes. The State will collect the income tax and remit it less the costs of collection. (Sec. 29.53.470)

When a borough votes to pledge its full faith and credit to guarantee bonds for the area outside cities or for service areas, the question must carry in these areas as well as areawide. (Sec. 29.58.-340 (d))

Boroughs and cities may assess the real property of governments and private citizens for all or part of the costs of capital improvements

which benefit their property. The State will pay the assessment. Payment of the assessment by other governments is made a condition of receiving the benefit of the capital improvement. In the case of private citizens, payment is made a lien against their property. (Sec. 29.63.010) Existing law limiting the amount of a lump-sum or installment payment of a special assessment and authorizing special assessment bonds is added. (Sec. 29.63.060 and Sec. 29.63.085)

A borough is expressly permitted in service areas to provide different services, or a higher level of services than are provided, areawide or in the borough area outside cities. The provisions clarify existing law. (Sec. 29.63.090)

The section of SB 113 on civil tort liability of local governments is deleted (Sec. 29.73.010) and existing law, at AS 09.65.070, is retained.

A few technical changes will be pointed out in Committee.

Page 1, line 9: Delete "AS 09.65.070"

Page 1, line 11: Strike all matter and substitute the following: "070, 40.15.100 - 40.15.180, and AS 43.20.290."

Page 2, lines 11 - 15: Strike all matter and substitute the following:

Sec. 29.08.040. RECLASSIFICATION. (a) A second class city may be reclassified as a first class city by holding an election on the question as provided in this subsection, if the Local Affairs Agency determines from the best figures avail ble that the population of the city has reached 400 permanent residents.

(b) An election on the question of reclassification may be initiated in two ways:

(1) a number of voters equal to 15 per cent of the number of votes cast in the city at the preceding regular election may file a petition with the council; or

(2) the council may propose reclassification

(c) The council shall hold at least one public hearing within the city on the question. The council shall then evaluate the ability of the city to assume first class status and make its findings public.

(d) The council shall, within 30 days after its findings have been made public, order an election to be held on the question. The election shall be held at least 30 days after the order and not later than the next regular election occurring after the 30-day period.

(e) If more than one question is to be voted on at the election, each appears separately on the ballot.

(f) The council shall certify the election results to the Local Affairs Agency. If the majority of votes cast on the question is favorable, the city shall be considered reclassified to first class status 30 days after certification of the election results.

Page 2, line 16: Delete "(b)" and substitute "(g)"

Page 2, line 17: Delete all matter and substitute the following:

"or third class borough, and a second class borough may reclassify as a first class or second"

Page 2, between lines 20 - 21: Insert the following new matter:

(c) At the time of voting on reclassification of a second class borough to third class status, borough voters in conformity with AS 29.41 shall elect an assembly to serve as the combined assembly and school board of the third class borough if reclassification is approved.

(d) At the time of voting on reclassification of a third class borough to second class or first class status, borough voters shall vote also on the question whether the borough shall upon reclassification retain a combined assembly and school board or a separate assembly and board as otherwise provided for first and second class boroughs. If the majority of votes cast on the question favors retention of the combined assembly and board, the assembly serving at the time of the reclassification election continues to serve as the assembly and board upon voter approval of reclassification and until terms of assemblymen expire as provided before reclassification. If a separate board and assembly are approved at the reclassification election, a school board shall be elected in conformity with AS 14.12 at the next regular municipal election, if it occurs within 90 days of the date of the reclassification election, or otherwise at a special election within that time called by the assembly with expiration dates of terms of members elected at the special election to coincide with the date of the regular municipal election. Until a board is elected and qualified, the assembly continues to serve as the board.

Page 2, line 22: After "Act," add: "the current classification of existing home rule cities and of first class cities having 400 or more permanent residents is not affected by this Act;" and strike "second" and substitute "Second"

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Page 3, line 6: Strike "on" and substitute "before"

Page 3, line 10: Strike "if no" and substitute "unless"

Page 4, line 18: After "circulation" add "if distributed"

Page 5, line 24: After "initiative" insert "referendum"

Page 5, line 25: Strike "29.28.100" and substitute "29.28.060 - 29.28.110"

Page 5, line 29: After "provisions" insert "of this title"

Page 5, line 29: Strike ", which are prohibited" and substitute "as prohibitions on"

Page 6, line 1: Strike "from"

Page 6, between lines 2 and 3: Add the following new matter:

"(1) AS 29.23.020 - 29.23.050 (city representation and vote on borough assembly)" Renumber next paragraph and add new paragraph (3):

"(3) AS 29.18.140 (borough transition)" Renumber following paragraphs accordingly.

Page 6, line 9: After "29.28.010" insert ", 29.28.020 - 29.28.030"

Page 6, between lines 11 and 12: Add the following new matter:

"(10) AS 29.33.050(h) (school laws)
(11) AS 29.33.295 (acquisition of additional areawide powers)
(12) AS 29.43.020 - 29.43.040 (powers of cities outside boroughs)

(13) AS 29.43.033 (garbage collection and disposal)"

Renumber following paragraphs accordingly

Page 6, lines 17 and 18: Strike all matter and substitute the following:

"(19) AS 29.53.010, 29.53.310 - 29.53.350, 29.53.400 (borough and city property tax)"

Page 6, between lines 18 and 19: Add the following new matter:

"(20) AS 29.58.180(b) (security for bonds)

(21) AS 29.68.010 (annexation and exclusion)

(22) AS 29.68.030 - 29.68.110 (merger and consolidation)

(23) AS 29.68.500 - 29.68.580 (dissolution)

(24) AS 29.73.020 (eminent domain)

(25) AS 29.73.030 (adverse possession)

(26) AS 29.73.040 (taxation of municipalities)

(27) AS 29.73.050 (municipal name changes)

Page 9, line 24: After "petitions" insert "for election of initial officers"

Page 9, line 25: Strike "for 30 days"

Page 9, line 26: After "municipality" insert "for 30 days before the date of the election order"

Page 10, line 20: Before "first" insert "home rule or"

Page 10, line 25: Before "first" insert "home rule and"

Page 11, line 3: Before "elected" insert "the initial"

Page 11, line 5: Before "first" insert "home rule or"

Page 11, line 6: Strike "first Tuesday of the following October" and substitute "next regular city election"

Page 11, line 12: Strike "Special service districts and"

Page 11, line 16: Strike "district and"

Page 11, line 18: Strike "district or"

Page 11, line 19: Strike "former district"

Page 11, line 21: Strike "district or"

Page 11, line 22: Strike "district or"

Page 11, line 23: Strike "district or"

Page 11, line 29: Strike "cities, service areas, and special districts" and add "home rule or general law cities and service areas"

Page 12, line 9: Strike "or special district"; insert "and" between "city" and "service"

Page 12, line 11 - 12: Strike "or special district"; insert "and" between "city" and "service"

Page 12, line 14: Strike "or special district"

Page 12, lines 24 - 29: Strike all matter and substitute:

"each borough and city incorporated or, in the case of a second class city, incorporated or reclassified after the effective date of this Act, other than a unified municipality incorporated under the provisions of ch. 134 SLA 1967, as amended, or a municipality otherwise incorporated by consolidation, is entitled to an organization grant equal to $10 for every voter who voted in the borough or city incorporation election. However, each incorporated borough, and each first

class city incorporated or established by reclassification, is entitled to at least $25,000.

(b) Within 30 days after the date of incorporation of a borough or city following the effective date of this Act the Local Affairs Agency shall determine the number of"

Page 13, line 1: Strike "last general" and substitute "incorporation"

Page 13, line 8: After "boundaries." add the following new matter: "In the selection of land under the Alaska Statehood Act, it is the policy of the state to make available to cities and boroughs the maximum land area from which to make selections under this section consistently with the best interests of the state."

Page 14, line 15: Before "first" insert "home rule or"

Page 14, line 16: Before "first" insert "home rule or"

Page 14, line 27: Before "first" insert "home rule and"

Page 14, line 29: Before "first" insert "home rule and"

Page 15, line 4: Before "first" insert "home rule and"

Page 15, line 7: Before "first" insert "home rule and"

Page 15, line 9: Strike all matter after "every" and substitute the following: "two years at the time of the general election"

Page 15, line 10: Before "first" insert "home rule and"

Page 15, line 10: Omit "staggered"

Page 15, line 11: After "terms" insert ", unless provided otherwise by ordinance, and until their successors are elected and have qualified"

Page 15, line 16: Omit "must be staggered and none may" and insert "may not"

Page 15, line 17: After "years." add the following new matter: "The current term of incumbent assemblymen may not be altered."

Page 15, line 21: Before "first" insert "home rule and"

Page 15, line 22: Before "first" insert "home rule or"

Page 15, line 25: Before "first" insert "home rule and"

Page 15, line 28: Delete "two months" and substitute "month," and add "unless otherwise provided by ordinance."

Page 17, line 3: Before "first" insert "home rule or"

Page 17, line 8: Before "first" insert "home rule and"

Page 17, line 12: Before "first" insert "home rule and"

Page 17, line 13: Before "first" insert "home rule and"

Page 17, line 16: Before "voters" insert "borough"

Page 17, line 16: Before "first" insert "home rule or"

Page 17, line 20: Before "first" insert "home rule or"

Page 18, line 7: Before "the" insert "a majority of the remaining membership of the"

Page 18, line 9: Before "first" insert "home rule or"

Page 18, line 10: Before "assemblymen" insert "a majority of the remaining"

Page 18, line 11: Before "first" insert "home rule and"

Page 18, line 11: After "outside" insert "home rule and"

Page 18, line 22: Before "voters" insert "borough"; before "first" insert "home rule or"

Page 19, line 9: Before "first" insert "home rule and"

Page 19, line 14: Before "first" insert "home rule and,"

Page 19, line 15: Before "first" insert "home rule and"

Page 19, line 16: Before "first" insert "home rule and"

Page 19, line 19: Before "first" insert "home rule and"

Page 19, line 21: Before "first" insert "home rule and"

Page 19, line 23: Strike "equal voter" and substitute "approximately equal population"

Page 20, line 3: After "years" insert "and until a successor is elected and has qualified"

Page 22, line 6: After "ordinances" insert "except for school budget items"

Page 22, line 8: Delete "three-fourths" and substitute "two-thirds"

Page 22, line 16: After "election" insert "and until a successor is elected and has qualified"

Page 22, line 23: After "large." add the following new matter: "The council of a first or second class city may by ordinance provide for election of members other than on an at large basis for all members."

Page 22, line 29: Strike "staggered"

Page 22, line 29: After "terms" add "and until their successors are elected and have qualified"

Page 23, line 18: Before "shall" insert "by vote of a majority of its remaining members"

Page 23, line 19: After "election" insert "and until a successor is elected and has qualified"

Page 24, line 2: After "years" insert "and until a successor is elected and has qualified"

Page 24, line 18: After "ordinances" insert "except, in a city outside an organized borough, for school budget items"

Page 24, line 18: Delete "three-fourths" and substitute "two-thirds"

Page 24, line 27: After "election" insert "and until a successor is elected and has qualified"

Page 26, line 2: Before "All" add the following new matter: "Members are elected at the regular municipal election held on the Tuesday after the first Monday in November for two-year terms and until their successors take office. However, the board may by ordinance provide for different terms not to exceed three years."

Page 26, lines 10 - 13: Strike all matter and substitute the following:

(b) Members of the board are appointed by the municipal executive and confirmed by the assembly or council as are elected at the regular municipal election on the Tuesday following the first Monday in November. The term of a utility board member is two years and until a

successor is elected and has qualified. However, the assembly or council may by ordinance provide for a different term not to exceed four years.

Page 26, line 17: After "term" insert "and until a successor is elected and has qualified"

Page 28, line 4: Before the first sentence, insert the following new matter: "Adoption of a manager plan may be initiated either by petition or upon motion of the assembly or council."

Page 28, line 12: After "petition" insert "or upon its motion"

Page 30, line 8: Before "Home" add "(a)"

Page 30, line 12: After "audit" add "or in the case of second class cities an audit or statement of annual income and expenditures"

Page 30, between lines 13 - 14: Insert "reports relating to long-term debt as provided in AS 44.19.205.

(b) Compliance with the provisions of this section is a prerequisite to receipt of state shared-revenues under AS 43.18. The state shall withhold annual allocations under that chapter in the event of noncompliance until such time as the report requirements are complied with."

Page 31, line 25: After "election" insert "in home rule and general law municipalities"

Page 31, line 26: After "November," add "every even-numbered year, or at an interval of years provided by ordinance."

Page 32, lines 1 - 3: Strike all matter and substitute the following: he is a United States citizen who has been a resident of Alaska for one year and of the municipality for 30 days immediately preceding the election and who is registered to vote in state elections or meets registration requirements of the municipality if any and is not disqualified under art. V of the state constitution. This section

applies to home rule and general law municipalities.

Page 32, line 12: Strike "voter" and substitute "person qualified to vote in the municipality"

Page 32, line 20: After "contestant" insert "if the recount reverses any result of the election"

Page 32, line 22: Strike "a voter" and substitute "qualified to vote in the municipality"

Page 34, line 3: Strike "next preceding" and substitute "last"

Page 36, line 13: After "repealed" add a new sentence: "A municipal charter may be amended as provided in the charter or by initiative and referendum as provided in AS 29.28.060 - 29.28.110."

Page 41, lines 8 - 10: Strike all matter and substitute the following:

(h) State law relating to teacher salaries and tenure, to financial support and to supervision by the Department of Education governs the exercise of the functions by the borough. This subsection applies to home rule and general law boroughs.

Page 41, line 11: Strike "by the borough." and substitute "(i)"

Page 41, line 18: After "from" insert "a boundary of"

Page 42, between lines 2 - 4: After "assembly" strike all matter through "membership" and substitute the following: "except that appointments of members from first class cities are selected from a list of recommendations submitted by the city council"

Page 43, line 8: Strike "execution" and substitute "implementation"

Page 43, between lines 12 - 13: After "commission" add the following new matter: "The planning commission shall undertake an overall review of the plan at least once every two years and shall present recommendations based on the review to the assembly."

Page 43, line 18: Insert "zoning" before "regulations"

Page 44, lines 10 - 29: Strike all matter

Page 45, lines 1 - 29: Strike all matter

Page 46, lines 1 - 29: Strike all matter

Page 47, lines 1 - 29: Strike all matter

Page 48, lines 1 - 15: Strike all matter

Page 48, line 17: After "by" insert "resolution or"

Page 48, line 20: After "boundaries" insert "but may delegate by resolution or ordinance part or all of its functions to the borough"

Page 52, line 9: Before "owners" insert "municipality or"

Page 55, line 4: After "results." add the following new matter:

Upon acquisition of an areawide power the borough succeeds to all of the rights, powers and duties of any city or service area with respect to that power. The borough succeeds to claims, franchises and other contractual obligations, liability for bonded and all other indebtedness and to all of the right, title and interest in the real and personal property held by the city or service area for the exercise of the power. The borough assembly may levy and collect special charges, taxe or assessments including interest for the purpose of amortizing bonded indebtedness previously incurred by the city or service area for continuing services in the area. When a city or service area had previously incurred bonded indebteaness, no less than all property that was within the city or service area at the time the bonds were issued shall remain subject to taxation to pay the principal of and interest on the bonds for as long as they remain outstanding. Upon acquisition of additional areawide powers the borough, in consultation with the city or service area personnel, shall arrange for an orderly and equitable transfer of rights, assets, liabilities, powers, duties and other matters related to acquisition of the areawide powers. This section applies to home rule and general law cities.

Page 56, line 29: After "chapter." add the following new matter:

Powers of this chapter which are incorporated by references to laws governing boroughs apply to home rule cities outside boroughs only in those cases in which they are made applicable to home rule boroughs in the provisions incorporated.

Page 57, line 1: Strike "First" and substitute "Home rule and first"

Page 57, line 7: Strike "First" and substitute "Home rule and first"

Page 57, line 11: Strike "First" and substitute "Home rule and first"

Page 58, between lines 19 - 20: Add the following new matter:

(5) provide for garbage and solid waste collection and disposal;

(6) provide for water pollution control.

Page 59, line 11: After "garbage" insert "and solid waste collection and"

Page 59, line 11: After "facilities" insert "subject to sec. 33 of this chapter"

Page 59, line 17: After "assumed" insert "in the manner required"

Page 59, line 18: After " - 29.33.290" insert "for areawide exercise"

Page 59, line 18: After "or" insert "in the manner required under"

Page 59, line 18: After " - 29.38.050" insert "for exercise in the borough area outside cities"

Page 59, line 19: After "chapter" insert "for exercise in the borough area outside cities"

Page 59, between lines 19 and 20, add the following new matter:

Sec. 29.48.033. GARBAGE COLLECTION AND DISPOSAL SERVICES. (a) The municipality may by ordinance provide for the establishment, maintenance and operation of a system of garbage collection and disposal for the entire municipality or for districts or portions of it; require all persons within the municipality or district to use the system and to dispose of their garbage as provided in the ordinance; award contracts for collection and disposal, or provide for the collection and disposal of garbage by municipal officials and employees; pay for garbage collection and disposal from available funds; require property owners or occupants of premises to use the garbage collection and disposal system provided by the municipality and fix charges against the property owners or occupants of premises for the collection and disposal; provide that charges for collection and disposal shall be paid by the property owner or occupants of the premises; and provide penalties for violations of the ordinances.

(b) The council of a first or second class city may not prohibit a person holding a valid permit from the Alaska Transportation Commission from continuing to collect and dispose of garbage and provide other related services in an area annexed by the city if the permit authorizes the collection and disposal of garbage and the providing of other services in the area annexed by the city and the permit was originally issued before the area was annexed by the city. If a city provides for a garbage collection and disposal system in an annexed area already serviced by a person allowed to continue under this subsection, the city may not charge less than the rate set for garbage collection and disposal by the Alaska Transportation Commission for

common carriers.

(c) If the council determines that it is not in the public interest for the city to provide garbage collection and disposal and related services under the restrictions of (b) of this section, it may exercise the power of eminent domain to acquire, at the fair market value, from the person providing the services, that portion of the operating authority representing the services within the city. The fair market value shall be based on the economic loss to the permit holder. If an eminent domain proceeding is instituted, the council may exercise the power through the filing of a declaration of taking with the complaint or at any time after the filing of the complaint, but before judgment.

(d) This section applies to home rule and general law municipalities.

Page 59, lines 11 - 12: Strike all matter and substitute the following: "building, housing and related codes, which may be provided by cities within cities or, in the manner required in (b) of this section, by first or second class boroughs in the borough area outside cities or areawide; however, boroughs which on the effective date of this Act are exercising building, housing or related code powers on an areawide basis or in the borough area outside cities shall, subject to acquisition of the powers on an areawide basis by transfer or election as provided in (b) of this section exercise the powers in the borough area outside cities and, upon agreement of the city and borough, within any city in which the powers are being exercised on the effective date of this Act; if a city does not agree to continued borough exercise of the powers within the city, the city shall exercise the powers within the city."

Page 60, between lines 14 and 15 add the following new matter:

"(16) garbage and solid waste collection and disposal;

(17) water pollution control;"

Page 60, line 15: Delete "(16)" and substitute "(18)"

Page 60, line 18: After "assumed" insert "in the manner required"

Page 60, line 19: After " - 29.33.290" insert "for areawide exercise"

Page 60, line 19: After "or" insert "in the manner required under"

Page 60, line 19: After "- 29.35.050" insert "for exercise in the borough area outside cities"

Page 60, line 20: After "chapter" insert "for exercise in the borough area outside cities"

Page 62, line 22: After "circulation" insert "distributed"

Page 62, line 23: After "circulation" insert "distributed"

Page 66, line 29: After "In" insert "(a) of"

Page 68, line 13: After "municipality" insert "or in the case of a second class city an audit or statement of annual income and expenditures"

Page 69, line 9: After "circulation" insert "distributed"

Page 69, line 20: After "newspaper" strike "published in" and substitute "of general circulation distributed within"

Page 69, line 22: Strike "published in" and substitute "distributed within"

Page 72, between lines 21 and 22, add the following new matter:

Sec. 29.53.025. OPTIONAL EXEMPTIONS AND EXCLUSIONS. (a) Municipalities may exclude or exempt property from taxation by ordinance ratified by the voters at a regular or special election.

(b) Municipalities may by ordinance

(1) provide for the assessment of boats and vessels for purposes of taxation on the basis of their registered or certificated net tonnage;

(2) exclude from taxation the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes, provided that income derived from rental

of such property does not exceed the actual cost to the owner of the use by the renter.

(c) The provisions of (a) of this section notwithstanding,

(1) a home rule or first or second class borough may, by ordinance adopted without weighted voting, adjust its property tax structure in whole or in part to the property tax structure of a city within it, including, but not limited to, excluding personal property from taxation, establishing exemptions, and extending the redemption period;

(2) a home rule or first class city shall have the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes, provided that the exemptions or exclusions have been adopted as to city taxes and further provided that the city appropriate to the borough sufficient monies to equal revenues lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly without weighted voting.

(d) Exemptions or exclusions from property tax which have been granted by home rule municipalities in addition to exemptions authorized as required by law, and which are in effect on the effective date of this Act and not later withdrawn, are not affected by this Act.

Page 73, before line 1, insert the following new matter:

Sec. 29.53.035. FARM OR AGRICULTURAL LANDS. (a) Farm use lands shall be assessed on the basis of full and true value for farm use, and shall not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain separate assessment records evaluating the farm use land for other than farm use purposes, where applicable. Should the farm use land be sold, leased, or otherwise disposed of, for other than farm use purposes, the owner shall be liable to pay the additional tax for the preceding two years, and the applicable portion of the current tax year, as though the land had

not been assessed for farm use purposes.

(b) An owner of farm use land must, to secure the assessment, make application to the assessor before February 1 of each year in which the assessment is desired. The application shall be made upon forms prepared and supplied by the assessor and shall include information which may reasonably be required to determine the entitlement of the applicant.

(c) In this section "farm use" means the use of land for raising and harvesting crops or for the feeding, breeding and management of livestock or for dairying or another agricultural or horticultural use or any combination thereof and includes the preparation of the products raised on the farm use land and disposal by marketing or otherwise. It includes the construction and use of dwellings and other buildings customarily provided in conjunction with the farm use. To be farm use land, the owner must be actively engaged in farming the land, and derive at least one-fourth of his yearly gross income from the farm use land. The provisions of this section shall not apply to land which the owner has granted, and has outstanding, a lease or option to buy the surface rights

Page 73, line 8: Strike "Home rule and general law"

Page 73, line 12: After "valuation" insert "including the combined levy of borough and city taxes within a city"

Page 73, line 14: Strike "home rule or general law"

Page 73, line 16: After "30" insert ", 35"

Page 76, line 29: After "filed" insert "or proved at the hearing"

Page 78, line 12: After "statements" strike "July 1" and after "15" insert July 1"

Page 78, line 12: After "statements" insert "setting forth the levy, dates when taxes are payable and delinquent, and penalties and interest"

Page 78, line 15: Strike "of a home rule or general law"

Page 80, line 15: Strike "in" and substitute "distributed within"

Page 80, line 16: After "circulation" add "distributed within the borough"

Page 80, line 17: After "places" insert "for at least 30 days"

Page 83, line 28: After "circulation" insert "distributed"

Page 83, line 29: After "circulation" insert "distributed"

Page 84, lines 9 - 10: Strike all matter.

Page 84, line 15: After "taxes" insert "and costs of foreclosure"

Page 84, between lines 15 and 16: Add the following new matter: "The deeds shall be recorded in the recording district in which the property is located."

Page 86, line 16: Before "Cities" insert "Home rule and first class"

Page 86, lines 17 - 19: Strike "must be levied upon all property within the city listed as taxable on the borough assessment roll and"

Page 86, line 19: Strike "sec. 50" and substitute "secs. 50 and 310 - 350"

Page 88, between lines 3 - 4: Add the following new matter:

Sec. 29.53.470. MUNICIPAL INCOME TAX. As an alternative to either the property tax or sales and use tax a municipality may levy a tax upon the income of municipal residents and computed as a designated per cent of their Alaska income tax obligations. The municipal income tax is collected by the Department of Revenue and remitted to the municipality less the costs of collection, which may not exceed two per cent of the amount collected. Determinations of the Department of Revenue with respect to sufficiency of the taxpayer's return, amount of tax collected and costs of collection shall be final and not subject to appeal.

Page 90, lines 26 - 27: Strike "In a newspaper of general circulation in the municipal area"

Page 90, line 25: Strike "publish" and substitute "have published"

Page 94, lines 10 - 16: Strike all matter and insert the following:

(b) If the bonded debt to be incurred by a borough is an areawide debt, the vote is areawide; if the full faith and credit of the

entire borough is pledged for the payment of the debt of the area outside cities or of a service area, an areawide election is held and the proposition must pass both areawide and in the area which will benefit from the improvement; if the bonded indebtedness to be incurred is limited to areas outside cities only or to service areas, the vote is limited to voters in those areas.

Page 94, between lines 15 and 16: Add the following new matter:

Sec. 29.58.350. INTENT. Nothing in this title authorizes the council of a second class city to levy ad valorem taxes unless such a levy is necessary to avoid a default upon payment of principal and interest of bonded or other indebtedness which is secured by a pledge to levy ad valorem or other taxes without limit to meet debt payments. In that case, assessment, levy and collection shall be made in the manner of a first class city within or outside a borough, as the case may be.

Page 94, line 19: Strike "state, borough, and city" and substitute "the property of a governmental unit."

Page 94, line 21: After "capital improvements" add the following new matter: "The state shall pay an assessment levied, except as otherwise provided by law and subject to its right of protest under sec. 15(8) of this chapter. If a governmental unit other than the state benefited by an assessment refuses to pay the assessment, it shall be denied the benefit of the improvement."

Page 95, line 4: After "the" insert "assembly or"

Page 95, line 29: After "assembly" insert "or council"

Page 96, line 9: After "circulation" add "if distributed"

Page 9 , line 15: After "installments" insert ", but a sum or installmer may not exceed 25 per cent of the assessed value of the property affected"

Page 98, line 12: After "the" insert "assembly or"

Page 98, between lines 17 and 18, add the following new matter:

Sec. 29.63.085. SPECIAL ASSESSMENT BONDS. The assembly or council may by ordinance authorize the issuance and sale of special assessment bonds to pay all or part of the cost of an improvement in a special assessment district. The principal and interest of bonds issued shall be payable solely from the levy of special assessments against the property to be benefited. The assessments shall constitute a sinking fund for the payment of principal and interest on the bonds. The property benefited may be pledged by the assembly or council to secure a payment.

(b) Upon default in a payment due on a special assessment bond, a bondholder may enforce payment of principal and interest and costs of collection in a civil action in the same manner and with the same effect as actions for the foreclosure of mortgages on real property. Foreclosure shall be against all property on which assessments are in default. The period for redemption shall be the same as in the case of a mortgage foreclosure on real property.

(c) Before the assembly or council may issue special assessment bonds, it shall establish a guarantee fund and appropriate to the fund annually a sum adequate to cover any deficiency in meeting payments of principal and interest of bonds issued by reason of nonpayment of assessments when due. Money received from actions taken against property for nonpayment of assessments shall be credited to the guarantee fund. Interest on the guarantee funds shall be a cost of the improvement district.

Page 98, line 21: After "ordinance." insert the following new matter:

"Special services include services not provided on an areawide basis within the borough or the borough area outside cities or a higher or

different level of service than that provided on an areawide basis or in the borough area outside cities. In a first class borough the assembly may exercise within a service area any power granted a first class city by general law; in a second class borough an exercise of the powers must be approved by a majority of the qualified voters residing within the service area and voting on the question."

Page 98, line 27: After "if" insert "consistent with the purposes of Art. X of the state constitution"

Page 99, line 1: After "may" insert "exercise or"

Page 99, line 3: After "each" insert "exercised or"

Page 113, lines 15 - 29: Strike all matter

Page 114, lines 1 - 2: Strike all matter

Page 114, between lines 13 and 14, add the following new matter:

Sec. 29.73.050. CHANGE OF MUNICIPAL NAME. (a) The governing body of a home rule or general law municipality may change the official municipal name by adopting an ordinance for the purpose and filing the ordinance with the office of the lieutenant governor. Upon receipt of a legally adopted ordinance ratified by the qualified voters voting on the question at a regular or special election, the lieutenant governor shall issue an appropriate order to the municipality changing its existing name. The name change shall become effective on a date fixed in the order and occurring within 45 days of receipt of the ordinance. A copy of the order shall be transmitted to the Local Affairs Agency.

(b) If an ordinance adopted under (a) of this section which results in an order changing the municipal name is subsequently repealed, the lieutenant governor shall issue a further order reinstating the former municipal name within 45 days of the date of the order, unless a different municipal name is adopted by ordinance transmitted to the lieutenant governor for implementation as provided in (a) of

this section.

(c) When a municipal name change takes effect by means of an order issued under (a) or (b) of this section, civil or criminal suits, applications, petitions, hearings and other proceedings to which the municipality is a party and pending at or brought after the date the name change takes effect shall proceed in the name of the municipality as changed by the order.

Page 115, line 5: After "circulation" insert "distributed"

Page 115, line 6: After "circulation" insert "distributed"

Page 115, line 8: Strike "seven" and substitute "five"

Page 115, line 9: Delete "annual" and after "election" add the following new matter: "held on the Tuesday following the first Monday in November of even-numbered years, or at an interval of years provided by ordinance"

Page 115, line 19: After "who" insert "is registered to vote in state elections or"

Page 115, line 20: After "municipality" insert "if any"

Page 115, line 27: At the end of the section, add the following new matter: "The terms of elected local officials within home rule and general law cities and organized boroughs who are incumbents in office on the effective date of this Act are not affected by this Act. Their terms expire as provided before the enactment of this title. Their successors are elected on the date provided before the enactment of this title and serve for terms to conform with the provisions of this title."

Page 115, line 28: Add the following new matter:

* Sec. 4. AS 14.12.050 is amended to read:

Sec. 14.12.050. SCHOOL BOARD TERMS. (a) The term of office of a member of a borough or city school board is <u>two</u> [THREE] years, <u>unless</u>

different terms not to exceed three years are provided by ordinance, and until a successor takes office. However, if three-year terms are provided, the members of a newly created five-man school board hold office for initial terms as follows: two for a term of three years, two for a term of two years and one for a term of one year, the terms being assigned to the members by lot. If three-year terms are provided, the [THE] members of a newly created seven-man school board hold office for initial terms as follows: Three for a term of three years, two for a term of two years and two for a term of one year, the terms being assigned to the members by lot.

(b) When a transition is made from a five-man school board to a seven-man school board new members shall be elected as follows, if three-year terms are provided: at the first regular school election after the district becomes eligible for a seven-man school board there shall be elected, in addition to the successor or successors to be elected for a regular term, a new member for an initial term of two years and until a successor takes office, and a new member for an initial term of three years and until a successor takes office.

(c) Nothing in this section prevents a school board member from succeeding himself.

S U M M A R Y

COMPARISONS BETWEEN PROPOSED CSSB 113 AND EXISTING MUNICIPAL LAW.

INTRODUCTION

Senate Bill 113, the current version of the revised Municipal Code, is an entire recodification of the laws relating to cities and boroughs now found in Titles 7 and 29. Like other reorganized and updated statutory titles, it incorporates changes from existing law both in form and in substance.

The revision was directed by the 1963 Legislature, which noted that the bulk of law relating to cities (Title 29) was a disjointed product of the territorial period. Addition of the Borough Act as a separate title in 1961 (Title 7) had further confused the municipal law area.

In 1963 and 1964, the Local Affairs Agency, Department of Law and the Legislative Council prepared the first draft of legislation combining and attempting to reconcile the provisions of Titles 7 and 29. The revision was introduced as SB 101 in 1965 and was the subject of widespread hearings around the state, committee deliberations and further revision.

Revised versions of SB 101 were introduced into the legislature in 1966, 1967 and 1969.

SB 113, the current proposal, represents a thorough review by the Alaska Municipal League and governmental agencies at the municipal and state levels. The League felt that revision should be primarily technical and should not attempt to solve the substantive problems existing in two areas, that of relations between cities and boroughs and that of relations between school and general government. Accordingly, the bill in these areas is substantially the same as existing law. (Two limited changes in school board - governing body relationships are noted on page 5.)

It is virtually impossible to detail all of the changes that have taken place between the code and existing municipal law, but this summary will explain the major impact of the revision. The summary takes into account changes proposed for the committee substitute bill; these changes are also separately treated in a memorandum accompanying this summary.

Chapter 3. The Unorganized Borough.

The law regarding the unorganized borough is unchanged.

Chapter 8. Classification of Municipalities (i.e., cities and boroughs)

One of the most significant changes is the change from four classes of cities to two classes of cities. The primary difference in the revision between the first and second class cities is that the first class city has the school function and has the power to assess, levy and collect a general property tax while the fourth class city has neither of these powers. Under present law, first, second and third class cities all have these powers, while fourth class cities do not. A population minimum of 400 persons has been set as the number necessary to incorporate a first class city under this code, as in present law. Existing first, second and third class cities of over 400 persons will automatically become first class cities, retaining their school and tax powers. The revision takes into account the fact that certain existing first, second and third class cities of under 400 persons may not have sufficient population or tax base to assume the burden of the school function. Therefore, these cities are given the option of becoming either first class or second class, depending upon their abilities and desires, as assessed by the local boundary commission and subject to legislative review. Existing fourth class cities will automatically become second class cities with the same powers and responsibilities which they now possess. (Sections 29.08.010 through 29.08.050 and Sections 29.18.010 and 29.18.020) The code provides for reclassification of cities and boroughs to a higher class. Upon

reclassification of a third class borough to a second or first class borough the borough may retain a combined assembly-school board or may separate the functions between an assembly and a board, depending upon the wishes of the voters.

Chapter 13. Home Rule Municipalities

The new code standardizes the procedures for adopting a charter by either a first class city or borough. (Sections 29.13.010 through 29.13.080) Home rule limitations are gathered together in one place and listed. This section makes explicit the legislative intention to make only the sections of the code which are specifically listed as applicable to home rule municipalities so applicable. Additionally, the sections themselves contain a specific statement that they are applicable to home rule municipalities. (Section 29.13.100)

Chapter 18. Incorporation

Incorporation procedures for all municipalities are gathered together and standardized. (Sections 29.18.050 through 29.18.110) The election of the first slate of officers is separated from the question of incorporation itself on the reasoning that (1) many will not run for an office which they are not sure will exist; (2) it is unfair to ask people to expend funds to run for an office which may not be created; and (3) the merits of incorporation should not be affected by the personalities who might file for office.

Present law provides for transitional assistance upon the incorporation of a new borough. In this revision, such transitional assistance is also made available to cities incorporating after the code takes effect. Organizational money grants based on an allocation of $10 per voter are allowed the newly incorporating boroughs and cities of all classes. (Section 29.18.180) Boroughs and first class cities which undertake the school function upon incorporation or reclassification, are given a minimum of $25,000.00.

Under the revised code, both boroughs and cities of all classes may

Under the revised code, both boroughs and cities of all classes may also select 10 percent of the vacant, unappropriated, unreserved state land within their boundaries. (Sections 29.18.190 through 29.18.200) Previously, only boroughs and, as of 1970, first and second class cities, were given this privilege.

Chapter 23. Municipal Officers and Employees

The law relating to borough assemblies, city councils and all municipal officers is gathered into this chapter.

Municipal election dates and terms of office are changed to conform to the date of state general elections, but terms of office may be varied by local ordinance so as to provide staggered terms of four years. (Sections 29.23.040 and 29.23.200(c))

The executive power has remained essentially the same except that the veto power of borough chairmen and mayors of first class cities has been broadened and clarified. In the past, there has been a question of whether a veto could be used for motions and other actions of the assembly or council. It is clearly spelled out that they may be. Additionally, a new authority for the line item veto in municipal budgets has been added. This line item veto does not apply to the school budget since the only power the assembly or council has is to approve or disapprove the total budget. The chairman or mayor may only veto that which the assembly or council has power to enact. (Sections 29.23.170 and 29.23.270) The mayor of a second class city is a member of the council and has no veto power. (Section 29.23.270(b))

The mayor of a first class city is elected separately from the council. The mayor of a second class city is a council member who is elected to the council along with the other council members, who then designate a mayor from among their membership. (Section 29.23.250) The mayor of a first class city votes only in case of a tie and has the veto power.

The mayor of a second class city may vote on all matters as a council member, but he has no veto power. (Sections 29.23.260 and 29.23.270) The borough chairman does not vote on matters before the assembly but has the veto power. (Sections 29.23.160 and 29.23.170) The revision makes clear that city councils may be elected from election districts within the city as well as city-wide, the choice being left to the local governments.

The article on school boards has been substantially shortened, eliminating matters found in Title 14. Utility boards are allowed for boroughs and cities. There are no substantive changes between these sections and current law except that election dates and terms of office have been established to coincide with state general elections with different terms not exceeding four years authorized by local ordinance, and local governing bodies are authorized to provide for centralized purchasing of those school supplies and equipment which are of a kind used by municipal departments. (Section 29.48.-250, and Secs. 29.23.310 and 29.23.340)

Either a borough or a city may adopt or repeal a manager form of government, as under current law. However, a standard procedure has been set forth covering both types of municipality. Under this procedure, either the voters by petition, or the assembly or council by its own motion, may initiate an election on the manager plan. (Sections 29.23.410 through 29.23.480)

The code requires certain reports to be made to the Local Affairs Agency, including up-to-date maps, tax assessment figures, and a financial report. The financial report takes the form of the annual audit for boroughs and first class cities, but second class cities may submit a statement of income and expenditures (Section 29.23.560)

Chapter 30. Elections

The major change affecting elections is the scheduling of municipal elections to coincide with state general elections rather than being held approximately one month earlier, as under current law. (Section 29.28.020) Terms of office of borough, city and school elected officials are also set at two years, but different terms not exceeding four years may be set in all cases by local ordinance.

Municipalities may, but are not required to, impose registration requirements over and above those of the state. (Section 29.28.030) Also,

the municipality may, at its option, require a majority vote for election of officials and utilize a runoff election or other means of obtaining a majority for the purpose. (Section 29.28.040)

Assemblies and councils are required to provide by ordinance for election appeals. If the appeal is successful, the assembly or council bears the cost; if unsuccessful, the contestant must pay. (Section 29.28.050)

The powers of initiative and referendum are reserved to municipalities and the procedure for exercise of these powers by municipal residents is outlined. (Sections 29.28.060 through 29.28.110)

The section on recall has been changed to eliminate the successor running at the same election as the recall election. Should the recall be successful, a subsequent election is required to elect a successor (Section 29.28.130 through 29.28.250)

Chapter 33. Areawide Borough Powers and Duties

Boroughs retain their basic areawide responsibilities prescribed by current law: (1) Assessment and collection of taxes; (2) Education; and (3) Planning, platting and zoning. However, under current law, the borough is charged only with assessment and collection of real and personal property taxes. The assessment and collection provision of the new code broadens this to include the collection of use and sales taxes authorized by the voters. (Section 29.33.030)

There has been considerable smoothing out in the planning, platting and zoning article, with two significant alterations. One is that the planning commission itself may decide on variances subject only to appeal to the board of adjustment. Under the current procedure all variances, no matter how routine, must go to the board of adjustment. The second change is the addition of an official map act section. (Section 29.33.095) The official map act, in effect, allows assembly adoption of an official map after hearing.

After adoption and notice to affected property owners the map prohibits construction in areas designated for streets, parks, water courses and so on for the limited period of one year. (Sections 29.33.095 (g) and (h))

The code provides that cities will adopt and enforce building codes for the area inside cities and that boroughs will perform this function in the areas outside cities, unless a city and borough agree to have the borough perform this function. Present borough law has been interpreted by the Attorney General's Office to vest boroughs with areawide building code powers as part of the areawide planning and zoning function.

Under the current provisions regarding acquisition of additional areawide powers, it is unclear whether second class boroughs may acquire additional areawide powers by transfer from the city. The revision explicitly allows this. Also, the Local Affairs Agency is no longer required to pass upon the acquisition of additional areawide powers. In both this and present law, additional areawide powers require a vote of the people in the areas involved, which is considered to be sufficient. (Section 29.33.250 through 29.33.290)

Chapter 38. Borough Powers and Duties in the Area Outside Cities

This chapter is designed to encourage areawide or joint city-borough exercise of powers by requiring the borough to seek these alternatives before exercising powers in the area outside cities only. If transfer or joint exercise is not acceptable, a first class borough may exercise any general municipal power outside cities. (Section 29.38.010) A second or third class borough requires an election in the area outside cities in order to add additional powers in that area (Section 29.38.020) except with respect to certain special matters specified in Sec. 29.48.020, including regulation of fireworks, animals, vehicles, snow machines, garbage and solid waste. The acquisition of additional powers and duties in the area outside cities again no longer requires review by the Local Affairs Agency.

Chapter 41. Powers of Third Class Boroughs

Third class boroughs powers are unchanged.

Chapter 43. Powers Applicable to All Municipalities

An entirely new approach has been taken to delineation of municipal powers, facilities and services. Under existing law these are spelled out in substantial detail. This detail often serves no useful purpose. The new code merely lists the powers and provides for liberal construction of the powers, as required by the constitution. (Section 29.48.010, 29.48.030, and 29.48.310) The listings the code provides are not intended to be all-inclusive but, rather illustrative of the object or purpose intended to be accomplished. (Section 29.48.320 and 29.48.330)

The procedure for enactment of ordinances has been simplified and streamlined. This does not change any substantive rights. It does, however, change the time between publication and hearing from one week to five days. This allows special meetings for final consideration of an ordinance to be held on the same days as regular meetings. (Section 29.48.140) The code also eliminates the requirement for a new hearing should there be an amendment as to substance, since the purpose of this hearing is to allow the public to propose changes to improve the ordinance. . .

Each municipality is required to codify its permanent ordinances. (Section 29.48.180) Under current law, boroughs are required to keep codes, but cities are not clearly included in the requirement.

The new code fixes July 1 to June 30 as the fiscal year for general law municipalities. (Section 29.48.190)

Municipalities are given the option of establishing central purchasing. (Section 29.48.250)

Under current law, emergency disaster powers are applicable only to first class municipalities. The new code allows all municipalities, regardless of class, to exercise emergency disaster powers. The thinking is that should a disaster strike, the classification of the city is not particularly relevant. (Section 29.48.270)

Chapter 53. Municipal Assessment and Taxation

This chapter grants municipalities the power to levy property, sales and use taxes. Boroughs and home rule and first class cities can use all of these taxes. Second class cities can levy sales and use taxes, but not property taxes. (Section 29.53.400) Within a borough, the borough collects all of these taxes, provided the borough itself levies a sales and/or use tax. Outside boroughs, the city collects its own taxes. Within a borough, a city collects sales and/or use taxes if the borough does not levy and collect such taxes itself.

Procedures for assessment of property are consolidated and simplified. No tax limitation is imposed insofar as payment of principal and interest on bonded indebtedness. (Section 29.53.050) Property taxes for other purposes may not exceed three percent of the assessed property valuation per year, including the combined levy of such taxes within a city by a borough and the city within the borough. (Section 29.53.050)

There are several changes concerning the enforcement of tax liens. One change is that the foreclosure list no longer must be presented to the court on the day of publication. This requirement has created substantial difficulty where the newspaper of publication is not located within the same city as the borough seat or within the city which is foreclosing the taxes. Under the current law, tax foreclosed property is deeded to the borough. Under the new code, tax foreclosed property lying within a city is deeded to the city while tax foreclosed property lying within the borough but outside the

city is deeded to the borough. This code further provides that should property deeded to the city not be needed for public use by the city but needed for public use by the borough, the borough may obtain such property. The same holds true for property deeded to the borough. This code provides that when property is taken for public use by any governmental unit, the amount of taxes owing to the other governmental units will be paid by the governmental unit taking title. (Section 29.53.360 and Section 29.53.385)

Persons having mortgages, liens or other interest in foreclosed properties are allowed to redeem the property or their interest in the property. (Sections 29.53.280 and 29.53.310 (b))

Under current law, general law municipalities are allowed to levy a sales tax but are not allowed to levy a use tax. Under this code both a sales tax and use tax may be levied. The code requires an election on sales tax. Since use tax is a correlative of the sales tax and can only be adopted subsequent to or at a referendum where the sales tax is adopted, no separate election is required for adoption of the use tax. (Section 29.53.410 and Section 29.53.420)

The code allows as an alternative to municipal tax revenues derived from property and sales and use taxes a municipal income tax up to 10% of the state income tax. This tax would be levied by the municipality, but collected by the state and remitted to the municipality less the cost of collection. (Section

Chapter 58. Municipal Debt

There is now no authority for issuance of tax anticipation notes by general law municipalities. Such notes as a matter of practice are issued despite the lack of clear authority. The code clears up the authority by specifically allowing tax anticipation notes. (Sections 29.58.010 through 29.58.040)

Municipalities are allowed to issue general obligation bonds as approved by the voters after proper notice. The notice includes a statement of total current bonded indebtedness, the cost of current dept service, and the total assessed valuation. (Section 29.58.160) Second class cities do not have the power to assess and levy property taxes except when municipal bonds financed by another form of revenue are in danger of default (Section 29.58.180)

Under existing law, an election is required to authorize issuance of revenue bonds in general law municipalities. This requirement is deleted in the new code since no general tax obligation is assumed and revenue bonds are generally a management tool for the utility involved. (Section 29.58.205)

Chapter 63. Special Assessment and Service Areas

Under existing law, there are two distinct sections on special assessments, each with minor variations and procedures. The major variation was cleaned up last session, but the procedures still vary slightly, depending upon whether the special assessment is initiated by petition of the people or by ordinance of the governing body. While these distinctions are not substantial, it becomes troublesome to determine precisely what procedure should be followed. In both instances, the procedures are extremely cumbersome.

This code standardizes the sections on special assessments to provide the same notice and hearing requirements as in existing codes. The procedural fairness requirements are retained, but much of the unnecessary cumbersomeness is eliminated.

Significantly, the new code also provides that special assessments may be levied against property owned by other governmental units. (Section 29.63.010) The rationale is that special assessments are based upon special benefits conferred to the assessed property and that, should property owned by the state be specially benefited by public improvements which increase the

value of state property, the state no less than any other property owner should pay for such special benefits.

Chapter 68. Alteration of Boundaries

Procedures for review of all municipal boundaries are consolidated. The Local Boundary Commission is required to establish procedures for annexation and exclusion by local action. (Section 29.68.010)

Merger and consolidation of municipalities is allowed by either petition to the Local Boundary Commission or by local option. (Section 29.68.030)

Unification of municipal egvernment is allowed as under current law. (Sections 29.68.240 through 29.68.440)

Dissolution of municipalities may be proposed by either petition to the Local Boundary Commission or by local option. (Section 29.68.500 (a)) In addition, the Local Affairs Agency is equired to investigate municipalities which it considers inactive and to report on their status. The Local Boundary Commission may recommend that inactive municipalities be dissolved. (Section 29.68.500)

Chapter 73. Miscellaneous Provisions

The current law regarding municipal tort liability is left unchanged.

SUMMARY

The proposed revised municipal code is primarily a series of technical changes which reconcile inconsistent provisions in existing law, modernize the archaic language found throughout Title 29 and provide a more workable and immensely more understandable basic framework for local government. Substantive changes are necessary in many areas. The proposed code provides a better framework for existing law. It also provides a better framework from which to develop proposals for substantive changes which may be added after individual consideration of each change on its own merits.

S U M M A R Y

COMPARISON OF CSSB 113 AND EXISTING MUNICIPAL LAW

INTRODUCTION

Senate Bill 113, the current version of the revised municipal code, is an entire recodification of the laws relating to cities and boroughs now found in Titles 7 and 29. Like other reorganized and updated statutory titles, it incorporates changes from existing law both in form and in substance.

The revision was directed by the 1963 Legislature, which noted that the bulk of law relating to cities (Title 29) was a disjointed product of the territorial period. Addition of the Borough Act as a separate title in 1961 (Title 7) further confused the municipal law area.

In 1963 and 1964, the Local Affairs Agency, Department of Law and the Legislative Council prepared the first draft of legislation combining and attempting to reconcile the provisions of Titles 7 and 29. The revision was introduced as SB 101 in 1965 and was the subject of widespread hearings around the state, committee deliberations, and further revision.

Revised versions of SB 101 were introduced into the legislature in 1966, 1967 and 1969.

SB 113, the basis of the current proposal, represents a thorough review by the Alaska Municipal League and governmental agencies at the municipal and state levels. The League felt that revision should be primarily technical and should not attempt to solve the substantive problems existing in two areas, that of relations between cities and boroughs and that of relations between schools and general government.

Accordingly, the bill in these areas is substantially the same as existing law, with some exceptions as noted further (see references on pages 6, 7, 9 and 12 - 14).

It is virtually impossible to detail all of the changes that have taken place between the code and existing municipal law, but this summary will explain the major impact of the revision. It takes into account changes made after joint deliberations of the Senate and House Local Government Committees which resulted in CSSB 113. These changes between CSSB 113 and SB 113 are also separately treated in an attachment following this summary.

Chapter 3. The Unorganized Borough

The law relating to the unorganized borough is unchanged. The present provisions of Title 7 granting authority to the division of lands to adopt zoning regulations for federal lands in the unorganized borough at the request of the Secretary of the Interior and only for purposes of facilitating federal land sales in the unorganized borough is placed in Title 38 (Sec. 6 of the proposed Act).

Chapter 8. Classification of Municipalities (i.e. Cities and Organized Boroughs)

One of the most significant changes is the change from four classes of cities to two classes of cities. The primary difference in the revision between the first and second class cities is that the first class city has the school function and has the power to assess, levy and collect a general property tax while the fourth class city has neither of these powers. Under present law, first, second and third class cities all have these powers, while fourth class cities do not. A population minimum of 400 persons has been set as the number

necessary to incorporate a first-class city under the code, as in present law. The status of existing home rule cities, and existing first class cities with populations of 400 or more, remains unaffected by the proposed Act. Existing second and third class cities of 400 or more persons will automatically become first class cities, retaining their school and tax powers. The revision takes into account the fact that certain existing first, second and third class cities of under 400 persons may not have sufficient population or tax base to assume the burden of the school function. Therefore, these cities are given the option of becoming either first class or second class, depending upon their abilities and desires, as assessed by the local boundary commission and subject to legislative review. Existing fourth class cities will automatically become second class cities with the same powers and responsibilities which they now possess (Sections 29.08.010 through 29.08.050 and Sections 29.18.010 and 29.18.020). The code provides for reclassification of cities and boroughs to a higher class. Upon reclassification of a third class borough to a second or first class borough the borough may retain a combined assembly-school board or may separate the functions between an assembly and a board, depending upon the wishes of the voters (Sec. 29.08.040).

Chapter 13. Home Rule Municipalities

The new code standardizes the procedures for adopting a charter by either a first class city or borough (Secs. 29.13.010 - 29.13.080). Home rule limitations are gathered together in one place and listed. This section makes explicit the legislative intention to make only the sections of the code which are specifically listed as applicable to home rule municipalities so applicable. Additionally, the sections

themselves contain a specific reference making them applicable to home rule municipalities (Sec. 29.13.100).

Chapter 18. Incorporation

Incorporation procedures for all municipalities are gathered together and standardized (Secs. 29.18.050 - 29.18.110). The election of the first slate of officers is separated from the question of incorporation itself.

Present law provides for transitional assistance upon the incorporation of a new borough. In the revision, such transitional assistance is also made available to cities incorporating after the code takes effect. Organizational money grants based on an allocation of $10 per voter are allowed the newly incorporating boroughs and cities of all classes, other than unifying or consolidating municipalities. A minimum grant of $25,000 is authorized for communities assuming the school function for the first time, either by incorporating as boroughs or first class cities outside organized boroughs or by reclassifying from second class to first class cities outside boroughs (Sec. 29.18.180).

Under the revised code boroughs and cities of all classes may also select 10 per cent of the vacant, unappropriated, unreserved state land within their boundaries. (Secs. 29.18.190 - 29.18.200). Previously, only boroughs and, as of 1970, first and second class cities, were given this privilege. The code provisions declare that the policy of the state in making land selections under the Statehood Act is to make available the maximum land area for borough and city selections under the code provisions, consistent with the best interests of the state.

Chapter 23. Municipal Officers and Employees

The law relating to borough assemblies, city councils and all

municipal officers is gathered into this chapter.

Local officials' election dates and terms of office are changed to conform to the date of state general elections, but terms of office may be varied by local ordinance so as to provide either staggered or simultaneously expiring terms up to four years (Secs. 29.23.040, 29.23.200(c) and 29.23.310). If a locality chooses to have other than two-year terms it may, of course, hold the elections in odd-numbered years, but the elections would occur on the Tuesday after the first Monday in November. Elections are nonpartisan for all municipalities (Sec. 29.28.010).

The executive power has remained essentially the same except that the veto power of borough chairmen and mayors of first class cities has been broadened and clarified. In the past, there has been a question of whether a veto could be used for motions and other actions of the assembly or council. It is clearly spelled out that they may be.

Additionally, a new authority for the line item veto in municipal budgets has been added. This line item veto is expressly stated not to apply to the school budget (since the only power the assembly or council has is to approve or disapprove the total school budget, and the chairman or mayor may only veto that which the assembly or council has power to enact) (Secs. 29.23.170 and 29.23.270). The mayor of a second class city is a member of the council and has no veto power (Sec. 29.23.270(b)).

The mayor of a first class city is elected separately from the council. The mayor of a second class city is a council member who is elected to the council along with the other council members. The

mayor of a first class city votes only in case of a tie and has the veto power. The mayor of a second class city may vote on all matters as a council member, but he has no veto power (Secs. 29.23.260 and 29.-23.270). The borough chairman does not vote on matters before the assembly but has the veto power (Secs. 29.23.160 and 29.23.170).

A provision of present law applying only to first class cities and requiring written examination of police officer applicants on laws and ordinances, the examination to be graded by the council, is not retained in the code.

The revision makes clear that city councils may be elected from election districts within the city as well as citywide or partly at large and partly by districts, the choice being left to the local governments (Sec. 29.23.200(a)). Election sections for election of borough assemblymen in the borough area outside cities are permitted, as under present law, with sections to be of approximately equal population (Sec. 29.23.100).

Utility boards elected by the voters or appointed by the municipal executive and confirmed by the governing body are permitted for boroughs and cities (Sec. 29.23.340). (Elected boards only are authorized to general law municipalities under existing statutes.)

With respect to school board relations with local governments there are no substantive changes from present law except that election dates and terms of office have been established to coincide with state general elections with different terms not exceeding three years authorized by local ordinance, and local governing bodies are authorized to provide for centralized purchasing of those school supplies and equipment which are of a kind used by municipal departments (Sec. 29.-48.250, and Sec. 29.23.310).

In addition, Sec. 29.33.050 setting out school board-governing body relationships is not intended to apply to home rule municipalities. There is uncertainty whether the same provisions as they appear in present law apply to home rule governments.

Either a borough or a city may adopt or repeal a manager form of government, as under existing law. However, a standard procedure is established for both types of municipality. Under this procedure, either the voters by petition, or the assembly or council by its own motion, may initiate an election on the manager plan (Secs. 29.23-410 - 29.23.480).

The code requires certain reports to be made to the Local Affairs Agency, including up-to-date maps, tax assessment figures, a financial report, and reports relating to long-term debt as already required under AS 44.19.205. The financial report takes the form of the annual audit for boroughs and first class cities, but second class cities may submit a statement of income and expenditures. Furnishing the reports is made a condition of receipt of authorized shared revenues under AS 43.18 (Sec. 29.23.560).

Chapter 28. Elections

The major change affecting elections is the scheduling of municipal elections to coincide with state general elections rather than being held approximately one month earlier, as under current law (Sec. 29.28.020). Terms of office of borough, city and school elected officials are also set at two years, but different terms not exceeding four years for borough and city governing bodies, and three years for school boards (the maximum term permitted under present law)

may be set in all cases by local ordinance.

Municipalities may, but are not required to, impose registration requirements over and above those of the state. However, a local voter registered with the state to vote in state elections is eligible to vote in local elections, whether or not he meets local registration requirements (Sec. 29.28.030). Also, the municipality may at its option require a majority vote for election of officials and utilize a runoff election or other means of obtaining a majority for the purpose (Sec. 29.23.040).

Assemblies and councils are required to provide by ordinance for election appeals. If the appeal is successful, the assembly or council bears the cost; if unsuccessful, the contestant must pay (Sec. 29.28.-050).

The powers of initiative and referendum are reserved to municipalities and the procedure for exercise of these powers by municipal residents is outlined (Secs. 29.28.060 - 29.28.110).

The section on recall has been changed to eliminate the successor running at the same election as the recall election. Should the recall be successful, a subsequent election is required to elect a successor (Secs. 29.28.130 - 29.28.250).

Chapter 33. Areawide Borough Powers and Duties

Boroughs retain their basic areawide responsibilities prescribed by current law: (1) assessment and collection of taxes, (2) education, and (3) planning, platting and zoning. Under current law, however, the borough is charged only with assessment and collection of real and personal property taxes. The assessment and collection provision of the new code broadens this to include the collection of use

and sales taxes authorized by the voters (Sec. 29.33.030).

There has been considerable smoothing out in the planning, platting and zoning article, with two significant alterations. One is that the planning commission itself may decide on variances subject only to appeal to the board of adjustment. Under the current procedure all variances, no matter how routine, must go to the board of adjustment. The second change is the placing of power to adopt and enforce building, housing, and related codes clearly within the jurisdiction of cities within boroughs rather than the boroughs as part of the areawide planning, platting and zoning responsibility. Boroughs may exercise the powers in the area outside cities or areawide by acquiring the power in the same manner as they obtain other powers in those areas. However, boroughs now exercising the powers within cities may continue to do so upon agreement to that effect between a city and a borough; if there is no agreement, the city is required to exercise the powers within the city and the borough now exercising the powers is required to continue doing so outside the city. Areawide borough exercise of the powers may subsequently be acquired through transfer by the cities or by vote of the people (Sec. 29.48.035). (Present borough law has been interpreted by the Attorney General's office to vest boroughs with areawide building code powers as part of the required areawide planning and zoning function.)

Under existing laws relating to acquisition of additional areawide powers, it is unclear whether second class boroughs may, like first class boroughs, acquire additional areawide powers by transfer from cities. The revision explicitly authorizes this method. Also, the Local Affairs Agency is no longer required to pass upon the acquisition

of additional areawide powers. In both the revision and present law, additional areawide powers require approval by a majority of the borough voters (Secs. 29.33.250 - 29.33.290).

Chapter 38. Borough Powers and Duties in the Area Outside Cities

This chapter is designed to encourage areawide or joint city-borough exercise of powers by requiring the borough to seek these alternatives before exercising powers in the area outside cities only. If transfer or joint exercise is not acceptable, a first class borough may exercise any general law municipal power outside cities (Sec. 29.38.-010).

A second or third class borough requires an election in the area outside cities in order to add additional powers in that area (Sec. 29.-38.020), except with respect to certain special matters specified in Sec. 29.48.020, including regulation of fireworks, animals, vehicles, snow machines, garbage and solid waste, and water pollution. The latter two powers are newly conferred in the code for second class borough exercise in the area outside cities without a vote of the area; the others are already conferred for such exercise under existing law. Acquisition of additional powers and duties in the area outside cities again no longer requires review by the Local Affairs Agency.

Chapter 41. Powers of Third Class Boroughs

Third class borough powers are unchanged.

Chapter 43. Powers of Cities Outside Boroughs

Authority is continued for cities outside boroughs to assess, levy and collect property and sales taxes. Use tax authority is also conferred. Taxes are to be assessed, levied and collected in the same manner as set forth for boroughs in the code.

First class cities outside boroughs continue to comprise city school districts, with relationships between school boards and city councils to be governed in the same manner as those between borough school boards and assemblies, as under present law.

Home rule and first class cities outside boroughs must, and second class cities may, provide for planning, platting and zoning in the manner provided in the code for boroughs under the code (present law does not expressly require home rule or first class city exercise of planning, platting or zoning authority).

The chapter makes borough laws incorporated by reference under the chapter applicable to home rule cities only in those cases in which they are made applicable to home rule boroughs in the provisions incorporated.

Chapter 48. Powers Applicable to All Municipalities

An entirely new approach has been taken to delineation of municipal powers, facilities and services. Under existing law these are in many cases spelled out in substantial detail. This detail often serves no useful purpose. The new code merely lists the powers and provides for liberal construction of the powers, as required by the constitution (Secs. 29.48.010, 29.48.030, and 29.48.310). The listings the code provides are not intended to be all-inclusive but rather illustrative of the object or purpose intended to be accomplished (Secs. 29.48.320 and 29.48.330).

The procedure for enactment of ordinances has been simplified and streamlined without changing substantive rights. The code, however, changes the time between publication and hearing from one week to five days. The change permits special meetings for final consideration of

a proposed ordinance to be held on the same day as regular meetings (Sec. 29.48.140). The code also eliminates the requirement for a new hearing should there be an amendment as to substance, since the purpose of the hearing is to allow the public to propose changes to improve the ordinance.

Each municipality is required to codify its permanent ordinances (Sec. 29.48.180). Under existing law, boroughs are required to keep codes, but cities are not clearly included in the requirement.

The new code fixes July 1 to June 30 as the fiscal year for home rule and general law municipalities (Sec. 29.48.190).

Municipalities are given the option of establishing central purchasing (Sec. 29.48.250).

Under current law, emergency disaster powers are applicable only to first class municipalities. The new code allows all municipalities, regardless of class, to exercise emergency disaster powers (Sec. 29.-48.270). The thinking is that should a disaster strike the classification of the city is not particularly relevant.

Chapter 53. Municipal Assessment and Taxation

This chapter grants municipalities the power to levy property, sales and use taxes. Boroughs and home rule and first class cities may utilize all these taxes. Second class cities may levy sales and use taxes but not property taxes (Sec. 29.53.400). Within a borough the borough collects all of the taxes, provided the borough itself levies a sales or use tax (under existing law boroughs are required to assess and collect only property taxes levied by cities). Within a borough a city collects sales or use taxes if the borough does not levy and collect such taxes itself (Sec. 29.53.450). Within a borough which

levies and collects sales or use taxes on an areawide basis, cities which levy such taxes must levy upon the same sources as are taxed by the borough and in the same manner as the borough (Sec. 29.53.440). (This uniformity requirement is an addition to present law.) Outside boroughs the city collects its own taxes.

The sales and use tax provisions of the code are made binding only on general law cities and boroughs, but provisions governing assessement, levy and collection of property taxes (Secs. 29.53.010 - 29.53.350, and 29.53.400) are made to apply uniformly to all municipalities, home rule as well as general law (Sec. 29.13.100(19)). Under present law only selected provisions of the taxing statutes, relating to required exemptions from property tax and collections of penalties and interest on property and sales taxes, are made expressly applicable to home rule governments, but there remains doubt whether other taxing provisions of present law (as well as many other provisions of existing local government law generally) apply, particularly in light of a resent state supreme court decision on applicability of general municipal laws of the state to home rule as well as general law governments (Chugach Electric Assn. v. City of Anchorage, Sup. Ct. Opin. No. 647, November 2, 1970).

In addition to certain exemptions from property tax required or authorized under present law, the code authorizes additional optional exemptions by ordinance ratified by the municipal voters. Any exemptions or exclusions granted by home rule cities and in effect on the effective date of the proposed code would not be affected by enactment of the code.

Procedures for assessment of property are consolidated and simplified. No tax limitation is imposed insofar as payment of principal and

interest on bonded indebtedness (Sec. 29.53.050). Property taxes for other purposes may not exceed three per cent of the assessed property valuation per year, including the combined levy of such taxes within a city by a borough and the city within the borough (Sec. 29.53.050).

There are several changes concerning the enforcement of tax liens. One is that the foreclosure list no longer must be presented to the court on the day of publication. This requirement has created substantial difficulty where the newspaper of publication is not located within the same city as the borough seat or within the city which is foreclosing the taxes. Under the current law, tax foreclosed property is deeded to the borough.

Under the new code, tax-foreclosed property lying within a city is deeded to the city while tax-foreclosed property lying within the borough but outside the city is deeded to the borough. The code further provides that should property deeded to the city not be needed for public use by the city but needed for public use by the borough, the borough may obtain such property. The same holds true for property deeded to the borough. When property is taken for public use by any governmental unit, the amount of taxes owing to the other governmental units will be paid by the governmental unit taking title (Secs. 29.53.-360 and 29.53.385).

Under present law, general law municipalities are allowed to levy a sales tax but are not allowed to levy a use tax. Under the code both a sales tax and use tax may be levied. The code requires an election on sales tax. Since use tax is a correlative of the sales tax and can only be adopted subsequent to or at a referendum where the sales tax is adopted, no separate election is required for adoption of the use tax (Secs. 29.53.410 and 29.53.420).

The code expressly authorizes differential property tax zones within cities to provide services not provided throughout a city or provided at a different level than in the remainder of the city (Sec. 29.53.405).

Chapter 58. Municipal Debt

There is now no express statutory authority for issuance of tax anticipation notes by general law municipalities. Such notes as a matter of practice are issued despite specific statutory authority (presumably on the basis of authority conferred to the state and political subdivisions under Art. IV, sec. 10 of the state constitution relating to the borrowing of money in anticipation of revenue collection.). The code specifically authorizes tax anticipation notes in anticipation of tax or other revenues (Secs. 29.58.010 - 29.58.040).

As under present law, municipalities are permitted to issue general obligation bonds as approved by the voters after proper notice; the notice includes a statement of total current bonded indebtedness, the cost of current debt service, and the total assessed valuation (Sec. 29.58.160). Second class cities do not have the power to assess and levy property taxes except when municipal bonds or other debt financed by another form of revenue are in danger of default (Sec. 29.58.350), essentially the same provision as under present law for fourth class cities.

Under existing law, an election is required to authorize issuance of revenue bonds in general law municipalities. This requirement is deleted in the new code since no general tax obligation is assumed and revenue bonds are generally a management tool for the utility involved (Sec. 29.58.205). In boroughs if the full faith and credit of

the borough is pledged for the debt of the borough area outside cities or a service area, majority voter approval must be obtained both areawide as well as in the area outside or the service area (Sec. 29.58.340(b)); under present law, a boroughwide pledge is expressly authorized for bonds of a service area only.

Chapter 63. Special Assessment and Service Areas

Under existing law, there are two distinct sections on special assessments, each with minor variations and procedures. The major variation was cleaned up last session, but the procedures still vary slightly, depending upon whether the special assessment is initiated by petition of the people or by ordinance of the governing body. While these distinctions are not substantial, it becomes troublesome to determine precisely what procedure should be followed. In both instances, the procedures are extremely cumbersome.

This code standardizes the sections on special assessments to provide the same notice and hearing requirements as in existing codes. The procedural fairness requirements are retained, but much of the unnecessary cumbersomeness is eliminated.

Significantly, the new code also provides that special assessments may be levied against property owned by other governmental units (Sec. 29.63.010). The rationale is that special assessments are based upon special benefits conferred to the assessed property and that, should property owned by the state be specially benefited by public improvements which increase the value of state property, the state no less than any other property owner should pay for such special benefits.

Chapter 68. Alteration of Boundaries

Procedures for review of all municipal boundaries are consolidated. The Local Boundary Commission is required to establish procedures for

annexation and exclusion by local action (Sec. 29.68.010).

Merger and consolidation of municipalities is allowed by either petition to the Local Boundary Commission or by local option election (Sec. 29.68.030).

Unification of local governments is authorized as under present law (Secs. 29.68.240 - 29.68.440), with authority of the unified government to allocate preunification debt spelled out more specifically than under present law (Secs. 29.68.350(a)(1) and 29.68.410).

Dissolution of municipalities may be proposed by either petition to the Local Boundary Commission or by local option election (Sec. 29.-68.500(a)). In addition, the Local Affairs Agency is required to investigate municipalities which it considers inactive and to report on their status. The Local Boundary Commission may recommend that inactive municipalities be dissolved (Sec. 29.68.500).

Chapter 73. Miscellaneous Provisions

Municipalities are authorized the powers of eminent domain and declaration of taking in the performance of an authorized municipal power or function (Sec. 29.73.020).

THE CODE IN GENERAL

The proposed revised municipal code is primarily a series of technical changes which reconcile inconsistent provisions in existing law, modernize the archaic language found throughout Title 29 and provide a more workable and immensely more understandable basic framework for local government. Substantive changes are necessary in many areas. The proposed code provides a better framework for existing law. It also provides a better framework from which to develop proposals for substantive changes which may be added after individual consideration of each change on its own merits.

MEMORANDUM

COMPARISON BETWEEN SB 113 AND EXISTING MUNICIPAL LAW

Introduction

Senate Bill 113, the current version of the revised Municipal Code, is an entire recodification of the laws relating to cities and boroughs now found in Titles 7 and 29. Such a recodification, of course, has innumerable changes from existing law both in form and in substance.

The revision was directed by the 1963 Legislature, which noted that the bulk of law relating to cities was a disjointed product of the territorial period. Addition of the Borough Act as a separate title had further confused the municipal law area.

In 1963 and 1964, the Local Affairs Agency, Department of Law and the Legislative Council prepared the first draft of legislation combining and attempting to reconcile the provisions of Titles 7 and 29. The revision was introduced as SB 101 in 1965, and was the subject of widespread hearings, deliberation and further revision. Revised versions were submitted in 1966, 1967 and 1969. SB 113, the current proposal, represents a thorough review by the Alaska Municipal League and governmental agencies at the municipal and state levels. The League felt that revision should be primarily technical and should not attempt to solve the substantive problems existing in two areas, that of relations between cities and boroughs, and relations between school and general government. Accordingly, the bill in these areas is identical with existing law.

It is virtually impossible to detail all of the changes that have taken place between this code and existing municipal law. This summary will explain the major impact of this revision.

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The law regarding the unorganized borough is unchanged.

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One of the most significant changes is the change from four classes of cities to two classes of cities. The primary difference in the revision between the first and second class cities is that the first class city has the school function and has the power to assess, levy and collect a general property tax while the fourth class city has neither of these powers. Under present law first, second and third class cities all have these powers, while fourth class cities do not. A population limit of 400 persons has been set as the number necessary to become a first class city under this code as in present law. Existing first, second and third class cities, if over 400 persons will automatically become first class cities, retaining their school and tax powers. The revision takes into account the fact that certain existing first, second and third class cities of under 400 persons may not have sufficient population or tax base to assume the burden of the school function. Therefore, these cities are given this option of becoming either first class or second class, depending upon their abilities and desires. Existing fourth class cities will automatically become second class cities with the same powers and responsibilities which they now possess. (Sections 29.08.010 through 29.08.050 and Sections 29.18.010 and 29.18.020)

Chapter 13. Home Rule Municipalities

The new code standardizes the procedures for adopting a charter by either a first class city or borough. (Sections 29.13.010 through 29.13.080) Home rule limitations are gathered together in one place and listed. This section makes explicit the legislative intention to make only the sections specifically listed as applicable to home rule municipalities so applicable. Additionally, the sections themselves contain a specific statement that they are applicable to home rule municipalities. (Section 29.13.100)

Chapter 18. Incorporation

Incorporation procedures for all municipalities are gathered together and standardized. (Sections 29.18.050 through 29.18.110) The election of the first slate of officers is separated from the question of incorporation itself for three reasons: 1) Many will not run for an office which they are not sure will exist; 2) It is unfair to ask people to expend funds to run for an office which may not be created; and 3) The merits of incorporation should not be distorted by the personalities who might file for office.

Present law provides for transitional assistance upon the creation of a new borough. In this revision, such transitional assistance is also made available to cities. Organizational money grants based upon $10.00 per voter are allowed to boroughs and cities of all classes. (Section 29.18.180) Boroughs and first class cities, which undertake the school function upon incorporation, are given a minimum of $25,000.00. The grant provisions are made retroactive in order to assist many small communities which have recently incorporated under present law without the benefit of transitional assistance.

Under the revised code, both boroughs and cities of all classes may also select 10 percent of the vacant, unappropriated, unreserved state land within their boundaries. (Sections 29.18.190 through 29.18.200) Previously only boroughs were given this privilege.

Chapter 23. Municipal Officers and Employees

The law concerning borough assemblies, city councils and all municipal officers is gathered into this chapter.

Municipal election dates and terms of office are changed to conform to the date of state general elections. (Sections 29.23.040 and 29.23.200 (c))

The executive power has remained essentially the same except that the veto power of borough chairmen and mayors of first class cities has been broadened and clarified. In the past, there has been a question of whether a veto could be used for motions and other actions of the assembly or council. It is clearly spelled out that they may be. Additionally, a new authority for the line item veto in municipal budgets has been added. This line item veto does not apply to the school budget since the only power the assembly or council has is to approve or disapprove the total budget. The chairman or mayor may only veto that which the assembly or council has power to enact. (Sections 29.23.170 and 29.23.270) The mayor of a second class city is a member of the council and has no veto power. (Section 29.23.270 (b))

The mayor of a first class city is elected separately from the council. The mayor of a second class city is a council member who is elected to the council along with the other council members, who then designate a mayor from among their membership. (Section 29.23.290) The mayor of a first class city votes only in case of a tie and has the veto power. The mayor of a second class city may

vote on all matters as a council member, but he has no veto power. (Sections 29.23.260 and 29.23.270) The borough chairman does not vote on matters before the assembly, but has the veto power. (Sections 29.23.160 and 29.23.170)

The article on school boards has been substantially shortened eliminating matters found in Title 14. Utility boards are allowed for boroughs and cities. There are no substantive changes between these sections and current law. (Section 29.23.310 and 29.23.340)

Either a borough or a city may adopt or repeal a manager form of government, as under current law. However, a standard procedure has been set forth covering both types of municipality. (Sections 29.23.410 through 29.23.480)

Chapter 28. Elections

The major change with regard to elections is the scheduling of municipal elections to coincide with state general elections rather than being held approximately one month earlier, as under current law. (Section 29.28.020)

Municipalities may, but are not required to, impose registration requirements over and above those of the state. (Section 29.28.030) Also, the municipality may at its option require majority elections. (Section 29.28.040)

The powers of initiative and referendum are reserved to municipalities and the procedure for exercise of these powers by municipal residents is outlined. (Sections 29.28.060 through 29.28.110)

The section on recall has been changed to eliminate the successor running at the same election as the recall election. Should the recall be successful, a subsequent election is required to elect a successor. (Section 29.26.130 through 29.26.250)

Chapter 33. Areawide Borough Powers and Duties

Boroughs retain their basic areawide responsibilities prescribed by current law: 1) Assessment and collection of taxes; 2) Education; and 3) Planning, platting and zoning. However, under current law, the borough is charged only with assessment and collection of real property taxes. The assessment and collection provision of the new code broadens this to include the collection of use and sales taxes. (Section 29.33.030)

There has been considerable smoothing out in the planning, platting and zoning article, with two significant alterations. One is that the planning commission itself may decide on variances subject only to appeal to the board of adjustment. Under the current procedure all variances, no matter how routine, must go to the board of adjustment. The second change is the addition of an official map act section. (Section 29.33.095) The official map act, in effect, allows assembly adoption of an official map after hearing. After adoption, and notice to affected property owners, the map prohibits construction in areas designated for streets, parks, water courses and so on for the limited period of one year. (Sections 29.33.095 (g) and (h))

Under the current provisions of acquisition of additional areawide powers, it is unclear whether second class boroughs may acquire additional areawide powers by transfer from the city. This section explicitly allows this. Additionally, this section no longer requires the Local Affairs Agency to pass upon the acquisition of additional areawide powers. In both this and present law, additional areawide powers require a vote of the people in the areas involved which is considered to be sufficient. (Section 29.33.250 through 29.33.290)

Chapter 38. Borough Powers and Duties in the Area Outside Cities

This chapter is designed to encourage areawide a joint city-borough exercise of powers by requiring the borough to seek these alternatives before exercising powers in the area outside cities only. If transfer or joint exercise is not acceptable, a first class borough may exercise any general municipal power outside cities. (Section 29.38.010) A second or third class borough requires an election in order to add additional powers (Section 29.38.020) except in certain special matters specified in Sec. 29.48.020, including regulation of fireworks, animals, vehicles, snow machines, garbage, solid waste and water pollution. The acquisition of additional powers and duties in the area outside cities again no longer requires review by the Local Affairs Agency.

An entirely new approach has been taken to delineation of municipal powers, facilities and services. Under existing law these are spelled out in substantial detail. This detail serves no useful purpose. The new code merely lists the powers and provides for liberal construction of the powers, as required by the constitution. (Section 29.48.010, 29.48.030, and 29.48.310) The listings are not intended

to be all inclusive, but illustrative of the object or purpose intended to be accomplished. (Section 29.48.320 and 29.48.330)

The procedure for enactment of ordinances has been simplified and streamlined. This does not change any substantive rights. It does, however, change the time between publication and hearing from one week to 5 days. This allows special meetings for final consideration of an ordinance to be held on the same days as regular meetings. (Section 29.48.140) The code also eliminates the requirement for a new hearing should there be an amendment as to substance, since the purpose of this hearing is to allow the public to propose changes to improve the ordinance.

Each municipality is required to codify its permanent ordinances. (Section 29.48.180) Under current law, boroughs are required to keep codes, but cities are not clearly included in the requirement.

The new code fixes July 1 to June 30 as the fiscal year for general law municipalities. (Section 29.48.190)

Municipalities are given the option of establishing central purchasing. (Section 29.48.250)

The code allows municipalities to acquire real and personal property and requires municipalities to provide by ordinance for the disposition of real property. Ordinance requirements which protect the interest of the public are specified. (Section 29.48.260)

Under current law, emergency disaster powers are applicable only to first class municipalities. The new code allows all municipalities regardless of class to exercise emergency disaster powers. The thinking is that should a disaster strike, the classification of the city is not particularly relevant. (Section 29.48.270)

Chapter 53. Municipal Assessment and Taxation

This chapter grants municipalities the power to levy property, sales and use taxes. Boroughs and home rule and first class citiescan use all of these taxes. Second class cities can levy sales and use taxes, but not property taxes. (Section 29.53.400) Within a borough, the borough collects all of these taxes, provided the borough itself levies a sales and/or use tax. Outside boroughs, the city collects its own taxes. Within a borough, a city collects sales and/or use taxes if the borough does not levy and collect such taxes itself.

Procedures for assessment of property are consolidated and simplified. No tax limitation is imposed insofar as payment of principal and interest on bonded indebtedness. (Section 29.53.050) Property taxes for other purposes may not exceed three percent of the assessed property valuation per year.

There are several changes concerning the enforcement of tax liens. One change is that the foreclosure list no longer must be presented to the court on the day of publication. This requirement has created substantial difficulty where the newspaper of publication is not located within the same city as the borough seat or within the city which is foreclosing the taxes. Under current law, tax foreclosed property is deeded to the borough. Under the new code, tax foreclosed property lying within a city is deeded to the city while tax foreclosed property lying within the borough but outside the city is deeded to the borough. This code further provides that should property deeded to the city not be needed for public use by the city but needed for public use by the borough; the borough may obtain such property and the same, of course, holds true for property deeded to the borough. This code also provides that should property be taken

for public use by any governmental unit, upon such taking, the amount of taxes owing to the other governmental units will be paid by the governmental unit taking title. (Section 29.53.360 and Section 29.53.385)

Persons having mortgages, liens or other interest in foreclosed properties are allowed to redeem the property or their interest in the property. (Sections 29.53.280 and 29.53.310 (b))

Under current law, general law municipalities are allowed to levy a sales tax but are not allowed to levy a use tax. Under this code, both a sales tax and use tax may be levied. The code requires an election on sales tax. Since use tax is a correlative of the sales tax and can only be adopted subsequent to or at a referendum where the sales tax is adopted, no separate election is required for adoption of the use tax. (Section 29.53.410 and Section 29.53.420)

Chapter 58. Municipal Debt

There is now, no authority for issuance of tax anticipation notes by general law municipalities. Such notes as a matter of practice, are issued despite the lack of clear authority. The code clears up the authority by specifically allowing tax anticipation notes. (Sections 29.58.010 through 29.58.040)

Municipalities are allowed to issue general obligation bonds as approved by the voters after proper notice. The notice includes a statement of total current bonded indebtedness, the cost of current debt service, and the total assessed valuation. (Section 29.58.160) Practically, second class cities will not be able to incur bonded indebtedness because they do not have the power to assess and levy property taxes.

Under existing law, an election is required to authorize issuance of revenue bonds in general law municipalities. This requirement is deleted in the new code since no general tax obligation is assumed and revenue bonds are generally a management tool for the utility involved. (Section 29.58.205)

Chapter 63. Special Assessment and Service Areas

Under existing law, there are two distinct sections on special assessments; each with minor variations and procedures. The major variation was cleaned up last session, but the procedures still vary slightly depending upon whether the special assessment is initiated by petition of the people or by ordinance of the governing body.

While these distinctions are not substantial, it becomes troublesome to determine precisely what procedure should be followed. In both instances, the procedures are extremely cumbersome.

This code standardizes the sections on special assessments to provide the same notice and hearing requirements as in existing codes. The procedural fairness requirements are retained, but much of the unnecessary cumbersomeness is eliminated.

Significantly, the new code also provides that special assessments may be levied against property owned by other governmental units. (Section 29.63.010) The rationale is that special assessments are based upon special benefits conferred to the assessed property and that, should property owned by the state be specially benefited by public improvements which increase the value of state property, the state no less than any other property owner should pay for such special benefits.

Chapter 68. Alteration of Boundaries

Procedures for review of all municipal boundaries are consolidated. The Local Boundary Commission is required to establish procedures for annexation and exclusion by local action. (Section 29.68.010)

Merger and consolidation of municipalities is allowed by either petition to the Local Boundary Commission or by local option. (Section 29.68.030)

Unification of municipal government is allowed as under current law. (Sections 29.68.240 through 29.68.440)

Dissolution of municipalities may be proposed by either petition to the Local Boundary Commission or by local option. (Section 29.68.500 (a)) In addition, the Local Affairs Agency is required to investigate municipalities which it considers inactive and to report on their status. The Local Boundary Commission may recommend that inactive municipalities be dissolved. (Section 29.68.500)

Chapter 73. Miscellaneous Provisions

The current law regarding municipal tort liability is left unchanged.

Summary

This act is a series of technical changes which reconcile inconsistent provisions in existing law, modernize the archaic language found throughout Title 29 and provide a more workable and immensely more understandable basic framework for local government. Substantive changes are necessary in many areas. The revised municipal code provides a better framework for existing law. It also provides a better framework from which to develop proposals for substantive changes which may be added after individual consideration of each change on its own merits.

SJR
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ALASKA AIRLINES

SEATTLE-TACOMA INTERNATIONAL AIRPORT SEATTLE, WASHINGTON 98158

February 26, 1971

The Honorable Bill Ray
Alaska State Senate
Pouch V, State Capital Building
Juneau, Alaska 99801

Dear Senator Ray:

You recently co-sponsored SJR20 with Senator Josephson which was concerned with Alaska Airlines' business activities in Southeast Alaska.

We always try to be sensitive and responsive to the trust given to us by the public we serve. I know that you feel the same way about your responsibilities as a legislator and would submit, then, that our objectives are the same. In order to achieve those mutual objectives, then, it seems to me we should talk with each other when any question arises concerning them before public condemnation.

I believe that proposing a document such as SJR20, full of incorrect information, and passing that information on to the press is certainly not the way to gain our mutual goals.

We both have responsibility to Alaska's citizenry and must work together to carry out that responsibility. I believe we have earned the right for greater responsibility and hereby ask your help. Facts shown below illustrate to you the inadequacy of the present fixed subsidy. By working together, we can correct this unfortunate situation. In order to continue to serve the citizens of Alaska comfortably, conveniently and well, Alaska Airlines and its 1,000 employees must have restored to it its previous subsidy level.

At the time the mergers took place between Alaska Airlines, Cordova Airlines and Alaska Coastal Airlines, the three carriers were receiving subsidies totaling about $4 million. Alaska Airlines, now operating the routes of those three carriers, today receives a subsidy of about $2 million. With those figures in your mind, I would now like to refer to specific sections of

LINES 26-27, Page 1:

Complaints about Alaska Airlines' service in Southeast Alaska are not "legend." The transcript from the Civil Aeronautics Board's Alaska Service Investigation hearings in Ketchikan and Juneau will attest to this. This transcript is a public document and available in Washington, D.C.

LINES 28-29, Page 1:

Alaska Airlines is not and has not diverted subsidy funds to other operations. Exhibits presented in the Alaska Service Investigation Case (Docket 20826) show that the $1.6 million subsidy for Southeast Alaska is not sufficient to cover the cost of operations. Regularly scheduled annual audits; and reporting procedures established by the CAB provide full accountability of the subsidy dollars. Never is subsidy revenue used for other operations of Alaska Airlines.

LINES 3 thru 6, Page 2:

Average Southeast Alaska passenger fare increases effective October 15, 1970, were 6.9%. The largest increase was 17% between Juneau and Yakutat (not covered in the $1.6 million subsidy). The smallest increase was 3.8% between Annette and Hydaburg. Average Southeast Alaska freight rate increases were 3.4% for shipments under 100 pounds and 3.1% for shipments of 1,000 pounds. Alaska Airlines' system-wide freight increase was 7.3%.

LINES 7 thru 13, Page 2:

Scheduled air services of Alaska Airlines are not paying for any "side ventures." Regularly scheduled audits and reporting procedures established by the CAB would prevent this if attempted.

LINES 14 thru 17, Page 2:

Alaska Airlines has, in fact, vigorously pursued the rapid completion of airports at Petersburg and Wrangell in order to provide better, faster, more comfortable passenger service to those communities. When these airports were finally completed,

Alaska Airlines did, in fact, pay for the building of terminal buildings in the amount of $61,576 in one year at those airports to provide reasonable comfort for Alaska's traveling public. Alaska Airlines rental at the Sitka Airport terminal building is $26,232 annually. Alaska Airlines is the only tenant there.

Alaska Airlines did, in fact, replace old, obsolete, inefficient flight equipment with newer, larger, faster aircraft to provide better service than ever before to Southeast Alaska. Alaska Airlines spent $400,000 each for two Twin Otter turbo-prop aircraft, exclusively for use in Southeast Alaska. In the busy summer months two additional Otters were leased at a cost of $10,000 per month, each.

Costs of operation in Southeast Alaska have increased since 1967 as follows:

Flight crew expense:	up 26%
Ramp crew wages:	up 44%
Mechanics wages:	up 33%
Flight operations expenses*	up 22%

*Insurance, fuel, maintenance, crew pay, aircraft rental

In spite of these expenditures and increased cost, the $1.6 million subsidy established in 1967 has not been increased, and the fare increase amounted to only 6.9%. In the twelve months ending October 31, 1970 Alaska Airlines operating loss in Southeast Alaska bush routes alone was $1.89 million, over $200,000 more than the total fixed subsidy of $1.6 million!

LINES 18 thru 22, Page 2:

As indicated above, the increased cost of the airline industry as a whole (and Alaska Airlines especially) will not permit passenger fare or freight rate decreases at this time.

LINES 23 thru 27, Page 2:

The Civil Aeronautics Board just completed a thorough investigation of all transportation within, to and from the State of Alaska. Some of the parties to this case were: The Alaska Transportation Commission; the cities of Juneau, Ketchikan, Sitka, Skagway, and other Alaska communities; and civic and business bodies.

Evidence produced at the hearings set up as part of this investigation overwhelmingly proved to be favorable to Alaska Airlines. The staff personnel of the Board, working for the

Board's Bureau of Operating Rights, as well as that Bureau's legal counsel have recommended many new routes and the lifting of many restrictions presently on Alaska Airlines route certificates.

Hearings open to the public were held in connection with this investigation in Nome, Fairbanks, Kodiak, Juneau, Ketchikan, Anchorage, and Washington, D.C.

A thorough investigation of Alaska Airlines as well as all scheduled airlines operating to and within Alaska, included operational practices, Southeast Alaska service, efficiency, the use of Federal Subsidy payments. Cost allocation, financing, investments, etc., were examined during the course of this hearing.

Ours is an "open door" policy and I hope you will take advantage of it by contacting me at any time you have questions or criticisms concerning our operation. I would be pleased to be granted a change to appear before you to answer questions at any time.

Sincerely,

Charles F. Willis, Jr.
Chairman of the Board
& Chief Executive Officer

cc: Governor William Egan
Lt. Gov. [illegible]. A. Boucher
Alex Miller
Senators
Representatives
Commissioners